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BEFORE THE ARIZONA CORPORATION COMMISSION RECEIVED

WILLIAM A. MUNDELL
CHAIRMAN

Arizona Corporation Commission
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COMMISSIONER

OCT 21 2002

AZ CORP COMMISSION
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MARC SPITZER
COMMISSIONER

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IN THE MATTER OF QWEST)
CORPORATION'S COMPLIANCE)
WITH SECTION 271 OF THE)
TELECOMMUNICATIONS)
ACT OF 1996)

Docket No. T-00000A-97-0238

NOTICE OF SUPPLEMENTAL AUTHORITY DENYING AT&T'S MOTION TO REOPEN THE RECORD

On September 26, 2002, AT&T filed a Motion to Reopen and Supplement the Record in Arizona. AT&T filed a similar motion in Colorado. This Notice of Supplemental Authority attaches the Order Denying Motion from the Colorado Public Utilities Commission which denies AT&T's Motion to Reopen the Record based on Section 272.¹ The Colorado Order makes the following determinations in the process of denying AT&T's Motion:

It is clear to us that the main, if not only, reason for Qwest's withdrawal of its § 271 applications at the FCC is the review of Qwest's long distance affiliate and the accounting safeguards Qwest has in place. For efficiency of our resources and the resources of Qwest and other interested carriers and parties, we see no reason to force Qwest to participate in proceedings concerning identical issues raised in 14 states, as well as the FCC. We have received no indication from the FCC that it requires, or even would appreciate, a further investigation at the state level.²

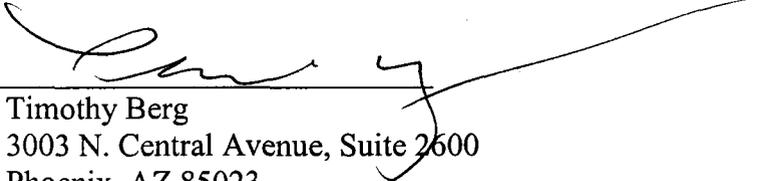
¹ *Order Denying Motion*, Colorado Public Utilities Commission, Docket No. 02M-260T; Decision No. C02-1184 (October 16, 2002)("Colorado Order").

² *Id.* at p.4.

Dated this 21st day of October 2002.

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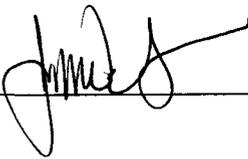
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Decision No. C02-1184

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 02M-260T

IN THE MATTER OF THE COLORADO PUBLIC UTILITIES COMMISSION'S
RECOMMENDATION TO THE FEDERAL COMMUNICATIONS COMMISSION
REGARDING QWEST CORPORATION'S PROVISION OF IN-REGION, INTERLATA
SERVICES IN COLORADO.

ORDER DENYING MOTION

Mailed Date: October 18, 2002
Adopted Date: October 16, 2002

I. BY THE COMMISSION

Statement, Findings, and Conclusions

1. On September 19, 2002, AT&T Communications of the Mountain States, Inc., and TCG Colorado (together AT&T), filed a Motion to Reopen and Supplement the Record in Docket No. 02M-260T. In its motion, AT&T requests this Commission reopen the record in the § 271 proceedings in order to allow admission of additional evidence relating to Qwest Corporation (Qwest) and its new § 272 affiliate.

2. AT&T asserts that Qwest's recent withdrawal of its § 271 applications with the Federal Communications Commission (FCC) because "there have been questions raised regarding [Qwest's] plans to restate our financial statements

for prior periods,"¹ confirm the continuing importance of a BOC's compliance with § 272. In a statement issued on this matter on September 10, 2002, FCC Chairman Powell stated that "questions remain regarding whether Qwest has complied with the safeguards set forth by Congress in § 272 of the Act."

3. AT&T's motion seeks to reopen these proceedings arguing that the Commission's recommendation is based on an outdated record that has been shown to be inadequate for Qwest to obtain in-region, interLATA authority. AT&T recommends that this Commission adopt a procedure that contains the following five components: 1) Qwest should file testimony and exhibits demonstrating that Qwest and its § 272 affiliate are in compliance with § 272; 2) discovery must be permitted of Qwest's filing; 3) competitive local exchange carriers and other interested parties must be given an opportunity to file comments; 4) Qwest should have an opportunity to reply; and 5) the Commission should make a new recommendation that Qwest is in compliance with §§ 271 and 272.

4. On September 20, 2002, Qwest filed its response in opposition to AT&T's motion to reopen the proceedings in Docket No. 02M-260T. In its response, Qwest asserts that this Commission previously conducted an exhaustive examination of Qwest's showing of compliance with § 272. Qwest asserts that,

¹ http://www.qwest.com/about/media/pressroom/1,1720.1107_current,00.html

"this Commission should reject that blatantly self-serving effort to push back the date on which the consumers of this state will enjoy the benefits of greater long-distance competition." Further, Qwest states that it will re-file with the FCC and that it will demonstrate to that body that it is making entries in its books, records, and accounts for all new transactions in accordance with Generally Accepted Accounting Principles. Qwest sees no basis in the AT&T Motion for additional procedures, beyond the usual comment rounds, necessary for the FCC to make a determination that Qwest has met the requirements of both §§ 271 and 272.

5. On September 25, 2002, AT&T filed a Reply to Qwest's Opposition. In its Reply, AT&T states that Qwest's proposal in its Opposition does not allow this Commission any opportunity to adequately evaluate whether Qwest has corrected the problems related to § 272. AT&T reiterates that this Commission should grant AT&T's motion and provide sufficient time to review Qwest's new § 272 affiliate and Qwest's accounting practices.

6. On September 30, 2002, Qwest filed a Notice of Supplemental Authority Regarding AT&T's Motion to Reopen and Supplement the Record. In the Supplemental Authority, Qwest stated that on September 26, 2002, the Washington Utilities and

Transportation Commission issued an order denying AT&T's Motion to Reopen the § 271 proceeding in that state.

7. We deny AT&T's request to re-open our § 271 proceeding. We reviewed Qwest's compliance with § 272 of the Act in Docket No. 97I-198T, specifically in Volume No. VII and the associated reports and decisions. We determined, based on testimony and legal briefs, that Qwest had complied with the requirements of § 272.

8. It is clear to us that the main, if not only, reason for Qwest's withdrawal of its § 271 applications at the FCC is the review of Qwest's long distance affiliate and the accounting safeguards Qwest has in place. For efficiency of our resources and the resources of Qwest and other interested carriers and parties, we see no reason to force Qwest to participate in proceedings concerning identical issues raised in 14 states, as well as the FCC. We have received no indication from the FCC that it requires, or even would appreciate, a further investigation at the state level.

II. ORDER

A. The Commission Orders That:

1. AT&T Communications of the Mountain States, Inc., and TCG Colorado's Motion to Reopen and Supplement the Record is denied.

2. This Order is effective on its Mailed Date.

B. ADOPTED IN COMMISSIONERS' DELIBERATIONS MEETING
October 16, 2002.

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

Commissioners