Qwest Corporation ("QC") and Qwest Communications Company LLC ("QCC") (together referred to below as "Qwest"), jointly file their Reply Brief following the evidentiary hearing held in these consolidated dockets on March 16-18, 2010.

I. The Commission Should Immediately Cap CLEC Switched Access Rates, at the Level of Qwest's Intrastate Rates

The Joint CLECs and Cox have made a number of unpersuasive arguments in their effort to protect the high rates they levy on IXCs for switched access\(^1\) in Arizona. As Qwest noted in its Initial Brief, the CLECs' access charges are ripe for reform. Upon reflection and examination of the initial briefs of the other participants, Qwest believes that it has understated its case in that regard. Qwest believes that even if the Arizona

\(^1\) Throughout this Reply Brief, unless the context indicates otherwise, reference to "access" or to "switched access" shall mean intrastate switched access.
Corporation Commission (the “Commission”) decides that broader reform is not going to proceed now, the Commission must address the unreasonable and unjust rates that CLECs are charging for switched access.

Qwest commends Verizon for the excellent points it makes in Section III of its Initial Brief, pp. 6-46, and Qwest endorses Verizon’s arguments in that regard. It would not add qualitatively for Qwest to restate those arguments and exhaustive references to legal authority. However, Qwest does wish to touch on the Joint CLECs’ comments about due process and procedure. The Joint CLECs state that due process requires the Commission to give each carrier notice of intention to decrease intrastate switched access rates, and an opportunity to be heard.\(^2\) The Joint CLECs go on to argue that access charges cannot be reduced in this docket—“certainly not at this point.” They contend the Commission has not set forth a specific proposal on intrastate access charges.\(^3\) Qwest agrees that the Commission may not order a change to a particular CLEC’s access rates in this docket; however, Qwest does believe that the Commission may proceed in this docket to identify the target levels for CLECs’ intrastate switched access rates, which is a matter of legislative policy. Further, the Commission may certainly lay down the precise process by which the Commission will implement those policies.

The Joint CLECs’ contend that there should be another proceeding—a rulemaking—to determine the target rate, or as the Joint CLECs call it, the “default” rate, that would apply, provided that each CLEC has the opportunity to prove that its intrastate access rate should be higher than the default rate.\(^4\) However, it would be strange and completely redundant to convene another proceeding to investigate access rates in Arizona when that was the avowed and noticed purpose of this Investigation. When the

\(^2\) Initial Brief of Joint CLECs, 6:24—7:2.
\(^3\) Id., 7:26—8:1.
\(^4\) Id., 2:20-22.
Commission set the evidentiary hearing, it specifically stated that the hearing will cover “to what target level should access rates be reduced.” It would also be unnecessary to embody “default rates” for access (which the CLECs concede the Commission may do), in a “rule.” The Joint CLECs are wrong about the need for an additional proceeding to do the very thing this proceeding sets out to accomplish.

The instant proceeding is quite similar to how other states have gone about access reductions. Verizon has collected an impressive library of authority in its Initial Brief, showing the clear state regulatory trend in the direction of limiting CLEC access rates to a benchmark determined by the ILECs’ rates, with only a few exceptions. The many states that have acted with regard to intrastate access rate levels have done so through various means—including legislative enactments, administrative rules, or what may be viewed as generic investigations or dockets. The instant proceeding has much in common with those other states’ proceedings.

Another specific point Qwest wishes to address in reply concerns the process that would follow the setting of a target rate for the CLECs. Qwest agrees with the proposed ordering language stated on page 27 of the Verizon Initial Brief, with one modification which is discussed below. Qwest agrees with Verizon, AT&T, and Sprint that the CLECs’ access rates are unreasonable, for all of the reasons those parties conveyed at the hearing and in their briefs. Chief among those reasons is that the access regime provides an implicit subsidy to LECs to defray the costs of local service, but the CLECs do not have the obligation to serve or the costs of a universal service network. These reasons support the entry of an order setting the target rate to not exceed Qwest’s composite rate. However, it would seem prudent for the Commission to make provision for the possibility, however remote, that an individual CLEC may have costs that are

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6 Verizon Initial Brief, pp. 24-27.
extraordinary, and that such costs may justify a higher rate. Accordingly, Qwest proposes that the ordering language be amended to add the concept that the Commission may approve a higher rate for a specific CLEC upon a showing that such CLEC’s costs support the higher rate. With that modification, and subject to Qwest’s comments in Section IV below in regard to contracts for switched access services, Qwest also agrees with Verizon’s proposed Process for Reducing CLEC Access Rates (Verizon Initial Brief, pp. 72-74).

