

WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER



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Ob # 63419

BRIAN C. McNEIL
EXECUTIVE SECRETARY

Direct Line: 602-542-3935
Fax: 602-542-0752

E-mail: WMUNDELL@CC.STATE.AZ.US

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MARC SPITZER
COMMISSIONER

Arizona Corporation Commission
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Chairman Michael Powell
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

US West Communications, Inc's
Compliance with Section 271
of the Telecommunications Act of 1996
T-00000A-97-0238

Dear Chairman Powell:

As Chairman of the Arizona Corporation Commission ("Arizona Commission"), I wanted to take the opportunity to inform you of the status of the Section 271 testing that is currently ongoing in Arizona. The Arizona Commission believes it is important to create the conditions for full competition in Arizona's local and long distance markets so customers may enjoy the benefits of competition.

The Arizona Commission is taking a number of steps to ensure that Qwest fully meets the requirements set forth in Section 271 of the Telecommunications Act of 1996. The Arizona Commission Staff has carefully reviewed the requirements set out by the Federal Communications Commission ("FCC") in the various 271 Orders that have been issued to date. The 271 process in Arizona has been developed to ensure that every aspect of those orders is addressed.

To assess Qwest's compliance with the requirements of Section 271, the Arizona Commission is conducting extensive workshops with active participation by Staff, competitive local exchange carriers and interexchange carriers to thoroughly explore the issues surrounding Qwest's compliance with the 1996 Act. To date, the Arizona Commission has approved Checklist Items 3, 7, 8, 9, 10, and 12. Staff reports for Checklist Item 13 (Reciprocal Compensation), 14 (Resale) and Emerging Services have been filed and are awaiting final orders. The workshop process is nearly completed and the Arizona Commission will be issuing orders on the remaining checklist items in the coming months.

The Arizona Commission is overseeing an independent evaluation of Qwest's OSS and is actively monitoring the progress of that evaluation. The Test Administrator in Arizona is CapGemini Telecommunications and the "pseudo CLEC" is Hewlett Packard. We believe that this test has been designed to be the most comprehensive and open third-party test to date. The objective of this test is to give the Arizona Commission, the FCC and the Department of Justice a test that they will have confidence in. The Arizona test will establish the extent of Qwest's operational readiness, performance and their capability to provide CLECs with non-discriminatory access to their OSS for preordering, ordering, provisioning, billing, repair and maintenance, as well as collocation and database updates. In addition to the functionality, capacity, relationship management and performance measurements evaluations, the Arizona test includes a retail parity evaluation. This retail parity evaluation will provide information with which to compare the experience of a CLEC using the various available Qwest OSS interfaces to that of Qwest performing similar activities using internal OSS interfaces.

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The Arizona Commission is also in the process of adopting a performance assurance plan. The plan is styled after performance assurance plans that have already been approved by the FCC. This plan will provide significant financial incentives for Qwest to maintain an open market and prevent backsliding in the future. The plan is designed to function automatically without imposing administrative and regulatory burdens on competitors. The Arizona Commission understands the significant role it plays in supervising the implementation of this plan.

When Qwest is ready to submit its Arizona 271 application to the FCC, the efforts that have been undertaken by all the parties to open the local exchange market to competition in Arizona will be evident. I hope this brief review of Arizona's efforts to date demonstrates why I am confident that the Arizona Commission will provide the information the FCC has indicated it needs to assure a final order on the 271 application. I am looking forward to a robust, competitive market in Arizona and the benefits that it will bring to Arizona citizens.

Sincerely,

A handwritten signature in cursive script that reads "William A. Mundell".

Chairman William A. Mundell
Arizona Corporation Commission

cc: Commissioner Jim Irvin
Commissioner Marc Spitzer