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BEFORE THE ARIZONA CORPORATION COMMISSION

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OCT 16 1998

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3 CHAIRMAN
4 RENZ D. JENNINGS
5 COMMISSIONER
6 CARL J. KUNASEK
7 COMMISSIONER

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Docket No. RU-00000A-98-0493

8 IN THE MATTER OF THE PROPOSED
9 RULEMAKING TO PROVIDE TIME
10 FRAMES FOR THE PROCESSING OF
11 APPLICATIONS FOR CERTIFICATE
12 OF CONVENIENCE AND NECESSITY
13 PURSUANT TO TITLE 40 OF THE
14 ARIZONA REVISED STATUTES

15 U S WEST Communications, Inc. ("USWC") submits the following
16 comments relative to the proposed amendments to R14-2-212, -312,
17 -411, -510, -610, -902, -1002, -1003, and -1603 ("Proposed Rules")
18 of the Arizona Administrative Code.

19 USWC supports the Proposed Rules which establish time frames
20 within which the Utilities Division of the Arizona Corporation
21 Commission ("Commission") must process applications for
22 certificates of convenience and necessity by utility service
23 providers. However, USWC believes that the Proposed Rules also
24 should include time frames within which the Commission must
25 process applications relative to the classification of competitive
26 and non-competitive telecommunications services.

Pursuant to A.A.C. R14-2-1103 and R14-2-1105, a
telecommunications company that applies for a certificate of
convenience and necessity also designates whether the services it
intends to provide are competitive or non-competitive. In

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1 granting the certificate, the Commission then determines the
 2 appropriate classification for such services. If the Proposed
 3 Rules are adopted, new telecommunications companies would receive
 4 a determination regarding such service classifications within the
 5 specified time frames.

6 An existing telecommunications carrier, such as USWC, may
 7 still apply for competitive designation of its services under
 8 A.A.C. R14-2-1108; however, this rule does not require that the
 9 Commission make a determination within any specified time frame.
 10 The Commission's competitive rules for telecommunications services
 11 properly recognize that companies need to have the ability to
 12 react quickly in a competitive marketplace. These rules provide a
 13 number of advantages for competitive services over non-competitive
 14 services. Consequently, determinations relative to competitive
 15 and non-competitive service designations should occur in
 16 substantially the same manner for all carriers.

17 For example, USWC has filed several petitions for competitive
 18 designation that have taken a year or more before being approved.
 19 Each of these petitions was characterized by the following:

- 20 (1) The service had already been classified as competitive
 21 and was being actively marketed by numerous other
 22 carriers in Arizona.
- 23 (2) No party had opposed USWC's request.
- 24 (3) USWC had provided timely responses to Staff's data
 25 requests.

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1 Given these circumstances, it would seem that a determination
2 could be made on an expedited basis. One of USWC's petitions has
3 taken 3 months longer than the Commission's rules for deciding a
4 rate case.

5 USWC, therefore, recommends that the Proposed Rules be
6 amended to apply a similar time frame requirement to all
7 determinations regarding competitive telecommunications services.
8 In comments made to the Commission during an Open Meeting in late
9 1997, Staff indicated that it should be able to address USWC's
10 petitions for competitive classification within about a 90 day
11 time frame. USWC agrees that 90 days is sufficient time for such
12 applications. For incumbent carriers like USWC, it seems
13 reasonable that a determination on a competitive petition should
14 be less than the 270 days the Proposed Rules would allow to
15 address a CC&N application for a new entrant.

16 In addition, the Commission should consider adopting
17 procedures that would permit a new non-basic, non-essential
18 service to be automatically classified as competitive immediately
19 upon introduction. This would be consistent with the treatment of
20 other carriers whose petitions for competitive classification are
21 routinely approved by the Commission on the basis that the company
22 is new to Arizona and starting out with no market share.

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1 DATED this 16th day of October, 1998.

2 U S WEST, INC.
3 Law Department
4 Thomas Dethlefs
5 and
6 FENNEMORE CRAIG, P.C.

7 By 
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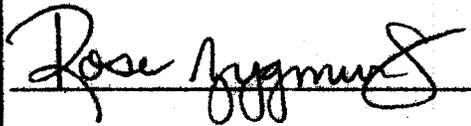
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11 foregoing hand-delivered for filing
this 16th day of October, 1998 to:

12 ARIZONA CORPORATION COMMISSION
13 DOCKET CONTROL
14 1200 West Washington
15 Phoenix, Arizona 85007

16 COPIES of the foregoing
17 hand-delivered this 16th
18 day of October, 1998 to:

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24 Paul Bullis, Chief Counsel
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