



Rob McKenna

ATTORNEY GENERAL OF WASHINGTON

800 Fifth Avenue #2000 • Seattle WA 98104-3188

August 15, 2008

VIA E-MAIL & FIRST CLASS MAIL

Mr. David Danner
Executive Director and Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Pk. Dr. S.W.
PO Box 47250
Olympia, WA 98504-7250

Re: In the Matter of the Application of QWEST CORPORATION Regarding the Sale and Transfer of Property, Docket No. UT-081501

Dear Mr. Danner:

On August 13, 2008, Qwest refiled its application regarding the transfer and sale of 1600 7th Avenue office building. In its application, Qwest states "Qwest understands that Commission Staff ("Staff"), Public Counsel, and the U.S. Department of Defense and all other Federal Executive Agencies ("DoD/FEA"), would advocate for some sharing of the proceeds of the sale. After extensive discussions with those parties, Qwest is willing to agree to certain additional terms that should establish that the transaction is in the public interest." (Application at ¶10) Qwest further states that "Qwest proposes to do so through investment in fiber-to-the-node ("FTTN") deployments to facilitate higher speed internet capability (12 and 20 mbps) in select communities, and additional high speed internet deployment in very rural communities over the next three years, as set forth in Attachment C" (Application at ¶12) and to provide \$200,000 to Community Voice Mail (CVM) program. Public Counsel believes that the proposed sharing of the gain on sale, as shown by the projects contained in Attachment C and the support for CVM, establishes that the transaction is in the public interest and should be approved.

Public Counsel's support for the proposal is based upon the negotiated agreement reached between Public Counsel, Commission Staff, Qwest, and DoD/FEA and reflected in the petition, in particular, Appendix C. Public Counsel's support for approval does not constitute agreement to as

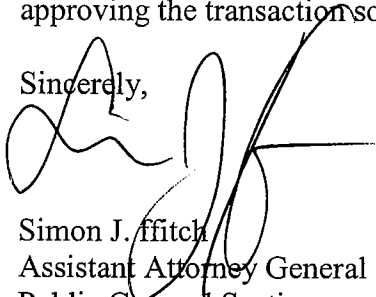


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to any specific methodology for valuation or calculation of gain on sale. Approval of the petition should not be construed to establish precedent for any particular methodology for valuation of assets or calculation of gain on sale, and Public Counsel respectfully requests that the order approving the transaction so state.

Sincerely,

A handwritten signature in black ink, appearing to read "Simon J. Fitch", written over a horizontal line. The signature is stylized and cursive.

Simon J. Fitch
Assistant Attorney General
Public Counsel Section
(206) 389-2055

SJf:kez

cc: Lisa A. Anderl
Mark Vasconi
Jonathan Thompson