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**BEFORE THE ARIZONA CORPORATION COMMISSION**

**MARC SPITZER,  
Chairman**

**JAMES M. IRVIN  
Commissioner**

**WILLIAM MUNDELL  
Commissioner**

**JEFF HATCH-MILLER  
Commissioner**

**MIKE GLEASON  
Commissioner**

Arizona Corporation Commission

**DOCKETED**

FEB 20 2003

DOCKETED BY	<i>CAF</i>
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IN THE MATTER OF THE GENERIC )  
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

ARIZONA CORPORATION COMMISSION, )  
Complainant, )

Docket No: T-01051B-02-0871

v. )

QWEST CORPORATION, )

**TIME WARNER TELECOM OF ARIZONA'S  
COMMENTS ON TRANSPORT RATES AND  
REQUEST FOR EXPEDITED HEARING OF PHASE III  
OR MODIFICATION OF DECISION NO: 64922**

In a variety of pleadings in the above-captioned dockets, Mountain  
Telecommunications, Inc. ("MTI") has provided the Arizona Corporation Commission

1 (“Commission”) with dramatic evidence of the damaging impact of the transport and local  
2 interconnection service rates adopted in Decision No: 64922.

3 Time Warner Telecom of Arizona (“TWTA”) has experienced the same substantial  
4 increase in its transport rates. TWTA’s transport rates have almost doubled. Like MTI,  
5 TWTA is a small CLEC, one of the few still operating in Arizona, so the competitive  
6 impact of such a large increase in transport rates is significant.

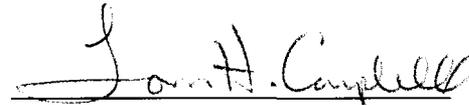
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8 At the time of Decision No. 64922, the Commission recognized that more analysis  
9 of transport rates was needed and, therefore, ordered that such rates be reviewed in Phase  
10 III. At that time, the Commission did not have the benefit of the evidence of the  
11 substantial impact on small CLECs when it adopted dramatic increases in transport rates.  
12 Since “rate shock” is a policy concern that the Commission has often considered in  
13 adopting and implementing new rates, TWTA respectfully suggests that had the  
14 Commission had the benefit of this evidence of rate shock, the Commission might have  
15 retained the transport rates it approved in the First Cost Docket Order (Decision No:  
16 60635) until Phase III is completed.

17  
18 The issue is how to address this unintended rate shock. TWTA submits there are  
19 two alternatives. One, under A.R.S. §40-252, the Commission can modify Decision No:  
20 64922 to alleviate the rate shock. Two, the Commission can expedite Phase III so that the  
21 transport rates are reviewed promptly. The Commission could even bifurcate Phase III (as  
22 it did in Phase II) to address transport rates immediately and the remaining Phase III issues  
23 at a later date.

1 Under either alternative, TWTA respectfully requests that a procedural conference  
2 be scheduled immediately to set a hearing either for an A.R.S. §40-252 review or for the  
3 transport and local interconnection portion of Phase III.  
4

5 RESPECTFULLY SUBMITTED this 20<sup>th</sup> day of February, 2003.

6 LEWIS AND ROCA LLP

7  
8 

9 Thomas H. Campbell  
10 40 N. Central Avenue  
11 Phoenix, Arizona 85004  
12 (602) 262-5723

13 Attorneys for Time Warner Telecom of Arizona

14 ORIGINAL AND thirteen (13) copies  
15 of the foregoing hand-delivered this  
20<sup>th</sup> day of February, 2003, to:

16 Arizona Corporation Commission  
17 Utilities Division – Docket Control  
18 1200 W. Washington Street  
Phoenix, Arizona 85007

19 COPY of the foregoing hand-delivered  
20 this 20<sup>th</sup> day of February, 2003,  
to:

21 Ernest Johnson, Director  
22 Utilities Division  
23 Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

24 Maureen Scott  
25 Legal Division  
26 Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

LEWIS  
AND  
ROCA  
LLP

LAWYERS

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16  
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21  
22  
23  
24  
25  
26

Christopher Kempley  
Legal Division  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

Dwight Nodes  
Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Lyn Farmer  
Hearing Division  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

COPY of the foregoing mailed  
this 20<sup>th</sup> day of February, 2003,  
to:

Thomas M. Dethlefs, Senior Attorney  
Kathryn E. Ford  
Qwest Communications  
1801 California Avenue  
Suite 5100  
Denver, Colorado 80203

Timothy Berg  
Fennemore Craig, P.C.  
3003 N. Central Avenue  
Suite 2600  
Phoenix, Arizona 85012

Raymond Heyman  
Michael Patten  
Roshka Heyman & DeWulf  
400 N. Fifth Street  
Suite 1000  
Phoenix, Arizona 85004-3906

Joan S. Burke  
Osborn Maledon, P.A.  
2929 N. Central Avenue  
12<sup>th</sup> Floor  
P.O. Box 36379  
Phoenix, Arizona 85067-6379

LEWIS  
AND  
ROCA  
LLP

LAWYERS

1 Darren S. Weingard  
Stephen H. Kukta  
2 Sprint Communications Co.  
1850 Gateway Drive, 7<sup>th</sup> Floor  
3 San Mateo, CA 94404-2467

4 Jacqueline Manogian  
Mountain Telecommunications, Inc.  
5 1430 W. Broadway Road, Suite A200  
Tempe, Arizona 85282

6 Joyce B. Hundley  
7 US Department of Justice – Antitrust division  
City Center Building  
8 1401 H. Street, NW, Suite 8000  
Washington, DC 20530

