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AZ CORP COMMISSION
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TO: THE COMMISSION

FROM: Utilities Division

DATE: February 6, 2002

RE: IN THE MATTER OF QWEST CORPORATION'S TARIFF FILING TO AMEND ITS TERMS AND CONDITIONS AND PERMIT CUSTOMERS THE OPTION OF INSTITUTING A FREEZE OF THEIR LOCAL SERVICE PROVIDER (DOCKET NO. T-01051B-02-0073)

On January 28, 2002, Qwest Corporation ("Qwest") filed tariff revisions to give its customers the option of instituting a freeze of their local service provider. Qwest notified Staff on December 13, 2001, that it planned to make the proposed local service freeze option available to its customers beginning January 17, 2002. However, Staff informed Qwest that it believed that Qwest should file a proposed tariff for the option for the Commission's consideration. Qwest agreed to submit a tariff for the local service freeze option.

On January 31, 2002, Cox Arizona Telecom, L.L.C. ("Cox") filed an Application to Intervene and a Motion for Suspension and Hearing. On January 11, 2002, Cox filed an Application to the Arizona Corporation Commission to issue an order to show cause to stay implementation of Qwest Corporation's proposed local carrier freeze service that was scheduled to be available to Qwest's Arizona customers beginning January 17, 2002. Cox desired that the Commission address whether such a freeze is in the public interest given the nascent state of competition (particularly residential competition) and the lack of local service slamming in Arizona.

Staff has reviewed Cox's Application and its January 31, 2002, Motion and concluded that Cox has raised issues that warrant further investigation and consideration. The Federal Communications Commission ("FCC") has in fact recognized that preferred carrier freezes can have a particularly adverse impact on the development of competition in markets soon to be or

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THE COMMISSION

February 6, 2002

Page 2

newly opened to competition. Further, the FCC shares concerns about the use of preferred carrier freeze mechanisms for anti-competitive purposes. In addition, the state commissions do have the ability to adopt moratoria or other requirements on the imposition or solicitation of intrastate preferred carrier freezes.

Staff recommends that the filing be suspended for one hundred twenty (120) days.



Ernest G. Johnson
Director
Utilities Division

EGJ:WMS:lhmvJMA

ORIGINATOR: Will Shand

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 WILLIAM A. MUNDELL
Chairman

3 JIM IRVIN
Commissioner

4 MARC SPITZER
Commissioner

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6 IN THE MATTER OF QWEST CORPORATION)
TARIFF FILING TO AMEND ITS TERMS AND)
7 CONDITIONS AND PERMIT CUSTOMERS THE)
OPTION OF INSTITUTING A FREEZE OF)
8 THEIR LOCAL SERVICE PROVIDER)

DOCKET NO. T-01051B-02-0073

DECISION NO. _____

ORDER

9 Open Meeting
February 26 and 27, 2002
10 Phoenix, Arizona

11 BY THE COMMISSION:

12

FINDINGS OF FACT

13 1. On January 28, 2002, Qwest Corporation ("Qwest") filed tariff revisions to give its
14 customers the option of instituting a freeze of their local service provider:

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Exchange and Network Service Price Cap Tariff

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Section 1, Page 2, Release 2

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Section 1, Page 22, Release 2

Section 1, Page 34.1, Release 1

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19 2. Qwest notified Staff on December 13, 2001, that it planned to make the proposed local
20 service freeze option available to its customers beginning January 17, 2002. Staff informed Qwest that
21 it believed that Qwest should file a proposed tariff for the option for Commission consideration.
22 Qwest agreed to submit a tariff for the local service freeze option.

23

24 3. On January 31, 2002, Cox Arizona Telecom, L.L.C. ("Cox") filed an Application to
25 Intervene and a Motion for Suspension and Hearing. On January 11, 2002, Cox filed an Application
26 with the Arizona Corporation Commission to issue an order to show cause to stay implementation of
27 Qwest Corporation's proposed local carrier freeze service that was scheduled to be available to Qwest's
28 Arizona customers beginning January 17, 2002. Cox desired that the Commission to address whether
such a freeze is in the public interest given the nascent state of competition (particularly residential
competition) and the lack of local service slamming in Arizona.

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ORDER

THEREFORE, IT IS ORDERED that the filing be and hereby is suspended until and including May 27, 2002.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN	COMMISSIONER	COMMISSIONER
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IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2002.

BRIAN C. McNEIL
Executive Secretary

DISSENT: _____

EGJ:WMS:lhmvJMA

1 SERVICE LIST FOR: Qwest Corporation
2 DOCKET NO. T-01051B-02-0073

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