

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

In the Matter of the Determination of Prices,)	
Terms, and Conditions of Conditioning for)	Case No. TO-2001-439
xDSL-capable Loops.)	

**REPLY OF SOUTHWESTERN BELL TELEPHONE COMPANY
TO THE RESPONSE OF XO MISSOURI, INC., ET AL. TO
MOTION FOR APPROVAL OF CHANGES TO THE M2A**

COMES NOW Southwestern Bell Telephone, L.P., d/b/a Southwestern Bell Telephone Company ("SWBT") and for its Reply to the Response of XO Missouri, Inc., MCImetro Access Transmission Services, L.L.C., Brooks Fiber Communications of Missouri and MCI WorldCom Communications, Inc. to Southwestern Bell Telephone Company's Motion for Approval of Changes to the M2A ("XO Response") states as follows:

1. On July 11, 2002, SWBT filed its Motion for Approval of Changes to the Missouri 271 Interconnection Agreement ("M2A"). These changes were made to conform the M2A to the decision issued by the Missouri Public Service Commission ("Commission") in this proceeding. SWBT filed both a redlined version and a clean copy of the revised Attachment 25: xDSL and Interim Appendix HFPL.
2. On July 17, 2002, Staff filed its Response to SWBT's Motion for Approval. In its Response, Staff asserted its view that the proposed modifications to the M2A comport with the Commission's Orders in this proceeding.
3. XO, et al. filed their Response on July 19, 2002. XO asserted that SWBT's filing did not adhere to the Commission's Orders in this proceeding in several respects. As demonstrated below, XO is incorrect on each of its allegations.

4. XO's Response contends that SWBT is seeking to avoid a requirement that it provide "clean loops" to CLECs. XO Response, para 2. XO's contention is incorrect. The prior version of the M2A provided that conditioning charges applied to loops greater than 12, 000 feet from the central office only when "clean loops" were not available for use. Under the Commission's decision in this proceeding, a non-recurring conditioning charge is applicable to all xDSL-capable loops ordered, whether or not conditioning is required. Accordingly, the reference to conditioning charges applying only when "clean loops" are not available no longer applies. SWBT notes that it will continue to provide "clean loops" to CLECs when available, but a non-recurring conditioning charge applies per the Commission's Order.

5. XO next contends that Section 11.4 of Attachment 25: xDSL should be revised to reflect that conditioning charges on loops in excess of 17,500 feet apply only to loops that are "provisioned" rather than "ordered." XO Response, para. 5. The language that SWBT proposed is appropriate, as it is the CLEC which makes the decision whether to order a loop greater than 17,500 feet which requires conditioning. Obviously, if SWBT never provides the conditioning, no charges are due. But it remains the CLEC's option whether or not to "order" conditioning.

6. XO next asserts that language should be added to Section 11.4 to provide that per occurrence conditioning charges do not apply in the event SWBT provides manual loop makeup information that indicates conditioning. XO Response, para. 6. XO is incorrect, as the Commission's February 28, 2002 Report and Order clearly provides that SWBT must bear the risk and cost of removing inhibitors on loops subject to manual qualification only "for CLECs that do not adopt the average pricing model for loops less than 18,000 feet." February 28, 2002 Report and Order, p. 20. The M2A does adopt the average pricing model for loops less than

18,000 feet,¹ and accordingly the language proposed by XO should not be adopted as it is inconsistent with the Commission's February 28, 2002 Report and Order.

7. XO next proposes to revise Section 11.4 of Attachment 25: xDSL should be revised to apply to loops ordered "after September 30, 2001, or the effective date of this agreement." XO Response, para. 7. Again, XO is incorrect. Any xDSL-capable loops ordered under Attachment 25: xDSL of the M2A are subject to the applicable conditioning charges established by the Commission. If a CLEC did not adopt Attachment 25: xDSL until after September 30, 2001, the applicable conditioning charges for work prior to the effective date (if any) would be pursuant to the terms of that CLEC's then existing interconnection agreement, not Attachment 25: xDSL. XO's proposed language is unnecessary and inappropriate.

8. XO next contends that the rate table set forth in Section 11.4 of Attachment 25: xDSL should be subject to a footnote that reduces the non-recurring average conditioning charge applicable to all xDSL loops to \$6.23 effective April 1, 2005. XO Response, para. 8. This change is inappropriate as the term of the M2A expires on March 6, 2005. M2A, General Terms and Conditions, Section 4.1. Provisions for the applicable conditioning charges effective April 1, 2005, will be reflected in the terms of any subsequent interconnection agreement negotiated between SWBT and each CLEC, subject to possible arbitration by the Commission.

9. XO next proposes to delete the second sentence of Section 10.1 of Interim Appendix HFPL. XO Response, para. 9. XO is incorrect. A non-recurring conditioning charge does apply to each HFPL loop or sub-loop ordered as set forth in Attachment 25: xDSL, as do charges for any conditioning requested by CLEC.

¹ In its June 4, 2002 Order Denying Rehearing and Granting Clarification, the Commission clarified that the intent of the Order was to utilize 17,500 feet from the central office as the appropriate demarcation point.

10. XO next contends that the reference to “sub-loops” in Section 10.1 of Interim Appendix HFPL should be deleted. XO Response, para. 9. That contention is incorrect as CLECs are permitted to order loops or sub-loops under Interim Appendix HFPL. A charge applies to a sub-loop the same as any other xDSL-capable loop.

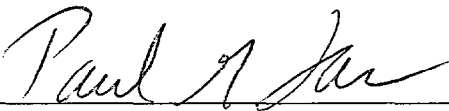
11. XO’s last claim is that the reference to “ordered” loops should be changed to “provisioned” loops in Section 10.1 of Interim Appendix HFPL. XO Response, para. 9. SWBT previously explained why “ordered” loops is the appropriate reference and incorporates that response by reference here.

12. Staff is correct that SWBT’s proposed revisions to the M2A comport with the Commission’s Orders in this proceeding and should be adopted.

WHEREFORE, for all the foregoing reasons, SWBT respectfully requests the Commission to reject the proposed changes to M2A Attachment 25: xDSL and Interim Appendix HFPL proposed by XO’s Response and to approve the changes proposed by SWBT.

Respectfully submitted,

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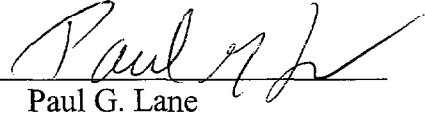
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing document were served to all parties on the Service List by first-class, postage prepaid U.S. Mail or hand-delivery on July 29, 2002.



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