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DOCKETED

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July 27, 2000

Maureen Scott
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007-2996

Re: **Arizona 271, Docket No. T-00000A-97-0238**

Dear Ms. Scott:

I have reviewed your letter dated July 18, 2000, that was sent to me in response to AT&T Communications of the Mountain States, Inc.'s comments dated July 10, 2000. A number of statements made by you require a response.

Although you mention a number of reasons why AT&T elected not to participate in the Arizona backsliding and penalties workshop, you ignore the demands being placed on AT&T and other competitive local exchange carriers and interexchange carriers by focusing on U S WEST's Arizona Section 271 proceeding. You "note that most states addressing Section 271 performance assurance plans have done so on an individual basis and AT&T has actively participated in all these proceedings nationwide." However, as AT&T pointed out in its comments, U S WEST has filed for Section 271 relief in 10 of the 14 states in its region. This is unprecedented. No other regional Bell operating company has attempted to obtain Section 271 relief in its region on this scale.

You state that "Staff believes that AT&T could devote the resources necessary to present evidence in Arizona workshops if it so desired, as others involved in ROC and multi-state processes are doing." I do not know what the bases of Staff's belief or statement are. AT&T, WorldCom, Inc. and Cox are the only active participants in the Operation Support Systems ("OSS") test in Arizona. Sprint has not actively participated in the OSS workshops for some time. Therefore, besides U S WEST, only 3 carriers are actively participating in the OSS workshops. As for the first set of checklist items, AT&T, WorldCom and Cox were the only participants taking any positions in the first series of workshops. Additional carriers are participating in the ROC OSS test, no doubt because the ROC OSS test encompasses 13 states. The multi-state process has not commenced, so there is no evidence of the extent of carrier involvement. However, it is obvious that the carriers that are participating in the ROC process and are not participating in Arizona, are doing so because of resource issues, the very reason AT&T

gave for not participating in the Arizona backsliding and penalties workshops and for participating in the ROC backsliding and penalties workshop. AT&T is acting as reasonable and no differently than other carriers in selecting where to devote its resources.

AT&T stated in its comments that it did not have the resources to participate in the Arizona backsliding and penalties workshop, as proposed by Staff. Staff chose to ignore AT&T's comments and pursued its proposed schedule. Now, after AT&T subsequently acted consistently with its comments, Staff still believes AT&T can devote resources to participate in Arizona's backsliding and penalties workshops. AT&T simply cannot under the present schedule. The issue is one of resources. Curious, however, is why U S WEST insists on conducting workshops in Arizona when it will financially support a 13-state ROC workshop process on the same issues, which will be held *concurrently* with the ROC OSS test. U S WEST has become more demanding in each of the Section 271 proceedings, which only places additional demands on the other carriers. Carriers have to decide where to devote the resources accordingly. Simply, this is what AT&T did.

You indicated that the "Arizona Commission has been extremely flexible in accommodating any conflicts..." However, the accommodations that have been made by Staff were to accommodate scheduling conflicts. AT&T stated that the backsliding and penalties workshops should not be conducted concurrently with the workshops conducted on the remaining checklist items in the short time allotted. This requires a major resource commitment. Moving the workshops a week or two one way or the other will not free up resources. In addition, AT&T and other competitive local exchange carriers complained vigorously that the Commission's schedule for dealing with the remaining checklist items in Arizona should not be as truncated as the one advocated by Staff, and that such a compressed schedule would place severe resource constraints on AT&T. The Staff and Administrative Law Judge, over the objection of AT&T, adopted the proposed schedule which completes review of all checklist items by the end of the year. Such a schedule does not allow AT&T to focus its limited resources on other concurrent proceedings.

Your statement that "the Commission will actively oppose any evidence or arguments presented by AT&T to the FCC which could and should have been presented to this Commission during the conduct of these proceedings in Arizona" seems to reflect a misunderstanding of the Arizona Commission's role in the Section 271 process. The Arizona Commission's role is to give its opinion to the FCC on whether U S WEST meets the competitive checklist in Arizona. The FCC has sole statutory authority to make the decision whether U S WEST has met the competitive checklist in Section 271(c). Neither the ACC or FCC can prevent AT&T from putting on its case at the FCC, nor can the Commission claim AT&T waived any federal rights before a state commission that the FCC must only consult with.

AT&T has not been given "a full and fair opportunity to present its evidence" on U S WEST's performance assurance plan. Only U S WEST and Staff argued that the schedule proposed by U S WEST and Staff and adopted by the Administrative Law Judge

was acceptable. Every carrier responding to U S WEST and Staff's proposal raised concerns about the schedule. Staff and U S WEST, however, chose to ignore those concerns and push for its original, aggressive schedule, which was ultimately adopted by the Administrative Law Judge.

Your statement that the Commission will argue at the FCC "that AT&T *was* given a full and fair opportunity to present its evidence" (emphasis added) is premature.. It raises concerns that the Commission has prejudged a process that has not yet taken place, and that no matter what happens during the workshops, the Commission will claim it gave the parties a full and fair opportunity to present evidence.

AT&T must consider where to dedicate its resources. It is reasonable for AT&T to decide to address backsliding and penalties in a forum comprised of 13 state commissions and to decide not to participate in Arizona. ROC intends to address backsliding and penalties concurrently with OSS testing. You have stated in the past that Arizona would consider adopting provisions of any performance assurance plan adopted by ROC. AT&T, therefore, has concluded that it is best for it to devote its resources to the ROC process and hope Arizona modifies its performance assurance plan to be consistent with the ROC plan, as Arizona has done with its Performance Indicator Definitions in the OSS test being conducted in Arizona.

Sincerely,



Richard S. Wolters

RSW/crd

cc: Service List

CERTIFICATE OF SERVICE

I hereby certify that the original and 10 copies of the Letter from Richard S. Wolters of AT&T to Maureen Scott of the Arizona Corporation Commission, dated July 27, 2000, regarding Docket No. T-00000A-97-0238, were sent via overnight delivery this 27th day of July, 2000, to:

Arizona Corporation Commission
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and that a copy of the foregoing was sent via overnight delivery this 27th day of July, 2000 to the following:

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