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August 17, 2009

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VIA E-FILING

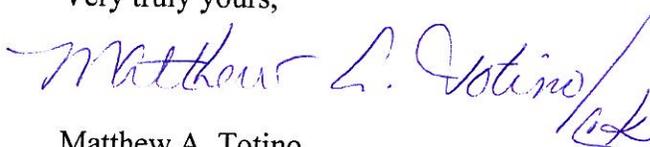
James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: Investigation Regarding Intrastate Access Charges and IntraLATA
Toll Rates of Rural Carriers and the Pennsylvania Universal
Service Fund, Docket No. I-00040105; AT&T Communications
of Pennsylvania, LLC, Complainant v. Armstrong Telephone
Company – Pennsylvania, et al. Respondents, Docket No.
C-2009-2098380, et al.

Dear Secretary McNulty:

Enclosed please a copy of a Qwest Communications Company Prehearing
Conference Memorandum in the above-captioned consolidated proceeding. Copies have
been served in accordance with the attached Certificate of Service.

Very truly yours,


Matthew A. Totino

Enclosures
JFP:ck

c: Certificate of Service
The Honorable Kandace F. Melillo
Barbara Brohl, Esquire

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation Regarding Intrastate Access	:	
Charges and IntraLATA Toll Rates of	:	Docket No. I-00040105
Rural Carriers and The Pennsylvania	:	
Universal Service Fund	:	
AT&T Communications of	:	
Pennsylvania, LLC	:	
Complainant	:	
	:	
v.	:	Docket No. C-2009-2098380, et al.
	:	
Armstrong Telephone Company -	:	
Pennsylvania, et al.	:	
Respondents	:	

**PREHEARING CONFERENCE MEMORANDUM OF QWEST
COMMUNICATIONS COMPANY, LLC**

To The Honorable Kandace F. Melillo:

Pursuant to the Prehearing Order issued in the above matter, Qwest Communications Company (“QCC”), LLC submits this Prehearing Conference Memorandum for purposes of the Prehearing Conference scheduled for Wednesday, August 19, 2009, at 10:00 a.m. in Hearing Room #4, Plaza Level, Commonwealth Keystone Building, 400 North Street, Harrisburg, PA 17120.

I. Name and Address of Complainant’s Attorneys:

John F. Povilaitis
Matthew A. Totino
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Pursuant to 52 Pa. Code § 1.55, please note that John F. Povilaitis, Esquire is authorized to accept service on behalf of QCC in this matter and should be entered on the Pennsylvania Public Utility Commission's ("Commission") official part of record service list. As a matter of courtesy, the undersigned requests that both Mr. Povilaitis and Mr. Totino for QCC be included on the e-mail distribution list.

II. Procedural Background

By order entered on August 5, 2009, the Commission lifted the stay of its investigation into whether there should be further intrastate access charge reductions in the service territories of the rural incumbent local exchange carriers ("RLECs"). The investigation originally was initiated by the Commission in December of 2004, but subsequently was stayed by the Commission three times, pending action by the Federal Communications Commission ("FCC"). Qwest intervened and was a party in the proceeding.

By that same order and by order entered on July 29, 2009 at Docket Nos. C-2009-2098380, et al., the Commission consolidated the investigation at Docket No. I-00040105 with the 96 complaints filed at Docket Nos. C-2009-2098380, et al., *In Re; AT&T Communications of Pennsylvania, LLC, et al v. Armstrong Telephone Company – Pennsylvania, et al.* ("AT&T Complaint"). The complaints alleged that each RLEC's intrastate access charges were not just and reasonable, in violation of Sections 1301 and 3011 of the Public Utility Code.

III. Statement of Issues

The primary issues QCC intends to address in this proceeding are: (i) whether the intrastate access charges of the RLECs should be reduced and (ii) if they should be reduced, by what amount (i.e., to what levels) and in what manner (including issues relating to revenue neutrality) the reductions should occur.

In addition, ordering paragraph number 5 of the August 5, 2009 order also requests that parties address the linkage of any reductions in the rural intrastate access charges to local basic rates, the Pennsylvania Universal Service Fund ("USF"), and any action in the FCC's Unified Intercarrier Compensation proceeding.¹ QCC submits that ordering paragraph number 5 should not be construed as permitting a re-litigation of the USF-related issues that were addressed in the July 23, 2009 Recommended Decision of the Honorable Susan D. Colwell, currently pending before the Commission.² This is evident with the language in ordering paragraph 4, which specifies that the USF and USF-related issues adjudicated by ALJ Colwell in that proceeding "shall not be re-litigated" absent extraordinary circumstances. Rather, ordering paragraph numbers 4 and 5 permit limit the scope of this proceeding to include USF-related issues only to the extent they relate to reductions in intrastate RLEC access rates.

