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Via Facsimile & Federal Express

Maureen A. Scott, Esq.  
Attorneys Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Re: Docket Nos. T-03889A-02-0796 and T-04125A-02-0796  
The Phone Company Management Group, LLC

Dear Maureen:

The Phone Company Management Group, LLC ("PCMG") objects to the entirety of the "Important Notice Regarding Your Telephone Service" (the "Staff Notice"), which you forwarded to me on March 5, 2003 by e-mail. PCMG believes that the Staff Notice is not a notice of possible termination of service, as ordered by The Honorable Philip J. Dion III, in his Procedural Order dated February 25, 2003, or his Procedural Order dated March 3, 2003 (the "Orders"). Instead, the Staff Notice constitutes a notice of disconnection to PCMG's customers rather than notice of possible termination or interruption of service. If the Staff Notice were distributed to PCMG's customers, it would immediately persuade them to choose an alternative provider or default to Qwest. Such a result is contrary to the Orders of Judge Dion, destroys PCMG's customer base and competition in the local exchange market in Arizona, and is contrary to the public interest, convenience and necessity.

As you also know, PCMG objects to Judge Dion's Procedural Orders, and will today file an appeal of those Orders with the Arizona Corporation Commission on grounds that the Orders are arbitrary, capricious and abusive discretion. PCMG believes it will prevail on its appeal.

Nevertheless, in the unlikely event PCMG does not prevail on its appeal, PCMG would be willing to agree that the Staff could issue the attached "Notice of Possible Interruption of Local Telephone Service" ("Notice") to PCMG's customers. The enclosed Notice more accurately describes to PCMG's customers the basis for possible termination or interruption of their local telephone service, as well as PCMG's and Qwest's positions in this matter. It also meets Judge Dion's desire to give PCMG's customers notice of possible termination. Moreover, if such termination actually occurs, the Notice informs PCMG's customers that they will receive a further notice advising them of the actual termination date, and their opportunity to make choices with respect to an alternative telephone provider.

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Maureen A. Scott, Esq.  
Arizona Corporation Commission  
March 6, 2003  
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PCMG wishes to put the Staff on notice that if it issues the Staff Notice, it will destroy PCMG's customer base before PCMG has had an opportunity to prove its claims against Qwest for overcharges and damages for failure to meet federal and state performance and other requirements as a wholesale provider to a competitive provider to Qwest's retail services.

I am available to discuss the content of PCMG's proposed notice at your convenience.

Very truly yours,

  
Michael L. Glaser

MLG:clb  
Enclosure  
cc w/encl:

The Honorable Philip J. Dion III  
Christopher Kempley, Chief Counsel  
Lyn Farmer, Chief Hearing Officer  
Ernest Johnson, Director  
Mark Brown, Esq.  
Jeff Crockett, Esq.  
Timothy Berg, Esq.  
Tim Wetherald

## NOTICE OF POSSIBLE INTERRUPTION OF LOCAL TELEPHONE SERVICE

Dear The Phone Company Management Group, LLC Customer:

The Staff of the Arizona Corporation Commission (the "Commission") has been ordered by The Honorable Philip J. Dion III, Administrative Law Judge at the Commission, to advise you of the possibility of termination or interruption of your local telephone service, effective on or about March 21, 2003, as a result of a Notice of Disconnection issued to The Phone Company Management Group, LLC d/b/a The Phone Company of Arizona ("PCMG") by Qwest Corporation ("Qwest"), for alleged nonpayment of wholesale services. PCMG purchases local exchange services at wholesale from Qwest for resale to PCMG's customers.

PCMG has a dispute with Qwest over Qwest's billings to PCMG for its purchase of local exchange services. PCMG asserts that Qwest has overcharged PCMG for local exchange services by substantial amounts, beginning in April 2002 and continuing to the present. PCMG also claims that Qwest fails to provide PCMG with nondiscriminatory access to your customer service records, that is, in substantially the same time and manner as Qwest provides such records to itself, which prevents PCMG from providing you with effective customer service. It is PCMG's position that most of the customer service problems you have experienced with PCMG are directly attributable to Qwest's practices in this regard. For example, many of you have requested PCMG to change your long distance carrier. Qwest, however, has refused to process PCMG's requests made on your behalf to change your preferred long distance carrier, because Qwest refuses to process any orders of PCMG for new or changed services for PCMG's customers, on the grounds that PCMG has failed to pay Qwest for local telephone services purchased for resale.

In the event Qwest does determine to disconnect PCMG services effective March 21, 2003, you will receive another notice stating the actual date of your termination. In the further notice, you will be provided two options to maintain local telephone service. **You do not need to choose either option at this time, and will only have to make the decision after you receive the further notice that disconnection will actually occur. You will receive such further notice in advance of actual disconnection in ample time for you to choose one of the two options described below.** These options will be:

1. You can sign up with another telephone company of your choice. You may call the Arizona Corporation Commission to obtain a list of such telephone companies who could provide service to you. The Commission's telephone number is 602-542-4251 or toll free outside of the Phoenix metropolitan area at 1-800-222-7000.

2. If you do not choose another provider, except as stated below, your local telephone service will be automatically transferred to Qwest, the default provider designated by the Commission. If there is disconnection, the transfer will occur between \_\_\_\_\_, 2003 and \_\_\_\_\_, 2003. You will receive a further notice before disconnection, if it will actually occur.

The further notice will advise you that if you do not choose another provider and you are transferred to Qwest, you will receive the same telephone number and same service and features that you now have, except they will be provided directly by Qwest under Qwest's terms and conditions and Qwest's rates.

You will also be advised that if your Internet access or long distance services are provided by PCMG, those services will also be transferred, and that you will need to choose another Internet service provider and another long distance carrier, or both.

If Qwest does disconnect PCMG, depending on your credit history, Qwest may charge you a deposit if you transfer service to Qwest. Also, if you owe Qwest a previous bill for local telephone service, long distance service, or other features associated with local telephone services, Qwest may refuse you service unless you pay Qwest what is owed to Qwest or make payment arrangements acceptable to Qwest. If you owe Qwest a previous bill for regulated local exchange services, you must either pay Qwest what is owed, make acceptable payment arrangements, choose another provider, or risk being disconnected.

In the event of disconnection and you select Qwest, you may call Qwest at 1-800-807-8694 to discuss a previous bill or for any other questions you might have if you are transitioning your local service to Qwest. You may call the Commission at the appropriate telephone number listed above to get a list of local telephone service providers other than Qwest.

Anyone may inquire about this Notice by sending a letter to the Arizona Corporation Commission, 1220 West Washington Street, Phoenix, AZ 85007. You may also object to Qwest's disconnection by calling the Commission at the appropriate number listed above.

BY: The Staff of the Arizona  
Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007  
602-542-4251 or  
1-800-222-7000 toll free outside  
the metropolitan area