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August 3, 1998

Ms Carole Washburn, Secretary Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive S.W. Box 47250 Olympia, WA 98504-7250

Dear Ms Washburn:

The Order Granting Petition in Docket UT-971689 required United Telephone Company of the Northwest to file with the Commission every six months a report on the status of competition in the relevant market for its intraLATA intrastate switched inter-exchange message toll service, addressing at a minimum the factors contained in RCW 80.36.330(1). The Order was issued January 28, 1998.

The purpose of this letter is to report, in compliance with that order, that there has been no significant change in the past six months in the number and size of alternative providers, in the extent to which services are available from them in the relevant market, or their ability to make functionally equivalent or substitute services readily available at competitive rates, terms and conditions. Based on the same calculations used in the original petition, United's market share in that time period has decreased from approximately 85% to approximately 65%.

Should there be any questions or concerns, please feel free to contact Glenn Harris at (541) 387-9290 or by e-mail at glenn.harris.gvtreg@igate.sprint.com.

Sincerely,

Nancy L. Judy

Spices L. Judy