II. Statewide Benchmark Proposals, Contrary to Staff’s Understanding, Are Appropriate and Do Not Result in a Uniform Statewide Rate

The Staff asks the Commission to reject the adoption of a statewide benchmark or national rate for access for the rural ILECs, based upon the Staff’s apparent understanding that such proposals will result in a uniform statewide local service rate. Staff’s understanding is incorrect. Qwest’s statewide benchmark proposal would operate only with respect to the amount of access revenue that a LEC seeks to recover through AUSF. A couple of examples may help.

Assume that the residential benchmark is $16.48.7 If a rural LEC’s existing retail rate is $9.25, and it will forgo $3 per line in revenue from access reductions, then under the Qwest benchmarking proposal the LEC could increase its local rate to $12.25.

Using the same benchmark of $16.48, if the rural LEC’s existing retail residential rate is $24.46, and it is going to lose $5 per line in revenue from access reductions, then under the Qwest benchmarking proposal that LEC would still have a $24.46 local rate, and it would increase its other retail rates, or go to the AUSF to seek its access recovery.

Only in one circumstance will the Qwest benchmark proposal become the retail rate. That circumstance arises when the rural LEC’s current retail rate is below the benchmark, and the recovery of the access reduction by way of local rates would result in

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7 Copeland Direct, Hearing Exhibit Q-7, p. 6.
an increase equal to or above the benchmark. Qwest acknowledges that such a result might apply to several of the rural carriers. However, it is clear that the benchmark proposal does not lead to a universal retail rate. Nor would application of the benchmark ignore the disparate costs of providing service.

III. The Commission Should Continue to Resist the Urging of AT&T and Sprint to Address Qwest’s Access Rates Now

Although the Commission already ruled in this Docket that Qwest Corporation’s intrastate switched access rates are not the subject of this Docket, AT&T and Sprint continue to beat that drum. AT&T distorts Qwest’s positions, and wrongly claims that Qwest has assumed a “not in my back yard”, “don’t look at me”, “self-serving” approach. AT&T displays great nerve in throwing out allegations that any party’s position in this docket is “self serving.” The access reductions AT&T seeks others to make will improve its profit line by many millions of dollars, without making a promise to flow the savings through to its customers. Further, to the extent that AT&T’s campaign to reduce its costs causes local rates to increase, AT&T stands to gain customers for its popular wireless business, when wireline customers “cut the cord.” (Hearing Transcript, page 513, lines 2-22.) Qwest submits that when AT&T decided to call Qwest’s proposal “self serving,” AT&T had drunk too deeply of its own rhetoric, and perceived its positions to be more superior than a sober view would reveal.

When AT&T says Qwest’s position is “not in my backyard,” AT&T neglects to acknowledge Qwest’s repeated statements that it is not immune from further access rate reductions, but that access reductions must be managed in phases over time.\(^{10}\) AT&T

\(^{9}\)In any event, it is not clear what policy harm would follow from having a retail rate that is common to several different rural LECs.


\(^{10}\) See, for example, Qwest Corporation’s Responsive Comments Regarding Scope of Phase II, March 5, 2009, Page 3, lines 9-21. Docket No. RT-00000H-97-0137.
ignores the previous access reductions taken by Qwest (and no other LEC) at the urging of AT&T. AT&T ignores how those reductions by Qwest while all other LECs in the state were untouched, resulted in even greater rate disparities between and among Arizona LECs. AT&T disregards the fact that its advocacy to go after Qwest's rates but no others in these very dockets prior to 2007, and the resulting disparity of access rates, has resulted in significantly increased risk of traffic mischaracterization, and incentive for traffic pumpers to stimulate intrastate minutes of use.

AT&T decries QC's rates as too high, but fails to explain why it dropped out of Qwest's last Price Cap Plan proceeding, during which access rates were squarely before the Commission. Instead, AT&T spent its time working out secret agreements with CLECs, outside of the Commission's view, arriving at special deals that were available only to AT&T. AT&T's attempts to portray Qwest in a negative way don't wash.

Neither AT&T nor Sprint gives much support to the principles of gradualism that Staff and RUQCO emphasize. Although AT&T claims its position provides for a "glide path," at the same time it asks that the access rate reductions be implemented immediately. Sprint is opposed to having subsequent phases (Sprint Brief pp. 30-33), thereby eliminating the opportunity for stepped reductions.

