

Qwest

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*Via E-Mail and
Hand Delivery*

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

Re: Docket No. A-021178 - Financial Reporting Rulemaking
Qwest Corporation's Supplemental Comments

Dear Ms. Washburn:

By this letter, Qwest seeks to supplement its comments filed with the Commission on July 16, 2004.

Without waiver of its strenuous objections to the adoption of a securities issuance reporting rule (proposed WAC 480-120-365) that has the effect of expanding the Commission's jurisdiction, Qwest provides the following alternative language for the Commission's consideration.

In an attempt to bridge the gap between the Commission's desire for early notice of utility securities transactions and Qwest's concerns about the practical and financial impact of early notification, Qwest suggests that the following re-write may serve both sets of interests.

WAC 480-120-365 Issuing securities. (1) Before a telecommunications company subject to the provisions of chapter 80.08 RCW issues stocks, stock certificates, other evidence of interest or ownership, bonds, notes, or other evidences of indebtedness, or assumes any obligation or liability as guarantor, and no later than the business day on which the company publicly announces the proposed issuance, the company must file with the commission:

(a) A description of the purposes for which the issuance will be made, including a certification by an officer authorized to do so, that the

proceeds from any such financing is for one or more of the purposes allowed by RCW 80.08.030;

(b) A description of the proposed issuance, including the estimated terms of financing, to the extent publicly announced; and

(c) A statement as to why the transaction is in the public interest.

(2) A commission order is not required for such a filing. The company may request a written order affirming that the company has complied with the requirements of RCW 80.08.040. The company must submit the request for a commission order, along with the information required in subsection (1) of this section, at least fifteen business days before the requested effective date for the order.

(3) Filing a Registration Statement with the Securities and Exchange Commission using a shelf registration process does not constitute issuance of a security, and therefore a filing with the commission is not required under the provisions of RCW 80.08.040. A shelf registration filing is defined under the General Rules and Regulations promulgated under the Securities Act of 1933, Rule 415 - Delayed or Continuous Offering and Sale of Securities.

(4) An authorized representative must sign and date the filing and include a certification or declaration that the information is true and correct under penalty of perjury as set forth in RCW 9A.72. The certificate or declaration must be in substantially the following form:

“I certify (or declare) under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.”

(5) Within sixty days after the issuance of any securities, except for dividend reinvestment and employee benefit plans, a company must file with the commission a verified statement:

(a) Outlining the final terms and conditions of the transaction; and

(b) Setting forth actual proceeds from the issuance and the disposition of proceeds stating the final amount to be used for each purpose allowed by RCW 80.08.030.

Qwest would be pleased to discuss this proposed language further.

Sincerely,

Ms. Carole J. Washburn
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Transportation Commission
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