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BEFORE THE ARIZONA CORPORATION COMMISSION RECEIVED

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Commissioner

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IN THE MATTER OF INVESTIGATION) DOCKET NO. T-00000A-00-0194
INTO U S WEST COMMUNICATIONS,)
INC.'S COMPLIANCE WITH CERTAIN)
WHOLESALE PRICING REQUIREMENTS)
FOR UNBUNDLED NETWORK)
ELEMENTS AND RESALE DISCOUNTS)

**AT&T'S MEMORANDUM IN SUPPORT OF
MOTION OF COMMISSION STAFF FOR CLARIFICATION**

AT&T Communications of the Mountain States, Inc. ("AT&T") joins in the response filed by WorldCom in support of Commission staff's motion for clarification. AT&T believes that the order for Phase II of this proceeding does require a review of present unbundled network element ("UNE") rates. AT&T, staff, and other parties requested such a review in comments addressing the scope of this proceeding. The Procedural Order that resulted from those comments specifically provides that the rates for UNEs are at issue. Nevertheless, while Qwest has filed testimony requesting that new prices be set for some rate elements established in the Consolidated Cost Docket, it has failed to provide testimony addressing most of the existing UNE rates.

The Commission established the existing UNE rates more than three years ago. Since that time, technology has continued to advance. Moreover, Qwest is a very different company now than it was when UNE rates were established. Qwest's present price structure, as the company represented in its merger proceeding, should reflect economies of scale and scope not available to U S WEST. Qwest has also agreed to sell a number of its rural, high-cost exchanges to Citizens, which should also have a significant effect on UNE prices.

In addition, all of the pricing models evaluated by the Commission in the prior Consolidated Cost Docket have undergone substantial revision. Qwest, itself, has filed an updated version of its RLCAP model in this proceeding. AT&T intends to file an updated version of the Hatfield Model adopted by the Commission as part of its Direct Testimony. All of this evidence should be reviewed in determining the extent to which the prices that now exist for UNEs must be revised to accurately reflect Qwest's current TELRIC costs of providing those UNEs.

AT&T has no objection to staff's request for an extension in the deadline for filing direct testimony. To the extent staff is provided with an ability to file testimony after the date established for other intervenors in this proceeding, however, other intervenors must be provided an opportunity to file testimony rebutting that filed by staff and the filing dates for Qwest's rebuttal testimony and subsequent surrebuttal testimony by intervenors must be adjusted accordingly.

RESPECTFULLY SUBMITTED this 27th day of November, 2000.

**AT&T COMMUNICATIONS OF THE
MOUNTAIN STATES, INC.**

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CERTIFICATE OF SERVICE
Docket No. T-00000A-00-0194

I hereby certify that on the date given below an original and 10 copies of *AT&T's Memorandum in Support of Motion of Commission Staff for Clarification*, in the above named docket, were sent via FedEx overnight delivery to:

Arizona Corporation Commission
Docket Control – Utilities Division
1200 W. Washington Street
Phoenix, AZ 85007

And one copy each of the foregoing was sent via FedEx overnight delivery to:

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And one copy each of the foregoing was mailed via U.S. Mail First Class postage to:

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Dated this _____

by _____