The record shows that the rates of rural LECs right now are massively high in comparison to the Qwest rate. The demand of AT&T and Sprint for all carriers to reduce their rates even deeper than to the current Qwest rate—would be an even more precipitous plunge for the LECs, their customers, and potentially the AUSF, to contend with. The better course of action is that proposed by Qwest—a measured, stepped

12 AT&T Initial Brief, pages 30-31.
13 See, Highly Confidential Direct Testimony of Dr. Debra Aron, Hearing Ex. AT&T 1-Confidential.
reduction of all other carriers to the already-lowered Qwest rate levels, followed by further reductions in a subsequent phase.

IV. Arizona Should Permit Contracted Switched Access, Provided that the Agreements Are Published, and that the Same Rates, Terms and Conditions Are Extended to All IXC in a Non-Discriminatory Manner; However, Agreements that Modify the Rates for Switched Access Based on the Purchase of Other Services Should Be Banned.

There is general consensus among the parties commenting on whether Arizona should allow local exchange carriers to contract for switched access. The comments agree that such contracts should be allowed, and that the contracts should be made public, and that the terms and conditions should be available to all IXC on a nondiscriminatory basis. The Staff and Verizon state that the LEC must modify its tariffs to allow for such agreements, to allow ICB pricing. Qwest does not disagree with that.

However, none of the other parties addressed the second level of concern raised, regarding some carriers’ contract discounts of switched access based on purchases of services unrelated to switched access. Those other services may be competitive services, and may be non-jurisdictional. For the reasons stated in Qwest’s Initial Brief, it is unjust and unreasonable to discount local exchange access rates, which the testimony demonstrates are bottleneck, monopoly services, based on the purchase of unrelated, competitive services such as special access. But, that is just what Cox admitted it has done in its contract with AT&T.

Further, Cox has recently filed a tariff, which has not been approved, in which it

14 Verizon couches its comments in terms of CLECs contracting with IXC. It is not clear whether Verizon intends to restrict ILECs from contracting in the same manner, but if so, such a limitation is not supported. If contracting for ICB pricing is permitted, it should be permitted for all LEC.

15 Qwest Initial Brief, p. 44

16 See, Cox response to Qwest Communications Company, LLC’s 1st Set of Data Requests. Response 1.4, November 5, 2009, quoted in Direct Testimony of Lisa Hensley Eckert, Hearing Ex. Q-1.
proposes to extend discounts to its switched access rates based on the amount of
"Dedicated and Ethernet services that the [IXC] purchases." Qwest has moved to
intervene in that tariff matter, and has protested the filing. A copy of that intervention
and protest is attached to this Brief, as Attachment 1. Qwest contends that the statutory
prohibition against discrimination cannot be overcome by tariffs. However, the better
course of action is for the Commission to expressly condition its decision allowing
contracted rates on the safeguards discussed herein. The Commission should state that
contracts are allowed, only upon the condition that there is a tariff for a rate that is
available without contract; that the contracts must be made public; that the same terms
and conditions in any such contract must be available on a nondiscriminatory basis; and
that the contracted rate shall not be dependent upon the purchase of services other than
intrastate switched access.

CONCLUSION

The Commission should take a measured, balanced approach to access reform,
with phased and stepped implementation. The goal of this phase should be to establish
the Qwest switched access rates as the target for all LECs. Qwest’s proposals are the best
suited to accomplish the policy goals identified, satisfy the public interest, and should be
adopted.

RESPECTFULLY SUBMITTED this 14th day of September, 2010.

QWEST CORPORATION

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PROTEST AND APPLICATION FOR LEAVE TO INTERVENE

Qwest Communications Company, LLC ("QCC") protests the Cox Arizona Telecom, L.L.C. Tariff Filing to Add Switched Access Services Contract, and seeks leave to intervene in the docket. In support of its protest and application, QCC states:

QCC is organized under the laws of the State of Delaware with its principal place of business at 1801 California Street, Denver, Colorado. QCC is qualified to do business in Arizona, and is a telecommunications carrier certified to provide telecommunications services in Arizona, pursuant to orders of the Arizona Corporation Commission (the "Commission").1 Specifically relevant to this proceeding, QCC is an interexchange carrier ("IXC"), providing long

1 Arizona Corporation Commission Decision Nos. 66612 and 68447.
distance telecommunications services throughout the State of Arizona.