9 Lyndon J. Godfrey  
10 AT&T  
11 111 W. Monroe Street, Suite 1201  
Phoenix, Arizona 85003

12 E. Jeffrey Walsh  
Greenberg Traurig  
13 2375 E. Camelback Road  
Suite 700  
14 Phoenix, Arizona 85016

15 Richard S. Wolters  
M. Singer-Nelson  
16 AT&T  
17 1875 Lawrence Street  
Suite 1575  
Denver, CO 80202

18 Eric S. Heath, Esq.  
19 Sprint Communications  
100 Spear Street, Suite 930  
20 San Francisco, California 94105

21 Scott Wakefield, Chief Counsel  
Residential Utility Consumer Office  
22 1110 W. Washington Street  
Suite 220  
23 Phoenix, Arizona 85007

24  
25  
26

LEWIS  
AND  
ROCA  
LLP

LAWYERS

1 Michael Grant  
Todd Wiley  
2 Gallagher & Kennedy  
2575 E. Camelback Road  
3 Phoenix, Arizona 85016-9225  
Attorneys for Electric Lightwave, Inc., COVAD  
4 Communications, Inc. and New Edge Networks

5 Mary E. Steele  
Davis Wright Tremaine LLP  
6 2600 Century Square  
1501 Fourth Avenue  
7 Seattle, Washington 98101-1688  
Attorneys for Nextlink Arizona, Inc.,  
8 Advanced Telecom Group, Inc. and  
AT&T Communications of the Mountain States

9 Maureen Arnold  
10 Qwest Corporation  
3033 N. Third Street  
11 Room 1010  
Phoenix, AZ 85004

12 David R. Conn  
13 McLeon USA Telecommunications Services  
6400 C Street, S.W.  
14 Cedar Rapids, IA 52406

15 Traci Grundon  
Davis Wright Tremaine LLP  
16 1300 S.W. Fifth Avenue  
Portland, OR 97201

17 Gary Yaquinto  
18 GST Telecom, Inc.  
3003 N. Central Avenue  
19 Suite 1600  
Phoenix, Arizona 85012

20 Penny Bewick  
21 New Edge Networks, Inc.  
P.O. Box 5159  
22 3000 Columbia House Blvd.  
Suite 106  
23 Vancouver, WA 98668

24 W. Clay Deanhardt  
Covad Communications  
25 2330 Central Expressway  
Santa Clara, CA 95050

26

**LEWIS**  
AND  
**ROCA**  
LLP

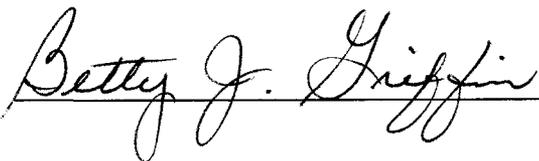
L A W Y E R S

- 1 Jeffrey W. Crockett  
Jeffrey B. Guldner  
2 Snell & Wilmer LLP  
One Arizona Center  
3 Phoenix, Arizona 85004-2202
- 4 Jon Poston  
Arizonans for Competition in Telephone Service  
5 6733 E. Dale Lane  
Cave Creek, Arizona 85331-6561
- 6 Rex M. Knowles  
7 Nextlink Communications, Inc.  
111 E. Broadway  
8 Suite 1000  
Salt Lake City, UT 84111
- 9 Megan Doberneck  
10 Covad Communications Company  
7901 Lowry Boulevard  
11 Denver, Colorado 80230
- 12 Timothy Peters  
Electric Lightwave, Inc.  
13 4400 N.E. 77<sup>th</sup> Avenue  
Vancouver, WA 98662
- 14 Carrington Phillips  
15 Cox Arizona Telecom, Inc.  
1400 Lake Hearn Drive  
16 Atlanta, GA 30319
- 17 Gary L. Lane  
6902 E. 1<sup>st</sup> Street  
18 Suite 201  
Scottsdale, Arizona 85251
- 19 Steve Sager  
20 McLeadUSA Telecommunications Services  
215 South State St., 10<sup>th</sup> Floor  
21 Salt Lake City, UT 84111
- 22 Marti Allbright, Esq.  
Mpower Communications Corp.  
23 5711 South Benton Circle  
Littleton, Colorado 80123
- 24 Janet Livengood  
25 Z-Tel  
601 S. Harbour Is. Boulevard  
26 Tampa, Florida 33602

LEWIS  
AND  
ROCA  
LLP

LAWYERS

- 1 Michael B. Hazzard  
Kelley Drye & Warren, LLP  
2 1200 19<sup>th</sup> Street, N.W.  
Fifth Floor  
3 Washington, DC 20036
- 4 Steven J. Duffy  
Ridge & Isaacson, P.C.  
5 3101 N. Central Avenue  
Suite 1090  
6 Phoenix, Arizona 85012-2638
- 7 Gregory Hoffman  
AT&T  
8 795 Folsom Street  
Room 2159  
9 San Francisco, California 94107-1243
- 10 Kevin Chapman  
SBC Telecom, Inc.  
11 300 Convent Street  
Room 13-Q-40  
12 San Antonio, TX 78205
- 13 Thomas F. Dixon  
MCI WorldCom, Inc.  
14 700 17<sup>th</sup> Street, Suite 3900  
Denver, Colorado 80202
- 15 Andrea Harris  
16 Allegiance Telecom, Inc. of Arizona  
2101 Webster, Suite 1580  
17 Oakland, California 94612
- 18 Dennis Ahlers  
Eschelon Telecom, Inc.  
19 730 Second Avenue S., Suite 1200  
Minneapolis, MN 55402
- 20 Mitchell F. Brecher  
21 Greenberg Traurig, LLP  
800 Connecticut Avenue, NW  
22 Washington, DC 20006

23  
24   
25  
26