



# Oregon

Theodore R. Kulongoski, Governor

## Public Utility Commission

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April 14, 2006

OREGON PUBLIC UTILITY COMMISSION  
ATTENTION: FILING CENTER  
PO BOX 2148  
SALEM OR 97308-2148

RE: **Docket No. UX 30** - In the Matter of QWEST CORPORATION Petition to  
Exempt from Regulation Billing and Collection Services.

Enclosed for electronic filing in the above-captioned docket is the Public Utility  
Commission Staff's Direct Testimony (Redacted). A confidential version is being  
sent via first-class mail to all parties that have signed the protective order.

*/s/ Kay Barnes*

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cc: UX 30 Service List - parties

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**PUBLIC UTILITY COMMISSION  
OF OREGON**

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**UX 30**

**STAFF DIRECT TESTIMONY OF**

**James R. Stanage  
Roger White**

**In the Matter of  
QWEST CORPORATION  
Petition to Exempt from Regulation Billing and  
Collection Services**

**REDACTED VERSION**

**April 14, 2006**

CASE: UX 30  
WITNESS: Stange-White

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 1**

**Direct Testimony**

**REDACTED VERSION**

**April 14, 2006**

**CERTAIN INFORMATION CONTAINED IN STAFF EXHIBIT 1  
IS CONFIDENTIAL AND SUBJECT TO PROTECTIVE  
ORDER NO. 06-140. YOU MUST HAVE SIGNED  
APPENDIX B OF THE PROTECTIVE ORDER IN  
DOCKET UX 30 TO RECEIVE THE  
CONFIDENTIAL VERSION  
OF THIS EXHIBIT.**

1 **Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.**

2 A. My name is James R. Stanage. I am employed by the Public Utility  
3 Commission of Oregon (Commission) as a Senior Telecommunications Analyst  
4 in the Utility Program. My business address is 550 Capitol Street NE, Suite 215,  
5 Salem, Oregon 97301-2511.

6 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**  
7 **EXPERIENCE.**

8 A. A description of my educational background and experience is located in  
9 Staff/2, Stanage-White/1, Witness Qualifications Statement of Jim Stanage.

10 **Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.**

11 A. My name is Roger White. I am employed by the Commission as a Senior  
12 Telecommunications Analyst in the Utility Program. My business address is 550  
13 Capitol Street NE, Suite 215, Salem, Oregon 97301-2511.

14 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**  
15 **EXPERIENCE.**

16 A. A description of my educational background and experience is located in  
17 Staff/3, Stanage-White/1, Witness Qualifications Statement of Roger White.

18 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

19 A. The purpose of our testimony is to sponsor and provide support for a stipulated  
20 agreement (“Stipulation”) reached between Staff and Qwest, in the matter of  
21 deregulating Qwest’s Billing and Collection Services found in Section 8 of the Access  
22 Service Price List. The Stipulation proposes that the services found in Sections 8.2 to  
23 8.14 be deregulated. See Staff/7.

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**Q. HAVE YOU PREPARED ANY EXHIBITS IN THIS DOCKET?**

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A. Yes, in addition to this testimony, Staff/1, we have prepared: Staff/2, which is the witness qualifications statement of Jim Stanage; Staff/3, which is the witness qualifications statement of Roger White; Staff/4, which is Staff's letter to current Qwest Billing and Collections Services customers; Staff/5, which is Qwest's responses to Staff's Data Request Nos. 1 - 30 in UX 30; Staff/6, which is Qwest's Exhibit C to its petition; and Staff/7, which is the stipulation between staff and Qwest.

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**Q. HOW IS YOUR TESTIMONY ORGANIZED?**

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A. We have organized our testimony into sections as follows:

12

Part 1: SUMMARY OF RECOMMENDATION ..... 3

13

Part 2: DESCRIPTION OF BILLING AND COLLECTION SERVICES ..... 8

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Part 3. DESCRIPTION OF QWEST'S BILLING AND COLLECTION SERVICES BUSINESS AND OTHER RELEVANT FACTORS ..... 17

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1 **Part 1: SUMMARY OF RECOMMENDATION**

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3 **Q. WHAT IS YOUR SUMMARY RECOMMENDATION?**

4 A. Staff recommends the Commission adopt the Stipulation in its entirety. Staff/7,  
5 Stanage-White/1 through 3.

6 **Q. WHY SHOULD THE COMMISSION APPROVE THIS STIPULATION?**

7 A. The Commission should approve the stipulation between Qwest and Staff  
8 because the public interest no longer requires full regulation of Qwest's Billing  
9 and Collection Services.

10 **Q. WHAT ARE QWEST'S BILLING AND COLLECTION SERVICES?**

11 A. Qwest's Billing and Collection Services are a comprehensive billing service that  
12 provides third-party customers with the means to bill their services to end user  
13 subscribers via the Qwest phone bill. We describe these services in more  
14 detail beginning at Staff/1, Stanage-White/8.

15 **Q. WHY DO YOU CONTEND THAT THE PUBLIC INTEREST NO LONGER**  
16 **REQUIRES FULL REGULATION OF QWEST'S BILLING AND COLLECTION**  
17 **SERVICES?**

18 A. There are three reasons why the public interest no longer requires full  
19 regulation of these services.

20 First, when pre-subscription to the carrier of choice for intraLATA toll  
21 services became available to Qwest's Oregon customers after February 1998,  
22 it provided a greater incentive for other Oregon telecommunications services  
23 carriers to implement their own direct billing.

1           Second, other carriers can now directly obtain the information that is  
2           necessary for performing the billing and collection function without Qwest's  
3           assistance. In the past, carriers could not obtain this information on their own  
4           and this caused an information bottleneck. Because the information bottleneck  
5           no longer exists, other Oregon telecommunications services providers can do  
6           their own billing and collection. In addition, other Oregon telecommunications  
7           services providers---who are Qwest's largest Billing and Collection Services  
8           customers---have a successful track record of taking a significant portion of  
9           their billing and collection functions in-house through self-provisioning or direct  
10          billing. Accordingly, they do not depend on Qwest's Billing and Collection  
11          Services. This, in turn, means that other large Oregon telecommunications  
12          services providers are not constrained by the Qwest controlled bottleneck that  
13          Qwest Billing and Collection Services might otherwise create.

14           Third, Qwest local access line service customers' choices for retail  
15          telecommunications services would not be affected by exempting Qwest's  
16          Billing and Collection Services.

17          **Q. WHAT ARE THE CONDITIONS UNDER WHICH THE COMMISSION MAY**  
18          **EXEMPT A SERVICE FROM REGULATION?**

19          A. There are two conditions specified in Oregon law where the Commission may  
20          exempt a service from regulation: one condition is the presence of competition,  
21          the other condition is that public interest no longer requires regulation. Oregon  
22          law ORS 759.030, Subsection 2, provides that "upon petition by any interested  
23          party...the Commission may exempt in whole or in part from regulation those



1 telecommunications services for which the commission finds that price or  
2 service competition exists, or that such services can be demonstrated by the  
3 petitioner or the commission to be subject to competition, or that the public  
4 interest no longer requires full regulation thereof.”

5 **Q. ARE THERE ANY CRITERIA THAT THE COMMISSION MUST CONSIDER**  
6 **IN MAKING ITS DETERMINATION THAT THE PUBLIC INTEREST NO**  
7 **LONGER REQUIRES FULL REGULATION?**

8 A. Under ORS 759.030, Subsection 4, prior to making findings under Subsection 2  
9 or Subsection 3, the Commission is required to consider four criteria: (1) the  
10 extent to which services are available from alternate providers in the relevant  
11 market, (2) the extent to which the services of alternate providers are  
12 functionally equivalent or substitutable at comparable rates, terms and  
13 conditions, (3) existing economic or regulatory barriers to entry, and (4) any  
14 other factors deemed relevant by the Commission.

15 **Q. HAVE YOU REVIEWED QWEST’S PETITION IN LIGHT OF THESE FOUR**  
16 **CRITERIA?**

17 A. Yes.

18 **Q. PLEASE SUMMARIZE YOUR CONCLUSIONS WITH RESPECT TO EACH**  
19 **CRITERIA?**

20 A. Other carriers are no longer dependent upon Qwest’s Billing and Collection  
21 Services and have demonstrated their ability to self-provide these services. As  
22 such, Staff concludes that the services are available from alternative providers  
23 (self-provisioning).

1 In Order No. 94-1608 (UX 16), the Commission found that there were no  
2 regulatory or economic barriers to entry. In this case we conclude that any  
3 barriers that may exist are minimal because there is no longer any information  
4 bottleneck and carriers are currently choosing to provide this service  
5 themselves.

6 **Q. ARE THERE ANY OTHER FACTORS THE COMMISSION SHOULD**  
7 **CONSIDER?**

8 A. Yes. None of the fourteen customers identified by Qwest as users of these  
9 services intervened or sponsored testimony in this case even though a letter was  
10 sent to each customer advising them of Qwest's petition. If these customers  
11 opposed deregulation of these services, one would have expected some level of  
12 participation.

13 **Q. DO YOU SEE ANY THREAT OF PRICE DISCRIMINATION, PREDATORY**  
14 **PRICING, OR ABANDONMENT OF SERVICE ARISING FROM THE**  
15 **DEREGULATION OF BILLING AND COLLECTION SERVICES?**

16 A. No. The risk of harm to Qwest's telecommunications services end-users due to  
17 potential price discrimination, predatory pricing, or abandonment of its Billing  
18 and Collection Services subscribers is very small. The Billing and Collection  
19 services are wholesale services sold to large, sophisticated customers who are  
20 capable of self-provisioning if need be; it makes little difference to the end-user  
21 whichever company is providing the Billing and Collection services. For these  
22 reasons, Qwest's petition to exempt its Billing and Collection Services should

1           be granted, as provided for in ORS 759.030, Subsection 2, because the public  
2           interest no longer requires full regulation of those services.

1                   **Part 2: DESCRIPTION OF BILLING AND COLLECTION SERVICES**

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3                   **Q. PLEASE DESCRIBE THE BILLING AND COLLECTION SERVICES**  
4                   **INCLUDED IN QWEST'S PETITION.**

5                   A. Qwest's Billing and Collection Services are a comprehensive billing service that  
6                   provides third-party customers with the means to bill their services to end user  
7                   subscribers via the Qwest phone bill. Qwest's standard Billing and Collection  
8                   Services offering, includes, but is not limited to, the following services, which  
9                   Qwest will provide for each contracted third-party service provider: transaction  
10                  (message) processing, bill rendering, remittance processing, collection of  
11                  delinquent bills, and accounts receivable management. Optional services  
12                  include, but are not limited to, market messages, recording with and without  
13                  assembly and editing, and Qwest-provided end user billing inquiry.

14                  **Q. DO THESE SERVICES ALLOW OTHER CARRIERS TO INCLUDE THEIR**  
15                  **BILL WITH QWEST'S BILL TO ITS CUSTOMERS?**

16                  A. Yes, these services allow other carriers to purchase the right to have their  
17                  respective charges for telecommunications services included with Qwest's  
18                  monthly billings to Qwest local access-line-service customers. These services  
19                  do not extend to billing anyone who is not a Qwest local access-line-service  
20                  customer.

21                  **Q. ARE QWEST'S BILLING AND COLLECTION SERVICES WHOLESALE**  
22                  **OR RETAIL SERVICES?**

23                  A. Qwest's Billing and Collection Services are wholesale services that are  
24                  governed by ORS 759.410, Subsection 3 because they are "switched access"

1 services. Because they are wholesale services, the Billing and Collection  
2 Services are sold exclusively to other carriers and billing aggregators.

3 **Q. ARE THE SERVICE CATEGORIES THAT QWEST IS PETITIONING TO**  
4 **DEREGULATE THE SAME SERVICES THAT QWEST HAS PRICE LISTED**  
5 **IN SECTION 8 OF THE ACCESS SERVICE PRICE LIST?**

6 A. Yes, with the exception of the service found in section 8.15. The petition filed  
7 on August 4, 2005 to deregulate Billing and Collection Services identifies the  
8 services found in Section 8 of the Access Service Price List as the services  
9 that Qwest would like to have deregulated.

10 The service categories specifically identified in the petition are:

11 Recording Service (8.2), Message Based Billing Service(8.3), Non-Message  
12 Based Billing Service(8.4), Custom Request Service (8.5), Billing Analysis  
13 Service (8.6), Message Investigation Service (8.7), Consulting Service (8.8),  
14 Billing Information Service (8.9), Media Provisioning Service (8.10), Ancillary  
15 Services (8.11), End User Account Activity Service (8.12), Customer Access  
16 Record Exchange/Industry Standard Interface (8.13), and Billing Name and  
17 Address (8.14).

18 **Q. ARE THERE ANY CUSTOMERS SUBSCRIBING TO THE BILLING AND**  
19 **COLLECTION ELEMENTS FOUND IN SECTION 8.2 TO SECTION 8.14 OF**  
20 **THE OREGON PRICE LIST?**

21 A. No, Qwest stated in its petition that there are currently no customers  
22 purchasing Billing and Collection Services under the Oregon price list;

1           however, there are fourteen customers purchasing the services with special  
2           contracts.

3           **Q. ARE THE SERVICE CATEGORIES USED IN THE CONTRACTS EXACTLY**  
4           **THE SAME AS THE CATEGORIES FOUND IN SECTION 8?**

5           A. No, they are not. The only two service categories that have the same elements  
6           are Recording Service and Message Based Billing Service. The other contract  
7           categories are similar but not identical to the ones found in the price list.  
8           Staff/5, Stanage-White/3 through 6.

9           **Q. CAN YOU SUMMARIZE THE RELATIONSHIP BETWEEN THE**  
10           **CONTRACT CATEGORIES AND THE PRICE LIST CATEGORIES?**

11           A. Yes, Table 1 shows the relationship between the contract billing and collection  
12           categories and the price list categories. The first column of Table 1 contains  
13           the categories used in the contracts, the second column contains the  
14           categories used in section 8 of the price list, and the third column shows the  
15           relationship between the two.

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4**Table 1 – A comparison of Contract and Price List Categories**

<b>Contract Categories</b>	<b>Price List Category</b>	<b>Degree of Match</b>
Recording with Assembly and Editing and Provisioning	Recording Service(8.2)	Same services elements as the price listed ones.
Message Rating	Message Based Billing Service(8.3)	Same services elements as the price listed ones.
Casual Bill Production	Service not in Price list	No Match
Invoice Billing Text File Update	Service not in Price list	No Match
Adjustments	End User Account Activity Service (8.12)	Elements of the two categories are similar but not identical.
Casual Marketing Message	Ancillary Services	Elements of the two categories are similar but not identical.
Invoice Marketing Message	Custom Request Service (8.5)	This contract category most closely aligns with this price list category.
Inquiry Service	Message Based Billing Service (8.3)	Elements of the two categories are similar but not identical.
Custom Request Service	Customer Request Service (8.5)	Elements of the two categories are similar but not identical.
Consulting Service	Consulting Service (8.8)	Elements of the two categories are similar but not identical.
Media Provisioning Service	Media Provisioning Service (8.10)	Elements of the two categories are similar but not identical.
ASK End User Information Service	End User Account Activity Service (8.12)	This contract category most closely aligns with this price list category.
End User Bill Reprints	End User Account Activity Service (8.12)	This contract category most closely aligns with this price list category.

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**Q. WHAT SERVICE IS PROVIDED BY THE “RECORDING WITH ASSEMBLY AND EDITING AND PROVISIONING” SERVICE CATEGORY?**

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A. The “Recording with Assembly and Editing and Provisioning” service is one where Feature Group D toll messages are captured and documented on behalf of an IXC via Qwest’s automatic message accounting equipment. This definition was taken from Confidential Attachment A, part of Qwest’s response to staff’s first set of data requests. See Staff/5, Stanage-White/32 through 54.

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**Q. WHAT SERVICE IS PROVIDED BY THE “MESSAGE RATING” SERVICE CATEGORY?**

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A. The “Message Rating” service is one where Qwest computes and applies rates to IXC toll messages based on specific rate schedules supplied by the IXC.

