BEFORE THE ARIZONA CORPORATION COMMISSION

MARC SPITZER,
Chairman

JAMES M. IRVIN
Commissioner

WILLIAM MUNDELL
Commissioner

JEFF HATCH-MILLER
Commissioner

MIKE GLEASON
Commissioner

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.

ARIZONA CORPORATION COMMISSION,
Complainant,

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

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

The issue is how to address this unintended rate shock. TWTA submits there are two alternatives. One, under A.R.S.§40-252, the Commission can modify Decision No: 64922 to alleviate the rate shock. Two, the Commission can expedite Phase III so that the transport rates are reviewed promptly. The Commission could even bifurcate Phase III (as it did in Phase II) to address transport rates immediately and the remaining Phase III issues at a later date.
Under either alternative, TWTA respectfully requests that a procedural conference be scheduled immediately to set a hearing either for an A.R.S.§40-252 review or for the transport and local interconnection portion of Phase III.

RESPECTFULLY SUBMITTED this 20th day of February, 2003.

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ORIGINAL AND thirteen (13) copies of the foregoing hand-delivered this 20th day of February, 2003, to:

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COPY of the foregoing hand-delivered this 20th day of February, 2003, to:

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