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ARIZONA CORPORATION COMMISSION

October 28, 2002

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AZ CORP COMMISSION
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Chairman William A. Mundell
Commissioner Jim Irvin
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

OCT 28 2002

Re: Phase II Opinion and Order
Docket No. T-00000A-00-0194

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Dear Fellow Commissioners:

Mr. Berg's October 16, 2002 letter to Mr. Wolters, a copy of which is attached, raises two troubling issues. First, I am now aware of Qwest's intent to delay implementation of our cost docket decision for at least six months. Mr. Berg alleges this lag is the result of Qwest acting "as quickly and efficiently as possible."

That six months are required to modify the wholesale rates strains the credulity. I recall Qwest's very prompt measures to *increase* rates when permitted to do so by Commission orders. Given the technology available, the time frame unilaterally imposed by Qwest demands further scrutiny. We are all aware of the adverse financial burdens borne by telecommunications providers. Mr. Wolters' company may be able to survive Qwest "working its float" for six months' overcharges, but other competitors may not be so fortunate. Our mandate under the 1996 Telecommunications Act is to facilitate competition. Thus, economic considerations also compel this Commission, in my view, to examine the justification for Qwest's six-month delay.

As you both know, I support alternative dispute resolution. However, I am troubled by Qwest's umbrage that a competitor "approached the Arizona Corporation Commission regarding implementation of these rates prior to receiving a response from Qwest..." A competitor's desire to cease being overcharged is hardly unreasonable. I hope Qwest's unfortunate language is not designed to threaten competitors from raising issues before this body.

I believe this Commission must examine the inordinate delay in Qwest's implementation of our May 12, 2002 order.

Very truly yours,

Marc Spitzer
Commissioner

Enclosure:

cc: All Parties on Record

LAW OFFICES
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October 16, 2002

BY TELECOPIER AND
BY REGULAR MAIL

Richard S. Wolters
AT&T Communications of the
Mountain States
1875 Lawrence Street, Suite 1503
Denver, CO 80202

Re: Phase II Opinion and Order
Docket No. T-00000A-00-0194

Dear Mr. Wolters:

I received your October 7, 2002 letter regarding AT&T's rates as set forth in the Arizona Corporation Commission Decision No. 64922 dated June 12, 2002. Qwest agrees with AT&T that the rates set forth in the Decision are effective as of June 12, 2002.

Qwest is currently in the process of implementing Decision No. 64922. Please be assured that Qwest will appropriately credit AT&T, and all other customers, for the billing differences between rates charged from the effective date through such time as Qwest implements fully its new billing and rates, as is the practice for all rate docket implementation efforts.

As I am sure you are aware, Qwest has had numerous cost dockets and voluntary rate reductions associated with 271 filings, all of which are also being implemented this year. The implementation of wholesale rates resulting from a generic cost docket is no small undertaking. Further, because of multiple orders from multiple dockets, Qwest may not always be able to begin implementation immediately after a particular order is issued because it may be required to deal with other orders with earlier effective dates. The implementation of the Arizona wholesale rates is being dealt with as quickly and efficiently as possible. Based on current implementation schedules, Qwest believes that implementation of Arizona ordered rates will be complete sometime in mid-December 2002. Again, upon completion, AT&T will receive a credit for interim rates paid over the ordered amount from the effective date of June 12, 2002.

FENNEMORE CRAIG

Richard S. Wolters

October 16, 2002

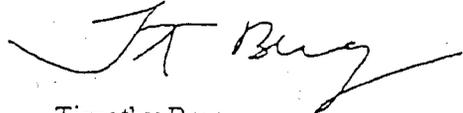
Page 2

While I understand AT&T's desire and Qwest's obligation to realize the new rates as ordered, I hope you will understand Qwest's position and recognize its efforts to process the new billing and rates as soon as practicable. It has come to my attention that AT&T has already approached the Arizona Corporation Commission regarding implementation of these rates prior to receiving a response from Qwest on this matter. As you are aware, billing disputes and rate implementation matters are subject to the escalation procedures contained in the interconnection agreement between Qwest and AT&T, and normally are addressed, at least initially, through that process. *See e.g.*, Qwest/AT&T Interconnection Agreement, Sections 26-27. I do not believe enforcement or other Commission proceedings are warranted since AT&T will be fully refunded for all amounts paid over the Commission ordered rates as stated above.

Please feel free to contact me with questions.

Sincerely,

FENNEMORE CRAIG



Timothy Berg

cc: Maureen Scott

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