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This definition was taken from Confidential Attachment A, part of Qwest’s response to staff’s first set of data requests. Staff/5, Stanage-White/32 through 54.

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**Q. WHAT SERVICE IS PROVIDED BY THE “CASUAL BILL PRODUCTION” SERVICE CATEGORY?**

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A. The “Casual Bill Production” service consists of the following activities: receipt and processing of a service providers message based billing data, calculation of taxes and other surcharges, pre-billing toll message investigation, formatting the data into a unique bill page, printing, postage. This service also encompasses the following services: remittance processing, collection activities, purchase of accounts receivables, customer care and billing and



1 collection invoice issuance and collections. This service definition was taken  
2 from Confidential Attachment A, part of Qwest's response to staff's first data  
3 request. See Staff/5, Stanage-White/24 through 46.

4 **Q. WHAT SERVICE IS PROVIDED BY THE "INVOICE BILL PRODUCTION"**  
5 **SERVICE CATEGORY?**

6 A. The "Invoice Bill Production" service consists of the following activities: receipt  
7 and processing of a service providers message based billing data, calculation,  
8 formatting the data into a unique bill page, printing, postage. This service also  
9 encompasses the following services: remittance processing, collection  
10 activities, purchase of accounts receivables, customer care and billing and  
11 collection invoice issuance and collections. This service definition was taken  
12 from Confidential Attachment A, part of Qwest's response to staff's first set of  
13 data requests. See Staff/5, Stanage-White/32 through 54.

14 **Q. WHAT SERVICE IS PROVIDED BY THE "INVOICE BILLING TEXT FILE**  
15 **UPDATE" SERVICE CATEGORY?**

16 A. The "Invoice Billing Text File Update" service is a custom request service  
17 where Qwest accepts, edits, and retains IXC-submitted invoice billing text files  
18 for use in the IXC's invoice billing process. This service definition was taken  
19 from Confidential Attachment A, part of Qwest's response to staff's first set of  
20 data requests. See Staff/5, Stanage-White/32 through 54.

21 **Q. WHAT SERVICE IS PROVIDED BY THE "ADJUSTMENTS" SERVICE**  
22 **CATEGORY?**

1 A. The “Adjustments” service whereby post-billing credits given by either the  
2 service provider or Qwest are issued and applied to the end user bill to correct  
3 or adjust previously billed charges. There are three categories of adjustment:  
4 Qwest issued, resulting from an end user billing contact; service provider  
5 initiated and issued, resulting from an end user billing contact; and, service  
6 provider initiated and Qwest issued. This service definition was taken from  
7 Confidential Attachment A, part of Qwest’s response to staff’s first set of data  
8 requests. See Staff/5, Stanage-White/32 through 54.

9 **Q. WHAT SERVICE IS PROVIDED BY THE “CASUAL MARKETING**  
10 **MESSAGE” SERVICE CATEGORY?**

11 A. The “Casual Marketing Message” service allows a service provider to market  
12 their services or provide information to their end users by printing informational  
13 messages on its bill page within the Qwest bill. This service definition was  
14 taken from Confidential Attachment A, part of Qwest’s response to staff’s first  
15 set of data requests. See Staff/5, Stanage-White/32 through 54.

16 **Q. WHAT SERVICE IS PROVIDED BY THE “INVOICE MARKETING**  
17 **MESSAGE” SERVICE CATEGORY?**

18 A. The “Invoice Marketing Message” service allows a service provider to market  
19 their services or provide information to their end users by printing informational  
20 messages on its bill page within the Qwest bill. This service definition was  
21 taken from Confidential Attachment A, part of Qwest’s response to staff’s first  
22 set of data requests. See Staff/5, Stanage-White/32 through 54.

1 **Q. WHAT SERVICE IS PROVIDED BY THE “INQUIRY SERVICE” SERVICE**  
2 **CATEGORY?**

3 A. The “Inquiry Service” service has Qwest representatives handling telephone  
4 calls or correspondence from end users for third party billing-related issues and  
5 questions. This service definition was taken from Confidential Attachment A,  
6 part of Qwest’s response to staff’s first set of data requests. See Staff/5,  
7 Stanage-White/32 through 54.

8 **Q. WHAT SERVICE IS PROVIDED BY THE “CUSTOM REQUEST SERVICE”**  
9 **SERVICE CATEGORY?**

10 A. The “Custom Request Service” service category is one where Qwest can  
11 provide estimates, jointly develop and implement customized billing processes  
12 and enhancements to existing billing processes on behalf of the service  
13 provider. This service definition was taken from Confidential Attachment A,  
14 part of Qwest’s response to staff’s first set of data requests. See Staff/5,  
15 Stanage-White/32 through 54.

16 **Q. WHAT SERVICE IS PROVIDED BY THE “CONSULTING SERVICE”**  
17 **SERVICE CATEGORY?**

18 A. The “Consulting Service” service category is one where Qwest can provide for  
19 the requesting service provider technical expertise on billing related matters.  
20 This service definition was taken from Confidential Attachment A, part of  
21 Qwest’s response to staff’s first data request.

22 **Q. WHAT SERVICE IS PROVIDED BY THE “MEDIA PROVISIONING**  
23 **SERVICE” SERVICE CATEGORY?**

1 A. The “Media Provisioning” service category is one that describes the method  
2 either Qwest or the service provider utilizes to exchange billing data with the  
3 other. This service definition was taken from Confidential Attachment A, part of  
4 Qwest’s response to staff’s first set of data requests. See Staff/5, Stanage-  
5 White/32 through 54.

6 **Q. WHAT SERVICE IS PROVIDED BY THE “ASK END USER INFORMATION**  
7 **SERVICE” SERVICE CATEGORY?**

8 A. The “Ask End User Information Service” is one where the service provider can  
9 obtain certain types of end user account information regarding their  
10 subscribers. This service definition was taken from Confidential Attachment A,  
11 part of Qwest’s response to staff’s first data request.

12 **Q. WHAT SERVICE IS PROVIDED BY THE “END USER BILL REPRINTS”**  
13 **SERVICE CATEGORY?**

14 A. The “End User Bill Reprints” service allows the service provider to get reprints  
15 of their subscriber’s bills. This service definition was taken from Confidential  
16 Attachment A, part of Qwest’s response to staff’s first set of data requests.  
17 Staff/5, Stanage-White/32 through 54.

1 **Part 3. DESCRIPTION OF QWEST'S BILLING AND COLLECTION SERVICES**

2 **BUSINESS AND OTHER RELEVANT FACTORS**

3  
4 **Q. HOW MANY CUSTOMERS CURRENTLY USE QWEST'S BILLING AND**  
5 **COLLECTION SERVICES?**

6 A. There are currently fourteen customers using Qwest's Billing and Collection  
7 Services. Most of these customers do business with Qwest on a national level  
8 and have contracts that cover a number of states. There may be other potential  
9 customers for Qwest's Billing and Collection services, but they are choosing not  
10 to use the service under existing pricing.

11 **Q. WHAT TYPES OF BUSINESSES MAKE UP THIS GROUP OF FOURTEEN**  
12 **CUSTOMERS?**

13 A. The fourteen customers consist of other telecommunications services carriers  
14 and billing aggregators (agents) who want to bill Qwest's local-access-line-  
15 service customers that are located in Oregon. The local-access-line-service  
16 customers are the retail telecommunications services end-users who routinely  
17 receive a monthly billing from Qwest.

18 **Q. WHAT IS OREGON SPECIFIC ABOUT THE BILLING AND COLLECTION**  
19 **SERVICES THAT QWEST IS PETITIONING TO BE DEREGULATED?**

20 A. The Billing and Collection Services that Qwest is petitioning to have  
21 deregulated gives the approximately fourteen customers access to Qwest's  
22 Oregon end-user customers base.

1 **Q. ARE QWEST'S BILLING AND COLLECTION SERVICES AND THE RATES**  
2 **CHARGED FOR THOSE SERVICES THE SAME ACROSS THE VARIOUS**  
3 **STATES THAT IT SERVES?**

4 A. Yes, they are. Qwest, in response to this question, stated that the rates and the  
5 services found in the special contracts are the same regardless of the state  
6 where the service is provided.

7 **Q. HOW MUCH REVENUE DOES QWEST CURRENTLY RECEIVE FOR**  
8 **BILLING AND COLLECTION SERVICES AND HOW HAS IT VARIED**  
9 **OVER TIME?**

10 A. Ten years ago Qwest was able to generate **\*Confidential\*** in annual non-  
11 affiliated revenues. In 2004, that amount was down to **\*Confidential\*** in non-  
12 affiliated annual revenues. Very little of that loss appears to have been due to  
13 third party competition. The loss in revenues was due to major customers  
14 performing the billing and collection function themselves rather than  
15 outsourcing it; even Qwest's own unregulated long distance company started  
16 doing its own billing and collection.

17 **Q. WHAT WAS THE IMPACT OF QWEST'S LONG DISTANCE COMPANY ON**  
18 **THESE REVENUES?**

19 A. Qwest's long distance company, which came into existence in 2003, was able  
20 to capture market share from the other carriers operating in Oregon. As these  
21 customers lost market share, they also lost the need for Qwest's Billing and  
22 Collection Services. Since revenues derived from Qwest's affiliated long

1 distance company are affiliated revenues, they no longer appear as non-  
2 affiliated revenues.

3 **Q. DID QWEST LOSE THE REVENUES TO SELF-PROVISIONING?**

4 A. Yes. Carriers self-provisioned through strategic business units, profit centers, or  
5 cost centers that are part of the Billing and Collection Services customer's  
6 business. Between 2001 and 2002, Qwest's revenues fell by 38.5%, which  
7 Qwest attributed to the introduction of a "LEC Billing Fee" charge. If a  
8 competitor's end-user (customer) elected to continue receiving a single,  
9 combined bill from Qwest, then the customer would be required to pay that  
10 billing fee.

11 **Q. WHAT PART OF THE LOSS WAS NOT DUE TO SELF-PROVISIONING?**

12 A. Qwest in one of its data responses indicated that some of the loss of revenues  
13 was due to a reclassification of revenues from non-affiliated to affiliated. As  
14 noted above, revenues derived from its long distance company are classified as  
15 affiliated revenues.

16 **Q. ARE BILLING AND COLLECTION SERVICES AVAILABLE FROM  
17 ALTERNATIVE PROVIDERS IN OREGON?**

18 A. Qwest has stated that the services are available from alternative providers. In  
19 its petition, Qwest presents the names of several companies that it claims are  
20 providers of billing and collection and related services in Oregon. Although it is  
21 not clear what fraction of their revenues is derived from billing and collection,  
22 several of the companies identified by Qwest are listed on the major stock  
23 exchanges and have total revenues that exceed \$500 million per year.

1 **Q. DOES THE PETITION PRESENT ANY DIRECT EVIDENCE OF**  
2 **COMPETITION FROM THESE COMPANIES?**

3 A. No, Qwest has not presented any direct evidence of competition from any of  
4 the list of competitors that it has provided. In addition, Qwest includes, as  
5 competitors, companies that provide prepaid service arrangements (i.e.,  
6 prepaid billing and collections services) even though they are not relevant to  
7 the market for Qwest's Billing and Collection Services. Prepaid service  
8 arrangements are not relevant to the market for Qwest's Billing and Collection  
9 Services because, by their very nature, these services cover post payments of  
10 prior telecommunications services usage. See Staff/5, Stanage-White/57.

11 **Q. WHAT ABOUT WIRELESS AND VOIP CARRIERS? DO THEY PROVIDE**  
12 **BILLING AND COLLECTION SERVICES?**

13 A. No, wireless and VOIP carriers (1) do not provide billing and collection  
14 services<sup>1</sup> to other carriers, and (2) are usually prepaid services.

15 **Q. WAS QWEST ABLE TO DEMONSTRATE TO WHAT EXTENT BILLING**  
16 **AND COLLECTION SERVICES AVAILABLE FROM ALTERNATIVE**  
17 **PROVIDERS IN THE RELEVANT MARKET AT COMPARABLE RATES,**  
18 **TERMS, AND CONDITIONS?**

19 A. No. Qwest provides no evidence of competition at "comparable rates, terms,  
20 and conditions. Staff/5, Stanage-White/73 through 74.

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<sup>1</sup> Throughout our testimony we use the lower case for the term "billing and collection services" when we are referring to these services *in general*, but use the title case version "Billing and Collection Services" when referring to Qwest's tariffed service. For example, we would use the lower case when referring to the "market for *billing and collection services*."



1           **PART 4. CURRENT REGULATORY STATUS OF QWEST'S BILLING AND**  
2   **COLLECTION SERVICES**

3  
4           **Q. WHAT IS THE CURRENT REGULATORY STATUS OF QWEST'S BILLING AND**  
5           **COLLECTION SERVICES?**

6           A. Because the services in Qwest's petition are "non-basic services" under  
7           ORS 759.410, they are price capped at their current rates. Thus, Qwest has  
8           downward pricing flexibility for its billing and collection services. Consequently,  
9           Qwest could decrease current rates down to their respective price floors at any  
10          time<sup>2</sup> as provided in statute, but could not raise rates unless the services were  
11          exempted from regulation.

12          **Q. WHAT CHANGES TO THE REGULATORY ENVIRONMENT HAVE**  
13          **AFFECTED QWEST'S MARKET FOR BILLING AND COLLECTION**  
14          **SERVICES IN ITS OREGON SERVICE TERRITORY?**

15          A. The regulatory environment changed substantially when Qwest began the process to  
16          qualify for Section 271 approval at the federal and state levels, including Oregon. One  
17          of the earlier consequences of the Section 271 qualification process was that it  
18          allowed other toll carriers to have pre-subscription by customers to their respective  
19          IntraLATA toll services. This, in turn, made it more practical for other carriers to  
20          directly bill their own presubscribed customers because carriers could bill for all toll  
21          services---i.e., both interLATA and intraLATA toll---on one monthly bill and the amount  
22          billed would be substantially larger.

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<sup>2</sup> Under ORS 759.410 (8)(a): "Notice of a price change authorized under subsection (4) of this section, of the introduction of a new regulated telecommunications service or of the packaging of services, must be given to the commission within 30 days following the effective date of the price change..."

1 **Q. WHEN DID PRE-SUBSCRIPTION TO INTRALATA TOLL FROM**  
2 **ALTERNATIVE CARRIERS BECOME AVAILABLE TO QWEST**  
3 **CUSTOMERS?**

4 A. Qwest customers could pre-subscribe to intraLATA toll services from other  
5 carriers beginning in February, 1999.

6 **Q. WHAT HAVE BEEN THE CONSEQUENCES OF OTHER TOLL CARRIERS**  
7 **DIRECTLY BILLING THEIR OWN PRESUBSCRIBED CUSTOMERS?**

8 A. One of the consequences of other toll carriers directly billing their own  
9 presubscribed customers is that the market for billing and collection services  
10 has nearly disappeared.<sup>3</sup> This leaves only billing agents as alternative sellers  
11 of billing and collection services. In most instances, this leaves only calls not  
12 carried by the carrier to whom the customer is presubscribed---i.e., operator  
13 assisted calls, for billing agents to handle. Such calls represent a small fraction  
14 of the retail telecommunications services market that is the basis (supply  
15 source) of the billing and collection services market.

16 **Q. SHOULD THE COMMISSION BE CONCERNED ABOUT HOW BILLING**  
17 **AGENTS WOULD BE AFFECTED IF IT GRANTS THE PETITION?**

18 A. No, because Qwest has nation-wide contracts with the billing agents and  
19 exempting these services from regulation in Oregon will not change the way in  
20 which Qwest does business with the billing agents.

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<sup>3</sup> In 2004 Qwest's billing and collection services revenues were less than twenty percent of the company's 1997 revenues for the services---i.e., the year immediately preceding the regulatory change that allowed intraLATA presubscription to alternative carriers.

