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OPEN MEETING ITEM

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Arizona Corporation Commission
DOCKETED

MAR 13 2001

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MEMORANDUM

TO: THE COMMISSION

FROM: Utilities Division

DATE: March 12, 2001

RE: IN THE MATTER OF THE APPLICATION OF QWEST CORPORATION F/K/A U S WEST COMMUNICATIONS, INC., FOR APPROVAL OF A RESALE AGREEMENT WITH PREFERRED CARRIER SERVICES, INC. (DOCKET NOS. T-01051B-01-0144 AND T-03248A-01-0144)

On February 20, 2001, Qwest Corporation ("Qwest") f/k/a U S WEST Communications, Inc., filed an application for approval of a Resale Agreement between Qwest, and Preferred Carrier Services, Inc. ("PCS"). The term of the Agreement shall be effective upon Commission approval and remain in effect until February 6, 2002. Upon expiration, the agreement shall remain in force and effect until terminated by either party on one hundred sixty (160) days written notice. The Agreement governs the terms and conditions under which Qwest will offer interconnection to PCS.

The Telecommunications Act of 1996 ("1996 Act") directed incumbent local exchange carriers to make their networks available for interconnection and resale by new entrants to the local exchange market. The 1996 Act provides for interconnection and resale agreements to be concluded by voluntary negotiation. This Agreement between Qwest and PCS was voluntarily negotiated, without resort to arbitration.

Under the terms of the Agreement, Qwest will provide specified local exchange services for Interconnection and Resale to PCS. Generally, Qwest services will be made available to PCS for resale at a twelve (12) percent discount for residential customers and an eighteen (18) percent discount for business customers.

According to the 1996 Act and State Rule, the Commission must approve voluntarily negotiated interconnection and resale agreements if their provisions are non-discriminatory and in the public interest. Staff has reviewed the Agreement and finds it to be non-discriminatory and in the public interest. Qwest is offering the same terms and conditions of the Agreement to all other interested parties. The Agreement is in the public interest because it will act to further competition in the local exchange market in Arizona.

Since there are no grounds for rejection of the Agreement pursuant to Section 252(e)(2)(A) of the 1996 Act, Staff recommends that the Commission approve the Interconnection Agreement between Qwest and PCS.

Deborah R. Scott
Director
Utilities Division

DRS:EAA:lhm\MAS

ORIGINATOR: Erinn Andreasen

BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
Chairman
JIM IRVIN
Commissioner
MARC SPITZER
Commissioner

IN THE MATTER OF THE APPLICATION OF QWEST CORPORATION F/K/A U S WEST COMMUNICATIONS, INC., FOR APPROVAL OF A RESALE AGREEMENT WITH PREFERRED CARRIER SERVICES, INC.	DOCKET NOS. T-01051B-01-0144 T-03248A-01-0144 DECISION NO._____ ORDER

Open Meeting
March 27 and 28, 2001
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On February 20, 2001, Qwest Corporation ("Qwest") f/k/a U S WEST Communications, Inc., filed an application for approval of a Resale Agreement between Qwest, and Preferred Carrier Services, Inc. ("PCS"). The term of the Agreement shall be effective upon Commission approval and remain in effect until February 6, 2002. Upon expiration, the agreement shall remain in force and effect until terminated by either party on one hundred sixty (160) days written notice. The Agreement governs the terms and conditions under which Qwest will offer interconnection to PCS.

2. The Telecommunications Act of 1996 ("1996 Act") directed incumbent local exchange carriers to make their networks available for interconnection and resale by new entrants to the local exchange market. The 1996 Act provides for interconnection and resale agreements to be concluded by voluntary negotiation.

3. This Agreement between Qwest and PCS was voluntarily negotiated, without resort to arbitration.

4. Under the terms of the Agreement, Qwest will provide specified local exchange services for Interconnection and Resale to PCS. Generally, Qwest services will be made available

to PCS for resale at a twelve (12) percent discount for residential customers and an eighteen (18) percent discount for business customers.

5. According to the 1996 Act and Commission Rule, the Commission must approve voluntarily negotiated interconnection and resale agreements, if their provisions are non-discriminatory and in the public interest.

6. Staff has reviewed the Agreement and finds it to be non-discriminatory and in the public interest. Qwest is offering the same terms and conditions of the Agreement to all other interested parties. The Agreement is in the public interest because it will act to further competition in the local exchange market in Arizona.

7. Since there are no grounds for rejection of the Agreement pursuant to Section 252(e)(2)(A) of the 1996 Act, Staff has recommended that the Commission approve the Interconnection Agreement between Qwest and PCS.

CONCLUSIONS OF LAW

1. Qwest is an Arizona public service corporation within the meaning of Article XV, Section 2, of the Arizona Constitution.

2. The Commission has jurisdiction over PCS and over the subject matter of the Application.

3. The Commission, having reviewed the Application and Staff's Memorandum has determined that the Interconnection Agreement negotiated between Qwest and PCS meets the requirements of Section 252(e)(2)(A) of the 1996 Act which governs the approval of voluntarily-negotiated agreements and is in the public interest.

4. The Commission maintains jurisdiction over the subject matter of the Agreement and Amendments thereof, to the extent permitted pursuant to the powers granted the Commission by the Arizona Constitution, Statutes, Commission Rule, and the 1996 Act and the Rules promulgated thereunder.

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ORDER

THEREFORE, IT IS ORDERED that the Commission hereby approves the Interconnection Agreement between Qwest and PCS filed on February 20, 2001.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN COMMISSIONER COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this ____ day of _____, 2001.

_____
BRIAN C. McNEIL
Executive Secretary

DISSENT: _____

DRS:EAA:lhm

SERVICE LIST FOR: Qwest Corporation and Preferred Carrier Services, Inc.
DOCKET NOS. T-01051B-01-0144 and T-03248A-01-0144

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