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Carla M. Butler
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August 4, 2005

Via Hand Delivery

Vikie Bailey-Goggins
Oregon Public Utility Commission
550 Capitol St., NE
Suite 215
Salem, OR 97301

Re: New Docket

Dear Ms. Bailey-Goggins:

Enclosed for filing please find an original and (5) copies of Qwest Corporation's Petition to Exempt from Regulation Qwest's Intrastate Billing and Collection Services. Please note pages 10, 13, 14 and Exhibits B and C are confidential. You will find the confidential pages printed on yellow paper and placed in a sealed envelope.

If you have any question, please do not hesitate to give me a call.

Sincerely,



Carla M. Butler

CMB:

Enclosure

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BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

DOCKET UX __

In the Matter of the Petition of Qwest Corporation to Exempt from Regulation Qwest's Intrastate Billing and Collection Services

QWEST'S PETITION TO EXEMPT FROM REGULATION QWEST'S INTRASTATE BILLING AND COLLECTION SERVICES

Pursuant to ORS 759.030(2) through (4) and OAR 860-032-0025, Qwest Corporation ("Qwest") respectfully petitions the Commission to exempt from regulation all terms, conditions and rates for certain of Qwest's intrastate billing and collection services ("B&C services"), as described herein. The geographic area for which Qwest seeks exemption from regulation consists of Qwest's service territory in the state of Oregon.

For the reasons set forth below, the B&C services market in Oregon is highly competitive, with numerous alternative providers (many of which are large interexchange carriers ("IXCs") or specialized billing vendors or billing aggregators) in the relevant market. These alternative providers provide functionally equivalent B&C services to their customers. In addition, many of the largest B&C customers, including the largest IXCs in the country, have taken a significant portion of their B&C functions in house through *self-provisioning* or *direct billing*, without the need for Qwest's services, thereby making the B&C market even more competitive. Both the alternative providers and the direct billing IXCs provide services that are designed to meet the needs of their own customers, and to fully substitute for a full range of B&C services that Qwest also offers. In essence, their services are offered in direct competition with and as a complete alternative to those of Qwest (and other providers) in the B&C market. Further still, given the drastic decline in Qwest's intrastate Oregon B&C revenues in the past eight years, it is clear there is also price competition. Finally, as shown below, there are no

regulatory or economic barriers for B&C services, and the public interest clearly does not require continued regulation of Qwest's B&C services.

The B&C services for which Qwest is seeking exemption from regulation in this petition are those that are found in Qwest's Access Service Price List, section 8, which is attached as Exhibit A to this petition.

Pursuant to OAR 860-032-0025(4), Qwest submits the following information:

BACKGROUND

A. Name and address of petitioner

Qwest Corporation
421 SW Oak Street
Portland, OR 97204

The following persons should be placed on the service list:

Alex M. Duarte
Qwest
421 SW Oak Street, Room 810
Portland, OR 97204-1817
(503) 242-5623
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Alex.Duarte@qwest.com

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Qwest
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Portland, OR 97204-1817
(503) 242-7454
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Don.Mason@qwest.com

B. Petitioner's certificate of authority

Qwest's Certificate of Authority is on file with the Commission.

C. Services proposed to be exempted from regulation

The intrastate billing and collection services for which Qwest seeks exemption from regulation are all of those services described in Qwest's Access Service Price List, section 8, on file with the Commission. (A copy of section 8 of the price list is attached as Exhibit A to this petition.) Briefly, these services as described in section 8 of the price list are as follows:

Recording Service; Message Based Billing Service; Non-Message Based Billing Service;

Custom Request Service; Billing Analysis Service; Message Investigation Service; Consulting Service; Billing Information Service; Media Provisioning Service; Ancillary Services; End User Account Activity Service; Customer Access Record Exchange/Industry Standard Interface (CARE/ISI); and Billing Name and Address.¹

D. Documentation demonstrating that this petition meets the requirements of ORS 759.030 and OAR 860-032-0025

See analysis below, which addresses the factors the Commission should consider in evaluating petitions filed under ORS 759.030 and OAR 860-032-0025.

E. Information pertaining to revenues, costs and allocations

Effective December 30, 1999, Qwest opted into “price cap” regulation under ORS 759.405 – 759.410. As of this date, and in accordance with ORS 759.410, Qwest is no longer subject to “rate-of-return” regulation requirements.² The OAR 860-032-0025(4)(e) provisions that pertain to revenues earned from the services impacted by this petition, or the allocation of expenses between regulated and unregulated activities “for future rate-making treatment,” are related to future “rate-of-return” regulation, and thus would no longer be required of a “price cap” company in support of its service deregulation filings.

F. Statement from each joint provider of the service that it agrees to the exemption

Not applicable.

ANALYSIS AND APPLICABLE STANDARDS

Pursuant to ORS 759.030(3) and OAR 860-032-0025(1), the Commission *shall*, upon the petition of a telecommunications utility, exempt from regulation Qwest’s services if price and

¹ Although Qwest will refer to these services generally as “billing and collection” or “B&C” services, the petition seeks deregulation of the entire section 8 of the price list.

² Qwest’s election of price cap regulation under ORS 759.405, *et seq.*, does not limit its ability to seek deregulation of telecommunications services under ORS 759.030. ORS 759.410(7).

service competition exists. Further, pursuant to ORS 759.030(2) and OAR 860-032-0025(2), upon a petition from any interested party or person, including a telecommunications utility like Qwest, the Commission *may* exempt from regulation Qwest's services if one of the three following conditions are met: (1) price and service competition exist; (2) the service is subject to competition; or (3) the public interest no longer requires full regulation of the service.

Under either of the two approaches described in the paragraph above, ORS 759.030(4) and OAR 860-032-0025(3) set forth the factors the Commission must consider in deciding whether there exists price and/or service competition for Qwest's B&C services, or whether these services are subject to competition, or whether the public interest no longer requires full regulation of such services. These factors are as follows:

1. the extent to which the services are available from alternative providers in the relevant market;
2. the extent to which the services of alternative providers are functionally equivalent or substitutable at comparable rates, terms and conditions;
3. existing economic or regulatory barriers to entry; and
4. any other factors deemed relevant by the Commission.

As described below, regardless whether analyzed under ORS 759.030(3) and OAR 860-032-0025(1), or under ORS 759.030(2) and OAR 860-032-0025(2), Qwest's intrastate B&C services are subject to competition from alternative B&C providers and billing aggregators, as well as self-provisioning IXCs, and these alternative providers or self-provisioning companies provide functionally equivalent or substitutable B&C services or functions at comparable rates, terms and conditions. In addition, Qwest will show that there are no economic or regulatory barriers, and that the public interest no longer requires full regulation of Qwest's intrastate B&C services. As such, Qwest meets the requirements of ORS 759.030 and OAR 860-032-0025.

GENERAL BACKGROUND REGARDING B&C SERVICES

I. Regulatory Background

A. FCC deregulation (detariffing) of B&C services

Before divestiture, Bell Operating Companies (BOCs) and independent telephone companies participated in joint interstate rate offerings with AT&T. After the divestiture of the Bell System in 1984, BOCs continued to perform the B&C services for AT&T, along with providing the same services for all interexchange carrier customers under FCC Part 69 Access Charge rules.

Almost 20 years ago, on January 29, 1986, the FCC released its Report and Order in Docket No. CC 85-88, *In the Matter of Detariffing of Billing and Collection Services*, Release No. FCC 86-31, 102 FCC2d 1150, 1986 FCC LEXIS 4059 (the “*Detariffing Order*”). In that order, the FCC concluded that B&C services are “not communications common carriage within Title II of the Communications Act,” and therefore the FCC required that LECs remove the provisions for interstate B&C services from their access tariffs effective January 1987 (although the FCC required that the recording function would continue through 1989). *Detariffing Order*, ¶ 1.³ The FCC also ruled that even under ancillary Title I jurisdiction, it would not regulate B&C services because “there is sufficient competition to allow market forces to respond to excessive rates or unreasonable billing and collection practices on the part of exchange carriers.” *Id.*, ¶ 37. Thus, the FCC concluded that “detariffing [of B&C services] will enhance competition in the [B&C] market by giving the LECs flexibility in structuring and pricing their offerings.” *Id.*, ¶ 38.⁴

³ The FCC defined B&C services as a service provided by a LEC to an IXC whereby the LEC bills and collects from end-users for services provided to end-users by the IXC. *Detariffing Order*, fn. 2.

⁴ The FCC, however, later ruled that its *Detariffing Order* did not discuss federal preemption of state regulation of *intrastate* B&C services. See Memorandum Opinion and Order Denying Reconsideration, Docket No. CC 85-88, *In the Matter of Detariffing of Billing and Collection Services*, Release No. FCC 86-472, 1 FCC Rcd 445, 1986 FCC LEXIS 2382 (October 23, 1986).

B. State deregulation and price listing of intrastate B&C services

Against this backdrop, a number of states then either detariffed, deregulated or price listed intrastate B&C services. For example, as early as 1994, some or all of Qwest's predecessor U S WEST's B&C services were deregulated (or in one state, never regulated) in seven states, while such services were approved with pricing flexibility in five states, and were fully regulated in two states. Currently, five states still have a tariff or a price list.

In Oregon, Commission Staff and the large LECs *stipulated* to deregulate B&C services in 1988, and thus they submitted a stipulation for approval to the Commission. The Commission, however, did not approve the stipulation, and instead merely *price listed* these services in Oregon. See Order No. 88-955 (August 18, 1988) in docket UX 4. It appears that the Commission did not approve the LEC/Staff stipulation for deregulation because it was not prepared to accept the stipulation since it preferred to address individual company requests for deregulation as they were filed, taking into consideration the circumstances at the time. As such, the Commission was unwilling to give blanket permission in that docket to deregulation of any services for which its order authorized price listing. Order No. 88-955, pp. 5-6.

