

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: QWEST CORPORATION	DOCKET NO. TF-08-180
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ORDER SUSPENDING TARIFF

(Issued November 25, 2008)

On October 31, 2008, Qwest Corporation (Qwest) filed with the Utilities Board (Board) revisions to its Iowa Tariff No. 4 for intrastate access service. Qwest states the revisions are meant to ensure accurate jurisdictional reporting of intrastate and interstate service and establish a Percent Interstate Usage (PIU) floor for unidentified Feature Group D (FGD) terminating traffic. Qwest states that when sufficient call detail is received to identify the proper jurisdiction of terminating FGD traffic, Qwest will continue to charge at the appropriate jurisdictional rate. However, when there is terminating FGD traffic that does not contain sufficient call detail to identify the proper jurisdiction, the first 7 percent of unidentified terminating traffic would be jurisdictionally assigned based on the carrier's PIU report (or if the carrier has not filed a PIU report, a PIU of 50 percent interstate and 50 percent intrastate would be assigned), and unidentified terminating traffic in excess of the 7 percent floor would be designated intrastate traffic and charged at Qwest's current intrastate rates.

On November 14, 2008, AT&T Communications of the Midwest, Inc., and TCG Omaha (collectively "AT&T") and MCI Communications Services, Inc., d/b/a Verizon Business Services (Verizon), filed separate resistances to Qwest's access tariff

revisions. AT&T states that while it does not dispute the necessity of Qwest's proposed 7 percent floor, it has concerns that several access customer protections are missing from the proposed tariff revisions. First, AT&T states that Qwest's proposed revisions lack a mechanism through which access customers may challenge the application of incorrect intrastate rates above the 7 percent floor. AT&T asserts that without that mechanism, Qwest could assess its access customers a much higher intrastate access rate than is appropriate.

AT&T also states that the proposed revision lacks a definition of "sufficient call detail." AT&T states that defining what constitutes "sufficient" or "insufficient" call detail is important to accomplish the goal of reducing reporting abuses and putting all industry members at competitive parity.

Verizon states that Qwest's proposed revisions would allow Qwest to ignore interexchange carrier (IXC) PIU reports and arbitrarily apply intrastate access rates to traffic that is interstate in nature. Verizon states that like most local exchange carriers (LECs), Qwest requires IXCs to file PIU reports when ordering switched access service. Verizon also states that the Federal Communications Commission recognizes the need for PIUs when LECs are unable to identify the jurisdictional nature of certain traffic and has established a means by which LECs can audit reported PIUs. Verizon asserts that Qwest's proposed revision ignores this industry practice by disregarding an IXC's auditable PIU when more than 7 percent of the IXC's traffic lacks sufficient call detail. Verizon states that Qwest's proposed revision would apply the higher intrastate access rates to all unidentified traffic that exceeds the 7 percent threshold.

Verizon also asserts that Qwest's proposed revision is arbitrary and unreasonable. Verizon argues that if the proposed revision takes effect, the result would be that certain interstate traffic would be treated as intrastate and that Qwest already has the means to address the problem.

The Board has reviewed Qwest's proposed tariff and the resistances filed by AT&T and Verizon and finds that it is appropriate to suspend the proposed tariff and initiate an informal complaint proceeding pursuant to 199 IAC 22.14(5)"b"(2). It appears from their resistances that AT&T and Verizon may be satisfied with Qwest's proposed access tariff revisions if Qwest amends the filing to include additional language that addresses AT&T's and Verizon's concerns. Therefore, the Board will initially suspend the proposed tariff and allow Qwest, AT&T, and Verizon the opportunity to resolve the tariff issues informally if possible.

The Board will allow the parties until February 23, 2009, to attempt to reach a resolution in this matter. Should the parties be unable to resolve their differences by that time, the Board will docket the tariff for formal complaint proceedings pursuant to 199 IAC 22.14(5)"b"(3) and establish a procedural schedule without further action by the parties.

Finally, the Board notes that its electronic filing system is scheduled to be activated while this matter is pending. The Board intends that dockets that start in the existing paper system will continue to be processed on paper and typically will not be entered into the electronic filing system. Should the parties be unable to resolve their differences by February 23, 2009, it may be desirable to shift this docket to the electronic filing system. In order to preserve that option, the Board will direct the

parties to file electronic copies of all filings, on CD or DVD, in a format complying with the rules the Board is adopting to implement the electronic filing system at the same time as they make their paper filings. In this way, if the Board orders that this docket should be shifted to the new system, the entire record will be available on the new system.

IT IS THEREFORE ORDERED:

1. The proposed tariff revision filed by Qwest Corporation on October 31, 2008, identified as TF-08-180, is suspended as described in this order.
2. The Board will docket the proposed tariff revision filed by Qwest Corporation on October 31, 2008, identified as TF-08-180, for formal proceedings if a settlement has not been reached by February 23, 2009, as described in this order.
3. The parties are directed to submit all filings both on paper and in electronic format, as described in the body of this order.

UTILITIES BOARD

/s/ John R. Norris

/s/ Krista K. Tanner

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Darrell Hanson

Dated at Des Moines, Iowa, this 25th day of November, 2008.