1 **Q. IF QWEST WERE TO ABANDON ITS BILLING AND COLLECTION**  
2 **SERVICES WOULD IT AFFECT TELECOMMUNICATIONS SERVICES**  
3 **END USERS WHO ARE PRESUBSCRIBED TO OTHER CARRIERS?**

4 A. No. End users would only be affected if the other telecommunications carriers  
5 were dependent upon Qwest for their billing and collection functions, which is  
6 clearly not the case in Oregon. As already established above, the other  
7 primary telecommunications carriers directly bill their own customers and  
8 usually do not use or depend on Qwest's Billing and Collection Services.  
9 Therefore, even if Qwest did abandon its Billing and Collection Services, it is  
10 very unlikely that telecommunications services end users in Qwest's Oregon  
11 service territories would be affected.

12 We note that the Commission's abandonment of service rule, Oregon  
13 Administrative Rule 860-032-0020, would require Qwest to give IXCs ninety  
14 days notice of abandonment.

1        **Part 5. CONCLUSIONS: PROBABLE IMPACT OF GRANTING THE PETITION**  
2        **ON TELECOMMUNICATIONS SERVICES END-USERS AND COMPETITORS**

3  
4        **Q. IS THERE SUFFICIENT EVIDENCE TO MAKE A FINDING THAT THE**  
5        **STIPULATION SHOULD BE ADOPTED, AS PROVIDED FOR IN**  
6        **ORS 759.030(2), BECAUSE THE PUBLIC INTEREST NO LONGER**  
7        **REQUIRES FULL REGULATION OF QWEST'S BILLING AND**  
8        **COLLECTION SERVICES?**

9        A. Yes, Qwest's petition to exempt its Billing and Collection Services should be  
10       granted, as provided for in ORS 759.030(2), because the public interest no  
11       longer requires full regulation of those services.

12       **Q. PLEASE EXPLAIN WHY THE PUBLIC INTEREST NO LONGER**  
13       **REQUIRES FULL REGULATION OF THOSE SERVICES?**

14       A. There are three reasons why the public interest no longer requires full  
15       regulation of Qwest's Billing and Collection Services. First, when pre-  
16       subscription to the carrier of choice for intraLATA toll services became available  
17       to Qwest's Oregon customers after February, 1999, it provided a greater  
18       incentive for other Oregon telecommunications services carriers to implement  
19       their own direct billing.

20                    At the time of Qwest's previous petition to exempt Billing and  
21       Collection Services<sup>4</sup>, Qwest's Oregon customers could not pre-subscribe to

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<sup>4</sup> April 19, 1993, Qwest, which at the time was U S WEST Communications, filed a petition to exempt its Billing and Collection Services from regulation by the Commission, which was docketed UX 16. The petition was denied in Order 94-1608, October 28, 1994.

1 anyone except Qwest for their carrier for intraLATA toll services. The ability of  
2 Qwest customers to pre-subscribe to other carriers for both intraLATA toll and  
3 interLATA services substantially increased the incentive for other carriers to  
4 initiate their own direct billing, and thereby, reduced the demand for Qwest's  
5 Billing and Collection Services.

6 **Q. WHAT IS THE SECOND REASON WHY THE PUBLIC INTEREST NO**  
7 **LONGER REQUIRES FULL REGULATION OF THOSE SERVICES?**

8 A. The second reason is that the information necessary for performing the billing  
9 and collection function can now be obtained directly by other carriers without  
10 Qwest's assistance. Because the information bottleneck no longer exists, other  
11 Oregon telecommunications services carriers can do their own billing and  
12 collection. Those carriers---who are Qwest's largest Billing and Collection  
13 Services customers and are, also, the largest Interexchange carriers (IXCs) in  
14 the country---now have a successful track record of taking their billing and  
15 collection functions in-house through self-provisioning or direct billing.  
16 Therefore, they do not need Qwest's Billing and Collection Services.

17 **Q. WHAT IS THE THIRD REASON WHY THE PUBLIC INTEREST NO**  
18 **LONGER REQUIRES FULL REGULATION OF THOSE SERVICES?**

19 A. The third reason is that Qwest local access line service customers' choices for  
20 retail telecommunications services are unlikely to be affected by exempting  
21 Qwest's Billing and Collection Services. Today, the availability of Qwest's  
22 Billing and Collection Services plays a very minor role in the current market for  
23 billing and collection services. The main characteristic of the current billing and

1 collection services market from the Qwest ratepayer's point of view is that a  
2 large majority of end-users are presubscribed to carriers (Qwest or other IXCs)  
3 who bill them directly for post-paid services. The other carriers who directly bill  
4 their respective presubscribed customers have made an economic decision  
5 (exercised a preference) to do so and have accommodated the consequences  
6 of that decision for several years now. Moreover, there is no indication that the  
7 other carriers intend to abandon their practice of direct billing at any point in  
8 time. Therefore, the consequences of exempting Qwest's Billing and Collection  
9 Services from regulation is likely to be very minor for both the current billing and  
10 collection services market and for Qwest's telecommunications services end-  
11 users. In addition, the risk of harm to Qwest's telecommunications services  
12 end-users due to potential price discrimination, predatory pricing, or  
13 abandonment of its Billing and Collection Services subscribers is very small.  
14 See Staff/5, Stanage-White/75 through 77.

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**Part 6. RECOMMENDATIONS**

**Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION ON THE STIPULATION CONCERNING QWEST'S PETITION TO EXEMPT ITS BILLING AND COLLECTION SERVICES FROM REGULATION?**

A. We recommend that the Commission adopt the stipulation. Qwest should be directed to make the appropriate tariff filing to implement this decision within sixty days of the final Commission order in this docket.

**Q. ARE THERE ANY SPECIAL CONDITIONS IN THE STIPULATION THAT SHOULD BE NOTED?**

A. Yes. Staff has agreed to the granting of the petition subject to the condition that there will be no adverse impact or effect on Qwest's residential end user customers as a result of the deregulation of the Petition services. Staff/7.

**Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

A. Yes.

CASE: UX 30  
WITNESS: Stanage-White/1

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 2**

**Witness Qualification Statement**

**April 14, 2006**



1 **Q. PLEASE STATE YOUR NAME AND DESCRIBE YOUR EDUCATIONAL**  
2 **BACKGROUND AND EXPERIENCE.**

3 A. My name is James R. Stanage. I hold a Master of Science degree in Public  
4 Affairs from the University of Oregon. Since August 1975, I have been  
5 employed by various state and local government and nonprofit agencies in  
6 Oregon. Since joining the OPUC Telecommunications Division in January  
7 1987, I have served as a witness on behalf of OPUC staff in numerous dockets  
8 including several that concerned local exchange rates, Extended Area Service  
9 (EAS), price list of services, the resale of local services, pay telephones, and  
10 deregulation dockets.

11 Specifically, I have presented staff's local services rate design  
12 testimony in dockets UT 51, UT 67, UT 71, UT 83, UT 101, UT 125, UT 127, UT  
13 141, and UT 152. I have served as staff's witness in several deregulation  
14 dockets including UM 348, UX 20, UX 21, UX 22, UX 23, UX 24, UX 25, UX 26,  
15 and UX 27. I have served as staff's witness in several price list dockets including  
16 UD 4, UD 8, UD 9, and UD 13.

CASE: UX 30  
WITNESS: Stanage-White/1

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 3**

**Witness Qualification Statement**

**April 14, 2006**

**WITNESS QUALIFICATION STATEMENT**

**NAME:** Roger White

**EMPLOYER:** Public Utility Commission of Oregon

**TITLE:** Senior Telecommunications Analyst

**ADDRESS:** 550 Capitol St. NE, Suite 215  
Salem, Oregon 97301-2551

**DEGREES:** MBA – Finance /Quantitative Methods  
University of Washington

BS –Mathematics, Minors: Physics/Chemistry  
University of Washington

**OTHER EDUCATION:** Ph.D. in Business with a major in Economics  
minor in Finance—near completion of course  
work. University of Texas

Technical Certification: Electronics and Calibration  
Techniques. Aberdeen Proving Grounds

**PROFESSIONAL EXPERIENCE:**

Senior Telecommunications Analyst and Telecommunications Analyst, Public Utility Commission of Oregon, 2001-Present.

The senior telecommunications analyst's job consists of the following: reviewing annual cost filings done by Oregon telecommunications companies for accuracy and correctness, reviewing incremental cost studies done in support of pricing, developing usage forecasts, and reviewing depreciation studies for telecommunications and power companies.

Manager Cost Models and Methodology, GTE and Verizon, 1995-2001.

The mangers job consisted of the following activities: designing and managing the design of all components (e.g. local loop, transport, switching, SS7, expense) of GTE's integrated cost model, developing documentation packages for each module, training model advocates and user groups on the working of the model, reviewing alternative cost models, testifying in rate hearings when special expertise was required, and supervising a staff of administrators and staff managers.

## PROFESSIONAL EXPERIENCE (Continued):

Manager Process Cost, GTE, 1994-1995, GTE, 1994-1995.

This was a cross training job involving the detailed benchmarking of GTE's process costs with the process costs of other comparable companies. The job also involved providing detailed product costs to the Margin and Benchmarking teams.

Manager Research/Methods, GTE, 1989-1994.

The manager's job consisted of the following: designing and managing the development of cost models, designing and managing the development of a product margin tracking system and the product margins, giving presentations to product managers and senior managers, supervising a staff of three.

Staff Manager Pricing Policy, GTE, 1987-1989

The staff manager's job consisted of the following: providing technical support to members of the operating companies on the use of switching cost models, modifying and supporting strategic pricing models, and designing a cost models to facilitate the pricing of switch features and local loop.

Administrator Demand Analysis, GTE, 1982-1987

The demand analysis administrator's job consisted of the following: developing marketing data through surveys and secondary sources, analyzing the data using various marketing research techniques, developing forecasts, developing models that could be used to predict how various markets would respond to price changes.

Administrator Pricing, GTE, 1981-1982

The pricing administrator's job consisted of the following: developing a computer based program that could be used by the sales force to price out PBX systems while meeting with the customer, and setting prices for customer premise equipment.

Administrator Economic Research, GTE, 1977-1981

The economic research administrator's job consisted of the following: developing wire center specific demand forecasts, introducing and providing training on econometric techniques, and providing statistical support for marketing research activities.

Administrator Operations Research, GTE, 1976-1977

The operation research administrator's job consisted of introducing operations research techniques such as linear, integer and dynamic programming techniques into the network planning process in a practical and useful way.

CASE: UX 30  
WITNESS: Stanage-White

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 4**

**Exhibit in Support of Direct Testimony**

**April 14, 2006**



# Oregon

Theodore R. Kulongoski, Governor

**Public Utility Commission**  
550 Capitol Street NE, Suite 215  
**Mailing Address:** PO Box 2148  
Salem, OR 97308-2148  
**Consumer Services**  
1-800-522-2404  
Local: 503-378-6600  
**Administrative Services**  
503-373-7394

January 6, 2006

Re: Oregon PUC Docket UX 30, an investigation of Qwest Corporation's  
Petition to exempt its Billing and Collections Services from regulation

Qwest Corporation (Qwest) has filed a petition to exempt its Billing and Collections Services from regulation in Oregon. The petition was filed August 4, 2005, and has been docketed as UX 30. The petition was suspended for investigation at the Commission's September 27, 2005, public meeting. There are three current parties to this docket: the Commission, Qwest, and the Citizens Utility Board (CUB) of Oregon.

The Commission staff is sending this letter in order to be certain that current Qwest Billing and Collections Services customers are aware of the petition and the current investigation. We note that since the filing of this petition, no current Qwest Billing and Collections Services customers or any Oregon certified carriers have communicated any concerns regarding this petition. We further note that the regular public notices of the filed petition have been issued in the routine manner.

The parties to this docket are currently discussing a stipulation, which if concluded, could lead to the granting of the petition in some form. Therefore, if you have an interest in this docket and intend to participate in it you need to contact Administrative Law Judge Michael Grant at (503) 378-6102, no later than January 19, 2006.

Sincerely,

Phil Nyegaard  
Administrator  
Telecommunications Division  
(503) 378-6634

Staff Initiator: Jim Stanage (503) 378-6165

cc: Service List

UX30.Letter to B&C Customers

THIRD-PARTY SERVICE PROVIDERS (OPERATING IN OREGON) WITH QWEST BILLING  
& COLLECTION (B&C) CONTRACTS  
CONTACT INFORMATION

\* Not on CD Disk

<p><b>Acceris Communications, Corp. and Worldxchange Corporation</b> d/b/a: WorldxChange 9775 Businesspark Avenue San Diego, CA 92131 <u>Attn:</u> Nancy Jeffries Fax: (858) 547-5615 <a href="mailto:Nancy.jeffries@acceris.com">Nancy.jeffries@acceris.com</a></p>	<p><b>Amerivision Communications, Inc.</b> 201 NW 63<sup>rd</sup> Street, Suite 200 Oklahoma City, OK 73116 Attn: Ivette Castro Fax: (405) 600-3656 <a href="mailto:icastro@lifeline.net">icastro@lifeline.net</a></p>
<p><b>AT&amp;T Corp.</b> 30 Knightsbridge rd., Rm. 32C269A Piscataway, NJ 08854 <u>Attn:</u> District Mgr. LEC Account Mgmt.</p>	<p><b>BBG Communications</b> d/b/a: International Satellite Communications 1658 Gales Blvd., Suite B San Diego, CA 92154 Attn: Brian Rhys</p>
<p><b>Billing Concepts, Inc.</b> d/b/a: ESBI, Hold Billing Services, OAN, USBI &amp; ZPDI 7411 John Smith Dr., Suite 200 San Antonio, TX 78229 Attn: Sally Welge Fax: (800) 805-5853 <a href="mailto:Sally.welge@billingconcepts.com">Sally.welge@billingconcepts.com</a></p>	<p><b>Evercom Systems, Inc.</b> d/b/a: Correctional Billing Services 8201 Tristar Drive Irving, TX 75063 Attn: Betty Plocharczyk Fax: (972) 988-3774 <a href="mailto:bplocharczyk@evercom.net">bplocharczyk@evercom.net</a></p>
<p><b>Frontier Communications Services, Inc.</b> 180 South Clinton Avenue Rochester, NY 14646 <u>Attn:</u> Luisa Laniak</p>	<p><b>ILD Teleservices, Inc.</b> 5213 NW 33<sup>rd</sup> Avenue Ft. Lauderdale, FL 33309 <u>Attn:</u> Kathy McQuade <a href="mailto:Kathy.mcquade@ildmail.com">Kathy.mcquade@ildmail.com</a></p>
<p><b>Integretel, Corp.</b> 5883 Rue Ferrari San Jose, CA 95138 <u>Attn:</u> Ken Dawson <a href="mailto:kdawson@integretel.com">kdawson@integretel.com</a></p>	<p><b>MCI Communications Services, Inc. &amp; Telecom*USA, Inc.</b> d/b/a: MCI &amp; Telecom*USA 6312 S. Fiddlers Green Circle Suite 600E Greenwood Village, CO 80111 Attn: Manager-LEC Billing <a href="mailto:Lecbilling-collections@mci.com">Lecbilling-collections@mci.com</a></p>

<p><b>PaymentOne, Corp.</b> 5883 Rue Ferrari San Jose, CA 95138 <u>Attn:</u> Laurie Teixeira Ph: (408) 362-4168 <a href="mailto:lteixeira@integretel.com">lteixeira@integretel.com</a></p>	<p><b>Sprint Communications Company LP</b> 6580 Sprint Parkway Mailstop: KSOPHW0506 Overland Park, KS 66251 <u>Attn:</u> LEC Billing Manager</p>
<p><b>The Billing Resource, Inc.</b> 5883 Rue Ferrari San Jose, CA 95138 <u>Attn:</u> Ken Dawson <a href="mailto:kdawson@integretel.com">kdawson@integretel.com</a></p>	<p><b>Z-Tel Communications, Inc.</b> d/b/a: Touch 1 Communications 100 Brookwood Rd. Atmore, AL 36502 <u>Attn:</u> Lisa Johnson Fax: (251) 368-1314 <a href="mailto:lrjohnson@z-tel.com">lrjohnson@z-tel.com</a></p>



CASE: UX 30  
WITNESS: Stanage-White

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 5**

**Exhibit in Support of Direct Testimony**

**REDACTED VERSION**

**April 14, 2006**

**CERTAIN INFORMATION CONTAINED IN STAFF EXHIBIT 5  
IS CONFIDENTIAL AND SUBJECT TO PROTECTIVE  
ORDER NO. 06-140. YOU MUST HAVE SIGNED  
APPENDIX B OF THE PROTECTIVE ORDER IN  
DOCKET UX 30 TO RECEIVE THE  
CONFIDENTIAL VERSION  
OF THIS EXHIBIT.**

*Jim Stanage*

**Qwest**  
1801 California Street, Tenth Floor  
Denver, Colorado 80202  
Telephone 303 383.6660  
Facsimile 303 298.8197  
Email: Meraj.Abdul-Qadir@qwest.com



**Meraj Abdul-Qadir, Certified Paralegal**  
Lead Paralegal  
Interrogatory Manager

August 31, 2005

Vikie Bailey-Goggins  
Oregon Public Utility Commission  
550 Capitol Street, NE, Suite 215  
Salem, Oregon 97308-2148  
[Vikie.bailey-goggins@state.or.us](mailto:Vikie.bailey-goggins@state.or.us)

**Via Overnight Delivery  
and Email**

Re: Oregon Docket No. UX30: Qwest's Responses to PUC Staff's Set 1  
Request Nos. 1 through 17, Inclusive

Dear Ms. Bailey-Goggins:

Enclosed are an original and two copies of Qwest's responses to Staff's first set of data requests in the above-referenced docket. Please note that some of the responses have confidential attachments. The confidential attachments have been marked as "Proprietary and Confidential" and have been loaded to the enclosed CD (which has also been marked as "Proprietary and Confidential"). Please do not disclose confidential information. A copy of the non-confidential attachment has been attached. This letter and the non-confidential attachment have been transmitted to you via email.