Four and a half years later, in April 1993, Qwest's predecessor U S WEST filed a petition for deregulation of its intrastate B&C services which was docketed UX 16. An intervenor (the Oregon Newspaper Publishers Association) and Commission Staff opposed the petition. Thereafter, although the Commission found there were no regulatory or economic barriers to entry into the B&C services market, it nevertheless denied the petition in Order No. 94-1608 (October 28, 1994). It appears that the Commission denied U S WEST's petition for deregulation based on its conclusion that U S WEST had market power and a general dominance of the B&C services market at that time, as well as its concern about the extent to which services were available from alternative providers. The Commission also concluded that although competitors had the

possibility of competing and providing effective competition to U S WEST, it further concluded that the evidence did not show to what extent price and service competition existed at that time. Order No. 94-1608, p. 9. Finally, the Commission concluded that U S WEST had substantial advantages over its competitors and that the competitors' offerings were not at comparable rates, terms and conditions. *Id.*, p. 10.

Accordingly, intrastate B&C services have remained price listed in Oregon. These services are found in Qwest's Access Service Price List, section 8. (Ex. A.) However, due to the regionally-negotiated commercial B&C contracts which are primarily interstate in nature, Qwest believes and respectfully submits that its 17-year-old B&C price list offering is no longer pertinent.⁵

II. B&C Services Market Background

A. Historical background

As mentioned, BOCs continued to perform the B&C services for AT&T after divestiture in 1984. In fact, from divestiture and into the early 1990s, AT&T continued to be Qwest's [U S WEST's] largest B&C customer, by far (representing about 75% of all B&C revenues). The commercial agreements that were developed for B&C services were developed with significant AT&T participation and direction.

At the time, AT&T and other national carriers were looking for uniform B&C agreements. They wanted (and still want) uniform pricing across all states and more detailed terms and conditions than what are generally found in price lists, such as service guarantees, penalties, custom methods and procedures, etc. They also want the ability to bill services

⁵ Due to the reasons noted above, and set forth in more detail in the next section, including (1) the FCC deregulation of B&C services, (2) the interstate nature of these regionally-negotiated B&C contracts, (3) the general regional market for B&C services, and (4) the deregulation, pricing flexibility or price listing of B&C services in virtually every other state, Qwest had not filed any of its Individual Case Basis ("ICB") negotiated commercial B&C contracts with the Commission. However, Qwest recently met with Commission Staff to discuss these issues, and Staff and Qwest agreed that Qwest will file all currently-effective ICB B&C contracts with the Commission.

beyond just 1+ long distance services, such as 0+, directory assistance services, monthly calling plans, 900 services, voice messaging services, conference calling services and, more recently, Internet-related services, etc. The federal deregulation of B&C service and these market factors have diluted the effectiveness of specific state-by-state pricing.

Further still, because B&C services have become a fully competitive industry, Qwest believes that they are not a natural extension of state-regulated access services. Finally, B&C services have been viewed by most carriers, especially large IXCs like AT&T, MCI and Sprint, as a strategic marketing opportunity. Indeed, these companies aggressively began taking back and direct billing their PIC'd (Primary Interexchange Carrier) end-user subscriber base from all RBOCs in the mid-1990s, primarily for strategic purposes, and not for economic reasons.⁶

B. B&C services market today

The B&C services industry today is a very competitive market. Most of the customers for these services are large, sophisticated carriers and service providers, including the largest IXCs in the country (AT&T, MCI and Sprint).⁷ In fact, the largest threat to this business is from large carriers *self-provisioning* B&C services (in other words, these companies' *direct billing* to their own end-user customers). Indeed, Qwest estimates that AT&T and MCI now handle their own billing nationwide for more than 50% of their subscribed consumer customer base, and more than 80% of their subscribed business customer base. These estimates are based on the

⁶ For example, AT&T, MCI and Sprint wanted to control the billing and customer service experience for their high-value or preferred customers. Thus, although Qwest believes it would have been cheaper for them to continue to use Qwest for B&C services, the value of the customer relationship experience through its direct-billing processes far exceeded [such cost savings](#).

⁷ It is important to note that the term "customer" refers to those companies that purchase B&C services from Qwest. For example, an IXC like AT&T may purchase Qwest's B&C services for billing its long distance calls, and it (the IXC) would, in turn, be Qwest's customer. The "end user," however, is the residential or business customer of the IXC that purchases the billing services from Qwest.

known existing practices of these companies offering direct billing to their consumer and business customer bases.

In addition to large IXCs, there are several alternative “billing vendors,” such as CSG, Convergys and Amdocs, that provide sophisticated end-to-end B&C services. (See Exhibit E.) These companies, along with major credit card companies, contract with all types of service providers (including but not limited to IXCs, billing aggregators, cable providers, public utilities, etc.) to provide end-to-end B&C services to the service provider’s subscribers. These billing companies often compete against ILEC B&C services.

Further still, some of Qwest’s affiliated companies, such as Qwest Communications Corporation (QCC), have entered into B&C contracts with billing aggregators (also known as clearinghouse agents), such as Billing Concepts, Inc. (BCI). Billing aggregators are smaller than large IXCs, but they are generally sophisticated multi-state players in the telecommunications B&C services market. Billing aggregators are able to enter the B&C services market by representing hundreds of different service providers (their clients). Their clients range from small to large-sized service providers who typically do not want to invest in the expensive start-up costs and annual minimum volume commitments that ILEC B&C service providers generally require. Billing aggregators also have competitive alternatives, such as credit card companies and Automated Clearing House (ACH) processing, as well as the means to direct bill on behalf of their clients.⁸

For these reasons, Qwest’s market share of, and revenues from, B&C services have been declining rapidly over the past decade, as described below. Further still, B&C customers have long negotiated B&C contracts with Qwest, and have recognized that there are alternatives other than Qwest, including their own B&C services.

⁸ Finally, electronic billing (E-billing) and online billing are also continuing to grow and transform the market as efficient and less-expensive delivery mechanisms.

III. Qwest's current B&C services in Oregon

There are currently no customers purchasing B&C services under the Oregon price list. However, Qwest currently has 14 B&C contracts in effect with non-affiliated service providers that involve Oregon intrastate activity. These contracts are with IXCs, Operator Services Providers (“OSPs”), and billing aggregators. (A list of these 14 B&C contracts is attached as Confidential Exhibit B to this petition.)⁹

Because of the way the B&C services market has evolved, the majority of the functions and services identified in these contracts are not the same as those identified in the 17-year-old Oregon price list. This different structure, which the market requires, in essence makes the price list obsolete.

Finally, Qwest's total Oregon intrastate B&C revenues for all non-affiliate customers were only [Confidential- \$XXXXXX] in 2004, with recent monthly billings of less than [Confidential- \$XXXXXX]. In fact, Qwest's total Oregon intrastate B&C revenues for all non-affiliate customers have decreased from [Confidential- \$XXXXXXXX in 1996] and from [Confidential- \$XXXXXXXX] in 2002 to the 2004 amount of [Confidential- \$XXXXXX]. (A chart showing annual Qwest total Oregon intrastate B&C revenues for all non-affiliate customers from 1996 to 2004 is attached as Confidential Exhibit C to this petition.) In other words, Qwest's B&C revenues in 2004 were a mere [Confidential- XX%] of its revenues just eight years earlier, and only [Confidential- XX%] of its revenues just two years earlier. In short, the evidence shows that the B&C market has changed, the market is competitive with many providers, and that the market offers different billing and payment options, such as credit card, ACH and direct billing. This evidence is also further

⁹ Even among many of these large IXC B&C customers, Qwest provides only a fraction of such IXC B&C services. As Qwest mentioned, it estimates that AT&T and MCI now handle their own billing nationwide for more than 50% of their subscribed consumer customer base, and more than 80% of their subscribed business customer base.

substantiated by the cases of AT&T and MCI, where direct billing is either a primary option or an equivalent billing and payment option offered to customers. Finally, Qwest's Oregon-specific intrastate B&C revenues are relatively small, and decreasing further every year.

DEREGULATION REQUIREMENTS MET

I. There is price and service competition for Qwest's B&C services, as required by ORS 759.030 and OAR 860-032-0025

A. There is service competition for Qwest's B&C services

As noted, ORS 759.030 and OAR 860-032-0025 provide for exemption from regulation when one can demonstrate that a telecommunications service is subject to competition, *or* that there exists price and service competition. For the reasons set forth in this petition, Qwest's B&C services are subject to price and service competition and/or are subject to competition.

For example, B&C services are available from numerous alternative providers in the relevant market, including the B&C IXC and billing aggregator customers themselves. (Attached as Exhibit D is a list of active B&C providers (of which Qwest is aware) that provide intrastate B&C services in Oregon today, including those customers that also self-provision some of their B&C functions.) These B&C service provider competitors include large telecommunications carriers, such as AT&T, MCI, and Sprint, the major credit companies, billing aggregators, like BCI (See e.g. Exhibits D and E) as well as recognized world-class billing vendors like CSG, Convergys and Amdocs. (Attached as Exhibit E is a description of alternative billing providers, such as Amdocs, Convergys and CSG, as well as service provider in-house direct billing.)

