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BEFORE THE ARIZONA CORPORATION COM

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AZ CORP COMMISSION
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Chairman

WILLIAM A. MUNDELL

Commissioner

MARC SPITZER

Commissioner

MIKE GLEASON

Commissioner

KRISTIN K. MAYES

Commissioner

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

) DOCKET NO. T-01051B-03-0454

)

)

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

) DOCKET NO. T-00000D-00-0672

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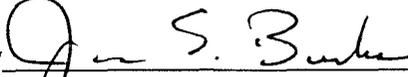
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**NOTICE OF FILING DIRECT TESTIMONY
OF REX KNOWLES**

XO Communications Services, Inc. hereby files the Direct Testimony of Rex Knowles in the above-captioned docket.

Respectfully submitted this 6th day of September, 2005.

OSBORN MALEDON PA

By  _____

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Brenda Wendt

BEFORE THE ARIZONA CORPORATION COMMISSION

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

IN THE MATTER OF QWEST CORPORATION'S)	
FILING OF RENEWED PRICE REGULATION)	DOCKET NO. T-01051B-03-0454
PLAN.)	
_____)	DOCKET NO. T-00000D-00-0672
)	
IN THE MATTER OF THE INVESTIGATION OF)	
THE COST OF TELECOMMUNICATIONS)	
ACCESS)	

DIRECT TESTIMONY

OF

REX KNOWLES

XO COMMUNICATIONS SERVICES, INC.

September 6, 2005

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1 I. INTRODUCTION

2 Q. PLEASE STATE YOUR NAME, EMPLOYER, AND BUSINESS ADDRESS.

3 A. My name is Rex Knowles. I am a Regional Vice President Regulatory for XO
4 Communications, Inc., 111 East Broadway, Suite 1000, Salt Lake City, Utah 84111.

5
6 Q. PLEASE IDENTIFY AND DESCRIBE THE PARTY ON WHOSE BEHALF YOU
7 ARE TESTIFYING.

8
9 A. I am testifying on behalf of XO Communications Services, Inc. ("XO"), a competitive
10 local exchange company ("CLEC") that provides facilities-based local and long distance
11 telecommunications services in Arizona.

12
13 Q. WHAT ARE YOUR RESPONSIBILITIES?

14
15 A. I am responsible for all regulatory, legislative, municipal, and incumbent local exchange
16 carrier ("ILEC") initiatives on behalf of XO and other affiliates in California, Nevada and
17 all states in the Qwest region, including Arizona.

18
19 Q. WHAT IS YOUR BUSINESS AND EDUCATION BACKGROUND?

20 A. I graduated from Portland State University in Portland, Oregon, with a degree in Business
21 Administration/Finance Law in 1989. I was employed by United Telephone of the
22 Northwest from 1989 to 1993 as a regulatory staff assistant and product manager
23 responsible for incremental cost studies and creation and implementation of extended
24 area service ("EAS") and 911. From 1993 to 1996, I was employed by Central Telephone

1 of Nevada as manager of revenue planning and research and was responsible for
2 supervising cost study preparation and developing and implementing regulatory reform,
3 including opening the local exchange market to competition and alternative forms of
4 regulation for ILECs. I joined the XO in the Spring of 1996.

5
6 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN OTHER REGULATORY**
7 **PROCEEDINGS?**

8
9 A. Yes, I have provided testimony on costing, pricing, and policy issues in various
10 proceedings before the Arizona Corporation Commission, the Colorado Public Utilities
11 Commission, the Utah Public Service Commission and the Washington Utilities and
12 Transportation Commission.

13
14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

15
16 A. The purpose of my testimony is to express XO's support for the Settlement Agreement
17 filed with the Commission on August 23, 2005 ("Settlement Agreement" or
18 "Agreement").

19 **II. THE SETTLEMENT AGREEMENT**

20
21 **Q. DID XO PARTICIPATE IN SETTLEMENT AGREEMENT NEGOTIATIONS?**

22 A. Yes. Through local counsel, XO participated in at least a dozen settlement meetings.
23 Once XO was granted intervention in the docket, XO was given the opportunity to
24 participate in all meetings concerning the Settlement Agreement.

- 1 **Q. DOES XO SUPPORT APPROVAL OF THE SETTLEMENT AGREEMENT BY**
2 **THE ARIZONA CORPORATION COMMISSION?**
- 3 A. Yes. The Settlement Agreement represents a fair compromise of the disputed issues. A
4 number of issues were the focus of lengthy negotiation sessions and represent carefully
5 negotiated compromises. No interested party or stakeholder was excluded from the
6 negotiation process. XO supports the Settlement Agreement and requests that the
7 Commission approve the Agreement.
8
- 9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**
- 10 A. Yes, it does.