If you have any questions regarding the enclosed, please do not hesitate to contact me.

Very truly yours,

*Meraj Abdul-Qadir*

Meraj Abdul-Qadir  
Lead Paralegal - Interrogatory Manager

/mfa

Enclosures

cc(w/enclosures): Alex Duarte

ecc(w/enclosures): [diane.davis@state.or.us](mailto:diane.davis@state.or.us)  
[kathy.williams@state.or.us](mailto:kathy.williams@state.or.us)

Oregon  
UX30  
PUC 1-001

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 001

At the beginning of section III, on page 10, of Qwest's petition, Qwest states that it currently has no customers purchasing B&C services under the Oregon price list, that the fourteen customers it has are all under contract, and that the billed functions are different from those found on the Oregon price list.

- a. Please provide a list of the billed functions found in these contracts and a description of each of them.
- b. For each of the above functions, please indicate where they would be found if they were incorporated in the current price list; for example, if a function were most similar to a recording service (section 8.2), the response to this request would identify the function as belonging to section 8.2.
- c. How were the rates developed for the functions found in the contracts? If they were based on negotiations, what rates were used as the start point of the negotiations and how were they developed?

RESPONSE:

- a. Please see Confidential Attachment A.
- b. Please see Confidential Attachment A.
- c. Please see Confidential Attachment A.

Respondent: Julee Novotny

Staff/5  
Stanage-White 3-6

This page is confidential.

You must have signed the protective order in this docket in order to view this page.

Oregon  
UX30  
PUC 1-002

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 002

In confidential Exhibit C, Qwest provided a table showing non-affiliated "Intrastate" Billing and Collection revenues.

- a. Please provide a table breaking down each year's revenues into two categories: recording service revenues (or revenues closely related to this function) and all other revenues.
- b. Do the revenues reported in the table include all categories of Intrastate Billing and Collection revenues or are there some revenues reported elsewhere (e.g. are there revenues that are non-regulated that are not being shown here)?
- c. Between 2001 and 2002 revenues dropped by 39%. Was this drop due to the loss of some major customers? If yes, which customers? If no, what caused the decrease?
- d. Between 2002 and 2003 revenues dropped by 50%. Was this drop due to the loss of some major customers? If yes, which customers? If no, what caused the decrease?
- e. What is QLDC service and how does this service have an impact on market share retention?

RESPONSE:

- a. This information is not available. Qwest does not track or book B&C revenues at the individual service (i.e. recording) level. To provide this level of information would require Qwest to perform a special study to identify and separate such revenue for the period involved.
- b. The revenues reported in the table include all categories of non-affiliate Oregon intrastate Billing and Collection revenues.
- c. Please see Confidential Attachment A.
- d. Please see Confidential Attachment B.
- e. QLDC service refers to the long distance service by Qwest's affiliate, Qwest Long Distance Corp. (QLDC), after Qwest was granted interLATA toll relief under Section 271 of the Telecommunications Act in April 2003. When QLDC entered the long distance market in Oregon, the B&C market share previously held by non-Qwest affiliated carriers (such as AT&T, MCI, etc.) declined drastically due in great part to the success QLDC had in acquiring Oregon subscribers away from these carriers. Thus, the B&C market share in Oregon, once held by a combination of carriers, has been redistributed, with QLDC holding a more significant portion.

Respondent: Julee Novotny

Staff/5  
Stanage-White 8-9

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Oregon  
UX30  
PUC 1-003

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 003

In Exhibit B, Qwest provided a list of customers currently on contract with them for Billing and Collection services.

- a. For each customer, please provide a list of functions that they are currently purchasing.
- b. From the list of functions provided in response 3a and for each customer on contract, which are the primary revenue generating functions?
- c. Are the Billing and Collection charges that these customers are incurring associated only with traffic originating at Qwest switches or are non-Qwest switches also involved?
- d. Are the toll calls being handled by these customers predominantly of a particular type (e.g. credit card calls, collect calls)?

RESPONSE:

- a. The requested information will be submitted as part of the supporting documentation for each customer's B&C contract filing package that Qwest plans to file with the Commission in early September, 2005.
- b. Please see the response to Data Request No. 3.a.
- c. Charges billed to customers for B&C services are for all types of originating and terminating toll traffic. Qwest does not distinguish the difference for B&C purposes. In the case of toll-type calls, the B&C customer records and rates their own toll calls, before sending them to Qwest for inclusion in the bill.
- d. Under our B&C agreements, Qwest accepts and bills all types of toll-type calls on behalf of our B&C customers, including, 1+ , 1010XXX and 0+ type calls. Qwest does not track the specific types and volumes associated with the different types of toll calls.

Respondents: Julee Novotny  
Sheila Harris



Oregon  
UX30  
PUC 1-004

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 004

If Qwest is not using the price list for Billing and Collection services and has all of its current customers under contract, why is it filing to have these made exempt from regulation?

RESPONSE:

See Confidential Attachment A.

Respondent: Legal

Staff/5  
Stanage-White 12

This page is confidential.

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Oregon  
UX30  
PUC 1-005

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 005

What impact would the exemption requested under the petition affect Qwest ratepayers in general---i.e., end-users exclusive of billing and collection service subscribers?

RESPONSE:

The Commission's granting Qwest's petition for exemption would not have any effect on Qwest's ratepayers.

Respondent: Julee Novotny, Qwest Manager

Oregon  
UX30  
PUC 1-006

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 006

Please describe the key steps of the Billing and Collection process and how it varies from one type of call (e.g. collect) to another? At each step, please indicate whether or not a competitor could currently perform that function.

RESPONSE:

There is no variation of B&C services based on the type of toll call(s) being billed. As a general rule, billing is billing. Qwest bills what the B&C customer sends Qwest to bill on its behalf. As set forth in Qwest's petition, Qwest believes that a competitor can and does perform all necessary and comparable functions itself.

Respondent: Julee Novotny

Oregon  
UX30  
PUC 1-007

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 007

For each of the six calendar years, 1999 through 2004, how many Billing and Collection Services customers did Qwest have in Oregon who were *billing agents*---i.e., not interexchange carriers acting as their own billing agent?

RESPONSE:

In 2004, there were five (5) billing agents ("billing aggregators") that conducted business in Oregon at some point in the year. Qwest is not able to provide this information for the years of 1999-2003 without performing a special study.

Respondent: Julee Novotny

Oregon  
UX30  
PUC 1-008

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 008

For each of the six calendar years, 1999 through 2004, how much of Qwest's Billing and Collection Services revenues cited in Exhibit C of the petition was from billing agents---i.e., not interexchange carriers acting as their own billing agent.

RESPONSE:

See Confidential Attachment A.

Respondent: Julee Novotny

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Stanage-White 17

This page is confidential.

You must have signed the protective order in this docket in order to view this page.

Oregon  
UX30  
PUC 1-009

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 009

Do other interexchange carriers have access to the information necessary for billing and collection from their customers without obtaining/purchasing it from Qwest?

RESPONSE:

Yes. First, interexchange carriers subscribe to customer account record exchange ("CARE") information from Qwest. In addition, Qwest believes they have created their own subscriber databases, primarily from data they have obtained directly from their subscribers.

Respondent: Julee Novotny



Oregon  
UX30  
PUC 1-010

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 010

Do billing agents have access to the information necessary for billing and collection from their customers without obtaining/purchasing it from Qwest?

RESPONSE:

Yes. Qwest believes billing agents have created their own billing databases primarily from information they have obtained from two sources: 1) their clients (the service providers they bill for), and 2) their clients' subscribers.

Respondent: Julee Novotny

Oregon  
UX30  
PUC 1-011

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 011

Please provide an estimate of the cost of each of Qwest's billing and collection services included in the petition, including any services provided under a special contract. In addition, please provide the cost studies that are the basis for the cost of service estimate for each respective service.

RESPONSE:

In the case of the majority of our B&C services, this information is simply not known or available to Qwest, in large part because of the history of the B&C services contracts, the negotiation of rates with individual customers throughout the years, the age of the price list, and that many of the services today, which are based on market-based rates, do not align with the services in the price list. Nevertheless, Qwest does possess a May 2000 cost study for certain B&C services, which Qwest produces here as Confidential Attachment A to this response.

Respondent: Julee Novotny

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Stanage-White 21

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Oregon  
UX30  
PUC 1-012

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 012

Please show the relationship between the current rates for each of Qwest's billing and collection services included in the petition and each service's estimated cost, including any services provided under a special contract.

RESPONSE:

Please see the response to Data Request No. 11.

Respondent: Sheila Harris

Oregon  
UX30  
PUC 1-013

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 013

Has Qwest (or its predecessor telephone utility U S WEST Communications) changed its rates for the billing and collection services included in the petition since the beginning of 1996 (the first year cited in Exhibit C)? If so, what changes were implemented and when?

RESPONSE:

Historically, Qwest's B&C services which are still offered in the petition have been and continue to be fluid. As established B&C contracts have come up for renewal (usually every 1-3 years) as new customer agreements are negotiated, Qwest evaluates the rates "the market" is charging for "like" services as well as other factors and sets pricing accordingly. With the number of contract expirations and renewals occurring throughout any given year, the number of chargeable service functions under each agreement, and the corresponding pricing adjustments, it would require a special study for Qwest to research and document every pricing change invoked for each B&C customer since 1996.

Respondent: Julee Novotny

Oregon  
UX30  
PUC 1-014

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 014

Does Qwest have any plans to change the rates it charges for the billing and collection services included in the petition upon exemption, if it were granted by the Commission? If yes, please describe those plans.

RESPONSE:

Qwest is currently considering price changes to its bill production service functions, but as of today, no specific price changes have been finalized.

Respondent: Julee Novotny

Oregon  
UX30  
PUC 1-015

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 015

What is the current regulatory status of Qwest's billing and collection services in its other jurisdictions---i.e., has it been deregulated in any of those jurisdictions?

RESPONSE:

Please see Attachment A.

Respondent: Robin Terry, Staff Advocate

Oregon  
UX30  
PUC Set 1, No. 15  
Attachment A

## Billing &amp; Collections Service Status

State	Deregulated	Regulated with Unlimited pricing flexibility	Regulated with Limited pricing flexibility	Individual Case Basis ** See Note 1	Other **See Notes 2
Arizona			X, tariff	X	
Colorado	X, 1987			X	
Idaho	X, 1989			X	
Iowa	X, 1987			X	
Minnesota				X	X, 1999
Montana	X, 1986			X	
Nebraska	X, 1986			X	
New Mexico			X, tariffed	X	
North Dakota	X, not previously regulated			X	
Oregon				X	X, 1999
South Dakota	X, 7-10 years			X	
Utah				X	Competitively classified & Grandfathered, 2002
Washington				X	X, 1991
Wyoming	X, 1995			X	

Source: Arizona Docket No. T-01051B-03-0454 & T-00000D-00-0672, Data Request STF30-016, Non-Confidential Attachment A (updated 7/27/05 to include Arizona information).

\*\* Note 1: ICB contracting is allowed in all the states identified.

\*\* Note 2:

Minnesota: Prices are Not Regulated

Oregon: Price Listed; rates may be changed on 1-days notice.

Washington: Competitively Classified, Price Listed. Only pricing limitation is that rates must cover costs.



Oregon  
UX30  
PUC 1-016

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 016

In other jurisdictions where billing and collection services included in the petition have been deregulated or granted upward pricing flexibility, has Qwest changed the rates it charges for billing and collection services? If yes, please provide the date deregulation or upward pricing flexibility was granted and the dates and amounts of any price changes for billing and collection services.

RESPONSE:

Yes, as previously cited in Qwest's response to data request No. 13, Qwest has changed many of its B&C rates. However, this information is not available and would require a special study.

Respondent: Julee Novotny

Oregon  
UX30  
PUC 1-017

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 017

For each of Qwest's jurisdictions provide the current rate charged for billing and collection services. Please indicate which jurisdictions are price regulated or deregulated.

RESPONSE:

Qwest's current B&C rates do not vary by jurisdiction but they can and do vary by individual B&C customer. The specific B&C rates set forth in the contracts that Qwest will be filing with the Commission shortly reflect the rates in the contracts that were entered into between Qwest and the B&C customers.

Respondent: Julee Novotny  
Respondent: Legal

**Qwest**  
1801 California Street, Tenth Floor  
Denver, Colorado 80202  
Telephone 303 383.6680  
Facsimile 303 298.8197  
Email: Meraj.Abdul-Qadir@qwest.com



**Meraj Abdul-Qadir, Certified Paralegal**  
Lead Paralegal  
Interrogatory Manager

September 28, 2005

Vikie Bailey-Goggins  
Oregon Public Utility Commission  
550 Capitol Street, NE, Suite 215  
Salem, Oregon 97308-2148  
[Vikie.bailey-goggins@state.or.us](mailto:Vikie.bailey-goggins@state.or.us)

**Via Overnight Delivery  
and Email**

Re: Oregon Docket No. UX30: Qwest's Responses to PUC Staff's Set 2  
Request Nos. 18 through 22, Inclusive

Dear Ms. Bailey-Goggins:

Enclosed are an original and one copy of Qwest's responses to Staff's second set of data requests in the above-referenced docket.

If you have any questions regarding the enclosed, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in cursive script that reads "Meraj Abdul-Qadir".

Meraj Abdul-Qadir  
Lead Paralegal - Interrogatory Manager

/mfa

Enclosures

cc(w/enclosures): Alex Duarte

ecc(w/enclosures): [diane.davis@state.or.us](mailto:diane.davis@state.or.us)  
[kathy.williams@state.or.us](mailto:kathy.williams@state.or.us)

Oregon  
UX30  
PUC 2-018

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 018

Are Qwest's Oregon special contract rates for billing and collection services the same (or approximately the same) as the special contract rates in the states where those services are exempt from regulation (i.e., the states listed in Qwest's response to DR No. 15) for similarly situated customers---i.e., those customers having contracts with the same terms and conditions of service (especially service unit volumes)? Please provide supporting evidence for your response showing typical examples.

RESPONSE:

Yes. All rates within a given Qwest *special contract* are the same, regardless of the state where services are provided or the regulatory status of the state. As an example, the rates in AT&T's *special contract* are the same in all fourteen states within Qwest's operating region where AT&T does business. The same principal would be true for any other service provider under a *special contract*.

Similarly situated customers would generally receive the same rates, terms and conditions depending on billing volume commitment and services provisioned.