These alternative B&C providers, as well as direct billing IXCs and billing aggregators, have a variety of methods available to provide B&C services or functions to their customers or to themselves that are functionally equivalent to Qwest's B&C services. In most cases, they offer the same basic services that Qwest does, including, but not limited to: a) end user transaction (message)

processing, b) bill design; c) bill formatting; d) bill rendering/bill production; e) billing name and address management; f) mailing services; g) remittance processing and end user payment application; h) collections; i) account receivable management; j) end user customer-care; and k) post-billing adjustment application. A number of the components of B&C services are individually available on an as-needed basis. Indeed, Qwest's experience shows that many B&C competitors deliver even a greater range of end-to-end billing solutions, service order and inventory management and other billing-related service support using highly-flexible state-of-the-art hardware and software technology, well beyond the scope of Qwest's legacy-based billing systems. It is not unusual for their modern billing infrastructures to be able to provide superior services and in a more desirable timeframe than what Qwest can deliver. Finally, the fact that competitors exist in the market (including IXCs and other companies serving themselves), offering B&C services functionally equivalent or superior to those that Qwest provides, is evidence that they are able to provide such services at comparable and competitive rates, under similar terms and conditions.

These lists of companies clearly demonstrate there are numerous alternative B&C providers in the relevant market. Further, as set forth in section II.B. alternative providers' B&C services are functionally equivalent to Qwest's.

This is only part of the story, however. Another significant source of competition is large IXC and billing aggregator *self-provisioning* or *direct billing*. As Qwest mentioned, it estimates that AT&T and MCI now handle their own billing nationwide for more than 50% of their subscribed consumer customer base, and more than 80% of their subscribed business customer

base. These estimates are based on the known existing practices of these companies offering direct billing to their consumer and business customer bases.¹⁰

Moreover, the Commission has certified more than certified 300 competitive providers and IXCs to conduct business in the state of Oregon. Yet, Qwest conducts billing for only seven IXCs, and even then, Qwest does not perform B&C services for all of these IXCs' billing of customers. That means that more than certified 300 telecommunications providers are either performing their own B&C services or are hiring outside vendors to perform such services because they do not purchase B&C services from Qwest. Further still, as Qwest has mentioned, Qwest currently provides B&C services to only 14 non-affiliated customers doing business in Oregon.

Finally, as the Commission is well aware, Qwest's competitors generally deem their market information to be confidential and proprietary, and thus Qwest is unable to describe in more detail such providers' services and estimated market share.¹¹ The fact that companies are reluctant to share data or information about their services, prices and market shares, and that such data and information is difficult to obtain, clearly indicates the competitive nature of B&C services. Nevertheless, although market share and growth or decline in market share are not required factors under ORS 759.030 or OAR 860-032-0025, a comparison of Qwest's year-end 1996 through 2004 revenue data demonstrates a significant overall negative revenue trend for Qwest's B&C services. As Qwest mentioned, its B&C revenues in 2004 were a mere [Confidential- XX%] of its revenues just eight years earlier, and only [Confidential- XX%] of

¹⁰ In Order No. 94-1608, the Commission noted that self-provisioning or direct billing was a relevant factor, and that the ease with which telecommunications companies could provide their own B&C services was a significant consideration. Order No. 94-1608, pp. 6-7.

¹¹ For example, in UX 22, UX 27 and UX 28, previous Qwest deregulation petitions, Qwest submitted data requests and served subpoenas to some of its competitors, and many of them objected to the requests and subpoenas

its revenues just two years earlier. (Further detail may be found on Confidential Exhibit C.)¹²

The evidence clearly shows that numerous other viable billing alternatives exist.

Accordingly, it is abundantly clear there is service competition for B&C services in Oregon today such that the Commission should exempt these services from regulation.

B. There is price competition for Qwest's B&C services

Additionally, there necessarily exists price competition in the Oregon intrastate B&C services market. Because competitive B&C providers are unregulated and do not fall under the Commission's jurisdiction, and do not file tariffs or price lists, an analysis of their offerings and prices is very difficult to compile. Moreover, as stated, Qwest's competitors generally deem their market information, including pricing information, to be confidential and proprietary, and thus Qwest is unable to describe such providers' prices (or the costs of direct billing for those carriers who have taken their B&C services in house).

Nevertheless, given that Qwest's 2004 B&C revenues are less than [**Confidential- XXX-XXX**] of its B&C revenues since 1996, and that there are so many alternative providers in the B&C services market, it stands to reason that there exists price competition for B&C services. In addition, although it would be impossible to directly compare Qwest and alternative provider B&C prices to an IXC's *internal costs of self-provisioning*, such self-provisioning clearly applies competitive pressure on prices. This is especially so because Qwest and other B&C providers must price their B&C services very competitively in order to attract B&C customers to their services, and thus to avoid having all of their customers self-provision their own B&C functions. Finally, the fact that Qwest does not perform B&C services for the more than 300 certified

and thus refused to provide information. Even when the Commission used an Administrative Law Judge bench request to obtain competitor data in docket UX 29, the Commission had difficulty in obtaining such information.

¹² Finally, as discussed above, Qwest has been granted deregulation or pricing flexibility for B&C services in almost every other state in its region in recognition of the competitive environment in those states.

telecommunications providers discussed above makes clear that IXCs and other potential customers have obtained alternative B&C services (or taken such services in house) in order to bill their end-user customers for their services. In other words, whatever B&C services are not being provided by Qwest are being provided by some other party.

In short, it is obvious that if there was not price competition, Qwest would not have suffered such dramatic revenue declines, but instead would have significantly increased revenues, or at a minimum, realized revenues at or near previous levels. The opposite has occurred, however. Logic dictates that even though Qwest is unable to obtain competitor pricing information, there necessarily exists price competition for intrastate B&C services in Oregon today such that the Commission should exempt these services from regulation. The B&C services market in Oregon is extremely competitive, and will continue to grow even more competitive in the future.

II. Qwest's B&C services are competitive under criteria in ORS 759.030(4) and OAR 860-032-0025(3)

In addition to the competition requirements in ORS 759.030, the Commission's rules specify four criteria to consider in determining whether a service should be exempt from regulation. See OAR 860-320025(3). Qwest's B&C services meet each of these competitive criteria.

A. B&C services are available from numerous alternative providers in the relevant market

First, as shown above, B&C services are available from numerous alternative providers in the relevant market, including the B&C IXC and billing aggregator customers themselves. (See Exhibits D and E.) As further shown, these alternative providers include large, international telecommunications companies (like AT&T, MCI and Sprint), major credit card companies and smaller, but specialized, companies (like CSG, Convergys, Amdocs and BCI).

(See e.g., Exhibits D and E.) These lists of companies clearly demonstrate that there are numerous alternative B&C providers in the relevant market.

B. The alternative providers' services are functionally equivalent to Qwest's

As noted previously, alternative B&C providers, as well as direct billing IXC's and billing aggregators, have a variety of methods available to provide B&C services or functions to their customers or to themselves that are at least *functionally equivalent* to Qwest's B&C services. In fact, in most cases, these alternative providers offer the same basic services that Qwest does, including, but not limited to: a) end user transaction (message) processing, b) bill design; c) bill formatting; d) bill rendering/bill production; e) billing name and address management; f) mailing services; g) remittance processing and end user payment application; h) collections; i) account receivable management; j) end user customer-care; and k) post-billing adjustment application. A number of the components of B&C services are individually available on an as-needed basis. As Qwest further notes, its experience shows that many B&C competitors deliver even a greater range of end-to-end billing solutions, service order and inventory management and other billing-related service support using highly-flexible state-of-the-art hardware and software technology, well beyond the scope of Qwest's legacy-based billing systems. Thus, as noted, it is not unusual for their modern billing infrastructures to be able to provide superior services and in a more desirable timeframe than what Qwest can deliver. Finally, the fact that competitors exist in the market (including IXC's and other companies serving themselves), offering B&C services functionally equivalent or even superior to those that Qwest provides, is evidence that they are able to provide such services at comparable and competitive rates, under similar terms and conditions.

Accordingly, all of these alternative B&C services or functions are functionally equivalent (or superior) to Qwest's B&C services, at comparable rates, terms and conditions.

C. There are no regulatory or economic barriers for B&C services

There are also no regulatory or economic barriers to entry into the B&C market, and thus no barriers impeding competition. In fact, there are many possible ways to either obtain or establish B&C services in today's environment. In addition to the numerous alternative providers and direct billing companies today, and the widespread and ever-increasing use of computers and information technology, including substantially increased electronic and online billing, companies are developing faster, easier and more economical systems to perform their own billing, at much lower costs.

Moreover, many of Qwest's competitors (e.g., AT&T, MCI and Sprint and major credit card companies) are some of the country's largest corporations, and others, although not as large, have been successful in the B&C services market in Oregon. Indeed, the FCC noted in its *Detariffing Order* almost 20 years ago that "there are no barriers to entry in the billing and collection market," and that "[t]he capital costs are relatively low in as much billing and collection is an expense oriented service." *Detariffing Order*, ¶ 38. In fact, the FCC noted that it perceived that LECs were at a competitive disadvantage "vis-à-vis other billing and collection vendors since the latter are not subject to tariff regulation." *Id.* Finally, this Commission (and even U S WEST's opponents) recognized almost 11 years ago that there were no regulatory or economic barriers to entry to the B&C service market. See e.g., Order No. 94-1608, pp. 5-6.

In short, there are simply no regulatory or economic barriers that have prevented the further growth of competition in these markets. Rather, alternative providers can enter the B&C market, and others can and do self-provision, with ease.

