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July 9, 2001

Via Hand Delivery

Jessica Elliott
Wayne Knight
Florida Public Service Commission
Legal Services
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED FPSC
JUL - 9 PM 3:50
COMMISSION
CLERK

Re: Docket Nos. 000778, 010198, 010204
(Corrected) Offer of Settlement

Dear Ms. Elliott and Mr. Knight:

The purpose of this letter is to report Qwest Communications, Inc.'s ("Qwest") review of certain matters underlying the Staff's request that dockets be opened for the purpose of considering the initiation of show cause proceedings against Qwest and LCI International Telecom Corp. for alleged violations of Rule 25-22.032(5)(a) F.A.C., and to propose a means of settling certain issues associated with the opening of the dockets. The offer of settlement contained herein is based on additional information gained following the submission of my letter of May 27, 2001, and supersedes that letter in its entirety.

Docket No. 010204 was opened to consider the initiation of show cause proceedings against Qwest for apparent violations of Rule 25-22.032(5)(a) F.A.C.(responses to Staff inquiries). Docket No. 010198 was opened to consider the initiation of show cause proceedings against LCI International Telecom Corp., an affiliate of Qwest, for apparent violations of the same rule. Docket No. 000778 was opened to consider the initiation of show cause proceedings against Qwest for apparent violations of Rules 25-4.118 F.A.C. (unauthorized transfers) and 25-22.032(5)(a) F.A.C. In this letter, Qwest will address only the aspects of Docket No. 000778 that relate to Rule 25-22.032(5)(a) F.A.C.

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At our request, Staff provided Qwest with a list of the matters which led Staff to pursue the possibility of show cause proceedings. Representatives of Qwest met with Staff on March 8, 2001 to communicate our initial findings and to seek additional clarification of Staff's concerns.

Subsequent to the meeting, based on further evaluations Staff removed certain matters from the allegations that are the subject of these proceedings. Based on its further review, on behalf of LCI and Qwest, Qwest acknowledges that the twenty-three remaining responses were submitted untimely.

Qwest wishes to stress that the untimely responses were not, by any means, a result of any willful disregard for the Commission's authority or requirements. In his letter to Mr. Moses on this subject dated March 16, 2001, Mr. Peter Kirchhof of Qwest explained that the time, manpower, and energy needed to implement the merger between Qwest and U.S. West strained the resources of Qwest for a period of time. Unfortunately, the demands of that activity were manifested in the form of some untimely responses. As Mr. Kirchhof emphasized in his letter, that experience is now behind Qwest. Further, Qwest recently has taken steps designed to ensure that Qwest (and its affiliates) consistently respond to Staff's needs in a timely fashion. The improvements include the implementation of a process which permits Qwest to receive complaints electronically. This process automatically dispenses an electronic confirmation to the Commission that a complaint was received, including the date and time received as well as the name of the manager who is responsible for answering the complaint. Additionally, Qwest has assigned to a specific individual—Dale Jarell—the responsibility of responding to all complaints received from the Florida Public Service Commission. Qwest believes that dedicating a specific individual to this role will further improve the effectiveness of communication between Qwest and the Commission.

There are indications that these improvements are already taking effect. Qwest's records reflect that all inquiries received by Qwest from the Staff during March, April and May 2001 were answered on or before the due date. In addition, Qwest has confirmed that responses to all of the matters that are the subjects of the dockets have been submitted to Staff.

Qwest reiterates that it is committed to communicating with Staff effectively and timely. Qwest does not concede that it has committed the type of willful violation that would warrant the imposition of a penalty under governing statutes. That being said, Qwest acknowledges that, while the untimely responses were not willful or intentional in nature, Qwest's performance regarding the timeliness of responses suffered during the period in question. To settle the matter, Qwest offers to pay the amount of \$34,500 to the General Revenue Fund. This offer is made for the purposes of settlement only, and is contingent upon acceptance of the offer of settlement by the Commission as the full resolution of all issues related to the timeliness of the responses of Qwest and LCI to Staff inquiries pending in Docket Nos. 000778, 010204, and 010198, as those issues relate to Rule 25-22.032(5)(a) F.A.C. Qwest and LCI waive any objection to the administrative cancellation of the IXC and ALEC certificates pursuant to which the activities that are the subjects of these dockets

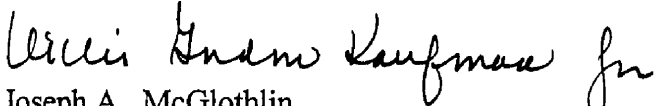
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took place in the event this offer of settlement is accepted and Qwest thereafter fails to remit the \$34,500 payment.

Contemporaneously with this offer of settlement, Qwest is submitting an offer to settle the aspects of Docket 000778 that relate to alleged violations of Rule 25-4.118, Florida Administrative Code. Qwest regards the two offers as separate and distinct. In other words, this offer is not dependent on the Commission's decision with respect to the offer regarding Rule 25-4.118 F.A.C.

Please contact me if you need further information.

Yours truly,


Joseph A. McGlothlin

JAM/mls

cc: Blanca Bayo
Rick Moses
Melinda Watts
Kristen Craig
Peter Kirchof
Mark Pitchford
Kathy Ford