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February 18, 2002

Steve Ellenbecker, Chairman
Steve Furtney, Deputy Chair
Kristin H. Lee, Commissioner
Public Service Commission of Wyoming
700 W. 21st Street
Cheyenne, Wyoming 82002

Re: Docket No. 70000-TA-00-599
(Record No. 5924)

Dear Chairman Ellenbecker, Deputy Furtney and Commissioner Lee:

I am writing to express Qwest's deep concerns about the recent recommendation of the Commission on the Qwest Performance Assurance Plan ("QPAP"), and comments attributed by the press that this Commission insists upon a plan that is "without limits."

This seven-page recommendation would impose a serious departure from governing FCC precedent and the considered judgments set forth in the comprehensive report issued last fall by John Antonuk, as well as the significant compromises that Qwest made in the ROC Post Entry Performance Plan ("PEPP") collaborative in which this Commission participated.

Qwest intends to file a petition for reconsideration of the Commission's recommendation. However, quite apart from the legal problems, I wish to express my concern regarding the Commission's apparent disregard of Qwest's good faith efforts at compromise. We began with a plan that met all the FCC's requirements and that was identical in most substantive respects to the plan that is in effect in five states that have received 271 approval. Then, over the course of one and a half years, Qwest has agreed to modifications that move this plan far beyond what previous FCC decisions have found adequate and necessary.

The Commission's recommendation is decidedly not what the FCC's "zone of reasonableness" has required for performance assurance plans submitted in connection with Section 271 applications. Qwest, like other BOCs, has agreed in its QPAP in accordance with established FCC precedent to put up to 36% of all of its net return at risk every year¹. *This equates to \$12,000,000 annually for the State of Wyoming and \$600,000,000 across Qwest's fourteen-state region.* This Commission's proposals would subject Qwest to unlimited financial

¹ Based on 1999 ARMIS report. This is the same standard that has been repeatedly approved by the FCC for other 271 applications.


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liability and undefined future modifications to its QPAP obligations which go far beyond the significant commitments previously found by the FCC to be acceptable time after time.

Unfortunately, if these proposals are not resolved quickly, they could delay the benefits Wyoming customers will enjoy from Qwest's competitive alternative to the entrenched long distance providers in this state. Just last month, AT&T raised long distance rates 16%. It's easy to see why every study, including those by major consumer organizations like TRAC, have agreed that consumers will enjoy substantial savings upon long distance re-entry by their local telephone company.

I appreciate the opportunity to explain the reasons for Qwest's concerns about the Commission's recommendation and its inability to accept this unprecedented set of proposed modifications. In light of these serious concerns, I hope that the Commission will reverse its recent recommendation.

Sincerely,



R. Steven Davis

cc: All parties of record