Respondent: Julee Novotny, Qwest Manager

Oregon  
UX30  
PUC 2-019

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 019

Are Qwest's Oregon tariffed rates for billing and collection services the same (or approximately the same) as the tariffed rates in the states where those services are exempt from regulation (i.e., the states listed in Qwest's response to DR No. 15) for similarly situated customers---i.e., those customers having contracts with the same terms and conditions of service (especially service unit volumes)? Please provide supporting evidence for your response showing typical examples.

RESPONSE:

Please refer to Attachment A for a comparison of rates by state.

Respondent: Robin Terry, Staff Advocate

**BILLING AND COLLECTIONS/INFORMATION AND BILLING SERVICES RATE ELEMENT COMPARISON** OREGON  
UX30  
PUC 02-019  
ATTACHMENT A

B&C Rate Element	AZ	CO	N. ID	S. ID	IA	MAL	MN	MT
<b>SERVICE INITIATION FEE/ANNUAL MINIMUM</b>								
Service Initiation Fee/Annual Minimum	\$40,000.00	-	-	-	-	\$30,000.00	-	-
<b>RECORD SERVICE</b>								
Recording								
Recording Completed, per message	\$0.0040	\$0.0040	-	-	-	-	\$0.0040	-
Unsorted output with name and address information per record processed	-	-	-	-	-	-	\$0.0150	-
Sorted output with name and address information per record processed	-	-	-	-	-	-	ICB	-
Per tape or data file	-	-	-	-	-	-	\$50.00	-
Assembly and Editing Ordering								
With provision of message detail, per message	\$0.0080	\$0.0080	-	-	-	-	\$0.0080	-
Without provision of message detail, per message	\$0.0055	\$0.0055	-	-	-	-	\$0.0055	-
Selective Processing							ICB	-
Recording-Completed, one year contract, per message	-	-	-	-	\$0.0070	-	-	-
Recording-Completed, three/five year contract, per message	-	-	-	-	\$0.0055	-	-	-
<b>MESSAGE RATING/BILLING</b>								
Message Rating								
With provision of message detail, per message	\$0.0055	-	-	-	-	\$0.0055	ICB	-
Five year contract, per message	-	-	-	-	-	\$0.0048 [22]	-	-
Without provision of message detail, per message	\$0.0045	-	-	-	-	\$0.0045	ICB	-
Five year contract, per message	-	-	-	-	-	\$0.0038 [22]	-	-
Bill Processing								
Message Bill Processing - Option 1, per message (1-14 messages)	\$0.0250 [1]	-	-	-	-	\$0.0250 [1]	-	-
Message Bill Processing Option 1, per message (15+ messages)	\$0.0175 [1]	-	-	-	-	\$0.0175 [1]	-	-
Option 2, per message	\$0.1500 [2]	-	-	-	-	\$0.1500 [2]	-	-

**BILLING AND COLLECTIONS/INFORMATION AND BILLING SERVICES RATE ELEMENT COMPARISON OREGON**

UX30  
PUC 02-019

ATTACHMENT A

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B&C Rate Element	AZ	CO	N. ID	S. ID	IA	MAL	MN	MT
Five year contract, per message	-	-	-	-	-	\$0.0200 [22]	-	-
Bulk Message Bill Processing, per message	-	-	-	-	-	-	-	-
Bulk Message Billing Processing, five year contract, per message	-	-	-	-	-	\$0.0100 [22]	-	-
Average Messages	-	-	-	-	-	-	-	-
1-14.49, per message	-	-	-	-	-	-	\$0.0250 [28]	-
14.5+, per message	-	-	-	-	-	-	\$0.0175 [28]	-
Air Time Message Bill Processing, per message	-	-	-	-	-	-	-	-
Bulk	-	-	-	-	-	-	-	-
Message Based Inquiry, per message	-	-	-	-	-	-	ICB	-
Limited (without 30 day dispute process)	\$0.0150	-	-	-	-	\$0.0150	\$0.0200	-
Standard (with 30 day dispute process)	\$0.0350	-	-	-	-	\$0.0350	-	-
Presubscribed	-	-	-	-	-	\$0.0200 [23]	-	-
Other	-	-	-	-	-	\$0.0350 [23]	-	-
Air Time Message	-	-	-	-	-	-	-	-
900 Inquiry	-	-	-	-	-	-	-	-
Per message	\$0.2000	-	-	-	-	-	\$0.2000	-
Per occurrence	\$10.50	-	-	-	-	-	\$10.50	-
Message Based Bill Rendering, per bill	-	-	-	-	-	-	-	-
Bill Production	-	-	-	-	-	-	-	-
Message Based, Option 1	\$0.4200 [3]	-	-	-	-	\$0.4200 [24]	-	-
Message Billed	-	-	-	-	-	-	\$0.4200 [29]	-
Bulk	\$0.7000 [4]	-	-	-	-	\$0.7000 [4]	ICB [29]	-
MTS	-	-	-	-	-	\$0.3200 [23]	-	-
MTS, five year contract	-	-	-	-	-	\$0.2500 [22]	-	-
Bulk	-	-	-	-	-	-	-	-
Bulk	-	-	-	-	-	\$0.6000 [23]	-	-
Bulk, five year contract	-	-	-	-	-	\$0.5000 [22]	-	-
Data Base Maintenance	-	-	-	-	-	\$0.1000 [4]	-	-
Non-Standard Data Entry	-	-	-	-	-	ICB	-	-
Call Handler ID, per occurrence	-	-	-	-	-	-	-	-
Table update charge	\$59.00 [5]	-	-	-	-	-	\$59.00 [3]	-
Non-Standard Data Entry	ICB	-	-	-	-	-	-	-

**BILLING AND COLLECTIONS/INFORMATION AND BILLING SERVICES RATE ELEMENT COMPARISON** OREGON  
 UJ30

PUC 02-019  
 ATTACHMENT A

B&C Rate Element	AZ	CO	N. ID	S. ID	IA	MAL	MN	MT
Set Up Charge	-	-	-	-	-	-	-	-
Non-Standard Data Entry	-	-	-	-	-	-	-	-
Minimum Volume Percentage Guarantee Option	-	-	-	-	-	-	ICB	-
Rate Provisioning Schedule								
Bill Rendering								
90%	-	-	-	-	-	\$0.3600 [25,26]	-	-
80%	-	-	-	-	-	\$0.3800 [25,26]	-	-
70%	-	-	-	-	-	\$0.3900 [25,26]	-	-
45%	-	-	-	-	-	\$0.4200 [25,26]	-	-
Message Bill Production								
90%	-	-	-	-	-	\$0.0200 [25,26]	-	-
80%	-	-	-	-	-	\$0.0250 [25,26]	-	-
70%	-	-	-	-	-	\$0.0275 [25,26]	-	-
45%	-	-	-	-	-	\$0.0300 [25,26]	-	-
<b>NON-MESSAGE BASED BILLING SERVICE</b>								
Non-Message Based Bill Rendering, per bill	\$1.25	-	-	-	-	\$1.25	-	\$1.25
Per bill, five year contract	-	-	-	-	-	\$1.25 [22]	-	-
Non-Message Based Inquiry, per bill	\$0.2500	-	-	-	-	\$0.2500	\$0.2500	-
<b>BILLING ANALYSIS SERVICE</b>								
Billing Analysis Service	-	-	-	-	-	-	-	-
Detection Service	-	-	-	-	-	-	-	-
Continuous Scan, per office	ICB	-	-	-	-	ICB [30]	ICB [30]	-
Documentation Scan, per line	ICB	-	-	-	-	ICB	ICB [31]	-
Live Trace								
Regular Hours, per office, per line	-	-	-	-	-	-	ICB	-
Off Hours, per office, per line	-	-	-	-	-	-	ICB	-
Call Trace								
Regular Hours, per office, per line	-	-	-	-	-	-	ICB	-
Off Hours, per office, per line	-	-	-	-	-	-	ICB	-
Dial Number Recorder, per occurrence	-	-	-	-	-	-	ICB	-
Investigation Service								
Analysis of Evidence, per hour	\$70.00	-	-	-	-	\$70.00	\$70.00	-
Preparation of Prosecutive Summary, per hour	\$70.00	-	-	-	-	\$70.00	\$70.00	-
Collection of Detailed Evidence, per hour	\$70.00	-	-	-	-	\$70.00	\$70.00	-



**BILLING AND COLLECTIONS/INFORMATION AND BILLING SERVICES RATE ELEMENT COMPARISON**

OREGON  
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B&C Rate Element	AZ	CO	N. ID	S. ID	IA	MAL	MN	MT
Preparation of Affidavit, per hour	\$70.00	-	-	-	-	\$70.00	\$70.00	-
Preservation of Evidence, per week	ICB	-	-	-	-	ICB	ICB	-
Assistance to Law Enforcement, per hour	\$70.00	-	-	-	-	\$70.00	\$70.00	-
Provision of Expert Witness Analysis and Deposition Preparation, per hour	\$90.00	-	-	-	-	\$90.00	\$90.00	-
Provision of Expert Witness Testimony, per hour	\$90.00	-	-	-	-	\$90.00	\$90.00	-
Coordination Services, per hour	\$70.00	-	-	-	-	\$70.00	\$70.00	-
Preparation Reports, per hour	\$70.00	-	-	-	-	\$70.00	\$70.00	-
Deterrence Service	\$70.00	-	-	-	-	\$70.00	\$70.00	-
Recovery of Devices, per hour	\$70.00	-	-	-	-	\$70.00	\$70.00	-
Contact and Interview Fraud Perpetrators, per hour	\$70.00	-	-	-	-	\$70.00	\$70.00	-
Service Review, per hour	\$70.00	-	-	-	-	\$70.00	\$70.00	-
Presentation of Deterrence/Crime Awareness Programs, per hour	\$70.00	-	-	-	-	\$70.00	\$70.00	-
Consultation, per hour	\$70.00	-	-	-	-	\$70.00	\$70.00	-
Training, per hour	\$70.00	-	-	-	-	\$70.00	\$70.00	-
Miscellaneous Charges Incurred	ICB	-	-	-	-	ICB	ICB	-
<b>BILLING INFORMATION SERVICE</b>								
Recurring Provision of Data	ICB	-	-	ICB	-	ICB	ICB	-
CNA Interrogation Information, Received, per request	-	-	-	-	-	-	-	-
CNA Interrogation Information, Confirmation, per request	-	-	-	-	-	-	-	-
<b>ANCILLARY SERVICES</b>								
Market Message, per bill	ICB [6]	-	-	ICB [15]	-	ICB [27]	ICB [27]	-
Market Message Set-up Fee, per request	-	-	-	ICB [15]	-	-	-	-
Screen Bill Fiche, per fiche	\$4.25 [7,8]	-	-	-	-	\$4.25 [7,8]	-	-
Billing Name and Address	-	-	-	ICB	-	-	-	-
Mechanical Method, per listing	\$0.1700	\$0.1700	-	-	-	-	\$0.1700	-
Manual Method, per listing	\$1.95	\$1.95	-	-	-	-	\$0.8400	-
Account Data Verification	-	-	-	ICB	-	-	-	-
Mechanized Method	-	-	-	-	-	-	-	-
Per request	-	-	-	-	-	-	\$0.2500	-

BILLING AND COLLECTIONS/INFORMATION AND BILLING SERVICES RATE ELEMENT COMPARISON OREGON  
UX30

PUC 02-019  
ATTACHMENT A

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B&C Rate Element	AZ	CO	N. ID	S. ID	IA	IMAL	MN	MT
Per record returned	-	-	-	-	-	-	\$0.2500	-
Manual Method								
Per request	-	-	-	-	-	-	\$2.50	-
Per record returned	-	-	-	-	-	-	\$0.3500	-
Manual/Mechanized Method								
Per request	-	-	-	-	-	-	\$2.50	-
Per record returned	-	-	-	-	-	-	\$0.2500	-
<b>MEDIA PROVISIONING</b>								
Magnetic Tape, per tape	\$50.00	-	-	-	-	\$50.00	\$50.00	-
Cartridges, per cartridge	\$50.00	-	-	-	-	\$50.00	\$50.00	-
Data Transmission, per record	\$0.0020	-	-	[18]	-	\$0.0020	-	-
Data Sent, per record	-	-	-	-	-	-	\$0.0020	-
Data Received, per record	-	-	-	-	-	-	\$0.0020	-
Microfiche-Original, per fiche	\$0.7500	-	-	-	-	\$0.7500	-	-
Microfiche-Duplicate, per fiche	\$0.2500	-	-	-	-	\$0.2500	-	-
Delivery	[9]	-	-	-	-	ICB [9]	ICB	-
Internet	-	-	-	-	-	-	-	-
CARE/ISI Transactions	-	-	-	[18]	-	-	-	-
Incoming with echoback, per transaction	-	-	-	-	-	-	\$0.0125	-
Outgoing, per transaction	-	-	-	-	-	-	\$0.0075	-
<b>CONSULTING</b>								
Consulting	-	-	-	ICB	-	-	-	-
Clerical, per hour	\$60.00	-	-	-	-	\$60.00	\$60.00	-
Subject Matter Expert, per hour	\$80.00	-	-	-	-	\$80.00	\$80.00	-
Technical Knowledge, per hour	\$100.00	-	-	-	-	\$100.00	\$100.00	-
Travel Expense	ICB	-	-	-	-	ICB [9]	ICB	-
<b>END USER ACCOUNT ACTIVITY</b>								
Service Order								
Business Office-Residence	\$18.00	-	-	-	-	\$18.00	\$18.00	-
Business Office-Business	\$30.00	-	-	-	-	\$30.00	\$30.00	-
Transmittal-Residence	\$7.00	-	-	-	-	\$7.00	\$4.00	-
Transmittal-Business	\$13.00	-	-	-	-	\$13.00	\$10.00	-
Adjustment, each	\$2.50	-	-	-	-	\$2.50	\$2.00	-

**BILLING AND COLLECTIONS/INFORMATION AND BILLING SERVICES RATE ELEMENT COMPARISON** OREGON  
 UX30  
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 ATTACHMENT A

B&C Rate Element	AZ	CO	N. ID	S. ID	IA	MAL	MN	MT
<b>MESSAGE INVESTIGATION SERVICE</b>								
Message Investigation Center Services, per account	\$35.00	-	-	-	-	\$35.00	\$35.00	-
<b>CUSTOM REQUEST</b>								
Custom Request	ICB [10]	-	-	ICB	-	ICB	-	-
Basic Programming (work performed within normal work schedule, using normal work force), per hour	-	-	-	-	-	-	ICB	-
Basic Administrative (work performed within normal work schedule, using normal work force), per hour	-	-	-	-	-	-	ICB	-
<b>CARE/ISI</b>								
Transaction Charge	\$0.0075 [11]	-	-	-	-	\$0.0075 [11]	-	-
Output Only, per transaction	\$0.0125 [11]	-	-	-	-	\$0.0125 [11]	-	-
Input with Confirmation Back, per transaction								
Access Line Charge, per access line				ICB	-	-	-	-
<b>MESSAGE BILLING SERVICE</b>								
Bill Production Service								
Per bill issued	-	-	-	ICB [12]	-	-	-	-
Service Provider ID Service, per occurrence								
Initial table set-up fee	-	-	-	ICB [13]	-	-	-	-
Table updates, per service provider	-	-	-	[13,14]	-	-	-	-
Inquiry Service, per transaction billed								
900 transactions	-	-	-	ICB [16]	-	-	-	-
Non-900 transactions	-	-	-	ICB [16]	-	-	-	-
End User Adjustments								
Per Company-issued EMI record	-	-	-	ICB [17]	-	-	-	-
Per customer-issued EMI record	-	-	-	ICB [17]	-	-	-	-
<b>WIDE AREA CALLING SERVICE</b>								
Service Establishment, per LATA								
First Dedicated NXX	-	-	-	\$8,700.00 [19]	-	-	\$8,700.00 [19]	-
Subsequent NXX, each	-	-	-	\$5,000.00 [19]	-	-	\$5,000.00 [19]	-
Pricing Option 1 - Toll Equivalent Calls								
Local Switching	-	-	-	\$0.0536 [20,21]	-	-	\$0.0536 [20,21]	-