In order to provide long distance services to their customers, IXC's typically must purchase switched access service from the carrier that provides local exchange service. A residential customer, for example, will subscribe to local telephone service from a local exchange carrier (a "LEC"), which may be an incumbent local exchange carrier ("ILEC") or a competitive local exchange carrier ("CLEC"). Under long-standing laws that established competition in the long distance telephone market, the LEC must provide access to the customer's selected IXC, so that long distance calls that are made by the customer originate on the local telephone network and are routed to the IXC's network. In reverse, calls that are sent from long distance carriers to the customer must be terminated on the local network. It would be prohibitively expensive for every IXC to have its own wire to each customer. Local access, both originating and terminating, is most commonly accomplished by switching connections made by the LEC. The service is called switched access.

Intrastate switched access services are subject to the jurisdiction of the Commission, and the rates are embodied in tariffs filed by ILECs and CLECs. The switched access charges represent a significant expense to IXC's. The Commission is actively involved in a generic investigation into the cost of switched access services provided by CLECs and other types of LECs (the "Access Charge Investigation"). Although the telecommunications services CLECs provide to end users are competitive, IXC's must access their customers by going through the CLECs' switched access services. Testimony in the Access Charge Investigation establishes that intrastate switched access service provided by every LEC is a non-competitive, bottleneck service.

2 In The Matter Of The Investigation Of The Cost Of Telecommunications Access, Docket No. RT-00000H-97-0137 and T-00000D-00-0672, (the "Access Charge Investigation").

3 AT&T witness Dr. Debra Aron, testified as follows:

Q: SHOULD CLEC RATES BE CAPPED AT THE LEVEL OF THE ILEC WITH WHICH THEY COMPETE?
Cox Arizona Telcom, L.L.C. (“Cox”) is a CLEC which provides switched access services to IXCs in the State of Arizona. If QCC (or any IXC) wishes to provide long distance services to an end user for a call that originates or terminates on the Cox network, QCC is required to use Cox’s switched access service and to pay Cox’s tariff rates. By its Application, Cox proposes to amend its switched access service tariff in a manner that will provide select IXCs (certainly not all IXCs) significantly lower rates for switched access services in Arizona based on the purchase of wholly unrelated competitive services, which may have been provided in other states or as an interstate service. Disparities in switched access costs among IXCs will directly affect QCC’s bottom line and its ability to compete in the long distance market. As discussed below in QCC’s Motion for Suspension of Cox’s Tariff, significant factual and legal issues are presented by Cox’s proposed tariff revisions. Disparities based on unreasonable distinctions are unjust, unreasonable, and unlawfully discriminatory.

Cox’s Application will affect the rates charged to QCC and to QCC’s IXC competitors. QCC has a direct and substantial interest in Cox’s Application, and QCC will be potentially adversely affected without its intervention. To QCC’s knowledge, no other carriers have intervened in this proceeding, so the interests and perspective of IXCs will not be adequately

A: Yes.

Q: BUT AREN’T CLEC ACCESS RATES DISCIPLINED BY COMPETITION?
A. No, they are not. CLECs, as well as ILECs, possess market power in the provision of switched access service. The fact that CLECs face extensive competition in the retail market for local exchange service does not render the market for wholesale switched access service competitive. This is because (i) IXCs cannot choose which local carrier will originate or terminate their end users’ calls; (ii) the party that does make the choice of local carriers (the IXC’s end-use customer or the person the customer calls) is not the party that pays for switched access service (the IXC); and (iii) regulatory restrictions on long distance price de-averaging, as well as logistical restrictions on doing so prevent IXCs from charging a customer more for a particular call based on the access charges that will apply to that specific call; therefore IXCs cannot send a price signal to the end users to discourage them from choosing (or calling people who choose) LECs with high access charges.

represented without participation by QCC. Granting QCC’s application for intervention will not unduly broaden the issues presented. QCC’s application for intervention should be approved.

MOTION TO SUSPEND COX’S TARIFF REVISION AND TO HOLD HEARINGS TO DETERMINE WHETHER THE PROPOSED TARIFF IS JUST, REASONABLE, AND NON-DISCRIMINATORY

Qwest Communications Company, LLC (“QCC”) moves for an order suspending Cox’s proposed tariff revision, pursuant to A.R.S. Section 40-250. QCC further requests that a hearing be held to determine whether the proposed tariff revisions are just, reasonable, and non-discriminatory.

