

Paul G. Lane
General Counsel-
Missouri

Southwestern Bell Telephone
One Bell Center, Room 3520
St. Louis, Missouri 63101
Phone 314 235-4300
Fax 314 247-0014

 Southwestern Bell

FILED³

FEB 01 2000

Missouri Public
Service Commission

February 1, 2000

The Honorable Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
301 West High Street, Floor 5A
Jefferson City, Missouri 65101

Re: Case No. TO-2000-322

Dear Judge Roberts:

Enclosed, for filing in the above-captioned case, are an original and fourteen copies of Position Statement of Southwestern Bell Telephone Company.

Thank you for bringing this matter to the attention of the Commission.

Very truly yours,

Paul G. Lane /tm

Paul G. Lane

Enclosures

cc: Attorneys of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

FEB 01 2000

In the Matter of the Petition of DIECA)
Communications, Inc. d/b/a Covad)
Communications Company for Arbitration)
of Interconnection Rates, Terms, Conditions)
and Related Arrangements with Southwestern)
Bell Telephone Company.)

Missouri Public
Service Commission

Case No. TO-2000-322

**POSITION STATEMENT OF SOUTHWESTERN
BELL TELEPHONE COMPANY**

COMES NOW Southwestern Bell Telephone Company ("SWBT") and hereby
files its statement of position on the issues identified in the Joint Issue Statement on
January 5, 2000.

1. Issue 1 - Identified as Issue A(3) in Covad's Petition for Arbitration -

Loop Qualification

Should SWBT be allowed to charge for loop qualification and, if so, what is the
appropriate price?

SWBT POSITION: SWBT is entitled under the Telecommunications Act and
should be permitted to charge for loop qualification to recover the costs it incurs. The
price should be established at \$15.00, as determined by the Commission in the Broadspan
arbitration (Case No. TO-99-370, Arbitration Order, June 15, 1999), to recover the costs
involved in a manual review of its records when the information is not available in a
mechanized data base.

Pursuant to FCC requirements, SWBT will provide electronic access to a data
base that contains information on loops that can be used to determine suitability for xDSL
services. The mechanized data base does not contain an inventory of all relevant

information on all loops, and a manual review of engineering records to determine the non-inventoried loop information is necessary. Expense associated with this manual look up is the basis of the cost for loop qualification. SWBT's cost study assumes that manual review will be necessary only 20% of the time, although in practice the percentage will actually be higher and would support a greater cost.

2. Issue 2 - Identified as Issue A(6) in Covad's Petition for Arbitration - Conditioning Charges

Should SWBT be permitted to charge for xDSL loop conditioning and, if so, what is the appropriate price?

SWBT POSITION: The FCC has addressed this issue on multiple occasions, and has determined that incumbent local exchange telephone companies are entitled under the Telecommunications Act to recover costs to condition loops (i.e., remove repeaters, bridged tap and load coils) when a CLEC requests this work to be performed. The price should be no lower than that adopted in the Broadspan (Case No. TO-98-370, Arbitration Order, June 15, 1999) and Sprint (Case No. TO-99-461, Arbitration Order, August 3, 1999) arbitrations. Those rates are:

<u>Loops up to 17.5Kft</u>	<u>Initial</u>	<u>Additional at Same Location</u>	
		<u>Same Cable</u>	<u>Different Cable</u>
Removal of Load Coils	\$727.20 ¹	\$18.18	\$417.84
Removal of Bridged Tap	\$484.19	\$24.24	\$197.71
Removal of Repeaters	\$289.51	\$13.74	\$141.23

<u>Loops over 17.5Kft²</u>	<u>Initial</u>	<u>Additional at Same Location</u>	
		<u>Same Cable</u>	<u>Different Cable</u>
Removal of 1 Load Coil	\$329.12	\$ 7.30	\$139.28
Removal of 1 Bridged Tap	\$299.64	\$15.47	\$ 98.85
Removal of 1 Repeater	\$358.31	\$17.15	\$141.23

¹ No conditioning charges for loops less than 17,500 fee shall exceed \$727.20, pursuant to the Commission decision in the Sprint arbitration.