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B&C Rate Element	AZ	CO	N. ID	S. ID	IA	MAL	MN	MT
Local Transport	-	-	-	\$0.0364 [20,21]	-	-	\$0.0364 [20,21]	-
Pricing Option 2 - Local and Toll Equivalent Calls								
Local Switching	-	-	-	\$0.0214 [20,21]	-	-	\$0.0214 [20,21]	-
Local Transport	-	-	-	\$0.0086 [20,21]	-	-	\$0.0086 [20,21]	-
Flat usage rate, per Wide Area Calling NXX, applicable only when coin originated usage cannot be billed, per month	-	-	-	\$100.00	-	-	\$4.95	-
<b>CENTRALIZED MESSAGE DISTRIBUTION SYSTEM (GMDS)</b>								
Tape Handling, per tape	-	-	-	-	-	-	\$15.00	-
Non-Standard Data Entry	-	-	-	-	-	-	ICB	-
Processing								
Packed Messages, per message	-	-	-	-	-	-	\$0.0030	-
Unpacked Messages, per message	-	-	-	-	-	-	\$0.0050	-
Transmission								
To Distribution Center, per message	-	-	-	-	-	-	\$0.0060	-
Within Host Company, per message	-	-	-	-	-	-	\$0.0020	-
Messages Returned, per message	-	-	-	-	-	-	\$0.0030	-
Nonrecurring Development Charge	-	-	-	-	-	-	\$8,000.00	-
<b>DENIAL</b>								
Establishment Charge, per central office	-	-	-	-	-	-	ICB	-
Central Office Charge								
Residence, per Line Selectively Denied	-	-	-	-	-	-	\$15.00	-
Residence, per Line Selectively Restored	-	-	-	-	-	-	\$15.00	-
Business, per Line Selectively Denied	-	-	-	-	-	-	\$30.00	-
Business, per Line Selective Restored	-	-	-	-	-	-	\$30.00	-
Maintenance Charge	-	-	-	-	-	-	ICB	-

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B&C Rate Element	NE	NM	ND	OR	SD	UT
<b>SERVICE INITIATION FEE/ANNUAL MINIMUM</b>						
Service Initiation Fee/Annual Minimum	-					
<b>RECORD SERVICE</b>						
Recording						
Recording Completed, per message	-	\$0.0040	-	\$0.0040	\$0.0040	-
Unsorted output with name and address information per record processed	-	-	-	-	-	-
Sorted output with name and address information per record processed	-	-	-	-	-	-
Per tape or data file	-	-	-	-	-	-
Assembly and Editing Ordering	-	-	-	-	-	-
With provision of message detail, per message	-	\$0.0080	-	\$0.0080	\$0.0080	-
Without provision of message detail, per message	-	\$0.0055	-	\$0.0055	\$0.0055	-
Selective Processing	-	-	-	-	-	-
Recording-Completed, one year contract, per message	-	-	-	-	-	-
Recording-Completed, three/five year contract, per message	-	-	-	-	-	-
<b>MESSAGE RATING/BILLING</b>						
Message Rating						
With provision of message detail, per message	-	\$0.0055	-	\$0.0055	-	-
Five year contract, per message	-	-	-	-	-	-
Without provision of message detail, per message	-	\$0.0045	-	\$0.0045	-	-
Five year contract, per message	-	-	-	-	-	-
Bill Processing						
Message Bill Processing - Option 1, per message (1-14 messages)	-	\$0.0250	-	\$0.0250 [1]	-	-
Message Bill Processing Option 1, per message (15+ messages)	-	\$0.0175	-	\$0.0175 [1]	-	-
Option 2, per message	-	\$0.1500 [35]	-	\$0.1500 [2]	-	-

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B&C Rate Element	NE	NM	ND	OR	SD	UT
Five year contract, per message	-	-	-	-	-	-
Bulk Message Bill Processing, per message	-	\$0.0150	-	-	-	-
Bulk Message Billing Processing, five year contract, per message	-	-	-	-	-	-
Average Messages	-	-	-	-	-	-
1-14.49, per message	-	-	-	-	-	-
14.5+, per message	-	-	-	-	-	-
Air Time Message Bill Processing, per message	-	\$0.0860	-	-	-	-
Bulk	-	-	-	-	-	-
Message Based Inquiry, per message	-	-	-	-	-	-
Limited (without 30 day dispute process)	-	\$0.0150	-	\$0.0150	-	-
Standard (with 30 day dispute process)	-	\$0.0360	-	\$0.0360	-	-
Presubscribed	-	-	-	-	-	-
Other	-	-	-	-	-	-
Air Time Message	-	\$0.0350	-	-	-	-
900 Inquiry	-	-	-	-	-	-
Per message	-	\$0.2000	-	\$0.2000	-	-
Per occurrence	-	\$10.50	-	\$10.50	-	-
Message Based Bill Rendering, per bill	-	-	-	-	-	-
Bill Production	-	-	-	-	-	-
Message Based, Option 1	-	\$0.4200	-	\$0.4200 [4,32]	-	-
Message Billed	-	-	-	-	-	-
Bulk	-	\$0.7000	-	\$0.7000 [4]	-	-
MTS	-	\$0.3200	-	-	-	-
MTS, five year contract	-	\$0.2500	-	-	-	-
Bulk	-	-	-	-	-	-
Bulk	-	\$0.6000	-	-	-	-
Bulk, five year contract	-	\$0.5000	-	-	-	-
Data Base Maintenance	-	-	-	-	-	-
Non-Standard Data Entry	-	-	-	-	-	-
Call Handler ID, per occurrence	-	-	-	-	-	-
Table update charge	-	\$59.00 [3]	-	\$20.73 [32]	-	-
Non-Standard Data Entry	-	ICB	-	ICB	-	-

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B&C Rate Element	NE	NM	ND	OR	SD	UT
Set Up Charge	-	-	-	-	-	-
Non-Standard Data Entry	-	-	-	-	-	-
Minimum Volume Percentage Guarantee Option	-	-	-	-	-	-
Rate Provisioning Schedule	-	-	-	-	-	-
Bill Rendering	-	-	-	-	-	-
90%	-	-	-	-	-	-
80%	-	-	-	-	-	-
70%	-	-	-	-	-	-
45%	-	-	-	-	-	-
Message Bill Production	-	-	-	-	-	-
90%	-	-	-	-	-	-
80%	-	-	-	-	-	-
70%	-	-	-	-	-	-
45%	-	-	-	-	-	-
<b>NON-MESSAGE BASED BILLING SERVICE</b>						
Non-Message Based Bill Rendering, per bill	-	\$1.25	-	\$1.25	-	-
Per bill, five year contract	-	-	-	-	-	-
Non-Message Based Inquiry, per bill	-	\$0.2500	-	\$0.2500	-	-
<b>BILLING ANALYSIS SERVICE</b>						
Billing Analysis Service	-	-	-	-	-	-
Detection Service	-	-	-	-	-	-
Continuous Scan, per office	-	ICB	-	ICB	-	-
Documentation Scan, per line	-	ICB	-	ICB	-	-
Live Trace	-	-	-	-	-	-
Regular Hours, per office, per line	-	-	-	-	-	-
Off Hours, per office, per line	-	-	-	-	-	-
Call Trace	-	-	-	-	-	-
Regular Hours, per office, per line	-	-	-	-	-	-
Off Hours, per office, per line	-	-	-	-	-	-
Dial Number Recorder, per occurrence	-	-	-	-	-	-
Investigation Service	-	-	-	-	-	-
Analysis of Evidence, per hour	-	\$70.00	-	\$70.00	-	-
Preparation of Prosecutive Summary, per hour	-	\$70.00	-	\$70.00	-	-
Collection of Detailed Evidence, per hour	-	\$70.00	-	\$70.00	-	-

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B&C Rate Element	NE	NM	ND	OR	SD	UT
Preparation of Affidavit, per hour	-	\$70.00	-	\$70.00	-	-
Preservation of Evidence, per week	-	ICB	-	ICB	-	-
Assistance to Law Enforcement, per hour	-	\$70.00	-	\$70.00	-	-
Provision of Expert Witness Analysis and Deposition Preparation, per hour	-	\$90.00	-	\$90.00	-	-
Provision of Expert Witness Testimony, per hour	-	\$90.00	-	\$90.00	-	-
Coordination Services, per hour	-	\$90.00	-	\$90.00	-	-
Preparation Reports, per hour	-	\$70.00	-	\$70.00	-	-
Deterrence Service	-	\$70.00	-	\$70.00	-	-
Recovery of Devices, per hour	-	\$70.00	-	\$70.00	-	-
Contact and Interview Fraud Perpetrators, per hour	-	\$70.00	-	\$70.00	-	-
Service Review, per hour	-	\$70.00	-	\$70.00	-	-
Presentation of Deterrence/Crime Awareness Programs, per hour	-	\$70.00	-	\$70.00	-	-
Consultation, per hour	-	\$70.00	-	\$70.00	-	-
Training, per hour	-	\$70.00	-	ICB	-	-
Miscellaneous Charges Incurred	-	ICB [9]	-	ICB [9]	-	-
<b>BILLING INFORMATION SERVICE</b>						
Recurring Provision of Data	-	ICB	-	ICB	-	-
CNA Interrogation Information, Received, per request	-	-	-	-	-	-
CNA Interrogation Information, Confirmation, per request	-	-	-	-	-	-
<b>ANCILLARY SERVICES</b>						
Market Message, per bill	-	ICB [27]	-	ICB [33]	-	-
Market Message Set-up Fee, per request	-	\$4,200.00	-	\$4,200.00	-	-
Screen Bill Fiche, per fiche	-	\$4.25 [7.8]	-	\$4.25 [7]	-	-
Billing Name and Address	-	-	-	-	-	-
Mechanical Method, per listing	-	\$0.1700	-	\$0.1700	\$0.1700	\$0.1500
Manual Method, per listing	-	\$1.95	-	\$1.95	\$1.95	\$1.87
Account Data Verification	-	-	-	-	-	-
Mechanized Method	-	-	-	-	-	-
Per request	-	\$0.2500	-	\$0.2500	-	-



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B&C Rate Element	NE	NM	ND	OR	SD	UT
Per record returned	-	\$0.2500	-	\$0.2500	-	-
Manual Method						
Per request	-	\$2.50	-	\$2.50	-	-
Per record returned	-	\$0.3500	-	\$0.3500	-	-
Manual/Mechanized Method						
Per request	-	\$2.50	-	\$2.50	-	-
Per record returned	-	\$0.2500	-	\$0.2500	-	-
<b>MEDIA PROVISIONING</b>						
Magnetic Tape, per tape	-	\$50.00	-	\$50.00	-	-
Cartridges, per cartridge	-	\$50.00	-	\$50.00	-	-
Data Transmission, per record	-	\$0.0020	-	\$0.0020	-	-
Data Sent, per record	-	-	-	-	-	-
Data Received, per record	-	-	-	-	-	-
Microfiche-Original, per fiche	-	\$0.7500	-	\$0.7500	-	-
Microfiche-Duplicate, per fiche	-	\$0.2500	-	\$0.2500	-	-
Delivery	-	ICB [9]	-	ICB	-	-
Internet	-	-	-	-	-	-
CARE/ISI Transactions	-	-	-	-	-	-
Incoming with echoback, per transaction	-	-	-	-	-	-
Outgoing, per transaction	-	-	-	-	-	-
<b>CONSULTING</b>						
Consulting	-	-	-	-	-	-
Clerical, per hour	-	\$60.00	-	\$60.00	-	-
Subject Matter Expert, per hour	-	\$80.00	-	\$80.00	-	-
Technical Knowledge, per hour	-	\$100.00	-	\$100.00	-	-
Travel Expense	-	ICB [9]	-	[9]	-	-
<b>END USER ACCOUNT ACTIVITY</b>						
Service Order						
Business Office-Residence	-	\$18.00	-	\$18.00	-	-
Business Office-Business	-	\$30.00	-	\$30.00	-	-
Transmittal-Residence	-	\$7.00	-	\$7.00	-	-
Transmittal-Business	-	\$13.00	-	\$13.00	-	-
Adjustment, each	-	\$2.50	-	\$2.50	-	-

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B&C Rate Element	NE	NM	ND	OR	SD	UT
<b>MESSAGE INVESTIGATION SERVICE</b>						
Message Investigation Center Services, per account	-	\$35.00	-	\$35.00	-	-
<b>CUSTOM REQUEST</b>						
Custom Request	-	ICB	-	ICB	-	-
Basic Programming (work performed within normal work schedule, using normal work force), per hour	-	-	-	-	-	-
Basic Administrative (work performed within normal work schedule, using normal work force), per hour	-	-	-	-	-	-
<b>CARE/ISI</b>						
Transaction Charge	-	\$0.0075 [11]	-	\$0.0075 [11]	-	-
Output Only, per transaction	-	\$0.0125 [11]	-	\$0.0125 [11]	-	-
Input with Confirmation Back, per transaction	-	-	-	-	-	-
Access Line Charge, per access line	-	-	-	-	-	-
<b>MESSAGE BILLING SERVICE</b>						
Bill Production Service	-	-	-	-	-	-
Per bill issued	-	-	-	-	-	-
Service Provider ID Service, per occurrence	-	-	-	-	-	-
Initial table set-up fee	-	-	-	-	-	-
Table updates, per service provider	-	-	-	-	-	-
Inquiry Service, per transaction billed	-	-	-	-	-	-
900 transactions	-	-	-	-	-	-
Non-900 transactions	-	-	-	-	-	-
End User Adjustments	-	-	-	-	-	-
Per Company-issued EMI record	-	-	-	-	-	-
Per customer-issued EMI record	-	-	-	-	-	-
<b>WIDE AREA CALLING SERVICE</b>						
Service Establishment, per LATA	\$8,700.00 [19]	\$8,700.00 [19]	-	\$8,700.00 [19]	\$8,700.00 [19]	\$8,352.00 [19]
First Dedicated NXX	\$5,000.00 [19]	\$5,000.00 [19]	-	\$5,000.00 [19]	\$5,000.00 [19]	\$4,800.00 [19]
Subsequent NXX, each						
Pricing Option 1 - Toll Equivalent Calls	\$0.0536 [20,21]	\$0.0536 [20,21]	-	\$0.0536 [20,21]	\$0.0536 [20,21]	\$0.0515 [20,21]
Local Switching						

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B&C Rate Element	NE	NM	ND	OR	SD	UT
Local Transport	\$0.0364 [20,21]	\$0.0364 [20,21]	-	\$0.0364 [20,21]	\$0.0364 [20,21]	\$0.0349 [20,21]
Pricing Option 2 - Local and Toll Equivalent Calls						
Local Switching	\$0.0214 [20,21]	\$0.0274 [20,21]	-	\$0.0214 [20,21]	\$0.0214 [20,21]	\$0.0200 [20,21]
Local Transport	\$0.0136 [20,21]	\$0.0176 [20,21]	-	\$0.0086 [20,21]	\$0.0086 [20,21]	\$0.0070 [20,21]
Flat usage rate, per Wide Area Calling NXX, applicable only when coin originated usage cannot be billed, per month	\$9.65	\$65.02	-	\$100.00	\$9.65	\$41.65
<b>CENTRALIZED MESSAGE DISTRIBUTION SYSTEM (CMDS)</b>						
Tape Handling, per tape	-	-	-	-	-	-
Non-Standard Data Entry Processing	-	-	-	-	-	-
Packed Messages, per message	-	-	-	-	-	-
Unpacked Messages, per message	-	-	-	-	-	-
Transmission	-	-	-	-	-	-
To Distribution Center, per message	-	-	-	-	-	-
Within Host Company, per message	-	-	-	-	-	-
Messages Returned, per message	-	-	-	-	-	-
Nonrecurring Development Charge	-	-	-	-	-	-
<b>DENIAL</b>						
Establishment Charge, per central office	-	-	-	-	-	-
Central Office Charge	-	-	-	-	-	-
Residence, per Line Selectively Denied	-	-	-	-	-	-
Residence, per Line Selectively Restored	-	-	-	-	-	-
Business, per Line Selectively Denied	-	-	-	-	-	-
Business, per Line Selective Restored	-	-	-	-	-	-
Maintenance Charge	-	-	-	-	-	-

