

[Service Date October 28, 2002]

October 28, 2002

RE: *In the Matter of the Application of Qwest Corporation Regarding the Sale and Transfer of Qwest Dex to Dex Holdings, LLC, a non-affiliate,*
Docket No. UT-021120

TO PARTIES OF RECORD:

During an October 8, 2002, prehearing conference in Docket No. UT-021120, Qwest's request for approval of sale of its directory publishing functions, Mr. Philip Roselli on behalf of Qwest made representations about meetings that were held on October 7 between representatives of Qwest and the Commissioners.

We believe that it is appropriate to provide information to the record about the meetings. We met individually on October 7, 2002, with the Qwest representatives identified in Ms. Anderl's statement at TR 61-62, as part of our responsibility to regulate knowledgeably the largest supplier of telecommunications services within the State—particularly given the well-known financial challenges that the company is facing.

The Company's financial condition was discussed, following the outline shown on the attached Qwest-prepared meeting agenda. During the meetings, Qwest representatives also acknowledged the existence of the directory sale docket. At no time, however, did the Company ever represent that there might be financial harm if the directory transaction were not completed, or that there might be harm if the transaction were not completed quickly. Neither did the Company represent that the issues in the docket were integrally tied to Qwest's financial viability or that the financing for the directory publishing sale is interrelated with refinancing, or that failure of the transaction to close would bring an emergency to the Company.

Insofar as the Commissioners are aware, given the current state of the docket (as noted by the Administrative Law Judge at TR66), the discussion did not reach any of the issues in this docket. Ms. Anderl's descriptions of the meetings are accurate, while those of Mr. Roselli (who did not attend the meetings) are not.

The Commissioners make every good faith effort to comply with the letter and the policies of the restrictions on *ex parte* contacts because we know that the integrity of the administrative process and the trust of the public as well as the parties depends on it. We also comply because we know that we are bound to do so by the rules of judicial responsibility. When such contact does occur for any reason, we make disclosure a practice. See, for example, the Notice of January 9, 2002, in Docket Nos. UE-011570, *et al.*, in which the Commission disclosed communications apparently supported by a regulated company, seeking favorable treatment on its behalf.

Although the discussions on October 7, 2002, did not address the issues in the directory sale docket, did not address any need for favorable treatment, did not address the timing of the hearing and decision, and did not constitute an *ex parte* contact subject to the provisions of RCW 34.05.452 or WAC 480-09-140, we believe that our statement furthers the trust and confidence that our processes deserve and require for us to accomplish responsibly the Commission's business established in the laws under which we operate.

Sincerely,

MARILYN SHOWALTER
Chairwoman

RICHARD HEMSTAD
Commissioner

PATRICK J. OSHIE
Commissioner

Attachment