Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Qwest Corporation Petition For	)	WC Docket No. 04-223
Forbearance Pursuant To	)	
47 U.S.C. § 160(c)	)	

MOTION TO SUBSTITUTE COMMENTS

On August 10, 2004, the Iowa Utilities Board filed comments in this docket. Unfortunately, in the process of making the electronic filing, the wrong file was submitted; an early draft of the comments was filed instead of the final version. The Board moves the Commission to permit substitution of the attached files, consisting of the final version of the Board comments. The two attachments filed on August 10, 2004, were correct and remain unchanged.

Respectfully submitted,

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David Lynch
General Counsel

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COMMENTS OF THE
IOWA UTILITIES BOARD

Comes Now the Iowa Utilities Board (Iowa or Board) and, pursuant to the pleading cycle established by the Federal Communications Commission (FCC or Commission) on June 25, 2004, offers the following comments in this matter.

On June 21, 2004, Qwest Corporation filed a petition pursuant to 47 U.S.C. § 160 (2002) asking that the Commission forbear from applying the requirements of 47 U.S.C. §§ 251(c) and 271(c)(2)(B)(I-vi) to Qwest's provision of telecommunications services in the Omaha, Nebraska, Metropolitan Statistical Area (MSA). In support of its petition, Qwest asserts that it has lost its market power and dominant status in the Omaha MSA due to competition from facilities-based wireline carriers, intermodal competitors such as cable television providers, and commercial mobile radio service providers. As a result, Qwest argues it should be relieved of the specified regulatory requirements.

The Omaha MSA includes Pottawattamie County in Iowa, which includes (among other communities) the City of Council Bluffs, with a population in excess of 54,000. As such, the Board has an unique interest in Qwest's proposal. However, on May 7, 2004, the Board commenced its own proceeding to consider telecommunications deregulation in the various Iowa local exchanges, including

the Council Bluffs exchange, in Re: Deregulation Of Local Exchange Services In Competitive Markets, Docket No. INU-04-1, "Order Initiating Notice And Comment Proceeding." (A copy of the order is attached to these comments as Attachment A.) In that proceeding, the Board has proposed the deregulation of business and residential retail local exchange service in the Council Bluffs market where it appears that the incumbent provider (Qwest) faces significant competition from at least one provider that uses its own network. As a result, market forces may be sufficient to assure just and reasonable rates without regulation and may demonstrate the presence of effective competition.

The Iowa proceeding was commenced, in part, on the basis of a local exchange competition survey report published by the Board on February 26, 2004. (A copy of the survey report is attached to these comments as Attachment B.) The survey data show that despite the large number of local exchange service providers in Iowa, competitive local exchange service is not universally available. Statewide the incumbents serve 92 percent of the residential customers and 77 percent of the business customers. Qwest, the largest incumbent carrier in the state, continues to serve almost 90 percent of the residential lines and over 70 percent of the business lines in its service territory. In Council Bluffs, however, two of the competitors together serve between 25 percent and 30 percent of the residential market and between 20 percent and 25 percent of the business market. One of the two competitors, Cox Communications, serves a significant part of the market using its own cable network, while another competitor, McLeodUSA Telecommunications Services,

uses Unbundled Network Elements-Platform (UNE-P) and resale. In addition, 13 other Competitive Local Exchange Carriers (CLECs) also provide service to the Council Bluffs market. However, their individual market shares are much smaller and many of these CLECs appear to have targeted specific niche markets.

Because of this ongoing proceeding, Iowa cannot comment on the merits of Qwest's petition at this time. However, final action in Docket No. INU-04-1 is expected to occur before the end of the calendar year; the Board will file updated comments, including a copy of any final decision issued in the Iowa proceeding, shortly thereafter.

Conclusion

The Iowa Utilities Board appreciates the opportunity to comment upon the petition for forbearance filed by Qwest Corporation on June 21, 2004. Iowa will submit further comments when and as appropriate.

Respectfully submitted,

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David Lynch
General Counsel

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Manager
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Iowa Utilities Board
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August 10, 2004