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B&C Rate Element	WA	WY
<b>SERVICE INITIATION FEE/ANNUAL MINIMUM</b>		
Service Initiation Fee/Annual Minimum		
<b>RECORD SERVICE</b>		
Recording		
Recording Completed, per message	\$0.0040	-
Unsorted output with name and address information per record processed	-	-
Sorted output with name and address information per record processed	-	-
Per tape or data file	-	-
Assembly and Editing Ordering		
With provision of message detail, per message	\$0.0080	-
Without provision of message detail, per message	\$0.0055	-
Selective Processing	ICB	-
Recording-Completed, one year contract, per message	-	-
Recording-Completed, three/five year contract, per message	-	-
<b>MESSAGE RATING/BILLING</b>		
Message Rating		
With provision of message detail, per message	\$0.0055	-
Five year contract, per message	-	-
Without provision of message detail, per message	\$0.0045	-
Five year contract, per message	-	-
Bill Processing		
Message Bill Processing - Option 1, per message (1-14 messages)	-	-
Message Bill Processing Option 1, per message (15+ messages)	-	-
Option 2, per message	-	-

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B&C Rate Element	WA	WY
Five year contract, per message	-	-
Bulk Message Bill Processing, per message		
Bulk Message Billing Processing, five year contract, per message		
Average Messages		
1-14.49, per message	\$0.0250	-
14.5+, per message	\$0.0175	-
Air Time Message Bill Processing, per message		
Bulk		
	ICB	
Message Based Inquiry, per message		
Limited (without 30 day dispute process)		
Standard (with 30 day dispute process)		
Presubscribed		
Other	\$0.0200	-
Air Time Message	\$0.0350	-
900 Inquiry		
Per message	\$0.2000	-
Per occurrence	\$10.50	-
Message Based Bill Rendering, per bill		
Bill Production		
Message Based, Option 1		
Message Billed		
Bulk		
MTS		
MTS, five year contract	\$0.3200	-
Bulk		
Bulk		
Bulk, five year contract	\$0.6000	-
Data Base Maintenance		
Non-Standard Data Entry	\$0.1000 [34]	-
Call Handler ID, per occurrence		
Table update charge	\$59.00	-
Non-Standard Data Entry	ICB	-

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B&C Rate Element	WA	WY
Set Up Charge	\$3,950.00	-
Non-Standard Data Entry	-	-
Minimum Volume Percentage Guarantee Option		
Rate Provisioning Schedule		
Bill Rendering		
90%	-	-
80%	-	-
70%	-	-
45%	-	-
Message Bill Production		
90%	-	-
80%	-	-
70%	-	-
45%	-	-
<b>NON-MESSAGE BASED BILLING SERVICE</b>		
Non-Message Based Bill Rendering, per bill	\$1.25	-
Per bill, five year contract	-	-
Non-Message Based Inquiry, per bill	\$0.2500	-
<b>BILLING ANALYSIS SERVICE</b>		
Billing Analysis Service	-	-
Detection Service		
Continuous Scan, per office	ICB	-
Documentation Scan, per line	ICB	-
Live Trace		
Regular Hours, per office, per line	-	-
Off Hours, per office, per line	-	-
Call Trace		
Regular Hours, per office, per line	-	-
Off Hours, per office, per line	-	-
Dial Number Recorder, per occurrence	-	-
Investigation Service		
Analysis of Evidence, per hour	\$70.00	-
Preparation of Prosecutive Summary, per hour	\$70.00	-
Collection of Detailed Evidence, per hour	\$70.00	-

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B&C Rate Element	WA	WY
Preparation of Affidavit, per hour	\$70.00	-
Preservation of Evidence, per week	ICB	-
Assistance to Law Enforcement, per hour	\$70.00	-
Provision of Expert Witness Analysis and Deposition Preparation, per hour	\$90.00	-
Provision of Expert Witness Testimony, per hour	\$90.00	-
Coordination Services, per hour	\$70.00	-
Preparation Reports, per hour	\$70.00	-
Deterrence Service		-
Recovery of Devices, per hour	\$70.00	-
Contact and Interview Fraud Perpetrators, per hour	\$70.00	-
Service Review, per hour	\$70.00	-
Presentation of Deterrence/Crime Awareness Programs, per hour	\$70.00	-
Consultation, per hour	ICB	-
Training, per hour	ICB	-
Miscellaneous Charges Incurred	ICB	-
<b>BILLING INFORMATION SERVICE</b>		
Recurring Provision of Data	ICB	-
CNA Interrogation Information, Received, per request	\$0.5800	-
CNA Interrogation Information, Confirmation, per request	\$1.15	-
<b>ANCILLARY SERVICES</b>		
Market Message, per bill	ICB [33]	-
Market Message Set-up Fee, per request	\$4,200.00	-
Screen Bill Fiche, per fiche	\$4.25 [7]	-
Billing Name and Address		-
Mechanical Method, per listing	\$0.1700	-
Manual Method, per listing	\$1.95	-
Account Data Verification		
Mechanized Method		
Per request	\$0.2500	-

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B&C Rate Element	WA	WY
Per record returned	\$0.2500	-
Manual Method		
Per request	\$2.50	-
Per record returned	\$0.3500	-
Manual/Mechanized Method		
Per request	\$2.50	-
Per record returned	\$0.2500	-
<b>MEDIA PROVISIONING</b>		
Magnetic Tape, per tape	\$50.00	-
Cartridges, per cartridge	\$50.00	-
Data Transmission, per record	\$0.0020	-
Data Sent, per record	-	-
Data Received, per record	-	-
Microfiche-Original, per fiche	\$0.7500	-
Microfiche-Duplicate, per fiche	\$0.2500	-
Delivery	[9]	-
Internet	-	-
CARE/ISI Transactions		
Incoming with echoback, per transaction	-	-
Outgoing, per transaction	-	-
<b>CONSULTING</b>		
Consulting	-	-
Clerical, per hour	\$60.00	-
Subject Matter Expert, per hour	\$80.00	-
Technical Knowledge, per hour	\$100.00	-
Travel Expense	ICB	-
<b>END USER ACCOUNT ACTIVITY</b>		
Service Order		
Business Office-Residence	\$18.00	-
Business Office-Business	\$30.00	-
Transmittal-Residence	\$7.00	-
Transmittal-Business	\$13.00	-
Adjustment, each	\$2.50	-



**BILLING AND COLLECTIONS/INFORMATION AND BILLING SERVICES RATE ELEMENT COMPARISON** OREGON  
 UX30  
 PUC 02-019  
 ATTACHMENT A

B&C Rate Element	WA	WY
<b>MESSAGE INVESTIGATION SERVICE</b>		
Message Investigation Center Services, per account	\$35.00	-
<b>CUSTOM REQUEST</b>		
Custom Request	ICB	-
Basic Programming (work performed within normal work schedule, using normal work force), per hour	-	-
Basic Administrative (work performed within normal work schedule, using normal work force), per hour	-	-
<b>CARE/ISI</b>		
Transaction Charge		
Output Only, per transaction	\$0.0075 [11]	-
Input with Confirmation Back, per transaction	\$0.0125 [11]	-
Access Line Charge, per access line	-	-
<b>MESSAGE BILLING SERVICE</b>		
Bill Production Service		
Per bill issued	-	-
Service Provider ID Service, per occurrence	-	-
Initial table set-up fee	-	-
Table updates, per service provider	-	-
Inquiry Service, per transaction billed	-	-
900 transactions	-	-
Non-900 transactions	-	-
End User Adjustments	-	-
Per Company-issued EMI record	-	-
Per customer-issued EMI record	-	-
<b>WIDE AREA CALLING SERVICE</b>		
Service Establishment, per LATA		
First Dedicated NXX	-	\$8,700.00 [19]
Subsequent NXX, each	-	\$5,000.00 [19]
Pricing Option 1 - Toll Equivalent Calls		
Local Switching	-	\$0.0536 [20,21]

**BILLING AND COLLECTIONS/INFORMATION AND BILLING SERVICES RATE ELEMENT COMPARISON** OREGON  
 UX30  
 PUC 02-019  
 ATTACHMENT A

Docket UX 30

Staff/5  
 Stanage-White/52

B&C Rate Element	WA	WY
Local Transport	-	\$0.0364 [20,21]
Pricing Option 2 - Local and Toll Equivalent Calls		
Local Switching	-	\$0.0244 [20,21]
Local Transport	-	\$0.0136 [20,21]
Flat usage rate, per Wide Area Calling NXX, applicable only when coin originated usage cannot be billed, per month	-	\$11.51
<b>CENTRALIZED MESSAGE DISTRIBUTION SYSTEM (CMDS)</b>		
Tape Handling, per tape	-	-
Non-Standard Data Entry	-	-
Processing		
Packed Messages, per message	-	-
Unpacked Messages, per message	-	-
Transmission		
To Distribution Center, per message	-	-
Within Host Company, per message	-	-
Messages Returned, per message	-	-
Nonrecurring Development Charge	-	-
<b>DENIAL</b>		
Establishment Charge, per central office	-	-
Central Office Charge		
Residence, per Line Selectively Denied	-	-
Residence, per Line Selectively Restored	-	-
Business, per Line Selectively Denied	-	-
Business, per Line Selective Restored	-	-
Maintenance Charge	-	-

**BILLING AND COLLECTIONS/INFORMATION AND BILLING SERVICES RATE ELEMENT COMPARISON** OREGON  
UX30  
PUC 02-019  
ATTACHMENT A

**NOTES:**

- [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.
- [3] Plus set-up charge of \$3,950.00.
- [4] Data Base Maintenance is included.
- [5] Bill Processing charges apply in addition to Bill Rendering. Data Base Maintenance is included in the rate for Option 1.
- [6] Plus establishment charge of \$600 for each new message.
- [7] In addition to the fiche price per unit for the report, a microfiche charge for the provisioning applies.
- [8] Plus set-up charge of \$4,200.00.
- [9] Actual.
- [10] Basic Programming and/or Basic Administrative rate will not exceed Maximum Rate listed in 8.12 of the Arizona Access Service Price Cap Tariff. Other rates for Custom Request will be developed on an ICB basis.
- [11] This element of Information and Billing Services will be associated with provisioning of other services and the preceding rates will apply.
- [12] Initial development set-up charges apply in addition to Bill Production Service.
- [13] Service Provider ID Service applies in addition to Bill Production Service.
- [14] Rate as set forth in contract or service agreement.
- [15] Market Message is an optional service with such charges applying in addition to Bill Production Service. Additionally, a developmental set-up fee applies per Market Message requested.
- [16] Inquiry Service is an optional service.
- [17] End User Adjustments are not an optional service and will apply in addition to Bill Production Service charges and Inquiry Service charges, when ordered.
- [18] Rate as set forth in contract or service agreement.
- [19] Nonrecurring charge.
- [20] 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.
- [21] Rate per minute.
- [22] Effective March 1, 1988, five year contracts are no longer available to new customers and existing contracts cannot be extended.
- [23] Effective January 1, 1993, these are no longer available to new customers and existing contracts cannot be extended.
- [24] Bill Processing charges apply in addition to Bill Rendering. Data Base Maintenance is included in the rate for Option 1.
- [25] Effective January 1, 1991, new Minimum Volume Percentage Guarantee Option contracts are no longer available, and existing contracts cannot be extended.
- [26] Percentage as determined by the formula in 8.4.C. of P.U.C. Or. No. 4-AC.
- [27] ICB based on technology available and associated costs.
- [28] Bill Rendering Charges apply in addition to Bill Processing.
- [29] Bill Processing Charges apply in addition to Bill Rendering.
- [30] Per office.

**BILLING AND COLLECTIONS/INFORMATION AND BILLING SERVICES RATE ELEMENT COMPARISON** OREGON  
UX30  
PUC 02-019  
ATTACHMENT A

- [31] Per line.
- [32] Plus set up charge of \$1,387.91.
- [33] Plus developmental charge ICB.
- [34] Data Base Maintenance applies to all bills rendered along with the Bill Production Charge unless purchased under account maintenance as offered in Ancillary Services.
- [35] Option 2 requires a two message minimum and includes bill rendering.

Oregon  
UX30  
PUC 2-020

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 020

Are Qwest's billing and collection services provided exclusively under special contracts in its other jurisdictions? If there are exceptions, please note them.

RESPONSE:

Yes. There are no exceptions.

Respondent: Julee Novotny, Qwest Manager

Oregon  
UX30  
PUC 2-021

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 021

Would the exemption requested under the petition affect the Commission's ability to regulate Qwest billing and collection behavior toward its local access line customers---i.e., end-users exclusive of billing and collection service subscribers and other telecommunications carriers? That is, would Qwest be legally obligated to comply with the Commission's administrative rules concerning billing and collection for its local access line customers' bills?

RESPONSE:

Yes. Qwest will continue to abide by Oregon's Administrative Rules and Section 2 of Qwest's Exchange and Network Tariff relative to the billing of its local access line customers (end-users). Conversely, the deregulation which Qwest seeks for Section 8 of the Oregon Price List actually sets forth how Qwest offers information and billing services to "third-party" companies, such as: a) interexchange carriers (carriers); b) billing aggregators; and 3) operator service providers (OSPs).

Respondent: Julee Novotny, Qwest Manager

Oregon  
UX30  
PUC 2-022

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 022

Have the service providing channels/structures of the telecommunications industry changed in Oregon for billing and collection services due to the availability of (A) toll and local service presubscription and (B) prepaid calling card services or (C) other factors during the past six calendar years, 1999 through 2004? If so, please describe those changes and the extent to which they have affected Qwest's market for billing and collection services and also provide any supporting evidence you believe to be relevant.

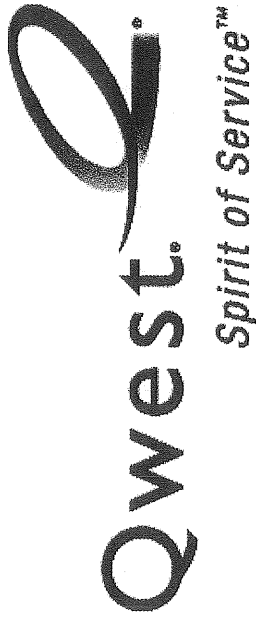
RESPONSE:

As previously discussed with the Oregon PUC staff in its May 23, 2005 presentation (and attached hereto as reference), LEC-provisioned information and billing service volumes and revenues have continuously eroded over the last 10-12 years due to a number of telecommunication industry-caused factors, most notably:

- a) the largest carriers now self-bill the majority of their own presubscribed long distance subscribers. It is not uncommon for these companies to combine their services, i.e. local, wireless, internet, broadband and cable services into a single subscriber bill which is then self provisioned through their own in-house billing system or they direct bill through an alternative billing supplier (see item b);
- b) many telecommunication companies prefer to use more sophisticated billing suppliers operating in the market, including recognized world-wide industry-leaders CSG, Convergys and Amdocs;
- c) the growth of the internet to provision "E-billing" as opposed to a paper bill;
- d) wireless/cellphone providers offering services which include free local and long distance services as part of the wireless package;
- e) the use of pre-paid calling cards to make long distance calls; and, finally, in the specific case of Qwest's 14-state territory,
- f) competition from RBOC long distance affiliates.