D. The public interest no longer requires full regulation of Qwest's B&C services

As stated above, under ORS 759.030(2) and OAR 860-032-0025(2), one of the four alternative factors for deregulating a telecommunications service is that "the public interest no longer requires full regulation thereof." Thus, under these sections, Qwest does not even need to

make such a showing for Qwest's intrastate B&C services if it shows that (1) price competition exists, or (2) service competition exists, or (3) Qwest or the Commission can demonstrate that these services are subject to competition. Further, Qwest also need not make such a showing under the alternative basis of deregulation under ORS 759.030(3) and OAR 860-032-0025(1), which requires deregulation if price and service competition exists for these services.¹³

Nevertheless, although there is a question whether Qwest must make such a showing, Qwest's petition shows the public interest no longer requires full regulation of these services.

First, it is well-recognized that the primary roles of regulation should be to (1) protect consumers where providers clearly possess significant market power, (2) facilitate change to a competitive environment in an efficient way, and (3) turn these tasks over to the market and deregulate as competition unfolds. Given the federal Telecommunications Act of 1996, this Commission's pro-competitive policies, the current technological and market environment, the fact that B&C customers are all relatively large businesses (and not consumers), and that there is price and service competition, regulation of these services, where competitive alternatives are present and increasing, is an unnecessary use of resources for the Commission and Qwest. Thus, regulation should shift its focus to areas more likely to provide tangible benefits to consumers.

Second, the number of alternative B&C service providers currently actively competing against Qwest for Oregon intrastate B&C services, and the presence of direct billing IXCs and billing aggregators, obviate the need for regulation of similar services provided by Qwest. In view of the highly competitive nature of intrastate B&C services in Oregon, competitive forces will ensure that prices are (and remain) at market levels. If a B&C provider prices

¹³ However, the Commission, after notice and hearing, may determine that a service that was deregulated under this subsection should be reregulated if it determines that an essential finding on which the deregulation was based no longer prevails, and reregulation is necessary to protect the public interest. ORS 759.030(3)(b).

inappropriately in the competitive B&C services market, that provider can expect to experience a resultant shift of B&C customers away from its services to an alternative provider, or to self-provisioning. Indeed, Qwest is forced by the competitive marketplace to correctly price its B&C services in order to retain (and stop the decreases in) market share or revenues.

Finally, the Commission does not regulate any of the B&C service providers that compete against Qwest in Oregon. Thus, there is no reason to believe that Qwest's B&C services, which are similar, substitutable and functionally equivalent to such competitors' services, continue to require full regulation. Deregulation will allow all B&C providers to compete on the same basis within the competitive marketplace.

Accordingly, Qwest's petition shows the public interest no longer requires full regulation of Qwest's intrastate B&C services. Qwest respectfully submits the Commission should grant Qwest's petition to exempt such services from regulation.

CONCLUSION

WHEREFORE, Qwest respectfully requests the Commission grant its petition to exempt its intrastate billing and collection services from regulation in its entirety.

DATED: August __, 2005.

QWEST CORPORATION



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Moreover, under both subsections (2) and (3) of ORS 759.030, the Commission may deem "other factors" to be relevant to its determination to deregulate a telecommunications service. ORS 759.030(4)(d).

TABLE OF EXHIBITS

Exhibit A	Qwest's Oregon Access Service Price List, section 8
Confidential Exhibit B	Currently Active Non-Affiliated Qwest B&C Customer Contracts in Oregon
Confidential Exhibit C	Oregon Non-Affiliated "Intrastate" Billing and Collection Revenues (1996 through 2004)
Exhibit D	Alternative B&C Service Providers Billing in Oregon
Exhibit E	Description of Alternative Billing Vendors and Direct Billing Companies in Oregon

U S WEST COMMUNICATIONS, INC.

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SECOND EDITIONSECTION 8
Original Sheet 1**8. INFORMATION AND BILLING SERVICES**

U S WEST Communications, Inc., hereinafter referred to as the Company, will, at the option of a customer, provide any or all of the following services:

- Recording Service
- Message Based Billing Service
- Non-Message Based Billing Service
- Custom Request Service
- Billing Analysis Service
- Message Investigation Service
- Consulting Service
- Billing Information Service
- Media Provisioning Service
- Ancillary Services
- End User Account Activity Service
- Customer Access Record Exchange/Industry Standard Interface
- Billing Name and Address

In addition, the Company will provide Information and Billing Services as listed above to Enhanced Service Providers (ESPs) who provide enhanced services in direct competition with the Company.

8.1 GENERAL TERMS AND CONDITIONS

A customer may request Information and Billing Services that are not specifically addressed in this description or may request modification to the services described. All such requests will be reviewed to determine the feasibility of implementing the request and whether the Company wishes to provide the requested service or modification. In such cases where the Company has agreed to fulfill the customer's request, the applicable charges, rates, terms and conditions will be determined on an individual case basis. Specific terms and conditions will be determined by the Company on an individual case basis with each customer and included in the contract and/or contract addenda.

Any new customer initiating Information and Billing Services from the Company must purchase a minimum of \$30,000 worth of billing service(s) during the first twelve months of live operation and ancillary billing. All recurring and non-recurring charges during this time period will be accumulated and applied to the \$30,000 minimum. If the actual charge(s) does not meet or exceed the \$30,000, the difference between the actual amount(s) paid and the \$30,000 will be calculated and billed in monthly installments over the next six months.

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3. INFORMATION AND BILLING SERVICES

3.1 GENERAL TERMS AND CONDITIONS (Cont'd)

A. Liability of the Company

Except for the remedies as set forth below, the Company in the absence of willful misconduct shall not be liable to the customer for damages attributable to its acts or omissions in the performance of the service(s) involved.

1. The Company's liability for Recording Service is as follows:

- a. If message detail is not available because the Company, due to its error or omission, lost or damaged tapes or incurred recording system outages, the Company will estimate the volume of the messages and associated revenue based on previously known values.
- b. When the Company is notified that, due to the Company's omission or error, incomplete message data has been provided to a customer, the Company will make every reasonable effort to reconstruct such detail and to provide it on magnetic tapes or retransmit to the customer at no additional charge. Received customer message detail is not retained by the Company for more than forty-five days.

2. The Company's liability for Message Based Billing Service is as follows:

If Message Based Billing detail is not available because the Company lost or damaged records or incurred processing system outages, the Company will attempt to recover the detail. If the detail cannot be recovered and the Company recorded the details, the detail and the extent of the Company's liability for actual damages will be provided as set forth in 1., preceding. If the detail cannot be recovered and the customer provided the detail, the customer will be requested to resupply the detail. If the customer cannot resupply the detail, the detail and the extent of the Company's liability for damages will be estimated as set forth in 1., preceding.

3. The Company's liability for Non-Message Based Billing Service is as follows:

If Non-Message Based Billing data is not available because the Company, due to its error or omission, lost or damaged records or incurred processing system outages, the Company will recover the data based on previously received information. If the data cannot be recovered, the extent of the Company's liability for actual damages will be the Company's estimate for the amount not billed based on previously known values.

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8. INFORMATION AND BILLING SERVICES

8.1 GENERAL TERMS AND CONDITIONS

A. Liability of the Company (Cont'd)

4. The Company's liability for Billing Information Service is as follows:

When the Company is notified that, due to its error or omission, incomplete customer detail has been provided to a customer, the Company will make every reasonable effort to recover and provide the detail to the customer at no additional charge.

B. Audit Provisions

Upon reasonable written notice by the customer to the Company, the customer shall have the right, through its authorized representative, to examine and audit, during normal business hours and at reasonable intervals as determined by the Company, all such records and accounts as may under recognized accounting practices contain information bearing upon the determination of revenues for which amounts may be payable to the customer and to request detail supporting the billed charges. The information subject to the audit will be limited to the period of time for which the service(s) were provided.

All information received or reviewed by the customer or authorized representative is considered confidential and is not to be distributed, provided or disclosed in any form to anyone not involved in the audit, nor is such information to be used for any other purpose.

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8. INFORMATION AND BILLING SERVICES

8.2 RECORDING SERVICE

The Company will provide Recording Service for FGC and FGD messages that can be recorded on Automatic Message Accounting (AMA) equipment.

The Company will provide Recording Service in appropriately equipped offices in a state operating territory for which the customer has ordered FGC or FGD Switched Access Service. A state is the minimum territory for which recording will be provided.

For FGC and FGD Switched Access Service, when answer supervision is provided by the customer-premises equipment, the term "message" used herein denotes a completed call originated by an end user.

For FGD Switched Access Service, when answer supervision is not provided by the customer-premises equipment, the term "message" used herein denotes a call originated by an end user where a start time and a disconnect time are received by Company recording equipment.

Recording Service cannot be provided for FGC Switched Access Service calls where the customer-premises equipment does not provide answer supervision.

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8. INFORMATION AND BILLING SERVICES

8.2 RECORDING SERVICE (Cont'd)

A. Definitions

Recording Service

The recording of the details of a message and, when requested by the customer, the provision of those details to the customer. Recording Service includes recording, assembly and editing with provision of message detail or assembly and editing without provision of message detail.

• Recording - Completed

The entering on magnetic tape or other acceptable media the details of messages originated through Switched Access Service for which answer and disconnect supervision has been received. Recording is provided twenty-four hours a day, seven days a week.

• Assembly and Editing with Provision of Message Detail

The aggregation of the recorded message details to create individual messages, verification that required data for rating is present and the provision of this assembled message detail either on magnetic tape or via data transmission.

• Assembly and Editing without Provision of Message Detail

The aggregation of the recorded message details to create individual messages and the verification that required data is present.

