IN THE MATTER OF THE INVESTIGATION OF THE COST OF TELECOMMUNICATIONS ACCESS.

Qwest Communications Company, LLC (“QCC”) requests that the Arizona Corporation Commission (“Commission”) include in this investigation contracts that many CLECs have entered into with selected IXCs, providing for intrastate switched access rates that are below the tariff rates those CLECs have filed with the Commission.

QCC is primarily an IXC and is an affiliate of Qwest Corporation (“Qwest”). QCC is aware that AT&T, in its capacity as an IXC, and a number of CLECs have entered into national agreements under which the CLECs agreed to provide AT&T off-tariff intrastate switched access services.¹ A matrix containing non-confidential statements made by some of the CLECs,

¹ Qwest Corporation has pointed this problem out previously, but did not specifically ask that the Commission include the agreements as part of its investigation. Qwest Corporation discussed the agreements in its Reply to the Response of AT&T Communications, filed on October 30,
admitting the existence of the private, off-tariff switched access agreements, is attached and
marked as Exhibit 1. Based upon those statements, and upon information and belief, it is
apparent that the practice is widespread, involves multiple CLECs across the states, and very
likely exists in Arizona. QCC does not represent that all of the CLECs engaging in such
contracts are identified in the attached matrix.

The agreements in question have either not been filed with the Commission, or if filed,
are not available for public inspection. The parties to the agreements consider the agreements
‘confidential.’ Based on the public statements captured in Exhibit 1 and a number of
agreements made public in several Minnesota PUC investigations, it is clear that the rates that
are extended to AT&T by the CLECs under the confidential agreements are lower, sometimes
substantially lower, than the published tariff rate.

Not only are the agreements kept secret from other IXCs—QCC believes that the rates in
those agreements have not been extended to other IXCs, even upon request. Such arrangements
violate state statutes and state public utility commission rules regarding the establishment of
rates, approval of rate schedules and tariffs, and the duty to provide services on a
nondiscriminatory basis. QCC has filed complaints with the Colorado PUC, the California
PUC and with the NY PSC. Based on the CLECs’ unlawful rate discrimination, failure to
abide by their tariffs and failure to file/append off-tariff agreements for public inspection, QCC’s
complaints seek (among other things) reparations for past overcharges and for the CLECs’ off-

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2 In public comments made in the course of a Minnesota PUC investigation, AT&T explained,
“[i]n the past four years or so, AT&T has entered into hundreds of agreements based on the
same form with CLEC providers of switched access services throughout the United States.”
3 QCC v. MCImetro Access Transmission Services, LLC, et al., Docket No. 08F-259T.
4 QCC v. MCImetro Access Transmission Services, LLC, et al., Case No. 08-08-006.
tariff discounts to be provided to QCC prospectively.

The issues raised by these agreements regarding public rate filings, the lack of Commission approval of switched access rates, and discriminatory application of rates between and among carriers, are subjects that QCC respectfully asks the Commission to examine in this docket. Just as important, however, the agreements entered into by CLECs must be examined with regard to the rates the contracting CLECs are charging to their favored IXCs. The examination of CLECs' rates for switched access should take into account the true rates charged, and the true rates charged to favored customers should be made available to all IXCs. An agreement by a CLEC to provide a favorable rate to AT&T constitutes prima facie evidence of a reasonable rate that should be charged by that CLEC to all carriers.

In order to examine these issues fully and promptly, QCC asks that the Commission order all LECs to provide to each party to this proceeding copies of contracts that they have entered with any other carrier, providing for Arizona intrastate switched access rates, terms, and conditions that are different from the filed tariffs of each LEC. Further, LECs reporting such contracts should be ordered to state how those rates, terms and conditions compare to the rates, terms and conditions that are contained in their Arizona tariff. Following the production of those contracts, the parties should be given reasonable opportunity to examine the contracts and responses to determine what other investigation should follow.

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6 In making this request QCC does not waive the right to assert claims against the CLECs for discriminatory treatment.
Respectfully submitted this 27th day of July, 2009.

