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BEFORE THE ARIZONA CORPORATION COMMISSION

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IN THE MATTER OF QWEST  
 CORPORATION'S FILING OF RENEWED  
 PRICE REGULATION PLAN )

DOCKET NO. T-01051B-03-0454

IN THE MATTER OF THE  
 INVESTIGATION OF THE COST OF  
 TELECOMMUNICATIONS ACCESS )

DOCKET NO. T-00000D-00-0672

AT&T'S SUPPLEMENTAL  
 COMMENTS ON AT&T'S MOTION  
 TO COMPEL

AT&T of the Mountain States, Inc. and TCG Phoenix (collectively, "AT&T")  
 hereby supplement their Motion to Compel Qwest Corporation ("Qwest") to respond to  
 AT&T's First set of Data Requests.

AT&T filed a motion to compel Qwest to answer AT&T's First Set of Data  
 Requests. The data requests seek information regarding Qwest's cost of service for its  
 interexchange service, or intraLATA and interLATA toll services. Qwest responded that  
 the access case is about the *rate* for switched access services, not *cost* of interexchange  
 service. AT&T maintains that one cannot set the rate for intraLATA and interLATA toll  
 services without knowing the cost of the services. Otherwise, the rates may be set below  
 the price floor or imputed cost established by R14-2-1310(C).

Whatever merit Qwest's position may have had in the access proceeding, that position is completely undermined by the Commission's decision to combine the access proceeding with the price cap plan proceeding. The Commission supported Staff's position that Qwest be required to make a filing consistent with R14-2-103. Section 103 requires cost of service information. The rates and costs of Qwest's intraLATA and interLATA toll services are now at issue.

There is no question that the setting of interexchange rates are an integral part of the price cap plan proceeding. Arguably, one could set rates for access independent of the rates for interexchange service; however, one cannot set the rates for interexchange service independent of the cost of the service. The costs are an integral part of any imputation analysis required by R14-2-1310(C).

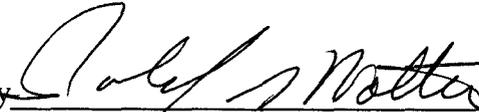
The flaw in Qwest's argument is its position that the Commission is only looking at the rate for access services. AT&T disagrees and maintains that the price squeeze and imputation issues are part of the access case. AT&T believes that the Commission made it clear that it wanted to review whether Qwest's current rate of \$0.05 passed the imputation test and was not squeezing competitors. The combining of the access proceeding and the price cap plan proceeding removes any doubt that the cost of intraLATA or interLATA toll must be determined, not only to set the rate for these services, but to verify that any rates the Commission approves meet the requirements of R14-2-1310(C). AT&T's requests go directly to this issue and are unquestionably relevant.

AT&T respectfully request that its Motion to Compel be granted.

Submitted this 27<sup>th</sup> day of February, 2004.

**AT&T COMMUNICATIONS OF THE  
MOUNTAIN STATES, INC. AND TCG  
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**CERTIFICATE OF SERVICE**

(Docket No. T-01051B-03-0454, T-00000D-00-0672)

I certify that the original and 15 copies of AT&T's Supplemental Comments on AT&T's Motion to Compel and AT&T's Motion for Joinder of Persons Needed for Just Adjudication were sent by overnight delivery on February 27, 2004 to:

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