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April 13, 2007

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Petition of Qwest Communications International Inc. for
Forbearance from Enforcement of the Commission's Dominant
Carrier Rules As They **Apply** After Section 272 Sunsets,
WC Docket No. 05-333 and General Standard Procedures for
Biennial Audits Required Under Section 272 of the
Communications Act of 1934, as Amended, Draft Procedures,
September 9, 2005

The purpose of this letter is to provide the Federal Communications Commission ("Commission") with notice that Qwest ceased providing in-region, interstate, interLATA, interexchange services ("IXC services") through Section 272-compliant affiliates as of February 20, 2007¹ and to explain how Qwest's Bell Operating Company ("BOC"), Qwest Corporation ("QC"), accounts for sales of access services to Qwest affiliates that provide IXC services.²

¹ See *General Standard Procedures for Biennial Audits Required Under Section 272 of the Communications Act of 1934, as Amended*, Draft Procedures ("GSPs"), September 9, 2005, at ¶ 8.

² In granting Qwest's petition for forbearance from enforcement of the dominant carrier rules after Section 272 sunset, the Commission provided guidance to Qwest concerning the on-going imputation requirements in Section 272(e)(3). (See *In the Matter of Petition of Qwest Communications International Inc. for Forbearance from Enforcement of the Commission's Dominant Carrier Rules As They Apply After Section 272 Sunsets*, WC Docket No. 05-333, Memorandum Opinion and Order, FCC 07-13, rel. Mar. 9, 2007, at ¶¶ 67-70 ("*Forbearance Order*").) Specifically, the Commission described how Qwest's BOC must account for imputed access charges if it provides IXC services on an integrated basis. (*Id.* ¶ 69.) The *Forbearance Order* does not address accounting for QC's sale of access services to non-section 272 Qwest affiliates providing IXC services.

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Prior to the Commission's *Forbearance* decision on February 20, 2007,³ Qwest provided IXC services through Section 272-compliant affiliates and Qwest's BOC, QC, accounted for sales of access services to these affiliates by crediting the appropriate revenue accounts (*e.g.*, for special access, account 32.5083 was credited) and attaching an indicator that identified the revenue as coming from an affiliate. Again, as of February 20, 2007, Qwest ceased providing IXC services through Section 272-compliant affiliates. However, QC continues to account for access sales to these non-section 272 affiliates in the same manner as it did prior to February 20, 2007 (*i.e.*, using standard revenue accounts to account for sales of access services to these non-Section 272 affiliates). Qwest believes that this is the appropriate way to account for access sales to affiliates under the Commission's affiliate transactions rules, the Uniform System of Accounts and Generally Accepted Accounting Principles.

Please contact me if Commission staff members have any further questions concerning Qwest's accounting methods and procedures.

Sincerely,

/s/Philip E. Grate

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³ *FCC Conditionally Grants Qwest Forbearance Relief from Dominant Carrier Regulation of In-region, Interstate, InterLATA Telecommunications Services Provided on an Integrated Basis*, WC Docket No. 05-333, Public Notice, FCC 07-12, rel. Feb. 20, 2007.