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February 1, 2000

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Director, Utility Operations

ROBERT SCHALLENBERG
Director, Utility Services

DONNA M. KOLILIS
Director, Administration

DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. TO-2000-322

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and fourteen (14) conformed copies of the **STAFF'S STATEMENT OF POSITIONS**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Wm K Haas

William K. Haas
Deputy General Counsel
(573) 751-7510
(573) 751-9285 (Fax)

WKH/lb
Enclosure
cc: Counsel of Record

FILED³

FEB 01 2000

Missouri Public
Service Commission

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

FILED³

FEB 01 2000

Missouri Public
Service Commission

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.)

Case No. TO-2000-322

STAFF'S STATEMENT OF POSITIONS

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and states:¹

1. On December 27, 1999, the Missouri Public Service Commission (Commission) issued an Order Adopting Procedural Schedule in this case which, *inter alia*, directed DIECA Communications, Inc. d/b/a Covad Communications (Covad) and Southwestern Bell Telephone Company (SWBT) to file an issues statement on or before January 5, 1999, and directed all parties to file their position statements on or before February 1, 2000.

2. The Joint Issue Statement filed by Covad and SWBT on January 5, 2000, identified five issues remaining for arbitration. Those issues and the Staff's positions are set forth in the next paragraph.

¹ Schedule 2 of the Rebuttal Testimony of Staff Witness Anthony Clark, which sets forth the Staff's recommendations for the disputed prices, is attached hereto.

3. Issues Remaining for Arbitration

Issue A (3)-Loop Qualification

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

Yes. The Staff's recommended interim price for loop qualification is \$13.00. This price excludes joint and common costs included in SWBT's proposed price. Staff recommends that the Commission order SWBT to deploy real-time electronic access to its loop makeup information no later than July 2000. The charge for loop qualification would then be discontinued. (Clark Rebuttal Testimony, p. 3-6; Claiborn-Pinto Rebuttal Testimony, p. 2-3; Couch Rebuttal Testimony, p. 3-4).

Issue A (6)-Conditioning Charges

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

Yes. The Staff's recommended charges are based on cost factors contained in SWBT's cost studies with modified time estimates for certain work activities and with joint and common cost excluded. SWBT should be allowed to charge Covad for conditioning a maximum of 4 out of 100 loops. (Clark Rebuttal Testimony, p. 7-14; Claiborn-Pinto Rebuttal Testimony, p. 3-5; Couch Rebuttal Testimony, p. 4-8).

Issue A (7)-xDSL Loop Charges

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

Staff recommends the rates that were established in Case No. TO-97-40, the first Missouri arbitration between AT&T and SWBT. (Clark Rebuttal Testimony, p. 13-15).

Issue A (8)-Cross Connect Charges

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

For non-shielded cross connects Staff recommends the rates that were established by the Commission in Case No. TO-97-40. For shielded cross connects Staff proposes the rates that were established by the Commission in Case No. TO-99-370, the arbitration between Broadspan Communications, Inc., and SWBT. (Clark Rebuttal Testimony, p. 15-18).

Issue B-Unilateral, Substantive Modifications to SWBT's Technical Publications

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

SWBT should be allowed to make changes to its technical publications without prior approval by companies with which it has interconnection agreements. However, those changes should not be allowed to change existing interconnection agreements without further negotiations or arbitration. (Couch Rebuttal Testimony, p. 8-10; Clark Rebuttal Testimony, p. 18).

Respectfully submitted,

DANA K. JOYCE

General Counsel

Wm K Haas
William K. Haas
Deputy General Counsel
Missouri Bar No. 28701

Attorney for the Staff of the
Missouri Public Service Commission
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 1st day of February 2000.

Wm K Haas

Clark Rebuttal

Case No. TO-2000-322

Schedule 2

Staff Proposed Loop Conditioning Prices

<u>Loops between 12 and 17.5 Kft</u>	<u>Initial</u>	<u>Additional Same Location/Cable</u>	<u>Additional Same Location Different Cable</u>
Removal of Load Coils	\$499.06	\$19.76	\$97.24
Removal of Bridged Taps	\$382.84	\$19.76	\$68.19
Removal of Repeaters	\$191.42	\$14.72	\$34.09
Removal Bridge Tap & Load Coil	\$849.33	\$39.53	\$165.43
Removal Bridge Tap & Repeater	\$541.69	\$34.49	\$102.28

<u>Loops over 17.5 Kft *</u>	<u>Initial</u>	<u>Additional Same Location/Cable</u>	<u>Additional Same Location Different Cable</u>
Removal of Load Coils	\$166.35	\$6.26	\$32.41
Removal of Bridged Taps	\$191.42	\$9.88	\$34.09
Removal of Repeaters	\$191.42	\$14.72	\$34.09
Removal Bridge Tap & Load Coil	\$344.20	\$16.15	\$66.51
Removal Bridge Tap & Repeater	\$358.42	\$24.61	\$68.19

* These charges apply in addition to the charge above (loops between 12 and 17.5Kft).

Staff Proposed ISDN BRI Prices

	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>	<u>Zone 4</u>
ISDN-BRI Loop	\$25.79	\$42.10	\$58.44	\$41.44

<u>ISDN-BRI Loop Installation</u>	<u>NRC</u>
Initial (All Zones)	\$57.77
Additional (All Zones)	\$30.22

Staff Proposed Cross Connect Prices

<u>Non-shielded Cross Connects</u>	<u>Monthly Recurring</u>	<u>NRC Initial</u>	<u>NRC Additional</u>
2-Wire Analog (w/o testing)	\$0.31	\$19.96	\$12.69
2-Wire Digital (w/o testing)	\$0.31	\$35.83	\$29.44
4-Wire Analog (w/o testing)	\$0.63	\$19.96	\$12.69
2-Wire Digital (with testing)	\$1.89	\$25.38	\$17.73

Shielded Cross Connect

Staff Proposed Price

Monthly recurring	\$0.80
Installation, Initial	\$19.96
Installation, Additional	\$12.69

Loop Qualification

Staff Proposed Price

Per loop	\$13.00
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**Service List for
Case No. TO-2000-322
February 1, 2000**

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