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COPY of the foregoing mailed/emailed this 27th day of July, 2009 to:

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Broomfield, CO  80021

Tom Bade, President  
Arizona DIALtone  
7170 W. Oakland Street  
Chandler, AZ  85226
EXHIBIT 1
<table>
<thead>
<tr>
<th>CLEC</th>
<th>STATE</th>
<th>CASE NAME/DOCKET NO.</th>
<th>PLEADING/DATE</th>
<th>QUOTE</th>
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<tbody>
<tr>
<td>VERIZON BUSINESS (&quot;MCI&quot;)</td>
<td>CA</td>
<td>Qwest v. MCIMetro Access, et al. Case No. C.08-08-006 (Cal. PUC)</td>
<td>Answer of MCI to Complaint: 9/22/2008</td>
<td>¶14, (p.6) “MCI admits that, at times relevant to this Complaint, it entered into an agreement to provide switched access services with AT&amp;T”</td>
</tr>
<tr>
<td>VERIZON BUSINESS (&quot;MCI&quot;)</td>
<td>CO</td>
<td>Qwest v. MCIMetro Access, et al. Docket No. 08F-259T (Col. PUC)</td>
<td>Answer of MCI to Complaint: 7/28/2009</td>
<td>¶9 (p.3) “MCI admits that, at times relevant to this Complaint (since the end of 2003) it entered into an agreement to provide switched access services to AT&amp;T”</td>
</tr>
<tr>
<td>XO COMMUNICATIONS</td>
<td>CO</td>
<td>Qwest v. MCIMetro Access, et al. Docket No. 08F-259T (Col. PUC)</td>
<td>XO Responses to Qwest’s First Data Requests: 9/4/2008</td>
<td>p. 3 DR. no. 2: “...the only agreements between XO and an IXC that governed the going-forward rates, terms or conditions (as of the date of the agreement) of XO’s provision of intrastate switched access services in Colorado through the terms of those agreements are the agreements that AT&amp;T has produced or will produce in response to the subpoena issued in this docket.”</td>
</tr>
<tr>
<td>GRANITE TELECOMMUNICATIONS</td>
<td>CA</td>
<td>Qwest v. MCIMetro Access, et al. Case No. C.08-08-006 (Cal. PUC)</td>
<td>Answer of Granite Telecommunications, Inc.: 9/22/2008</td>
<td>¶18 (p.5) “...Granite was compelled to enter into an agreement with AT&amp;T, prior to the filing by Granite of its Schedule CAL PUC tariff No. 3T”</td>
</tr>
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<td>GRANITE TELECOMMUNICATIONS</td>
<td>CA</td>
<td>Qwest v. MCIMetro Access, et al. Case No. C.08-08-006 (Cal. PUC)</td>
<td>Answer of Granite Telecom to First Amendment Complaint: 6/18/2009</td>
<td>¶12 (p.5) “...Granite was compelled to enter into an agreement with AT&amp;T, prior to the filing by Granite of its Schedule CAL PUC tariff No. 3T”</td>
</tr>
<tr>
<td>TIME WARNER COMMUNICATIONS</td>
<td>CA</td>
<td>Qwest v. MCIMetro Access, et al. Case No. C.08-08-006 (Cal. PUC)</td>
<td>TW Telecom Answer to Complaint: 9/17/2008</td>
<td>¶10 (p.3) “...tw telecom of ca admits that tw holdings has a master services agreement with AT&amp;T that has not been filed with this Commission, which provides for switched access services to AT&amp;T....”</td>
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<tr>
<td>CLEC</td>
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<td>TIME WARNER COMMUNICATIONS</td>
<td>CO</td>
<td>Qwest v. MCIMetro Access, et al. Docket No. 08F-259T (Col. PUC)</td>
<td>Answer of tw telecom of Colorado LLC: 8/01/2008</td>
<td>¶12 (p.3) &quot;...tw telecom of co admits that it has a master services agreement with AT&amp;T that has not been filed with the Commission, but denies that the contract discriminates against any other carrier, including QCC.&quot;</td>
</tr>
<tr>
<td>TIME WARNER COMMUNICATIONS</td>
<td>CA</td>
<td>Qwest v. MCIMetro Access, et al. Case No. C.08-08-006 (Cal. PUC)</td>
<td>Response of TW Telecom of California LP to First Set of Data Requests of Qwest: 12/1/2008</td>
<td>p.2 Request No. 2: &quot;...tw telecom identifies the following agreement: &quot;Agreement,&quot; entered into as of January 1, 2001 by and between AT&amp;T corp. and Time Warner Telecom...&quot;</td>
</tr>
<tr>
<td>LEVEL 3 COMM</td>
<td>CO</td>
<td>Qwest v. MCIMetro Access, et al. Docket No. 08F-259T (Col. PUC)</td>