Cox proposes to amend its intrastate switched access rates by providing a graduated scale of discounts that range as high as 65%. The level of discount depends on the amount of “Dedicated and Ethernet Services that the [IXC] purchases” on a monthly basis. The proposed tariff does not give an explanation of “dedicated” or “ethernet” services; however, upon information and belief, “dedicated service” likely is synonymous with special access. Special access is a private line that directly connects the IXC network to its customer, bypassing the LEC’s switching service. The provision of special access has no bearing on Cox’s provision of switched access service. QCC is aware of no study or analysis supporting a conclusion that the cost of providing tandem-routed switched access to a particular IXC is in any way reduced by the LEC providing special access circuits to such IXC. Further, while switched access is undeniably a non-competitive, bottleneck service, special access is considered to be a competitive service. In the Access Charges Investigation, Cox’s Regional Vice President agreed, in response to cross-examination by the undersigned:

Q. Now, without discussing Cox’s specific rate, I will just throw out a hypothetical and say, we will say for talking purposes here that Cox’s intrastate termination access charges is 5 cents a minute. Okay? Is the

\[4\] Cox proposed Tariff No. 2, Second Revised Page 70, Section 6.2.1.
sense of Cox's response here, does it mean that if AT&T purchases more of some other service -- and that is in this case special access -- that the actual rate for switched access goes down or is discounted?

A. The effective rate for the switched access would be discounted based on the purchase of special access services.

Q. Are there any other services that the agreement might address that would discount Cox's switched access rate?

A. I don't have the contract in front of me, but there may be other competitive services included in that agreement.

Q. And I think you are right when you say other competitive services. Do you agree that special access is a service that a carrier can choose to purchase either from Cox or from some other carrier, depending upon the circumstances?

A. Yes. The services, the special access services or transport services, if you will, that we offer are also offered by other carriers, including Qwest.5

Special access is provided on both an intrastate and interstate basis. Cox's proposed tariff does not distinguish between interstate and intrastate jurisdiction special access. Thus, Cox apparently is proposing to discount the rate for its non-competitive intrastate switched access based upon the IXC customer's purchases of wholly-unrelated, competitive, non-jurisdictional services. QCC disputes the appropriateness or lawfulness of this practice, and urges the Commission to investigate the matter.

It is less clear what Cox means by "ethernet service." QCC believes that Cox provides ethernet technology to customers through metro optical ethernet networks, enabling internet access and wide area networking to customers. These types of services are generally considered competitive, and interstate. This proposal would again discount non-competitive intrastate switched access rates, based upon the amount of purchases by the customer of competitive, interstate services.

Furthermore, it is not clear whether the purchases of "dedicated and ethernet services" 6

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that qualify the purchaser to receive a discount for switched access services in Arizona, must have been based on Arizona transactions. Thus, purchase of ethernet services from Cox in Georgia, for example, may result in a discount in the Arizona switched access rates.

Cox's proposal is not clear about the nature of the services that qualify for the discount, and how those discounts are calculated. A hearing on those factual questions would benefit the Commission in its evaluation.

Significant factual, legal, and policy questions are raised by Cox's proposed tariff revisions. These include, but are not limited to, the following:

1) **Is it lawful to condition a discount to the rate for a bottleneck service on the purchase of large quantities of an unrelated, competitive, non-jurisdictional service?**

Cox proposes to lower the price of its noncompetitive services (those that IXC's have no choice to forgo) in exchange for the purchase of competitive services (those that IXC's can get from other vendors). Such arrangements are of doubtful lawfulness under the "just and reasonable" standard. Under Arizona law, all providers of switched access (including Cox and other CLEC's) are required to provide switched access on a nondiscriminatory basis. It is unlawful for Cox to favor one class of switched access customers over another, absent demonstration of a sound economic basis for such distinctions. As discussed above, Cox's cost of providing switched access to an IXC (e.g., AT&T) does not vary depending upon whether AT&T purchases one special access circuit from Cox or whether it purchases ten thousand special access circuits. Cox should not be able to discriminate in favor of AT&T when there is no difference in cost to provide the same intrastate switched access to AT&T as it provides to QCC, or any IXC. As this matter proceeds to hearing, Cox should be required to identify and support its cost or other economic basis for conditioning this potentially-massive rate distinction on the purchase of unrelated special access services. In the absence of such a showing, the tariff should be rejected.

