Federal Communications Commission
Washington, D.C. 20554

March 3, 2010

Mr. Timothy M. Boucher
Corporate Counsel
Qwest
607 14th Street NW, Suite 950
Washington, DC 20005

DA 10-363

Re: November 12, 2009 Request for Confirmation that Commission Approval is No Longer Necessary Prior to Implementing Changes to Qwest's SAVER Procedures after Cost Assignment Forbearance or, in the Alternative, Commission Approval, if the Commission Determines that Approval is Still Required under "US WEST Communications, Inc. Cost Allocation Manual Revision to Utilize a Statistical Sampling System for Certain Technician Group Time Reporting"

Dear Mr. Boucher:

By letter dated November 12, 2009,[1] Qwest requested that the Commission confirm that, given the Commission's grant to Qwest of forbearance from certain cost assignment rules and Automated Reporting Management Information System ("ARMIS") reporting requirements,[2] Qwest no longer needs Commission approval prior to implementing changes to Qwest's Sampled and Verified Employee Reporting ("SAVER") procedures. In the event the Commission determines that prior approval is still required, Qwest requested that the Commission approve certain changes to the SAVER procedures.

In 1995, US West (now Qwest) requested permission to use a sampling process for technician time reporting, SAVER, for purposes of developing the necessary information to populate its Part 32 accounts, in lieu of its time reporting process which used every technician's completed daily time reports.[3] In conditionally granting Qwest authority to implement its SAVER procedures, the Commission found that,

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[1] Letter from Timothy M. Boucher to Sharon Gillett, Chief, Wireline Competition Bureau, FCC, dated November 12, 2009 (*Qwest 2009 SAVER Request*).
[2] *Service Quality, Customer Satisfaction, Infrastructure and Operating Data Gathering*, WC Docket Nos. 08-190, 07-139, 07-204, 07-273, 07-21, Memorandum Opinion and Order and Notice of Proposed Rulemaking, 23 FCC Rcd 13647 (2008) (*Verizon/Qwest Cost Assignment Forbearance Order*), *pet. for recon. pending*, *pet. for review pending*, *NASUCA v. FCC*, Case No. 08-1353 (D.C. Cir. filed Nov. 4, 2008); *Petition of Qwest Corporation for Forbearance from Enforcement of the Commission's ARMIS and 492A Reporting Requirements Pursuant to 47 U.S.C. § 160(c); Petition of Verizon for Forbearance Under 47 U.S.C. § 160(c) From Enforcement of Certain of the Commission's Recordkeeping and Reporting Requirements*, WC Docket Nos. 07-204, 07-273, Memorandum Opinion and Order, 23 FCC Rcd 18483 (2008), *pet. for recon. pending*, *pet. for review pending*, *NASUCA v. FCC*, Case No. 08-1353 (D.C. Cir. filed Nov. 4, 2008).
[3] *US West Communications, Inc., Cost Allocation Manual Revision to Utilize a Statistical Sampling System for Certain Technician Groups Time Reporting*, Memorandum Opinion and Order, 10 FCC Rcd 9382, para. 1 (1995) (*1995 SAVER Order*).

if properly implemented, the SAVER process could provide reliable results.[4] The *1995 SAVER Order* prohibited "any changes to [the] SAVER process without our prior written approval."[5]

The cost assignment rule forbearance and ARMIS reporting forbearance granted to Qwest do not eliminate the requirement that Qwest maintain its Part 32 accounts, nor does forbearance obviate the need for prior Commission approval of changes to its SAVER procedures. As the Commission found in the *Verizon/Qwest Cost Assignment Forbearance Order*, "Qwest, AT&T, and Verizon remain subject to the Part 32 USOA [Uniform System of Accounts for Telecommunications Companies] requirements."[6] The continued reliability of the SAVER process is essential to Qwest's compliance with its USOA obligations. The *Qwest 2009 Saver Request* states that Qwest "has been using SAVER to report selected technicians' time and to properly assign this time to the appropriate USOA accounts for the last 14 years."[7] Because Qwest's compliance with Part 32 regulations is based in part upon the SAVER process approved by the Commission, Qwest continues to be required, as specified in the *1995 SAVER Order,* to obtain Commission approval prior to making any changes to the SAVER process.

Regarding the changes to SAVER for which Qwest seeks approval, Qwest asserts that the SAVER process must be modified to address the dramatically smaller employee profile populations in Qwest's six smaller states and the disproportionate time reporting burden placed on technicians in those states.[8] Qwest explains that its proposed changes to the SAVER process will save "at least $1.2 million annually in employee labor costs as a result of sampling a smaller number of technicians in each profile in its six small states."[9] Qwest further asserts that the proposed SAVER changes would allow it to maintain the accuracy of its assignment of costs to individual USOA accounts.[10]

We accept the rationale provided by Qwest to support its changes to the SAVER process. Accordingly, pursuant to the authority delegated in the Commission's rules,[11] Qwest is hereby authorized to revise the SAVER process as requested.

Sincerely,

Sharon E. Gillett

Sharon E. Gillett
Chief
Wireline Competition Bureau

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[4] *Id.* at 9382, para. 6.
[5] *Id.* at 9383, para. 7.
[6] 23 FCC Rcd at 18489, para. 12.
[7] *Qwest 2009 SAVER Request* at 3.
[8] *Id.* at 4-5.
[9] *Id.* at 6.
[10] *See id.*, Declaration of Paul M. Grunzke, para. 6.
[11] 47 C.F.R. §§ 0.91, 0.204, 0.291.