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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION AND
PETITION OF QWEST LD CORP. dba QWEST
LONG DISTANCE FOR A CERTIFICATE OF
CONVENIENCE AND NECESSITY TO
PROVIDE RESOLD LONG DISTANCE SERVICE
AND FOR DETERMINATION THAT SERVICES
OF THE APPLICANT ARE COMPETITIVE

DOCKET NO.: T-04190A-03-0464

NOTICE OF FILING ERRATA

On November 13, 2003, the Arizona Corporation Commission Staff ("Staff") docketed its Staff Report in the above-captioned matter. Staff hereby files the attached two Erratas to its filing. Exhibit 1 was inadvertently omitted from the Report. Page 1 of the Report has been corrected with respect to the customers to be served by Qwest Communications Corporation.

RESPECTFULLY SUBMITTED this 17th day of November, 2003.

By *Maureen Scott*

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Original and 13 copies of the foregoing were filed
this 17th day of November 2003, with:

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

5 Copies of the foregoing were mailed and/or
6 Hand-delivered this 17th day November 2003, with:

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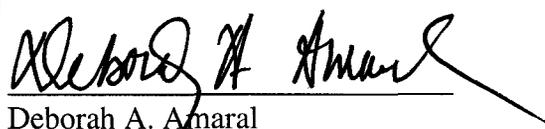
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Deborah A. Amaral
Assistant to Maureen A. Scott

**STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION**

**Application for a Certificate of Convenience and Necessity to Provide Resold
Long Distance Service and for Determination that Services of the Applicant are Competitive**

Applicant: Qwest LD Corp. d/b/a Qwest Long Distance
Docket No.: T-04190A-03-0464

On July 8, 2003, Qwest LD Corp. d/b/a Qwest Long Distance ("Applicant" or "QLDC") filed an application for a Certificate of Convenience and Necessity ("CC&N") to provide resold long distance services within the State of Arizona.

Qwest Communications International, Inc. ("Qwest") developed Qwest LD Corp. d/b/a Qwest Long Distance ("QLDC") to provide in-region long distance service, serving mostly residential consumers (which also have Qwest as their local provider) as a reseller. Qwest intends to use Qwest Communications Corporation ("QCC") to serve residential customers (which have another carrier as their local service provider) and business customers (which have Qwest or another carrier as their local service provider) as a facilities-based provider (in all of its in-region states), at least until the point at which the businesses can be combined. An application for QCC is also pending before the Commission.

Staff's review of this application addresses the overall fitness of the Applicant to receive a CC&N to provide competitive resold intrastate long distance telecommunications services. Staff's review considers the Applicant's technical and financial capabilities, and whether the Applicant's proposed rates will be competitive, just, and reasonable.

REVIEW OF APPLICANT INFORMATION

Staff makes the following finding, indicated by an "X," regarding information filed by the Applicant:

- The necessary information has been filed to process this application, and the Applicant has authority to transact business in the State of Arizona.**
- The Applicant has published legal notice of the application in all counties where service will be provided. On August 18, 2003, Applicant filed an Affidavit of Publication from the Arizona Republic that complies with the Commission's notice requirements.**

REVIEW OF TECHNICAL INFORMATION

The Applicant has demonstrated sufficient technical capability to provide the proposed services for the following reasons, which are marked:

**EXHIBIT I
FINANCIAL RATIOS**

**Qwest Communications Corporation d/b/a Qwest Long Distance
Docket No.T-02811B-01-0895**

	<u>Qwest*</u> <u>Financial</u> <u>Ratios</u>	<u>Telecom</u> <u>Industry</u> <u>Average</u>	
LIQUIDITY RATIOS:			
Current Ratio: Current assets/ Current liabilities	0.9	0.9	(a)

Qwest's current ratio is equal to the industry average.

ASSET MANAGEMENT RATIOS:			
Total Assets Turnover Ratio: Sales/ Total assets	0.3	0.4	(a)

Ratio measures the utilization of Qwest's total assets, which is below the industry average.

DEBT MANAGEMENT RATIOS			
Total Debt to Total Assets: Total debt/ Total assets	0.8	NA	

Ratio measures the percentage of total funds provided by creditors.

CAPITALIZATION STRUCTURE:			
Common Equity Ratio	-14%	62%	(b)
Long-Term Debt Ratio	114%	35%	(b)

Compared to the telecom industry average, Qwest's capitalization structure shows that it has negative equity and relies entirely on long term debt.

(*) Data represents Qwest Communications International Inc.
NA = Not Available

Sources: Industry Average

(a) Internet <http://partners.thomsoninvest.net/brokerage/cgi-bin/info>

(b) The Value Line Investment Survey, Issue 5, October 3, 2003, page 719