BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of

OWEST CORPORATION

for an Alternative Form of Regulation Pursuant to RCW 80.36.135.

DOCKET NO. UT-061625

COMMISSION STAFF'S REPLY TO QWEST'S RESPONSES TO BENCH REQUEST 9

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Staff supports Qwest's position that the terms of an AFOR entered into pursuant to RCW 80.36.135 would be binding regardless of the outcome of Qwest's Petition for Forbearance in the Seattle MSA. Qwest's forbearance petition has not been granted, and as stated in Staff witness Saunders' testimony, the parties retain any and all rights to request or contest any such forbearance in an appropriate separate proceeding. Even if the company's petition for forbearance were granted, all of the provisions of the AFOR would remain in place and binding, including the prohibition on deaveraging, the rate cap, the preservation of certain public interest services in tariff, and the requirement that competitive prices cover cost.

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Staff further concurs that the AFOR proposed by the settling parties, if approved, would not diminish the Commission's authority to regulate the company's carrier-to-carrier service quality and wholesale obligations. As stated in the joint narrative, Qwest and Staff believe that the plan preserves competition by maintaining the status quo for all of the market-opening and wholesale provisions under the Telecommunications Act of 1996.

Respectfully submitted,

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ØREGORY J. TRA

Assistant Attorney General

Counsel for Washington Utilities and Transportation Commission Staff