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8. INFORMATION AND BILLING SERVICES

8.2 RECORDING SERVICE (Cont'd)

B. Rate Application and Provisioning Parameters

For each message recorded, the recording and the assembly and editing charges, as set forth in A., preceding, will apply, whether or not the customer's schedule of rates specifies billing on a per message basis or any other basis.

Except for lost or damaged records, the recorded detail will be available to the customer a minimum of five business days after the date all the detail requested by the customer was processed by the Company.

When recorded and assembled and edited message detail is provided to a customer, the message detail is entered on a magnetic tape or data transmitted for provisioning to a customer. The tape charge, per tape or data transmission per record will apply.

C. Rates and Charges

1. Recording

	USOC	PRICE PER UNIT
• Recording Completed, per message	RCRD	\$0.0040

2. Assembly and Editing

• With provision of message detail, per message	RPMD	0.0080
• Without provision of message detail, per message	RAAE	0.0055

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8. INFORMATION AND BILLING SERVICES

8.3 MESSAGE BASED BILLING SERVICE

A. Terms and Conditions

The Company will provide Message Based Billing Service on the condition that it purchase the accounts receivable or agrees to act as a billing agent for the customer.

There are two pricing options available with Bill Processing. Option 1 is based on a two tier price concept. The rate each month for each tier is based on the average number of messages per end user bill. Bill Rendering charges apply in addition to the Option 1 charges. Option 2 is a per message option, with a minimum of two messages required per end user bill. Bill Rendering is included in the Option 2 rates.

This service is offered on an open-ended contract basis with no guarantee of volumes.

Customized billing charges will be determined on an individual case basis.

B. Definitions

Message Rating with Provision of Message Detail

The computation and application of appropriate charges to each end user message based on a customer provided schedule of rates and the provision of these rated messages to either the customer or other entities. Rating is always performed and editing may be performed coincident with the implementation of a change in a customer's schedule of rates.

Message Rating without Provision of Message Detail

The computation and application of appropriate charges to each end user message based on a customer-provided schedule of rates. Rating is always performed and editing may be performed coincident with the implementation of a change in a customer's schedule of rates.

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8. INFORMATION AND BILLING SERVICES

8.3 MESSAGE BASED BILLING SERVICE

B. Definitions (Cont'd)

Bill Processing

The preparation of the billing data for message bill processing and bulk bill processing. Bill Processing includes toll master file processing, posting of rated messages and rate elements, maintenance of accounts, and pre-billing unidentified message investigation.

- Message Bill Processing

A billing service for an end user account where individual messages or groups of messages are posted to the account and listed on the bill rendered to the end user.

- Bulk Message Bill Processing

A billing service for an end user account having a WATS access line or WATS-type service access line where individual messages are not posted to the account and not listed on the bill rendered to the end user. A bulk-billed message is a customer message which is used to develop the customer bulk-billed charge.

Message Based Inquiry

The handling of negotiations with the end user and application of credits and adjustments to end user accounts. It includes answering end user questions about charges billed for the customer service(s). The Company will provide Inquiry only if the customer purchases Bill Processing and Bill Rendering.

Message Based Bill Rendering

The preparation of the bill, maintenance of the end user data base, standard accounting journalizing of the bill data, mailing of the bill to the end user customer, processing payments, and collection services.

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8. INFORMATION AND BILLING SERVICES

8.3 MESSAGE BASED BILLING SERVICE

B. Definitions (Cont'd)

Call Handler Identification

The name of the call handler to appear on the clearing agent end user bill, with traffic separated per call handler by line number. Call handlers are clients of clearing agents who are under Information and Billing Services agreements with the Company and who collectively bill for their clients under that agreement. Each clearing agent will assign an entity code (up to three digits) for each of their call handlers. The call detail will be printed on the end user bill page in entity code numerical sequence.

Non-Standard Data Entry

The transforming of a non-standard message into exchange message interface format (industry standard) in order to process. It includes editing and verification that required data is present.

C. Rate Application and Provisioning Parameters

Message Rating and Bill Processing charges apply on a per message basis.

Non-Standard Data Entry charges apply on an individual case basis. If the customer provides the Company messages in Exchange Message Interface (EMI) format this charge does not apply.

Message Based Bill Rendering may be provided if the customer purchases Bill Processing. The Message Based Bill Rendering charge is applied on a per bill basis.

When rated message detail is data-transmitted to or received from an exchange telephone company or a customer location, a charge for the transmission in addition to the charge for the record will apply.

When rated message detail is entered on magnetic tape to be provided to a customer, the per tape charge applies for each tape and the per message charge applies for each message processed.

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8. INFORMATION AND BILLING SERVICES

8.3 MESSAGE BASED BILLING SERVICE

C. Rate Application and Provisioning Parameters (Cont'd)

Inquiry charges apply per Bill Processing message. For 900 Service, Inquiry charges apply on a per message or per occurrence basis. When the customer selects the per occurrence option, the charge applies each time a customer's end user contacts the Company to make an inquiry regardless of the number of 900 messages on an end user's bill.

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8. INFORMATION AND BILLING SERVICES

8.3 MESSAGE BASED BILLING SERVICE (Cont'd)

D. Rates and Charges

	USOC	PRICE PER UNIT
1. Message Rating with provision of Message Detail, per message	RATE1	\$0.0055
2. Message Rating without provision of Message Detail, per message	RATE3	0.0045
3. Bill Processing		
• Message Bill Processing		
- Option 1[1] (1-14 messages)	N/A	0.0250
- Option 1[1] (15+ messages)	N/A	0.0175
- Option 2[2]	N/A	0.1500

[1] Bill Rendering Charges are applicable in addition to Bill Processing. The Bill Rendering Charge for Option 1 includes Data Base Maintenance.

[2] Option 2 requires a two message minimum.

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8. INFORMATION AND BILLING SERVICES

8.3 MESSAGE BASED BILLING SERVICE

D. Rates and Charges (Cont'd)

	USOC	PRICE PER UNIT
4. Message Based Inquiry		
• Limited (without 30 day dispute process), per message	N/A	\$ 0.0150
• Standard (with 30 day dispute process), per message	N/A	0.0350
• 900 Inquiry		
- Per message	N/A	0.2000
- Per occurrence	N/A	10.50
5. Message Based Bill Rendering		
• Bill Rendering Message Telecommunications Service		
- Option 1[1,2]	N/A	0.4200
- Bulk[2]	N/A	0.7000
6. Call Handler Identification[3]		
• Table update charge, per occurrence		20.73
7. Non-Standard Data Entry	N/A	ICB

[1] Bill Processing Charges apply in addition to Bill Rendering.

[2] Data Base Maintenance is included.

[3] Plus set up charge of \$1,387.91.

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8. INFORMATION AND BILLING SERVICES

8.4 NON-MESSAGE BASED BILLING SERVICE

The Company will provide Non-Message Based Billing Services on the condition that it purchase the accounts receivable or agree to act as a billing agent for the customer.

Customized billing charges will be determined on an individual case basis.

A. Definitions

Non-Message Based Bill Rendering

Includes editing and rating, rendering of bills, receiving payments, maintenance of accounts and treatment.

Non-Message Based Inquiry

Handling negotiations with the end user and the application of credits and adjustments to end user accounts. It includes answering end user questions about charges billed for the customer's service. The Company will provide Inquiry only on the condition that it purchase the customer's accounts receivable.

B. Rate Application and Provisioning Parameters

Non-Message Based Bill Rendering charge applies per bill rendered.

For Non-Message Based Bill Rendering, an end user account is a customer record which has a unique name and address and billing number identification assigned by the Company to which a Non-Message Based Bill is rendered. An end user account establishment and change charge applies to establish or change end user account data or rate elements or balance due per each account.

When ordered by a customer, Non-Message Based Inquiry charges apply per bill rendered.

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8. INFORMATION AND BILLING SERVICES

8.4 NON-MESSAGE BASED BILLING SERVICE (Cont'd)

C. Rates and Charges

	USOC	PRICE PER UNIT
1. Non-Message Based Bill Rendering, per bill	NMBR1	\$1.25
2. Non-Message Based Inquiry, per bill	INQP1	0.25

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8. INFORMATION AND BILLING SERVICES

8.5 CUSTOM REQUEST SERVICE

A. Description

Custom Request Service is the provision of a price estimate in response to a customer's request. The estimate is based on a user-needs document and/or specifications supplied by the customer. The Company reserves the right to deny any request.

B. Terms and Conditions

Estimates will include prices for both nonrecurring/developmental and recurring (if applicable) elements. Scheduling of the actual implementation date for customer's Custom Request is dependent upon the Company's overall scheduling load and upon the customer's approval of the Company's estimate.

The prices used to establish the Custom Request Service will be developed on an individual case basis. The price estimates provided to the customer will be valid for a period of thirty days from the date of the written estimate.

Examples of the kinds of costs that will be used in developing price estimates are machine time, programming (coding), system design, system development, project system testing, business office methods and procedures development, order writer training, service representative training, miscellaneous hardware requirements, e.g., disks, tape, cartridges, computer ports, etc.

A user needs and/or specifications document is required to develop the price estimate for new services, changes to an existing service and enhancements. If a customer requires assistance in preparing the user needs document/specifications, the Company has a Consulting Service available. The customer and the Company will both agree on the specifications, the implementation date and the price estimate. After agreement on the document, any changes will require new specifications and may result in a new price estimate and a new implementation date at the discretion of the Company.

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8. INFORMATION AND BILLING SERVICES

8.5 CUSTOM REQUEST SERVICE (Cont'd)

C. Rate Application and Provisioning Parameters

All prices and service parameters will be provided on an Individual Case Basis (ICB). The price estimates provided to the customer will be valid for a period of thirty days from the date of the written estimate.

