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Pac-West

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May 30, 2006

2006 MAY 30 P 4: 28

Commissioner Jeff Hatch-Miller, Chairman
Commissioner William A. Mundell
Commissioner Marc Spitzer
Commissioner Mike Gleason
Commissioner Kristin K. Mayes
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

AZ CORP COMMISSION
DOCUMENT CONTROL

Re: *Pac-West Telecomm, Inc. (T-01051B-05-0495 and T-03693A-05-0495)*
Complaint Against Qwest Corporation

Dear Commissioners:

I was disheartened to learn late Friday afternoon that the recommended order and opinion in the Pac-West Telecomm v. Qwest matter will not be considered by the Arizona Corporation Commission on May 31, 2006 as scheduled. Continued delay of this matter (to June 27) will continue to cause a business hardship for Pac-West and I write today to elaborate on that hardship and request expedited consideration.

This dispute involves approximately \$600,000 in funds withheld by Qwest Corporation. Despite its relatively modest size, Pac-West has been terminating calls from Qwest customers, without receiving payment, since January 2004. Unlike Qwest (a large ILEC with \$24.5 billion in assets at the end of 2005), Pac-West is a much smaller competitor and competes in Arizona with Qwest for customers. Pac-West is suffering financial hardship because this dispute has continued, without relief, for years. To be sure, the Commission has not caused this delay, but the Commission is the only entity positioned to end this matter and force Qwest to comply with the terms of the arbitration order.

The long history of this dispute sheds light on why delay is so problematic in this case. Pac-West first filed for arbitration in May of 2004. On December 2, 2004, a private arbitrator, hired jointly by Qwest and Pac-West, concluded that Pac-West was entitled to payment for terminating the calls in question. Qwest refused full compliance with that order and alleged a new grounds for withholding the lion's share of the funds. Pac-West was compelled to file a second action on July 13, 2005, with the Arizona Corporation Commission to enforce the arbitrator's order. The recommended order and opinion in this case, which was issued April 13, again confirms that, based on the contract in question, Pac-West is entitled to full compensation. The order addresses what Qwest owes Pac-West for a particular contract signed years ago. This case need not be linked to any other case pending before the Commission.

Qwest has succeeded in delaying payment for almost two and a half years and has caused Pac-West to retain lawyers and pay fees necessary to enforce the terms of its contract in multiple forums. The growing imbalance between what Qwest owes Pac-West and the company's revenue impacts investment decisions, customer choices and company growth in Arizona. Pac-West respectfully requests that the recommended opinion and order in this matter be considered at the Commission's earliest convenience. Pac-West could be available at any time, including on June 2nd or June 16th (following the special open meetings already scheduled for those dates), or on June 22, immediately following the Securities open meeting.

Your assistance with this matter is appreciated.



Hank Carabelli
President and CEO

Original and 15 copies filed with
Docket Control this 30th day of May, 2006.

Two original copies delivered to each
Commissioner's Office this 30th day of May 2006.

cc: Judge Bjelland, Hearing Division (hand delivery)
Ernest G. Johnson, Director Utilities Division (hand delivery)
Maureen Scott, Legal Division (hand delivery)
Brian McNeil, Executive Secretary (hand delivery)
Norman G. Curtright, Qwest (hand delivery)