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COMMONWEALTH OF KENTUCKY

APR 30 2007

BEFORE THE PUBLIC SERVICE COMMISSION

**PUBLIC SERVICE
COMMISSION**

In the Matter of:

PETITION OF COMPSOUTH)
PURSUANT TO KRS 278.512 FOR AN)
EXEMPTION FOR COMPETING LOCAL) CASE NO. 2007-00084
EXCHANGE CARRIERS AND INTER-)
EXCHANGE CARRIERS FROM THE)
REQUIREMENTS OF 807 KAR 5:006(3))

COMMENTS OF QWEST COMMUNICATIONS

Qwest Communications Corporation (“Qwest”), by its undersigned counsel, hereby files its comments in response to the Commission’s March 28, 2007 Order establishing this proceeding to consider the petition filed by Competitive Carriers of the South, Inc. (“CompSouth”) for an exemption from the annual report filing requirement of 807 KAR 5:006(3) for non-dominant telecommunications providers, including competing local exchange carriers (“CLECs”) and interexchange carriers (“IXCs”). As discussed below, Qwest supports CompSouth’s petition (the “Petition”) and asks that it be fully granted.

Qwest is authorized to provide competitive interexchange and local services in Kentucky and has provided tariffed services in Kentucky since 1995. During the past twelve years Qwest has had the opportunity to observe firsthand the many regulatory changes described in CompSouth’s Petition. For example, when Qwest entered the Kentucky market in 1994 (as Southern Pacific Telecommunications Company) the company was required to file a formal application and prove its financial, managerial and

technical ability to provide service. Two years later, in its June 21, 1996 Order in Administrative Case 359,¹ the Commission determined pursuant to KRS 278.512 and 278.514 to relax various market entry and exit requirements on interexchange carriers. A registration requirement was substituted for the formal application process. Numerous carriers have been able to offer service in Kentucky pursuant to the streamlined requirements. Later, in Administrative Case No. 370,² streamlined form of regulation was extended to applications by CLECs.

This reduced form of regulation for non-incumbent providers has served the public interest; and the reporting exemption requested by CompSouth will further serve that interest by conserving resources for both the Commission and non-dominant telecommunications carriers operating in Kentucky. Reporting requirements are part of a carrier's cost to provide service. Because these reports no longer serve a meaningful regulatory purpose, eliminating them could benefit carriers and their customers. This is especially true since the largest carriers in the state have already been relieved of the filing requirement and are already avoiding the costs associated with annual reporting to the Commission.

Qwest believes granting the relief sought by CompSouth would certainly be consistent with "the expansive regulatory exemptions granted by the General Assembly even to incumbent local exchange carriers." Petition at 2. Qwest also agrees that the Petition satisfies each factor under KRS 278.512 by which the Commission is authorized

¹ *Exemptions for Interexchange Carriers, Long-Distance Resellers, Operator Service Providers and Customer-Owned, Coin-Operated Telephones*, PSC Admin. Case No. 359 (June 21, 1996).

² *Exemptions for Providers of Local Exchange Service Other Than Incumbent Local Exchange Carriers*, PSC Admin. Case No. 370 (Jan. 8, 1998).

to exempt telecommunications providers from regulation. But the most obvious reason to grant CompSouth's petition is the result of the General Assembly's action to relieve large incumbent providers from the obligation to file annual reports. As CompSouth explains, the three largest telecommunications providers in Kentucky have stopped filing annual reports. Insofar as filings by non-dominant carriers ever provided meaningful information which the Commission could use in fulfilling its responsibilities, the end of universal reporting requirements significantly reduces the value of annual reporting by the remaining carriers who, collectively, have a far smaller share of the statewide market than the large incumbents who are no longer required to file reports. Under those circumstances, the public interest is served by removing non-dominant carriers' current obligation to file such reports as well.

For the foregoing reasons, Qwest respectfully requests that the Commission grant the Petition, and that Qwest and all other non-dominant providers operating within the Commonwealth be exempted from the annual filing requirements of 807 KAR 5:006(3).

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served upon the following, this 30th day of April, 2007.

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