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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

- JEFF HATCH-MILLER, Chairman
- WILLIAM A. MUNDELL
- MARC SPITZER
- MIKE GLEASON
- KRISTIN K. MAYES

2005 JUN 15 P 3: 24  
 AZ CORP COMMISSION  
 DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF  
 QWEST COMMUNICATIONS  
 CORPORATION D/B/A QWEST LONG  
 DISTANCE FOR EXTENSION OF ITS  
 EXISTING CERTIFICATE OF  
 CONVENIENCE AND NECESSITY TO  
 INCLUDE AUTHORITY TO PROVIDE  
 RESOLD AND FACILITIES-BASED LOCAL  
 EXCHANGE AND RESOLD LONG  
 DISTANCE SERVICES IN ADDITION TO ITS  
 CURRENT AUTHORITY TO PROVIDE  
 FACILITIES-BASED LONG DISTANCE  
 SERVICES, AND PETITION FOR  
 COMPETITIVE CLASSIFICATION OF  
 PROPOSED SERVICES WITHIN THE STATE  
 OF ARIZONA

DOCKET NO. T-02811B-04-0313

Arizona Corporation Commission  
**DOCKETED**

JUN 15 2005

DOCKETED BY	<i>KJ</i>
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NOTICE OF FILING STAFF'S POSITION ON  
 CONTINUATION OF THE PARTIAL  
 WAIVER OF A.A.C. R14-2-803 GRANTED IN  
 DECISION NO. 64654

The Commission's February 1, 2005 Procedural Order directed the Arizona Corporation Commission ("ACC") Staff to address in its Report and Recommendation in this case, whether the reaffirmation of the limited waiver of the Commission's Affiliated Interest Rules granted to Qwest Corporation ("QC") and its affiliates in Decision No. 64654 (March 27, 2002) should be revisited with respect to Qwest Communications Corporation ("QCC"). Staff's Initial Report and Recommendation found that there was no need for the Commission to revisit the limited waiver since Staff was recommending that QCC be granted authority to provide local service outside of Qwest Corporation's service territory only.

However, subsequent to its initial recommendation, Staff filed a Supplemental Staff Report on February 23, 2005, after a series of meetings with the Company on its Application. The Supplemental Staff Report presented an alternative recommendation which would allow QCC to provide resold and facilities-based local service to large and medium size business customers

1 ("Enterprise Customers") within QC's service territory, subject to conditions. QCC subsequently  
2 filed a Second Supplement to its Application and Petition to limit the scope of the authority it was  
3 requesting to provide competitive local exchange service within QC's service territory to large and  
4 medium size business customers only.

5 At the hearing on May 17, 2005, QCC opposed several of the more important conditions Staff  
6 had proposed in connection with its alternative recommendation. Accordingly, Staff indicated that if  
7 the alternative recommendation was adopted by the Commission, given the Company's strenuous  
8 opposition to Staff's conditions, the partial Affiliated Interest Rule waiver previously granted to the  
9 Company should be revisited.

10 On June 9, 2005, the Commission issued a Procedural Order which ordered that a procedural  
11 conference be held for the purpose of establishing a procedural schedule including a date by which  
12 Staff could file its specific written recommendations regarding the limited waiver of the  
13 Commission's Affiliated Interest Rules granted in Decision No. 64654.

14 In order to clarify its position on this issue for the benefit of all parties before the procedural  
15 conference tomorrow, Staff does not believe that the Commission needs to revisit the partial waiver  
16 granted to QC and its affiliates in Decision No. 64654 if Staff's alternative recommendation is  
17 adopted by the Commission, as long as all of the conditions recommended by Staff in its  
18 Supplemental Report are adopted.

19 Staff is prepared to offer a witness for the purpose of presenting testimony on this issue if that  
20 is deemed necessary.

21 RESPECTFULLY submitted this 15<sup>th</sup> day of June, 2005.

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25 Maureen A. Scott, Attorney  
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1 Original and thirteen (13) copies  
of the foregoing were filed this  
2 15<sup>th</sup> day of June 2005 with:

3 Docket Control  
Arizona Corporation Commission  
4 1200 West Washington Street  
Phoenix, Arizona 85007

5  
6 Copy of the foregoing mailed this  
15<sup>th</sup> day of June 2005 to:

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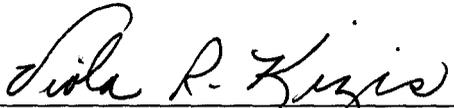
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Viola R. Kizis, Secretary to  
Maureen A. Scott

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