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Meraj Abdul-Qadir, CP
Interrogatory Manager

September 24, 2009

Via Overnight Delivery

Darlene Standley, Chief
Utilities Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Qwest Communications Company, LLC's Responses to Tennessee Regulatory Authority's First Set of Data Requests: Docket to Study Merits of Rural Affordability Fund, Docket No. 09-00096.

Dear Ms. Standley:

Enclosed is one copy of Qwest Communications Company, LLC's response to the Tennessee Regulatory Authority's first set of data requests regarding the above-referenced docket.

If you have any questions regarding the enclosed, please call me at 303.383.6589.

Sincerely,

Meraj Abdul-Qadir
Interrogatory Manager

/mfa

Enclosures

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Tennessee
Docket No. 09-00096
TRA 1-001

INTERVENOR: Tennessee Regulatory Authority

REQUEST NO: 001

Please discuss in detail the financial impact of reducing your company's access rates to the interstate level as proposed in the legislation.

RESPONSE:

Qwest Communications Company, LLC (a certified CLEC) does not offer switched access service in the State of Tennessee and, therefore, would not be impacted by a reduction in switched access rates at this time.

Tennessee
Docket No. 09-00096
TRA 1-002

INTERVENOR: Tennessee Regulatory Authority

REQUEST NO: 002

Please discuss the merits of the TRAF as proposed and any changes/modifications that you believe would be necessary in establishing this fund.

RESPONSE:

Qwest has no comment on this issue.

Tennessee
Docket No. 09-00096
TRA 1-003

INTERVENOR: Tennessee Regulatory Authority

REQUEST NO: 003

What should be the determining factors and criteria in determining whether to establish a TRAF?

RESPONSE:

Qwest has no comment on this issue.

Tennessee
Docket No. 09-00096
TRA 1-004

INTERVENOR: Tennessee Regulatory Authority

REQUEST NO: 004

Please discuss whether prices and service offerings should be comparable between all rural and urban areas, and how this determination should be made.

RESPONSE:

Qwest has no comment on this issue.

Tennessee
Docket No. 09-00096
TRA 1-005

INTERVENOR: Tennessee Regulatory Authority

REQUEST NO: 005

Should the earnings of incumbent local exchange companies (ILECs) operating under rate-of-return regulation be examined prior to receiving TRAF funds?

RESPONSE:

Yes. ILECs operating under rate of return regulation have an obligation to demonstrate that the TRAF funds are required to maintain their authorized rate of return. Companies under rate of return regulation cannot use this means of regulation to guarantee that their rate of return never drops below a range of reasonableness from the authorized level, but ignore the rate of return when it may be above the reasonable range of the authorized return. Secondly, the funding is provided by consumers of telephone services across the state, who should not be forced to provide their surcharge revenue to support earnings for rate of return ILECs that exceeds the range of reasonableness above a company's authorized return.

Respondent: Peter Copeland

Tennessee
Docket No. 09-00096
TRA 1-006

INTERVENOR: Tennessee Regulatory Authority

REQUEST NO: 006

Should the TRAF target funds for expanding a recipient company's broadband deployment?

RESPONSE:

Qwest has no comment on this issue.

Tennessee
Docket No. 09-00096
TRA 1-007

INTERVENOR: Tennessee Regulatory Authority

REQUEST NO: 007

Should the TRAF be expanded to replace other sources of implicit funding used to support universal service?

RESPONSE:

Qwest has no comment on this issue.

Tennessee
Docket No. 09-00096
TRA 1-008

INTERVENOR: Tennessee Regulatory Authority

REQUEST NO: 008

Should TRAF disbursements be portable to Eligible Telecommunications Carriers ("ETCs") for customers they serve in these rural areas?

RESPONSE:

Qwest has no comment on this issue.

Tennessee
Docket No. 09-00096
TRA 1-009

INTERVENOR: Tennessee Regulatory Authority

REQUEST NO: 009

Should the TRA establish a state-wide local residential benchmark rate for universal service and determine necessary universal funding based upon the benchmark, i.e., a company could draw money out of a universal fund if its rates are below the benchmark?

RESPONSE:

Qwest has no comment on this issue.

Tennessee
Docket No. 09-00096
TRA 1-010

INTERVENOR: Tennessee Regulatory Authority

REQUEST NO: 010

Please provide your thoughts/suggestions on whether there should be a phase out or reduction in the amount of TRAF funding once carriers elect Market Regulation.

RESPONSE:

Qwest has no comment on this issue.

Tennessee
Docket No. 09-00096
TRA 1-011

INTERVENOR: Tennessee Regulatory Authority

REQUEST NO: 011

What factors and procedures should be considered in determining the per line support amount for rural carriers?

RESPONSE:

Qwest has no comment on this issue.

Tennessee
Docket No. 09-00096
TRA 1-012

INTERVENOR: Tennessee Regulatory Authority

REQUEST NO: 012

Which companies should contribute to the TRAF, and state why or why not?

RESPONSE:

Qwest has no comment on this issue.

Tennessee
Docket No. 09-00096
TRA 1-013

INTERVENOR: Tennessee Regulatory Authority

REQUEST NO: 013

What method should be used to determine the TRAF contribution per company?

RESPONSE:

Qwest has no comment on this issue.

Tennessee
Docket No. 09-00096
TRA 1-014

INTERVENOR: Tennessee Regulatory Authority

REQUEST NO: 014

If intrastate access rates are reduced in Tennessee, should language be incorporated into the proposed legislation to ensure that companies subscribing to intrastate access do not receive windfall profits, but rather return the access savings to their customers?

RESPONSE:

Tennessee does not need to mandate lower retail long distance rates from IXC's if the intrastate switched access rates of the LECs are lowered. Retail long distance plans are highly competitive and are set at market based rates. Intrastate services work in conjunction with interstate services, and Qwest Communications Company, LLC (QCC) does not offer a stand alone intrastate long distance service plan in any of the 50 states. Since IXC rates are highly competitive, regulation of these rates through mandated flow through is not appropriate.

Long distance pricing decision involve a variety of factors. It is practically impossible to specifically tie switched access rate reductions to rate changes because QCC's cost and pricing pressures vary across the country, because of regulatory arbitrage and phantom traffic, and competitive pressures - among a myriad of other factors. Tennessee customers today are the beneficiaries of switched access decreases in other states and of other factors in the highly competitive long distance markets. QCC sees no reason why competitive and cost pressures will not continue to drive long distance prices downward.

Respondent: Peter Copeland