The issues addressed in the Colwell R.D. that are separate from the scope of this reopened investigation included defining the specific form of the Pennsylvania USF and its uses relative to non-access charge-related issues, both of were proposed by Judge Colwell to be addressed in a rulemaking. This exclusion was re-enforced in the

¹ The FCC's Unified Intercarrier Compensation proceeding has languished since 2001 and is unlikely to produce a final decision any time soon.

² With its April 24, 2008 order, the Commission directed a limited reopening of the investigation into intrastate access rates of the RLECs for the limited purpose of addressing USF-related issues.

Commission's August 5, 2009 order, which specified that PAUSF "shall continue under the existing regulations codified at 52 Pa. Code §§ 63.161 – 63.171 until such time as new regulations are promulgated eliminating or modifying the Fund." Thus, the Commission has spoken that the issue of whether the current form of the USF should be modified or eliminated is to be addressed in a rulemaking.

In QCC's view, the issues before the ALJ in this consolidated complaint/investigation proceeding are as follows:

1. The merits of the AT&T Complaint on whether the intrastate access charges of Pennsylvania's rural local exchange companies ("RLECs") should be reduced, and by how much.
2. The investigation of the proper level of RLEC access charges.
3. The impact of reducing RLEC intrastate access charges on the Pennsylvania USF and local RLEC rates.

Under ordering paragraph 4 of the August 5, 2009 order, participating parties such as QCC are guaranteed a "due process opportunity" to supplement the evidentiary record in this proceeding on the intrastate access rate reduction issue. Therefore, QCC has a right to file testimony in this proceeding addressing the aforementioned issues.

IV. Proposed Witnesses

At this time, QCC's witness is William Easton, Qwest Communications Company, Director – Wholesale Advocacy. Mr. Easton is unavailable for hearings from mid-March through mid-April, 2010.

V. Proposed Schedule

QCC proposes the following litigation schedule, which is also being proposed by Verizon, AT&T, and Sprint:

Rebuttal of RLECs/OCA/OTS and Direct of new parties (if any):	September 18, 2009
Reply to new Direct:	October 19, 2009
Surrebuttal:	November 9, 2009
Rejoinder Outline Due:	November 23, 2009
Hearings:	December 7-11, 2009
Main Briefs:	January 7, 2010
Reply Briefs:	January 28, 2010

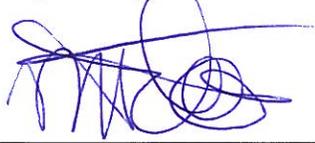
QCC submits that this schedule is eminently reasonable and provides the parties with a meaningful opportunity to be heard on the issues in this case, especially in light of the fact that the bulk of the direct testimony to reduce access charges already has been submitted via the complaint portion of the proceeding and the evidence that the RLECs will be providing in response is the same or very similar to the evidence that they most likely will be submitting in an attempt to meet their burden of proof in the investigation portion of the proceeding.

VI. Settlement

Qwest is willing to participate in any settlement or stipulation discussions with the other parties in the proceeding to narrow or eliminate issues in this proceeding.

Dated: August 17, 2009

Respectfully submitted,

A handwritten signature in blue ink, appearing to be "John F. Povilaitis", written over a horizontal line.

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PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Charges and IntraLATA Toll Rates of Rural	:	Docket No. I-00040105
Carriers and the Pennsylvania Universal	:	
Service Fund	:	
AT&T Communications of	:	
Pennsylvania, LLC	:	
Complainant	:	
v.	:	Docket No. C-2009-2098380 et al.
Armstrong Telephone Company –	:	
Pennsylvania, et al.	:	
Respondents	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing document(s) in accordance with the requirements of 52 Pa. Code § 1.54 et seq. (relating to service by a participant).

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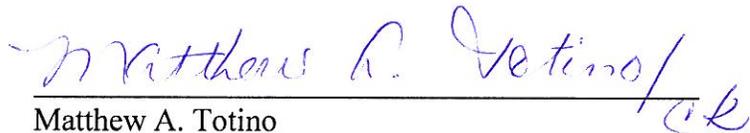
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