The prices used to establish the project cost will be on an ICB and will be based on the Company's current labor, software and hardware costs, as applicable, at the time the Company provides a written response.

Programming and/or administrative charges will apply for new, enhancements or changes to existing recording service(s).

D. Rates and Charges

**PRICE
PER UNIT**

- Custom Request Service

ICB

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8. INFORMATION AND BILLING SERVICES

8.6 BILLING ANALYSIS SERVICE

A. Description

Billing Analysis Service provides for the detection, investigation, and deterrence of billing evasion activities. The Company can further provide services such as consultation, advice, and training on handling billing evasion.

B. Definitions

1. Detection

The provision of services to identify and report to a customer any suspected billing evasion activities involving the use of telephone facilities.

- Detection Service can be provided at central office switches equipped to recognize and record irregular key pulse and multifrequency signals. Detection Service reports may be provided on an office-by-office or line-by-line basis. The reports will include the following:

- The calling numbering plan area and telephone number
- The called number, if available
- Signaling irregularity data, including set up number where appropriate
- The holding time of the call, if available
- The time and date of the call, if available

2. Investigation

The provision of services to collect evidence and document billing evasion activities. It includes the service to coordinate the investigative activities with the customer and/or Law Enforcement agencies.

Investigation is also the provision of services to investigate and obtain restitution for billing evasion activities. It includes, but is not restricted to, calling card fraud, third number billing fraud, remote access fraud, and theft of service by wire.

Investigation Service is the collection and analysis of evidence to document billing evasion activities, preparation of documentation reports, preservation of evidence, and provision of expert witness analysis and testimony.

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8. INFORMATION AND BILLING SERVICES

8.6 BILLING ANALYSIS SERVICE

B. Definitions

2. Investigation (Cont'd)

The Investigation Service offering includes the following:

- Analysis of evidence
- Preparation of prosecutive summary
- Collection of detailed evidence
- Preparation of affidavit
- Preservation of evidence
- Assistance to law enforcement
- Provision of expert witness analysis and deposition preparation
- Provision of expert witness testimony
- Coordination services, where appropriate
- Preparation of reports

3. Deterrence

The provision of services to contact and interview parties identified in billing evasion activities, recover devices or materials used in billing evasion activities, in accordance with legal process, review service for possible suspension of service over customer access lines identified in billing evasion activities, and assist in publicizing billing evasion deterrence.

- Deterrence Service is the contacting and interviewing of parties identified in billing evasion activities by the legal process, the review of service for possible suspension of service over Interexchange Carrier (IC) access lines identified in the billing evasion activities, and assistance in publicizing billing evasion deterrence.

The Deterrence Service offering includes the following:

- Recovery of devices
- Contact and interview of fraud perpetrators/parties
- Service review
- Publicity assistance as requested and approved by IC security
- Presentation of deterrence/crime awareness programs

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8. INFORMATION AND BILLING SERVICES

8.6 BILLING ANALYSIS SERVICE

B. Definitions (Cont'd)

4. Consultation and Training

The Company has highly qualified and experienced security personnel available to advise the customer on any aspect of an investigation. These services may include advice on conducting assorted types of interviews, using information furnished by the Message Investigation Center, providing general advice on an investigation that is stalemated, and training customer representatives on various aspects of billing analysis.

C. Rate Application and Provisioning Parameters

1. Detection

Detection charges associated with the Continuous Scan and the Documentation Scan include only the cost of attaching and operating the appropriate equipment. The Continuous Scan provided will be charged on a per office per week basis. The Documentation Scan provided will be charged on a per line per occurrence basis.

Reports produced by the Company are secured, protected, and reviewed only with those with a need to know and delivered to the authorized customer security representative in a mutually agreed manner on a mutually agreed schedule.

Reports produced by the Company for the customer, and the information contained on the reports, will remain the property of the Company. Copies may be provided to the authorized customer security representative but will not be released to any other person or company without the consent of the customer service representative except under legal process. The customer agrees that the reports and the information contained therein shall be used for investigative purposes only.

The minimum period for Detection Service for which charges will apply will be determined on an individual case basis.

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8. INFORMATION AND BILLING SERVICES

8.6 BILLING ANALYSIS SERVICE

C. Rate Application and Provisioning Parameters (Cont'd)

2. Investigation

Investigation Service charges include the analysis and preparation of the reports generated from Detection Service as well as from any other investigative means. All Investigation Services will be charged on a per hour basis with the exception of preservation of evidence which is charged on a per week basis.

Expenses incurred reconstructing cases due to the loss, damage, or destruction of information by the Company will not be charged to the customer. If case information is lost, damaged or destroyed by the customer, the Company will charge for reconstruction.

3. Deterrence

Deterrence Services will be charged on a per hour basis.

4. Consultation and Training

Consultation and training services will be charged on a per hour basis.

5. Miscellaneous Charges

Miscellaneous charges incurred by the Company on behalf of the customer, such as out of pocket expenses for travel, will be charged to the customer.

6. General

In the event that the customer requests services that are not currently offered and would require modifications to the billing analysis process, the customer will provide information describing the speciality of the case. The Company will evaluate the feasibility of the request. If the Company agrees that the modifications are feasible, the case will be worked and the charges will be determined on an individual case basis.

If, at any point in the billing analysis process, the Company or the customer determines that due to just reason (i.e., legal, safety of personnel, or protection of services) the investigation must be stopped, the process will be halted and charges incurred will be billed.

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8. INFORMATION AND BILLING SERVICES

8.6 BILLING ANALYSIS SERVICE (Cont'd)

D. Rates and Charges

	USOC	PRICE PER UNIT
1. Detection Service		
• Continuous Scan, per office	BA8AC	ICB
• Documentation Scan, per line	BDB	ICB
2. Investigation Service		
• Analyzation of Evidence, per hour	N/A	\$70.00
• Preparation of Prosecutive Summary, per hour	N/A	70.00
• Collection of Detailed Evidence, per hour	N/A	70.00
• Preparation of Affidavit, per hour	N/A	70.00
• Preservation of Evidence, per week	BDK	ICB
• Assistance to Law Enforcement, per hour	BAAAL	70.00
• Provision of Expert Witness Analysis and Deposition Preparation, per hour	BAAEW	90.00
• Provision of Expert Witness Testimony, per hour	BAAPW	90.00
• Coordination Services, per hour	BAASV	70.00
• Preparation Reports, per hour	N/A	70.00

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8.6 BILLING ANALYSIS SERVICE

D. Rates and Charges (Cont'd)

	USOC	PRICE PER UNIT
3. Deterrence Service		
• Recovery of Devices, per hour	BAARD	\$70.00
• Contact and Interview Fraud Perpetrators, per hour	BAACP	70.00
• Service Review, per hour	BAASR	70.00
• Presentation of Deterrence/Crime Awareness Programs, per hour	N/A	70.00
4. Consultation, per hour	N/A	ICB
5. Training, per hour	N/A	ICB
6. Miscellaneous Charges Incurred	N/A	[1]

[1] Actual

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8. INFORMATION AND BILLING SERVICES

8.7 MESSAGE INVESTIGATION SERVICE

A. Terms and Conditions

Upon request, the Company will provide message investigation for those messages specifically identified by the customer. The message investigation group will investigate and identify suspected fraud and review messages to determine proper billing.

The Company will provide investigation of messages which are disputed (uncollectible) by an end user (post billing errors). When the Company is unable to sustain charges, the Company will advise the customer of the disposition of the messages over a manual or mechanized interface.

If the Company in performance of Message Investigation Services establishes a fraud case where the revenue involved meets the customer's pre-defined parameters, the uncollectible charges are referred to the Company security organization and the appropriate charges will apply.

B. Rate Application and Provisioning Parameters

There is no minimum period for which the customer must order Message Investigation Services.

C. Rates and Charges

	PRICE PER UNIT
• Message Investigation Center Services, per account	\$35.00

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8. INFORMATION AND BILLING SERVICES

8.8 CONSULTING SERVICE

A. Description

Consulting Service is the provision of professional or technical advice to assist a customer in preparing a user needs document, or in developing and coordinating user specifications or for other purposes.

B. Rate Application and Parameters

1. Consultation charges are based on the level of expertise of the individual.
 - Clerical (or non-management)
 - Subject Matter Expert
 - Technical Knowledge
2. The per hour charge applies for the work performed during normal work schedule and at the Company's location.
3. Travel expense incurred by a Company in association with the consulting service will be charged on an Individual Case Basis (ICB).

C. Rates and Charges

	USOC	PRICE PER UNIT
• Clerical, per hour	CONAD	\$ 60.00
• Subject Matter Expert, per hour	CONPK	80.00
• Technical Knowledge, per hour	CONTK	100.00
• Travel Expense	CONTE	[1]

[1] Actual

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8. INFORMATION AND BILLING SERVICES

8.9 BILLING INFORMATION SERVICE

A. Description

Billing Information Service is the provision of information to the customer from the Company end user records, billing files and account data bases. The Company will provide Billing Information Services as mutually agreed upon between the customer and the Company.

B. Definitions

Information

Information is defined as any entry in the records or data bases which is not identified as proprietary to the Company or to a customer other than the requesting customer. An entry listed as proprietary to any customer other than the requesting customer will not be provided. An entry listed as proprietary to the Company will be protected by the Company.

Information may include, but is not necessarily limited to, the following:

- Customer message detail to an end user message
- Account detail for an end user
- Customer service and equipment detail for an end user

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8.9 BILLING INFORMATION SERVICE (Cont'd)

C. Rate Application and Provisioning Parameters

When Billing Information Service is ordered by the customer, the Company will determine on a request-by-request basis its capability to meet the request.