Respondent: Julee Novotny, Qwest Manager

OREGON  
UX30  
PUC STAFF SET 2, NO. 22  
ATTACHMENT A

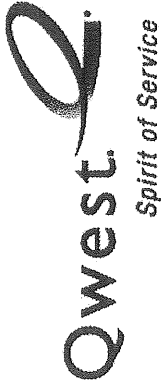


**Billing and Collections ICB Agreements –  
Qwest Presentation to Staff of Oregon  
Public Utility Commission**

**May 23, 2005**

**Aaron D. Smith, Manager – Product  
Management**





## ***Key Points***

- Possible Procedural Error
- Provide Some Business History
- Describe Commercial Market
- Going Forward Application of the Price List



## **Possible Procedural Error**

- We take our state filings seriously
- In this particular case, there was a possible business misunderstanding of:
  - State filing obligations due to federal detariffing granted
  - The management of these services is further complicated by the direction of the commercial marketplace
- Qwest believes there has been no financial harm to billing and collections' customers (we'll explain later)



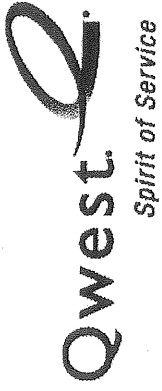
## ***Business History***

- Detariffing by the FCC (1988)
- Largest customer AT&T (~70% of Revenues)
- Commercial Agreements were developed with heavy AT&T participation
- National Carriers were looking for uniform nationwide agreements
- Changes in price structure – simplified negotiations, but are hard to reconcile to old price list elements



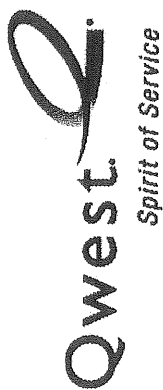
## **Business Needs from the Carriers' Eyes**

- Uniform pricing across all states
  - Deregulation of federal pricing dilutes the effectiveness of state pricing
  - Interstate is the larger component of traffic from a jurisdiction perspective (~85% Federal, 15% State)
- Carriers are looking for more detailed terms than what is in the Price List (service guarantees, penalties, custom methods and procedures, etc.)
- Ability to bill services beyond 1+ Long Distance (Internet Related Services, 900, etc.)
- Billing is a competitive industry...not a natural extension of regulated access services
- Billing is also viewed by most as a **Strategic Marketing Opportunity**...AT&T, MCI, and Sprint took back business billing in 1996 mainly for strategic reasons and not economic reasons



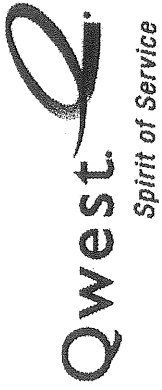
## **Telecommunications Billing – A Competitive Industry**

- The largest threat from large carriers is self-provisioned billing (a.k.a direct billing):
  - Qwest estimates that AT&T and MCI handles the billing directly for ~60% to ~70% of their consumer customer base
- Other companies provide sophisticated end-to-end services (CSG, Convergys, and Amdocs)
- E-Billing is continuing to grow as a transforming delivery mechanism
- Billing and Collections' Companies have negotiated with Qwest recognizing that there are other alternatives



## ***Billing Aggregators – Looking Out for the Small Guy***

- Billing Aggregators enable entry of small companies into the local phone bill without:
  - Expensive start-up costs and
  - Minimum volume requirements or annual commitments
- These companies also have competitive alternatives



## **Going Forward Application of Price List**

- The price list has and will continue to have no market impact on these services
- Companies will continue to have a need to negotiate uniform rates across multiple states
- Companies will continue to want to evolve business terms to accommodate new services and circumstances
- The price list for these services is really an unnatural consideration

**Qwest**  
1801 California Street, Tenth Floor  
Denver, Colorado 80202  
Telephone 303 383.6680  
Facsimile 303 298.8197  
Email: Meraj.Abdul-Qadir@qwest.com



**Meraj Abdul-Qadir, Certified Paralegal**  
Lead Paralegal  
Interrogatory Manager

December 6, 2005

Vikie Bailey-Goggins  
Oregon Public Utility Commission  
550 Capitol Street, NE, Suite 215  
Salem, Oregon 97308-2148  
[PUC.datarequests@state.or.us](mailto:PUC.datarequests@state.or.us)

**Via Overnight Delivery  
and Email**

Re: Oregon Docket No. UX30: Qwest's Responses to PUC Staff's Set 3  
Request Nos. 23 through 30, Inclusive

Dear Ms. Bailey-Goggins:

Enclosed are an original and one copy of Qwest's responses to Staff's third set of data requests in the above-referenced docket. Please note that there are several proprietary and confidential attachments enclosed. The proprietary and confidential attachments have been stamped "PROPRIETARY AND CONFIDENTIAL" and have been printed on yellow paper. To further indicate the Proprietary and Confidential designation of the attachments, the proprietary and confidential attachments are served under seal in the enclosed sealed envelope. Please treat all proprietary and confidential information as such and do not disclose.

If you have any questions regarding the enclosed, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Meraj Abdul-Qadir".

Meraj Abdul-Qadir  
Lead Paralegal - Interrogatory Manager

/mfa

Enclosures

cc(w/enclosures): Alex Duarte



Oregon  
UX 30  
PUC 03-023

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 023

For the most recent twelve month period for which data are available, what was the typical number of residential and business local exchange access lines that Qwest had in service in Oregon?

RESPONSE:

Please see Confidential Attachment A for the most recent twelve month period from September 2004 through September 2005.

Respondent: Daniel Collins, Staff Advocate.

Oregon  
UX 30  
PUC 03-024

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 024

Based on the data reported in response to the above request (No. 23), for a typical recent period, to whom were Qwest's Oregon residential and business local exchange access lines presubscribed for toll service? In addition, please provide the typical number and percentage of local exchange access lines that were not presubscribed to any carrier. Please combine the data for toll carriers other than Qwest affiliates, which should be termed "other toll carriers."

RESPONSE:

See Confidential Attachment A.

Respondent: Sheila Harris, Qwest Manager

Oregon  
UX 30  
PUC 03-025

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 025

For a typical recent period, what was the typical number of residential and business local exchange access lines provided by alternative telecommunications providers---e.g., certified telecommunications providers, etc.) in Qwest's Oregon exchanges?

RESPONSE:

Please see Confidential Attachment A.

Respondent: Elaine Bennett, Qwest Manager

Oregon  
UX 30  
PUC 03-026

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 026

Based on the data reported in response to the above request (No. 25), to whom were the alternative telecommunications providers' residential and business local exchange access lines presubscribed for toll service in Qwest's Oregon exchanges? In addition, please provide the typical number and percentage of local exchange access lines that were not presubscribed to any carrier. Please combine the data for alternative telecommunications providers, which should be termed "alternative telecommunications providers." In addition, please combine the data for toll carriers other than Qwest affiliates, which should be termed "other toll carriers."

RESPONSE:

Qwest does not have access to the requested information about alternative telecommunications providers' end user presubscription information.

Respondent: Robin Terry, Staff Advocate

Oregon  
UX 30  
PUC 03-027

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 027

Are there any Qwest exchanges in Oregon where other toll carriers---i.e., carriers who are not Qwest affiliates---would have to rely on Qwest for billing data?

RESPONSE:

No long distance carrier, including Qwest's affiliates, relies on Qwest for billing data.

Respondent: Robin Terry, Staff Advocate

Oregon  
UX 30  
PUC 03-028

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 028

Does Qwest have any currently contracted Billing and Collection Service customers who rely on data generated by Qwest's switches? If the answer is yes, then provide a list of the companies and the extent to which they rely on the Qwest data.

RESPONSE:

As discussed in the November 17, 2005, UX 30 Workshop, no Billing and Collection customers rely on Qwest-provided billing data to accommodate end user billing. The lone exception is Shared WATS/800 Service, which is an intrastate interLATA service offering jointly provisioned by Qwest and AT&T.

Respondent: Julee Novotny, Product Manager

Oregon  
UX 30  
PUC 03-029

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 029

What are the rates for the billing and collection services of alternative providers who are capable of providing those services in Qwest's Oregon service territories, especially billing agents? Please show how the alternative providers' rates compare to Qwest's Billing and Collection Service rates.

RESPONSE:

Qwest does not have pricing information for alternative providers. Billing and Collection Services is highly competitive in nature and, as a result, alternative providers (including billing agents) do not release pricing information and other terms and conditions about their service offerings to the public or their competitors.

Respondent: Julee Novotny, Product Manager

Oregon  
UX 30  
PUC 03-030

INTERVENOR: Public Utilities Commission Staff

REQUEST NO: 030

To what extent are the billing and collection services of alternative providers in Qwest's Oregon service territories functionally equivalent or substitutable at comparable rates, terms and conditions?

RESPONSE:

As addressed in Qwest's original Petition to Exempt Billing and Collections from Regulation (docketed as UX 30), Section I.A., Deregulation Requirements Met, and Exhibit E to the Petition, Qwest has cited that there is billing and collection service competition available to third-party service providers operating in Oregon through a variety of alternative providers. As stated, the billing services offered by these alternative providers are certainly functionally equivalent, often more extensive in nature and, in many cases, superior to Qwest's service offering. As to the question of rates and terms and conditions provided by such alternative providers, Qwest does not have access to this information. Billing and Collection Services is highly competitive in nature and, as a result, alternative providers do not release pricing information and other terms and conditions about their services to the public.

Respondent: Julee Novotny, Product Manager



Staff/5  
Stanage-White 75-77

This page is confidential.

You must have signed the protective order in this docket in order to view this page.

CASE: UX 30  
WITNESS: Stanage-White

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 6**

**Exhibit in Support of Direct Testimony**

**REDACTED VERSION**

**April 14, 2006**

**CERTAIN INFORMATION CONTAINED IN STAFF EXHIBIT 6  
IS CONFIDENTIAL AND SUBJECT TO PROTECTIVE  
ORDER NO. 06-140. YOU MUST HAVE SIGNED  
APPENDIX B OF THE PROTECTIVE ORDER IN  
DOCKET UX 30 TO RECEIVE THE  
CONFIDENTIAL VERSION  
OF THIS EXHIBIT.**

Staff/6  
Stanage-White/1

This page is confidential.

You must have signed the protective order in this docket in order to view this page.

CASE: UX 30  
WITNESS: Stanage-White

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 7**

**Exhibit in Support of Direct Testimony**

**April 14, 2006**

## STIPULATION AND AGREEMENT

THIS STIPULATION AND AGREEMENT (“Stipulation”), dated February 16, 2006, is entered into between QWEST CORPORATION (“Qwest”) and STAFF of the PUBLIC UTILITY COMMISSION OF OREGON (“Staff”) (collectively “Parties”).

### RECITALS

WHEREAS, on August 4, 2005, Qwest filed a petition for exemption from regulation (hereafter “Petition”), pursuant to ORS 759.030(2) through (4) and OAR 860-032-0025, of all terms, conditions and rates of all services in Section 8, except subsection 8.15 (Wide Area Calling Service), of its Oregon Access Services Price List, Information and Billing Services, otherwise known as its “Billing and Collection services” or “B&C services,” which petition was docketed UX 30:

WHEREAS, Qwest alleges in the Petition that (1) the public interest does not require continued regulation of Qwest’s B&C services, given that many of the largest B&C customers, including the largest large interexchange carriers (“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 reducing the size of the effective, relevant market for B&C services, (2) the availability of telecommunications services (excluding B&C services) to Qwest’s ratepayer’s and the presubscribed customers of alternative telecommunications service providers who are located in Qwest exchanges would not be affected if Qwest’s B&C services are exempt from regulation, (3) billing vendors or billing aggregators (billing agents) are alternative providers of functionally equivalent and substitutable B&C services, and (4) there are no regulatory barriers to entry for B&C services and there are minimal economic barriers for B&C services,

WHEREAS, since August 17, 2005, Staff has issued 30 data requests to Qwest seeking information regarding the issues in this docket as part of its investigation of the Petition, and Qwest has fully responded to all such data requests;

WHEREAS, on September 19, 2005, after having reviewed the Petition, Staff issued a Staff Report for the September 27, 2005 Public Meeting in which Staff recommended that the Commission suspend and further investigate the Petition based on its conclusion that (1) the Petition does not provide information sufficient to make a finding that price and service competition exist for the Petition services or that regulation is no longer necessary to protect the public interest, and (2) a further investigation could produce more complete information that could be important in making a decision concerning the Petition’s merit;

WHEREAS, on September 27, 2005, the Commission suspended the petition for further investigation, and thereafter, Administrative Law Judge Michael Grant held a prehearing conference on October 13, 2005, and thereafter set a procedural schedule;

WHEREAS, on October 31, 2005, the Citizens’ Utilities Board intervened in the case as a matter of right under ORS 774.180, and no other party has intervened;

WHEREAS, B&C Services are not sold to end use customers;

WHEREAS, Staff and Qwest have received no indication that customers of Qwest's B&C Services object to the granting of the Petition;

WHEREAS, Staff and Qwest negotiated a procedural schedule and held a public workshop/settlement conference on November 17, 2005;

WHEREAS, on November 17, 2005, Staff and Qwest reached a settlement, in principle, of the issues in the docket such that Staff, having reviewed the petition and data request responses, and finding that the public interest no longer requires full regulation of B&C Services, would recommend, through this Stipulation, that the Commission grant the Petition, subject to certain conditions set forth below:

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, Qwest and Staff agree as follows:

### **STIPULATION**

#### **1. Staff Recommendation to the Commission that it Grant the Petition**

Qwest and Staff agree that the public interest no longer requires full regulation of the petition services. Staff, through the filing of this Stipulation and supporting testimony, will recommend that the Commission grant the petition, pursuant to ORS 759.030(2) and OAR 860-032-0025(2)(c), subject to the condition that there will be no adverse impact or effect on Qwest's residential end-user customers as a result of the deregulation of the Petition services, and further, that Qwest may, but is not required to, file supporting testimony as well.

#### **2. No Admission of Liability or Precedential Effect**

Notwithstanding the agreements in this Stipulation, the Parties agree that the agreements reached in this Stipulation are not admissions by either party in any other deregulation proceeding.

#### **3. Stipulation Contingent on Commission Approval**

Qwest and Staff agree that they will seek approval from the Commission of this Stipulation, and that if the Commission does not approve the Stipulation, or modifies it in any material way, the Parties reserve their rights to withdraw from the Stipulation and litigate the issues in docket UX 30.

#### **4. Individual Customer Rights Not Affected**

The promises or provisions in this Stipulation are not intended to create any specific rights or remedies for any Qwest customer, or to expand or contract any customer's rights in any way, and may not be enforced except by the Commission, its Staff or Qwest.

**5. Integrated Document**

The Parties recommend that the Commission adopt this Stipulation in its entirety. The Parties have negotiated this Stipulation as an integrated document. Accordingly, if the Commission in any order or decision rejects all or any part of this Stipulation, or materially adds to or changes any of its terms, each party reserves the right to withdraw from the Stipulation upon written notice to the Commission and Qwest within fifteen (15) days of receiving notice of any such action by the Commission. In the event of such withdrawal, neither party will be bound by any provision of the Stipulation, and no such term may be cited or used against any party in connection with any case or proceeding, or otherwise.

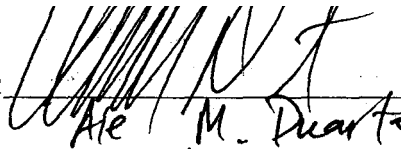
**6. No Waiver**

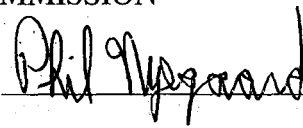
Qwest and Staff have entered this Stipulation to resolve disputed issues, and neither party admits or denies any fact or legal position at issue.

IT IS SO AGREED.

  
QWEST CORPORATION

STAFF OF THE PUBLIC UTILITY  
COMMISSION

By:   
Ale M. Duarte

By:   
Phil Stappard

... Counsel - Oregon

Its: Administrator, Telecommunications Division

Date: 2/15/06

Date: 2/16/06



**UX 30**  
**Service List (Parties)**

<b>CITIZENS' UTILITY BOARD OF OREGON</b>  JEFF BISSONNETTE	610 SW BROADWAY STE 308 PORTLAND OR 97205-3404 jeff@oregoncub.org
JASON EISDORFER	610 SW BROADWAY STE 308 PORTLAND OR 97205 dockets@oregoncub.org
<b>DEPARTMENT OF JUSTICE</b>  DAVID HATTON (Q) ASSISTANT ATTORNEY GENERAL	REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 david.hatton@state.or.us
<b>QWEST CORPORATION</b>  ALEX M DUARTE (Q) CORPORATE COUNSEL	421 SW OAK ST STE 810 PORTLAND OR 97204 alex.duarte@qwest.com
DON MASON (Q)	421 SW OAK ST RM 810 PORTLAND OR 97204 don.mason@qwest.com