² These rates apply in addition to the appropriate conditioning charges for the loops up to 17.5Kft.

3. Issue 3 - Identified as Issue A(7) in Covad's Petition for Arbitration -

xDSL Loop Charges

What are the appropriate recurring and non-recurring charges for ISDN loops?

SWBT POSITION: The appropriate recurring and non-recurring charges for ISDN loops are those adopted in the AT&T arbitration, subject to revision if the pending appeal of that arbitration (Case No. TO-97-40, et al., Final Arbitration Order, July 31, 1999) decision results in a new price. Those rates are:

<u>ISDN-BRI Loop</u>	<u>Recurring</u>	<u>Nonrecurring</u>	
		<u>Initial</u>	<u>Additional</u>
Zone 1	\$25.79	\$57.77	\$30.22
Zone 2	\$42.10	\$57.77	\$30.22
Zone 3	\$58.44	\$57.77	\$30.22
Zone 4	\$41.44	\$57.77	\$30.22

The technology underlying ISDN loops in the cost study adopted by the Commission in the AT&T arbitration remains appropriate and will continue to be utilized in the network. The Commission should not engage in a piecemeal adjustment to inputs in this cost study without reviewing all inputs to the cost studies.

4. Issue 4 - Identified as Issue A(8) in Covad's Petition for Arbitration -

Cross-Connect Charges

What are the appropriate recurring and non-recurring charges for shielded and non-shielded cross-connects?

SWBT POSITION: The appropriate recurring and non-recurring charges for non-shielded cross connects are those established in the AT&T arbitration, subject to revision if the pending appeal of that arbitration decision results in a new price. The appropriate recurring and non-recurring charges for shielded cross connects should be those set in the Broadspan arbitration. Those rates are:

<u>Cross-Connect</u>	<u>Recurring</u>	<u>Nonrecurring</u>	
		<u>Initial</u>	<u>Additional</u>
2-Wire Analog (w/o test)	\$0.31	\$19.96	\$12.69
2-Wire Digital	\$1.89	\$35.83	\$29.44
2-Wire Digital (w/o test)	\$0.31	\$19.96	\$12.69
4-Wire Analog (w/o test)	\$0.63	\$25.38	\$17.73

In addition, SWBT makes available an ADSL Shielded Cross-connect at a recurring rate of \$.80, and a nonrecurring rate of \$19.96 initial and \$12.69 additional.

5. Issue 5 - Identified as Issue B in Covad's Petition for Arbitration -

Unilateral, Substantive Modifications to SWBT's Technical Publications

Should SWBT have the ability to make unilateral substantive modifications to its technical publications?

SWBT POSITION: SWBT should have the ability to make substantive modifications to its technical publications, as these modifications reflect changes to its network or to comply with regulatory requirements, and cannot be subject to individual CLEC negotiations since the network used to provide service is the same for all CLECs. Any disputes should follow the dispute resolution process in the interconnection agreement.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE COMPANY

By Paul G. Lane /tm
PAUL G. LANE #27011
LEO J. BUB #34326
ANTHONY K. CONROY #35199
MIMI B. MACDONALD #37606

Attorneys for Southwestern Bell Telephone Company
One Bell Center, Room 3520
St. Louis, Missouri 63101
(314) 235-4300 (Telephone)
(314) 247-0014 (Facsimile)

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing document were served on all parties on the Service List by Airborne Express on February 1, 2000.

Paul G. Lane /m
Paul G. Lane

WILLIAM HAAS
MISSOURI PUBLIC SERVICE COMMISSISON
301 WEST HIGH STREET, SUITE 530
JEFFERSON CITY, MO 65102

LISA C. CREIGHTON
MARK P. JOHNSON
SONNENSCHN, NATH & ROSENTHAL
4520 MAIN STREET, SUITE 1100
KANSAS CITY, MO 64111

CHRISTOPHER GOODPASTOR
c/o SONNENSCHN, NATH & ROSENTHAL
4520 MAIN STREET, SUITE 1100
KANSAS CITY, MO 64111