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BEFORE THE ARIZONA CORPORATION COMMISSION

2005 OCT 31 P 3:20

AZ CORP COMMISSION  
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**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

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DOCKET NO. T-00000D-00-0672

**NOTICE OF FILING SUMMARY OF TESTIMONY  
OF REX KNOWLES**

XO Communications Services, Inc. ("XO"), through its undersigned counsel,  
hereby files the attached Summary of the Direct Testimony of Rex Knowles.

Respectfully submitted this 31st day of October, 2005.

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ORIGINAL AND 15 COPIES of the  
foregoing filed this 31st day of October, 2005,  
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COPY of the foregoing hand delivered this 31st day  
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SUMMARY OF THE DIRECT TESTIMONY OF MR. REX KNOWLES  
ON BEHALF OF XO COMMUNICATIONS SERVICES, INC.

October 31, 2005

Mr. Rex Knowles filed Direct Testimony in support of the Settlement Agreement on behalf of XO Communications Services, Inc. ("XO") on September 6, 2005. XO participated in the settlement negotiations which resulted in the Settlement Agreement submitted to the Commission in these two dockets.

XO participated in this docket to monitor the impact of Qwest's proposals on competitive local exchange carriers ("CLECs"). Specifically, XO asked that Qwest agree to a reasonable Arizona DS1 channel termination rate. XO relies on DS1 and DS3 products to serve Arizona customers and, in almost all instances, these "special access" products are available only from Qwest. As Qwest moves toward increased flexibility for retail and wholesale services, XO requires stability with respect to wholesale rates paid to Qwest. Because Qwest is the only provider for these services, it has the ability to increase the special access rates substantially, and has done so at the federal level in recent months. The Arizona rate set by Section 9 and Attachment D in the Settlement Agreement will enhance opportunities for competition and provide rate stability for this particular DS1 product.

XO supports the Settlement Agreement and recommends approval by the Commission.