6 A.A.C. R14-2-1111. Requirement for IntraLATA Equal Access
Further, it is unclear whether a national IXC such as AT&T might qualify for the
switched access discount in Arizona based on its purchases of interstate special access circuits
provisioned in some other state. Discounts based on such purchases are unjust, unreasonable,
and discriminatory, and any tariff revisions featuring such discounts should be rejected.

2) Is this tariff discount plan designed to favor a single IXC?

To qualify for any discount off of Cox’s tariff switched access rates, an IXC must
purchase at least $575,000 worth of “Dedicated and Ethernet” services each month.
Significantly larger discounts are provided, culminating in a potential discount of 65%, as the
IXC purchases more and more special access from Cox each month. It should be obvious from
the face of the proposed tariff that very few IXCs are large enough to require the purchase of so
many special access circuits from Cox on a monthly basis. In evaluating Cox’s proposed
discount program, the Commission should fully investigate current purchase levels from Arizona
IXCs to determine whether this program will benefit only a single IXC, a small subset of IXCs or
numerous IXCs. On information and belief, QCC assumes that it is possible that only one IXC
will benefit from the purported discount program, in which case the Commission should be
particularly concerned about Cox’s motivation and good faith in presenting this program as a
ubiquitously available alternative. The Commission should likewise scrutinize how this proposal
relates to any unfiled, off-tariff agreements, if any, that Cox may have entered with Arizona
IXCs.

3) Is Cox simply attempting an end-run around the Commission’s pending Access
Charge Investigation through this tariff filing?

Cox’s proposal appears to be an end-run around the Access Charge Investigation that the
Commission is currently conducting. In the Access Charge Investigation, the Commission is
investigating whether LECs should be permitted to alter the rates specified in their respective
filed tariffs by private contracts. The Qwest companies’ advocacy in the Access Charge
Investigation is that such contracts should be published, and the contract terms and conditions
should be available to all carriers. Important to this matter, the Qwest companies also advocate that LECs should be prohibited from discounting switched access rates based upon purchases of competitive services or services that are not jurisdictionally Arizona intrastate. At hearing, the Administrative Law Judge pointedly addressed this issue, which is clearly pending before the Commission. Cox’s filing appears to be a transparent attempt to lock its disputed practice into a tariff, hoping that it will become effective by law, so that Cox may claim legitimacy.

For the foregoing reasons, the Commission should suspend Cox’s proposed tariff revision, and establish a procedural schedule leading to a hearing, for determination of whether the proposal is just, reasonable, and non-discriminatory. Permitting Cox’s tariff to go into effect prior to resolution of this issue would be inappropriate.

QCC respectfully requests expedited consideration of its motion. The tariff was filed on.

QCC witness Lisa Hensley Eckert testified in the Access Charge Investigation as follows:

Q. IS IT APPROPRIATE FOR INTRASTATE SWITCHED ACCESS RATES TO BE INCLUDED IN VOLUME DISCOUNT AGREEMENTS FOR THE PURCHASE OF INTERSTATE SERVICES?

A. No. Such bundling of services into bulk purchase price discount arrangements affect and obscure the price of intrastate switched access. Not only is it difficult to determine the actual amount of discount in such agreements—it is also unlikely that the duty of nondiscrimination can be satisfied when the price of a bottleneck monopoly service varies and depends upon the purchase of unrelated, competitive services.

The linking of the two purchases is not supportable. As mentioned before, special access is a switched access bypass product. The two products are not logically dependant upon one another- that is an IXC does not need to purchase special access to reach an end user through a switch. An IXC may choose to do so because they can avoid tandem switching charges- or the volumes of traffic to that end user indicate that a dedicated facility is necessary. Volume discounts for special access based on special access purchases have been part of contract tariffs, and part of special access pricing. However, special access is a competitive service, and as described earlier, switched access is a terminating monopoly service. Using a competitive service as a basis for offering a discount on a monopoly service obfuscates the real price of the underlying services—and allows for discrimination. For these reasons, the rates for switched access service, whether offered by contract, tariff, or some combination of the two, must stand on their own, and not be affected by the purchase of unrelated services.


March 18, 2010 Hearing Transcript, Access Charges Investigation, Docket No. RT-00000H-97-0137 and T-00000D-00-0672, Tr. 570-571.
April 6, 2010, and absent suspension, it would otherwise become effective thirty (30) days thereafter.

DATED this 22nd day of April, 2010.

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