The charges, implementation and type of data to be provided will also be determined on an Individual Case Basis (ICB). The three types of charges that may be assessed to the customer for Billing Information Services are:

- **Service Request**

A charge will be assessed for hours required to define, design, develop, test and maintain the necessary programs.

- **Recurring Provision of Data**

This charge will be assessed for the ongoing provision of the requested data.

- **Media Provisioning Service**

When applicable, charges for mechanized data transfer, magnetic tapes and delivery, etc., will be assessed.

D. Rates and Charges

	USOC	PRICE PER UNIT
• Recurring Provision of Data	RPD++	ICB

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8. INFORMATION AND BILLING SERVICES

8.10 MEDIA PROVISIONING SERVICE

A. Description

Providing the customer with data is known as Media Provisioning Service. The Company is capable of media provisioning on magnetic tape, 3480 cartridges, data transmission, or microfiche - either in the new industry standard interface format or a format mutually agreed to by the Company and the customer.

B. Rate Application and Provisioning Parameters

1. Magnetic Tape

The Company creates tapes with the following standards:

- Standard IBM/OS header and trailer
- 9 track 6250 or 1600 BPI
- EBCDIC character set
- Odd parity

Tapes may be picked up by the customer or sent to a customer-designated location.

2. Cartridges

The Company uses IBM 3480 technology with the following standards:

- Standard IBM/OS header and trailer
- 18 track - 38,000 BPI
- EBCDIC character set

The Company creates cartridges which may be picked up by the customer or sent to a customer-designated location.

3. Data Transmission

The Company has the facilities for data transmission to a customer-designated location.

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8. INFORMATION AND BILLING SERVICES

8.10 MEDIA PROVISIONING SERVICE

B. Rate Application and Provisioning Parameters (Cont'd)

4. Microfiche

The Company has extensive facilities for producing microfiche.

Since some programming is required, an eight week prior notice is required for this mode of media provisioning.

Microfiche may be picked up by the customer or sent to a customer-designated location.

5. Delivery

Special mailing or overnight delivery (i.e., Federal Express) of customer media, tapes, etc., will be charged the actual dollar amount.

C. Rates and Charges

	USOC	PRICE PER UNIT
• Magnetic tape, each	RMGTP	\$50.00
• Cartridges, each	CARMP	50.00
• Data transmission, per record	TRMDE	0.0020
• Microfiche		
- Original	MICMP	0.7500
- Duplicate	MICMD	0.2500
• Delivery	N/AICB	

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8. INFORMATION AND BILLING SERVICES

8.11 ANCILLARY SERVICES

A. Description

Ancillary Services are generic services the Company has established based on market need.

B. Definitions

Ancillary Services include: Marketing Messages, Screen Bill Fiche and Account Data Verification

- Marketing Message is a message containing one to ten lines of information/advertisement on the customer's detail of current charges page of the bill. (Messages will be reviewed by the Company legal staff for approval.)
- Screen Bill Fiche is a fiche report containing billing details by account of the customer's service provided to their end users.
- Account Data Verification (ADV) is a service that provides the customer access to the Company subscription data base to obtain information on the customer's current and/or potential end users. ADV provides information associated with a working/billing telephone number account. Presubscribed Interexchange Carrier (PIC) information will not be provided unless the end user is presubscribed to the customer.

C. Rate Application and Parameters

1. Marketing Messages and Screen Bill Fiche are only available to customers who purchase Bill Rendering from the Company.
2. A Marketing Message is set up on an Individual Case Basis (ICB) based on the technology required and the associated costs.
3. A Screen Bill Fiche set up charge applies per request and the fiche charge applies per fiche created. Media Provisioning will be charged in addition to the fiche and set up charge.

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8.11 ANCILLARY SERVICES

C. Rate Application and Parameters (Cont'd)

4. The Company will receive the Account Data Verification requests three ways:
 - Via the customer's mechanized input into the Regional Subscription System (RSS). The request will be processed and the appropriate information will be returned to the customer via the mechanized RSS output they now receive.
 - Via a manual process for those customers that do not have a mechanized feed to the Company. The Company will receive the request via phone, fax, or mail and return the information via phone, fax, or mail, as requested by the customer. This manual process can be used by customers who have a mechanized process, but have an urgent need for the data.
 - Via a manual/mechanized request that is a combination of the above two options; receive the request manually and return it mechanically.

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8. INFORMATION AND BILLING SERVICES

8.11 ANCILLARY SERVICES (Cont'd)

D. Rates and Charges

	USOC	PRICE PER UNIT
1. Marketing Message, per bill[1]	BRAMM	ICB
2. Screen Bill Fiche, per fiche[2]	BDISB	\$ 4.25
• Set Up Charge, per request	BDISC	4,200.00
3. Account Data Verification		
• Mechanized Method		
- Per request	N/A	0.25
- Per record returned	N/A	0.25
• Manual Method		
- Per request	N/A	2.50
- Per record returned	N/A	0.35
• Manual/Mechanized Method		
- Per request	N/A	2.50
- Per record returned	N/A	0.25

[1] Plus developmental charge ICB.

[2] In addition to the fiche price per unit for the report, a microfiche charge for the provisioning applies.

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8. INFORMATION AND BILLING SERVICES

8.12 END USER ACCOUNT ACTIVITY SERVICE

A. Description

End User Account Activity Service provides customers the ability to add, change, or delete information on their end users' accounts.

There are two general categories of activities associated with end user account activity:

- Service order activity
- Adjustment activity

B. Definitions

Service Order Activity

Any request that generates a service order on an end user account.

- Business Office - Residence

A service order generated as a result of a customer placing a call to the Company business office to request activity on a residence end account.

- Business Office - Business

A service order generated on a business end user's account requested as a result of a customer placing a call to the Company business office.

- Transmittal - Residence

A service order on a residence account generated as a result of a written or mechanically transmitted request from a customer to the billing Company.

- Transmittal - Business

A service order on a business account generated as a result of a written or mechanically transmitted request from a customer to the billing Company.

Adjustment Activity

An adjustment issued at the request of the customer on a business or residence end user's account, which does not involve the issuance of a service order.

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8. INFORMATION AND BILLING SERVICES

8.12 END USER ACCOUNT ACTIVITY SERVICE (Cont'd)

C. Rate Application and Provisioning Parameters

For each service order processed, the per unit order charge applies. Each end user adjustment processed will also have the adjustment charge applied.

D. Rates and Charges

	USOC	PRICE PER UNIT
• Service Order		
- Business Office - Residence	SOBOF	\$18.00
- Business Office - Business	SOBOB	30.00
- Transmittal - Residence	SOTRR	7.00
- Transmittal - Business	SOTRB	13.00
• Adjustment	ADJMT	2.50

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8. INFORMATION AND BILLING SERVICES

8.13 CUSTOMER ACCESS RECORD EXCHANGE/INDUSTRY STANDARD INTERFACE

A. Description

Customer Access Record Exchange/Industry Standard Interface (CARE/ISI) is a format which facilitates the exchange of data utilizing industry standard transaction codes.

B. Definitions

The Company will provide the CARE/ISI Format for output only or input with confirmation back.

Output Only

The Company will provide to the customer Company generated account billing information, on the customer's end users, as output only transaction(s). The Company and the customer will mutually agree to transaction type and informational content.

Input with Confirmation Back

The Company will provide the customer with confirmation for customer originated transaction(s). The Company and the customer will mutually agree to customer originated and confirmation transaction types and informational content.

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8. INFORMATION AND BILLING SERVICES

8.13 CUSTOMER ACCESS RECORD EXCHANGE/INDUSTRY STANDARD INTERFACE
(Cont'd)

C. Rate Application and Provisioning Parameters

The CARE/ISI transaction code processing charge applies to all information associated with Information and Billing Services exchanged in the CARE/ISI format. The incoming transaction code charge includes a confirmation of receipt (echoback) to the customer if requested at the time of implementation. Both the incoming and outgoing charges apply on a per transaction code basis.

D. Rates and Charges

	USOC	PRICE PER UNIT
• Transaction Charge[1]		
- Output Only, per transaction	CAREO	\$0.0075
- Input with Confirmation Back, per transaction	CAREI	0.0125

[1] This element of Information and Billing Services will be associated with provisioning of other services and the preceding rates will apply.

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8. INFORMATION AND BILLING SERVICES

8.14 BILLING NAME AND ADDRESS

A. Definitions

Billing Name and Address (BNA)

This service provides the customer with a method of obtaining information needed to identify the customer's end users. BNA makes available to an authorized customer the billing name and address on those telephone numbers for which the customer has provided service but does not have an associated name and address in the customer's data base.

Customer's End User

The end user shall be identified by one or more of the following elements:

- Account level

The end user has selected the customer as its primary interexchange carrier at the account level for one or more working lines, or has designated the customer as such by allocation or other process.

The end user has requested a customer calling card and/or promotional plan at the account level.

- Line level

The end user has selected the customer as its primary interexchange carrier at the individual line level, or has designated the customer as such by an allocation balloting process.

- Casual Use

An end user who has made a casual call within the last six months, via the customer, by dialing 10XXX or other dialing pattern is considered an end user at the account level for a single line account and at the line level for a multiline account.

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8. INFORMATION AND BILLING SERVICES

8.14 BILLING NAME AND ADDRESS (Cont'd)

B. Use of Billing Name and Address (BNA)

Customer or customer's billing agent agrees that the BNA information which is supplied by the Company will not be made available by the customer or its billing agent to any other person in any form whatever, nor will BNA information be copied, sold, published, licensed, assigned, released or disclosed to any other person without the express written consent of the Company.

