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FORMAL COMPLAINT

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BEFORE THE ARIZONA CORPORATION COMMISSION RECEIVED

MARC SPITZER
Chairman
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
MIKE GLEASON
Commissioner
KRISTIN K. MAYES
Commissioner

2003 DEC -8 P 4: 13

AZ CORP COMMISSION
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Arizona Corporation Commission
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DOCKETED BY [Signature]

UTILITIES DIVISION STAFF,

Complainant,

v.

MCLEODUSA TELECOMMUNICATIONS
SERVICES, INC.,

Respondent.

Docket No. T-03267A-03-0887

COMPLAINT

The Arizona Corporation Commission ("Commission") Utilities Division ("Staff"), for its Complaint and Petition for Relief against McLeodUSA Telecommunications Services, Inc. ("McLeod") alleges the following:

JURISDICTION

1. The Commission has jurisdiction to hear complaints against public service corporations pursuant to A.R.S. § 40-246. The Commission has jurisdiction to supervise and regulate public service corporations pursuant to Article XV of the Arizona Constitution and Title 40 of the Arizona revised Statutes.

RESPONDENT

2. Respondent McLeod is a public service corporation. The Commission authorized McLeod to provide facilities-based and resold local exchange services in Arizona on June 9, 2000, in Decision No. 62627.

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BACKGROUND

3. Between the dates of April 25, 2000 and October 26, 2000 McLeod entered into six confidential interconnection agreements with Qwest Corporation, formally known as US West ("Qwest"). The interconnection agreements entered into by McLeod and Qwest, among other things, allowed McLeod to receive a 10 percent discount on services purchased by McLeod from Qwest for five years. The discounts were not extended to all other Qwest wholesale providers. McLeod agreed to keep the agreements confidential. Neither McLeod nor Qwest filed the six agreements with the Commission for approval. 47 U.S.C. § 252(e) of the Telecommunications Act of 1996 ("the 1996 act") requires that all interconnection agreements be filed with the State Commission for approval. Section 252(e) of the Act requires the Commission to reject an interconnection agreement if it is discriminatory or not consistent with the public interest, convenience and necessity. A.A.C. Rule R14-2-1506(A) requires negotiated interconnection agreements to be filed with the Commission within 30 calendar days of the agreement's execution. A.A.C. rule R14-2-1506(C) states that parties may jointly or separately file the agreements. McLeod violated both section 252(e) of the 1996 Act and A.A.C. Rule R14-2-1506 by failing to file the interconnection agreements with the Commission for review.

CLAIMS

COUNT ONE

4. Staff restates paragraphs 1 through 3 as if fully set forth herein.

5. Section 252(e) of the 1996 act states "any interconnection agreements adopted by negotiation or arbitration shall be submitted for approval to the relevant state commission."

6. AAC Rule R14-2-1507(A) states "An interconnection agreement shall be submitted to the Commission for approval under U.S.C. 252(e)... in the case of negotiated agreements, within 30 calendar days of the execution of the agreement."

1 12. Because McLeod did not file the interconnection agreements listed in Table One
2 above with the Commission as required pursuant to A.A.C. R14-2-1506(A) and (C), McLeod violated
3 A.A.C. R14-2-1506(A) and (C).

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5 13. The interconnection agreements entered into by McLeod and Qwest, among other
6 things, allowed McLeod to receive a 10 percent discount on services purchased by McLeod from
7 Qwest for five years.

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9 14. The interconnection agreements entered into by McLeod and Qwest, among other
10 things, granted McLeod preferential treatment when compared to other Competitive Local Exchange
11 Carriers related to escalation procedures.

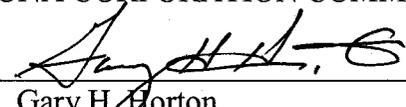
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13 **RELIEF**

14 15. Staff requests that the Commission impose appropriate monetary fines on McLeod for
15 its violations of 47 U.S.C. § 252(e) and A.A.C. R14-2-1506(a) and (C).

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17 16. Staff asks that the Commission provide such additional relief as may be appropriate.

18
19 RESPECTFULLY SUBMITTED this 8th day of December, 2003

20
21 ARIZONA CORPORATION COMMISSION

22 By: 

23 Gary H. Horton
24 Attorney, Legal Division
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27 (602) 542-6026

28 Original and 13 copies of the foregoing filed
this 8th day of December, 2003, with:

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4 Copy of the foregoing mailed this 8th day
5 of December, 2003, to:

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