

This is an electronic copy. Attachments may not appear.

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1025

In the Matter of the Investigation to)
Review Costs and Establish Prices for)
Certain Unbundled Network Elements) ORDER
provided by Qwest Corporation.)

DISPOSITION: NEW DOCKET OPENED

At the August 7, 2001, regular public meeting, the Public Utility Commission of Oregon (Commission) approved a Staff recommendation to create a new docket, UM 1025, to review costs and establish prices for new unbundled network elements (UNEs) identified in docket UT 138/139 Phase II. The recommendation is set forth in Appendix A of this order and is incorporated herein by reference.

The recommendation to open a new docket is based upon a petition filed by Qwest Corporation (Qwest) on June 19, 2001. In its petition, Qwest also proposed that the docket establish prices for certain items in Qwest's Statement of Generally Applicable Terms (SGAT). The Commission did not adopt the latter proposal, and limited this docket to those UNEs identified in docket UT 138/139 Phase II for which no costs and prices have been established. See Appendix A, page 3. At a later date, the Commission may add to the list of UNEs considered in this docket.

This docket will address only UNEs provided by Qwest. UNEs provisioned by Verizon will be addressed in a separate proceeding. In accordance with the policy adopted by the Commission in Order No. 00-316, UNE prices adopted in this docket will function as default prices.

ORDER

IT IS ORDERED that the Staff recommendation set forth in Appendix A of this order is adopted. Docket UM 1025 shall be opened to review costs and establish prices for the Qwest-provisioned UNEs identified in docket UT 138/139 Phase II for which costs and prices have not been established. A procedural conference shall be convened once the mapping process in docket UT 138/139 Phase II is complete.

Made, entered, and effective _____.

Roy Hemmingway
Chairman

Roger Hamilton
Commissioner

Joan H. Smith
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to applicable law.

UM1025 opening order

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT**

PUBLIC MEETING DATE: August 7, 2001

REGULAR AGENDA X **CONSENT AGENDA** **EFFECTIVE DATE** N/A

DATE: July 25, 2001

TO: Phil Nyegaard through Cynthia Van Landuyt

FROM: John Reynolds

SUBJECT: Docket UM 1025, Qwest's Petition to Establish a Docket to Examine the Costs of and to Establish Rates for Unbundled Network Elements Having No Approved Costs and Prices.

SUMMARY RECOMMENDATION:

The Commission should establish a docket to review costs and establish prices for the new unbundled network elements (UNEs) identified in docket UT 138/139 Phase II.

DISCUSSION:

On June 20, 2001, Qwest Corporation ("Qwest"), submitted a petition to open a cost docket to: (1) examine costs and establish rates for UNEs for which no costs or rates have been approved in Oregon, and (2) to establish prices for certain items listed in Qwest's Statement of Generally Available Terms (SGAT) for which prices have not been approved by the Commission.

In docket UM 823 the Commission is examining Qwest's SGAT as part of the investigation of Qwest's entry into the in-region interLATA market under 47 U. S. C. § 271 ("section 271"). In this proceeding, Qwest expressed desire for a cost docket for new UNEs. Staff indicated support for a docket that would establish prices for UNEs that do not already have a Commission-approved price, or are not already subject to review in docket UM 773.

In OPUC Order 00-316, the Commission determined that Incumbent Local Exchange Carriers (ILECs) must provide all of the unbundled network elements listed in 47 C. F. R. §51.319 ("FCC Rule 319"). Docket UT 138/139 Phase II is mapping existing building blocks to FCC UNEs listed in Rule 319. Rule 319 contains new UNEs identified after the Oregon building block list was approved in UM 844. The new UNEs are in addition to the building blocks awaiting an order in UM 773 to establish prices.

The new UNEs for which there are no building blocks (and no UNE prices) as identified in UT 138/139 Phase II (with a single "#" sign) are listed in Attachment A.

Qwest's petition further requests that the proposed docket establish prices for certain items in the Qwest SGAT. Qwest points out that some of these items were identified after the building block list was approved. It is not clear which additional items Qwest

wishes to have considered, since Qwest did not specify the "certain items" in its petition. It is not apparent what items, other than the new UNEs, would be appropriately included in a UNE cost and pricing docket.

Staff recommends the docket address only the new UNEs listed in Attachment A in order to precisely define the scope of the proceeding. The Commission can consider adding items to the list as necessary.

Qwest recommends that the cost docket be opened as a placeholder so that costing and pricing work may begin at a later time, possibly upon completion of the mapping procedure. Verizon states that costing activity should be deferred until the U. S. Supreme Court resolves the methodology issues.

To conform to the Commission's Order 00-316, p. 8, prices for the new UNEs will be "default" prices. A substantial delay of cost efforts for the new UNEs, e.g. until the Supreme Court decides the methodology issue, will prolong the absence of default prices in Oregon. Staff believes the docket should begin with a procedural conference once the mapping in UT 138/139 is complete.

Verizon expressed concern as to whether the docket would be a generic docket, or one applicable only to Qwest. Verizon does not oppose a cost docket applicable only to Qwest, but states that its own costs and prices should be addressed in its own proceeding. Docket UM 874 has been established to review Verizon's UNE costs. (This docket is currently suspended per the company's request.)

Staff believes the new docket should be limited to Qwest's UNEs. Verizon should include the new UNEs in UM 874, its own UNE cost and pricing docket.

STAFF RECOMMENDATIONS:

1. The Commission should establish a docket to review costs and establish prices for the new UNEs identified in UT 138/139 Phase II as having no costs and prices approved by the Commission. These new UNEs are listed in Attachment A.
2. The docket should be limited to Qwest UNEs.
3. This docket should begin with a procedural conference upon completion of the mapping in UT 138/139 Phase II.

UNBUNDLED NETWORK ELEMENTS**Attachment A**

Items identified in UT 138/139 Phase II as having no Commission default cost or price for the item, and no proposed costs or prices under investigation.

Unbundled Network Elements (UNE)	UT 138/139 Ph II designation
1. LOCAL LOOP AND SUBLOOP	
A. LOCAL LOOP	
(1) Higher Capacity Loop (OCn)	#
B. SUBLOOP	#
(1) Subloop components to be identified.	
2. HIGH FREQUENCY LOOP SPECTRUM	#
3. INTEROFFICE TRANSMISSION FACILITIES	
A. DEDICATED INTEROFFICE TRANSPORT	
(1) ILEC to ILEC Dedicated Transport	
Higher Capacity (OCn)	#
(2) ILEC to CLEC Dedicated Transport	#
(3) Digital Cross Connect System¹	#
B. SHARED TRANSPORT PER MINUTE	#
4. SWITCHING CAPABILITY	
A. LOCAL CIRCUIT SWITCHING CAPABILITY INCLUDING TANDEM SWITCHING	
(1) Switch Ports	
DS0 Coin	#
DS1 PRI ISDN Trunk Port	#
(2) Switching Features [additional]	#
B. PACKET SWITCHING CAPABILITY	#
5. SIGNALING NETWORKS AND CALL-RELATED DATABASES	
A. CALL-RELATED DATABASES²	
(1) ICNAM	#
B. SERVICE MANAGEMENT SYSTEMS³	#
(1) Advanced Intelligent Network (AIN)	#

¹ Purchase of Digital Cross Connect System not restricted to Interoffice Transmission UNE.

² A complete list of Call-Related Databases has not been identified.

³ A complete list of Service Management Systems computer databases has not been identified.