The customer agrees that BNA information which is supplied by the Company to the customer may be used for the sole purpose of:

- billing its end users when the billing name and address of an associated Automatic Number Identification is not available in its customer data base;
- verification of Billing Name and Address information that is resident in the customer's data base;
- increasing its customer base by signing up the casual use end user as described preceding for detecting any fraudulent use of the customer's network.

To the extent the release of customer's BNA information is limited by any applicable federal, state, or local laws, court orders, agency orders, rules or regulations, the customer agrees to comply with such laws.

The customer agrees to submit only those telephone numbers of end users as that term is more fully described preceding.

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8. INFORMATION AND BILLING SERVICES

8.14 BILLING NAME AND ADDRESS (Cont'd)

C. Rate Application and Provisioning Parameters

Contracts are required for each customer subscribing to this service. BNA will not be provided unless a contract is signed between the Company and the customer.

1. Methods

The Company will accommodate BNA requests in either of two ways, mechanized and/or manual.

Mechanized

The mechanized method accepts requests on an input tape or a transmitted data file in standardized format from the customer.

Manual

The manual method accepts requests from the customer by telephone to a Company designated office and/or by paper via datafax or U.S. Mail.

2. Output

With both the manual and mechanized methods, the customer has several options for receiving BNA data. The customer may elect tape, transmitted data files, and/or paper. For tape and transmitted data file output, the files are returned in the standardized format. For paper output, the BNA data is returned in a preformatted report. The BNA data will be provided to the customer at the same intervals the customer receives subscription data.

D. Rates and Charges

	PRICE PER UNIT
• Billing Name and Address, per listing	
- Manual method	\$1.95
- Mechanical method	0.17

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8. INFORMATION AND BILLING SERVICES

8.15 WIDE AREA CALLING SERVICE

(N)

A. Description

Wide Area Calling Service is a billing service offered to Paging Service Carriers, in conjunction with their Type 2 Interconnection. Wide Area Calling Service provides direct dialed LATA-wide toll free calling for Qwest Corporation land to mobile (paging) calls. The Type 2 Interconnection provides for the completion of the land to mobile (paging) calls and for the billing of the calls to the Carrier rather than the calling party.

B. Terms and Conditions

1. The Carrier must subscribe to Type 2 Interconnection and must follow all of the configuration requirements of the Type 2 Interconnection.
2. A dedicated NXX(s) is required for Wide Area Calling. The Carrier may have multiple Wide Area Calling NXXs in a LATA, but each NXX may only be used in one LATA. It is the Carrier's responsibility to obtain the dedicated NXX(s) from the North American Numbering Plan Administration (NANPA).
3. The Company performs recording and rating of all Wide Area Calling Service calls.
4. Wide Area Calling Service has two pricing options. However, only one option may be chosen per LATA.
5. Wide Area Calling Service rates do not apply to calls originating from ILECs or outbound WATS lines or any non-direct dialed IntraLATA toll call.
6. Calls originating from pay telephones within the same LATA and same area code of the Wide Area Calling Service and within the Company's serving area are applicable to Wide Area Calling Service. The calling party will be charged the current coin rate to access the network, but will not pay any long distance charges. The Carrier will be charged Wide Area Calling Service usage rates for coin originated calls. In the event actual usage cannot be billed, the Wide Area Calling Service NXX flat monthly usage rate will be applicable.

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8.15 WIDE AREA CALLING SERVICE

(N)

B. Terms and Conditions (Cont'd)

7. The service establishment interval is per industry standards (one hundred-five (105) days), in the case of a new prefix or an existing prefix which is being relocated in addition to being converted to Wide Area Calling. The service establishment interval is sixty (60) days in the case of an existing prefix that is not being relocated in the process of being converted to Wide Area Calling.
8. The service removal interval is sixty (60) days, in the case of a Wide Area Calling prefix being converted to a regular wireless prefix, without being relocated during the process. The service removal interval is per industry standards, one hundred and five (105) days, in the case of a Wide Area Calling prefix being entirely eliminated or being relocated in the process of removing the Wide Area Calling Service.
9. Calls will be billed in actual seconds, however, the minimum billed will be twenty (20) seconds.

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8. INFORMATION AND BILLING SERVICES

8.15 WIDE AREA CALLING SERVICE (Cont'd)

(N)

C. Rates and Charges

Rates and charges for the underlying Type 2 Interconnection arrangement are in addition to the rates and charges listed below.

	USOC	NONRECURRING CHARGE
• Service Establishment, per LATA		
- First Dedicated NXX	VOVWA	\$8,700.00
- Subsequent NXX, each	VOVWA	5,000.00
		RATE PER MINUTE
• Pricing Option 1 - toll equivalent calls[1]		
- Local switching		\$0.0536
- Local transport		0.0364
• Pricing Option 2 - local and toll equivalent calls[1]		
- Local switching		0.0214
- Local transport		0.0086
	USOC	MONTHLY RATE
• Flat usage rate, per Wide Area Calling NXX, applicable only when coin originated usage cannot be billed	MA5CX	\$100.00

[1] Local and toll equivalent calls are determined by the V & H of the originating end office and the V & H of the serving wire center of the Carrier's Point of Connection.

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Exhibit D

Alternative B&C Service Providers Billing in Oregon

	Service Provider Name	Type of Billing:
1	Amdocs	Direct billing and customer care for many different service providers
2	AT&T Corp.	Direct bill for themselves
3	Billing Concepts, Inc. dba: as ESBI, Hold Billing, OAN, USBI & ZPDI	Direct bill on behalf of their many clients
4	Convergys	Direct billing and customer care for many different service providers
5	CSG Systems (billing on behalf of many service providers)	Direct billing and customer care for many different service providers
6	Evercom Systems dba Correctional Billing Services	Direct bill for themselves
7	Global Crossing	Direct bill for themselves
8	ILD Teleservices, Inc.	Direct bill on behalf of their many clients
9	Integretel, Inc.	Direct bill on behalf of their many clients
10	Major Credit Card Billing (Including, Amex, Mastercard, VISA)	CCH billing on behalf of many different service providers
11	MCI Communications, Inc. dba: MCI & Telecom*USA	Direct bill for themselves
12	PaymentOne, Corp.	Direct bill on behalf of their many clients
13	Sprint Communications	Direct bill for themselves
14	The Billing Resource, Inc.	Direct bill on behalf of their many clients

Exhibit E

Description of Alternative Billing Vendors and Direct Billing Companies in Oregon

- **Amdocs – Based out of Chesterfield, OH. & San Jose, CA.**
\$1.77 billion in revenue in 2004 (\$234.9M in net income)
 - Offering a full range of industry-leading services to a core client base of both “wireline and wireless telecommunication companies” in 40 countries.
 - Services include: subscriber billing, self-service support, order fulfillment, customer-care, mediation, accounts receivable management and content revenue management (CRM) services
 - **Notable Clients** – Bell Canada, Cingular Wireless, Dex Media, Inc., Nextel, SBC, Sprint, T-Mobile, US Cellular, Verizon, and Vodafone.

- **Convergys – Based out of Cincinnati, OH.**
\$2.48 billion in revenue in 2004 (\$185.5M in net income)
 - Offering a full range world-class services to a client base of both telecom (wireline and wireless), broadband and non-telecom companies.
 - #1 provider of wireless billing services in the U.S., billing for more than 1/3 of all wireless calls originated.
 - #1 provider of cable telephony billing in the world.
 - #1 provider of outsourced customer-care service in the world.
 - Services include: subscriber billing, order fulfillment, accounts receivable management, remittance processing, customer-care and HR services
 - **Notable Clients** – AT&T Wireless, Sprint (signed a 7-year billing/customer-care contract in 2003), Verizon Wireless, Vodacom and Yahoo.

- **CSG Systems – Based out of Englewood, CO.**
\$530 million in revenue in 2004 (\$47.1M in net income)
 - A leading provider of billing solutions and customer-care solutions for the convergent communications industry, including, cable television, direct broadcast satellite, advanced IP services, mobile and fixed wireline markets.
 - Client base includes more than 260 service providers in more than 40 countries.
 - Processes more than 50M statements each month – more than half of all American households.
 - Processes more than 400M billing events daily.
 - Offers a full range of industry-leading bill statement presentation services.
 - More than 40,000 call center representatives supporting customer-care.
 - Services include: subscriber billing, order fulfillment, accounts receivable management, remittance processing and customer-care services
 - **Notable Clients** – AOL-Time Warner, Adelphia, Bell South, British Telecom, Comcast, Cox Communications, DirectTV, Echostar Communications, Qwest, SBC, Verizon and Vodafone.

Exhibit E

Description of Alternative Billing Vendors and Direct Billing Companies in Oregon (Continued)

➤ Service Provider In-house “Direct” Billing

- The largest IXCs and billing aggregators have all invested in and developed their own in-house “direct bill” billing solution.
- In the specific case of the major IXCs, their “direct bill” is considered the “first” billing option for the majority of their “presubscribed” (PIC’d) subscribers.
- In-house billing is so highly favored by IXCs that they often discourage LEC billing by passing on “billing fees/surcharges” to subscribers who bill through the LEC bill.
- In-house billing includes all the end-to-end services offered by Qwest, including, recording and rating, subscriber billing, accounts receivable management, remittance processing and customer-care services. In-house billing also includes order fulfillment services.
- **Notable service providers that direct bill** – AT&T, MCI, Sprint, Billing Concepts, Inc., Integretel, Inc. and PaymentOne.