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ATTORNEY GENERAL OF WASHINGTON

Utilities and Transportation Division

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August 27, 2004

Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P. O. Box 47250
Olympia, Washington 98504-7250

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OFFICE OF THE ATTORNEY GENERAL
OLYMPIA, WA

Re: *In the Matter of the Second Six-Month Review of Qwest Corporation's
Performance Assurance Plan*
Docket No. UT-043007

Dear Ms. Washburn:

Enclosed for filing are the original and 7 copies of the Position of Commission Staff on Proposed Settlement of Disputed Issues, and Certificate of Service.

Very truly yours,

GREGORY J. TRAUTMAN
Assistant Attorney General

GJT:kl
Enclosures
cc: Parties



BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Second Six-Month
Review of

QWEST CORPORATION'S

Performance Assurance Plan

DOCKET NO. UT-043007

POSITION OF COMMISSION
STAFF ON PROPOSED
SETTLEMENT OF DISPUTED
ISSUES

INTRODUCTION

1 On August 27, 2004, Qwest Corporation, MCI, Inc., Eschelon Telecom of
Washington, Inc., and Covad Communications Company, (collectively, the
"Stipulating Parties") filed for the Commission's consideration a proposed
Settlement of Disputed Issues ("Settlement Agreement") purportedly resolving "all
outstanding issues in this Second Six-Month Review proceeding." (Settlement
Agreement, at 1.)

2 The Staff of the Washington Utilities and Transportation Commission
("WUTC" or "Commission") has reviewed the proposed Settlement Agreement and
opposes the Settlement Agreement insofar as it proposes to eliminate PO-20 Tier 2
payments. In all other respects, Staff supports the Settlement Agreement and
requests the Commission act expeditiously to approve the Settlement Agreement
thereby ensuring that implementation deadlines set forth in the Settlement
Agreement may be met.


DISCUSSION

3 The parties to the Settlement Agreement acknowledge that the "WUTC Staff has not joined the Stipulation and has filed testimony that is in material disagreement with at least one proposed disposition in the Stipulation." *Id.* While proposing to eliminate PO-20 Tier 2 payments, the Stipulating Parties, at the same time, agree "to abide by the remainder of the Settlement" should Staff pursue the issue of Tier 2 payments independent of the Settlement Agreement. (Settlement Agreement, at 4 n.3.)

4 Given that a prehearing conference in this matter is scheduled for September 8, 2004, Staff requests that that the procedural question as to how the issue of PO-20 Tier 2 payments will be addressed be taken up at that time. Finally, Staff suggests that the appropriate Tier 2 designation for PO-20 be considered at the September 22, 2004, hearing at which the Commission will consider the Settlement Agreement.

DATED this 27th day of August, 2004.

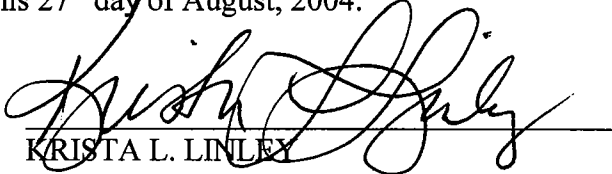
CHRISTINE O. GREGOIRE
Attorney General


GREGORY J. TRAUTMAN
Assistant Attorney General
Washington Utilities and
Transportation Commission
(360) 664-1187

Docket No. UT-043007
CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing Position of Commission Staff on Proposed Settlement of Disputed Issues upon the persons and entities listed on the Service List as shown on said Service List, with first class postage prepaid.

DATED at Olympia, Washington this 27th day of August, 2004.


KRISTA L. LINLEY

Via U.S. Mail and E-Mail

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