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**IN THE MATTER OF INVESTIGATION
INTO U S WEST COMMUNICATIONS,
INC.'S COMPLIANCE WITH CERTAIN
WHOLESALE PRICING REQUIREMENTS
FOR UNBUNDLED NETWORK ELEMENTS
AND RESALE DISCOUNTS.**

DOCKET NO. T-00000A-00-0194

**QWEST CORPORATION'S
RESPONSE TO COX ARIZONA
TELCOM'S MOTION TO
COMMENCE PHASE III OF THE
QWEST UNE PRICING DOCKET**

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Qwest Corporation ("Qwest") hereby responds to the request of Cox Arizona Telcom, LLC ("Cox") that the Arizona Corporation Commission commence Phase III of this Docket in order to set certain Unbundled Network Element (UNE) rates as contemplated in the Phase II Cost Docket Order, Decision No. 64992 (June 12, 2002). Qwest does not disagree that a Phase III Cost Docket should be opened some day. The questions are whether the Phase III Cost Docket should be opened immediately and whether certain UNE rates should be addressed first if that occurs.

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Nearly five years after Decision No. 64992, Cox now asks that a "Phase IIIA" be commenced immediately to address the NRC rate for subloops, because Cox believes that rate must be finally approved before Qwest's Complaint against Cox for recovery of charges for Cox use of subloops (Phase II of Docket Nos. T-01051B-06-0045 and T-03471A-06-0045) ("Qwest's Complaint") may be resolved. Qwest's Complaint was filed in January 2006. In its

1 March 1, 2007 Objection to Qwest's Proposed Procedural Schedule in that Complaint
2 proceeding, Cox asked that the Commission postpone resolution of Phase II of Qwest's
3 Complaint pending approval of the NRC rate for subloops in the proposed Phase III in this Cost
4 Docket.. However, the Phase II Order in this Cost Docket specifically envisions that Qwest
5 will charge rates for UNEs that were not approved in Phase II, subject to a "true-up" and refund
6 once final rates are established in Phase III. Indeed, that Order expressly anticipates—and
7 resolves—the issue Cox attempts to raise here:

8 "For new services proposed by Qwest with a new rate that has not been
9 reviewed and approved by the Commission, the interim rate shall be no more
10 than the rate Qwest has proposed. Such 'interim' rates shall be subject to a
11 'true-up' and refund once permanent rates are established in Phase III.'"

12 [Decision No. 64922 at 84] Therefore, there is no immediate need for resolution of the subloop
13 rates.

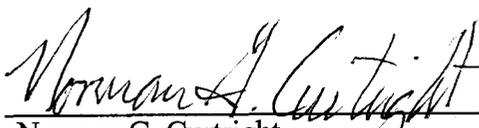
14 As Qwest states in its Reply in Support of its Proposed Procedural Schedule being filed
15 today in Docket Nos. T-01051B-06-0045 and T-03471A-06-0045, the issue of Cox' liability for
16 use of Qwest's subloops can be decided without opening a cost docket. The cost docket sought
17 here—which could have been requested by Cox years ago if Cox truly saw a substantive (as
18 opposed to tactical) need for such a proceeding—should not be an impediment to the prompt
19 resolution of Qwest's Complaint against Cox.

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21 In short, Cox has provided no ground for immediate resolution of the NRC rate for
22 subloops. Even if it had, and even if the Commission determined that those issues should be
23 opened immediately, such issues should not unduly delay adjudication of Qwest's Complaint
24 against. Stated simply, regardless of the scope of the proposed cost docket, Cox's tactical
25 decision to wait nearly five years after Decision No. 64922 (and more than a year after the filing
26 of Qwest's Complaint) should not be used to delay resolution of Qwest's Complaint.

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RESPECTFULLY SUBMITTED this 12th day of March, 2007.

QWEST CORPORATION

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**ORIGINAL and 13 copies hand-delivered
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**COPY of the foregoing hand delivered
this 12th day of March, 2007, to:**

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