July 13, 2001

Commissioner Marc Spitzer
Commissioner Jim Irvin
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Re: Wholesale Pricing Docket Settlement Efforts Docket T-00000A-00-0194

Gentlemen:

I have reviewed Commissioner Spitzer’s letter regarding Qwest having requested settlement discussions in the above-referenced matter. I will be present on Monday, July 19, 2001 to participate in the scheduled proceedings. I am generally supportive of using settlement discussions to resolve disputed matters and we have recently encouraged settlements as long as prior notification of settlement discussions is given to the commissioners.

Given the sophistication and efforts expended to date by all of the parties to the docket, I am confident that the staff’s involvement, along with the CLECs’ involvement in the settlement process, would insure that any resulting rates would comply with the 1996 Act and would create a level playing field in Arizona. Accordingly, I do not, at this time, share my colleague’s concern that a settlement if reached, would necessarily be linked to an inadequate and or inappropriately truncated process.

I expect that most, if not all of the issues raised in the questions docketed by Commissioner Spitzer, are being thoroughly considered by the parties necessary to any potential settlement. Any proposed settlement would of course need the support of a critical mass of the parties. More importantly, after a proposed settlement has been filed, there must be adequate time so that it can be closely scrutinized by non-signatories to the settlement, the administrative law judge, the Commission and the public.

Sincerely,

William A. Mundell
Chairman

cc: All parties of record

Arizona Corporation Commission

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