<td>Answer of Level 3 Communications, LLC to Amended Complaint: 01/05/2009</td>
<td>¶12(p.3) &quot;...Level 3 admits that it is or was a party to agreements that are national in scope that include terms that relate to intrastate access charges in Colorado and other states, as well as other non-regulated and interstate services, that is has not filed with the Commission, but denies that the agreements discriminate against any other carrier, including QCC.&quot;</td>
</tr>
<tr>
<td>LEVEL 3 COMM</td>
<td>CO</td>
<td>Qwest v. MCIMetro Access, et al. Docket No. 08F-259T (Col. PUC)</td>
<td>Level 3 Responses to Qwest Communications Corp's First Set of Data Requests: 2/9/2009</td>
<td>p. 3 no. 2 &quot;...Level 3 identifies the following agreements: (1) Access Services Agreement between AT&amp;T and Level 3 ...(2) IP Peering Agreement with Sprint...&quot;</td>
</tr>
<tr>
<td>ERNEST COMMUNICATIONS</td>
<td>CO</td>
<td>Qwest v. MCIMetro Access, et al. Docket No. 08F-259T (Col. PUC)</td>
<td>Answer to QCC Amended Complaint: 06/17/2009</td>
<td>¶12 (p.3) &quot;...Ernest admits that it is or was a party to an agreement that includes terms that relate to intrastate access charges in Colorado that it has not filed with the Commission...&quot;</td>
</tr>
<tr>
<td>ESCHELON TELECOM, INC.</td>
<td>CO</td>
<td>Qwest v. MCIMetro Access, et al. Docket No. 08F-259T (Col. PUC)</td>
<td>Answer of Eschelon: 07/30/2008</td>
<td>¶12 (p.3) &quot;...Eschelon admits that it has in the past entered into contracts for switched access services but asserts that such contracts have been terminated...&quot;</td>
</tr>
<tr>
<td>CLEC</td>
<td>STATE</td>
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<td>Qwest v. MCIMetro Access, et al. Docket No. 08F-259T (Col. PUC)</td>
<td>Response of Eschelon Telecom, Inc. to First Set of Data Requests of Qwest: 9/3/2008</td>
<td>Req. 2, p. 2 &quot;...Eschelon has entered into the following agreements with IXCs relating to going-forward rates, terms or conditions for usage in Colorado: AT&amp;T--Switched Access Service Agreement -- Effective, May 1, 2000--Terminated March 6, 2005; Sprint -- Settlement Agreement and General Release -- Effective, December 29, 2000--Terminated effective March 6, 2005; Transtel Communications (TelAmerica) - Settlement Agreement and General Release -- Effective, December 17, 2003--terminated January 19, 2005...&quot;</td>
</tr>
<tr>
<td>ACN COMMUNICATIONS</td>
<td>CA</td>
<td>Qwest v. MCIMetro Access, et al. Case No. C.08-08-006 (Cal. PUC)</td>
<td>ACN Communication Services, Inc.'s Verified Answer to First Amendment Complaint: 6/18/2009</td>
<td>¶10 (p. 4) &quot;...ACN admits it was a party to a confidential settlement agreement that resolved a bona fide dispute with AT&amp;T ...and included terms relating to intrastate switched access charges in California and other states, as well as interstate switched access services, that it did not file in California.&quot;</td>
</tr>
</tbody>
</table>
| ACN COMMUNICATIONS                 | CO    | Qwest v. MCIMetro Access, et al. Docket No. 08F-259T (Col. PUC) | ACN Response to Qwest's First Set of Data Requests: 2/12/2009                 | ACN 1-2: "...the only agreement between ACN and an IXC that govern the going forward rates, terms or conditions (as of the date of the agreement) of ACN's provision of intrastate switched access services in Colorado is a settlement agreement that based on ACN's understanding, AT&T has already provided to Qwest in response to the subpoena issued in this docket.  

| ACN COMMUNICATIONS                 | CO    | Qwest v. MCIMetro Access, et al. Docket No. 08F-259T (Col. PUC) | Answer of ACN Communication Services, Inc. to Qwest's Amendment Complaint: 1/16/2009 | ¶7 (p. 3) "...ACN admits it was a party to a confidential settlement agreement that resolved a bona fide dispute with AT&T ...and included terms relating to intrastate switched access charges in California and other states, as well as interstate switched access services, that it did not file in Colorado." |