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May 10, 2000

FILED

MAY 10 2000

Missouri Public
Service Commission

The Honorable Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102-0360

Re: Qwest Communications Corporation
Case No. TA-2000-309

Dear Judge Roberts:

Please find enclosed for filing the original and eight copies of Qwest Communications Corporation's Response to Staff's Supplemental Suggestions.

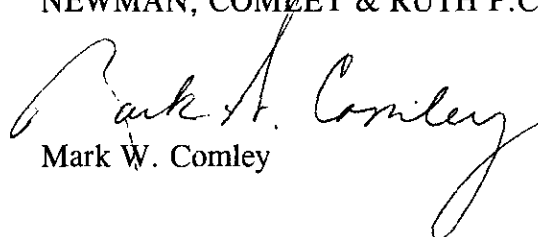
Please bring this filing to the attention of the appropriate Commission personnel.

Thank you.

Very truly yours,

NEWMAN, COMLEY & RUTH P.C.

By:


Mark W. Comley

MWC:ab

Enclosure

cc: Michael F. Dandino
Leo J. Bub
William K. Haas
John Wenzel

FILED

MAY 10 2000

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

Missouri Public
Service Commission

| | | |
|---|---|----------------------|
| In the matter of the Application of |) | |
| QWEST COMMUNICATIONS CORPORATION |) | |
| for a Certificate of Authority |) | |
| to Provide Basic Exchange and Local Exchange |) | Case No. TA-2000-309 |
| Intrastate Telecommunications Services within |) | |
| the State of Missouri. |) | |

**QWEST COMMUNICATIONS CORPORATION'S
RESPONSE TO STAFF'S SUPPLEMENTAL SUGGESTIONS**

Comes now Qwest Communications Corporation (hereinafter "Qwest" or "Company") and submits the following in response to Staff's Supplemental Suggestions regarding the application:

1. By way of background, pursuant to the Commission's March 29, 2000 Order Directing Filing, the Staff, on April 5, 2000, timely filed supplemental suggestions regarding Qwest's application for a certificate of authority to provide basic local and local exchange telecommunications services. By a later Commission order, Qwest was given until today, May 10, 2000 to file a response.

2. In its supplemental suggestions, Staff referred to Qwest's anti-slamming compliance plan which has been filed for FCC review in File No. ENF-99-11. As part of that compliance plan, Qwest listed several anti-slamming steps it would implement in addition to those already underway. One of the additional steps was the engagement of an independent auditor to examine annually, for two years, the Company's reporting and data tracking mechanisms and the enforcement procedures based upon those reports. Under the terms of the compliance plan, the auditor's opinion was to be delivered to the Qwest Board of Directors only.

3. In Paragraph 2 of its Supplemental Suggestions, Staff recommended approval of Qwest's application "with the condition that Qwest shall submit to the Staff any independent audit

reports prepared pursuant to the FCC compliance plan.”

4. As Qwest has expressed earlier, it is encouraged by the Staff’s Supplemental Suggestions and its apparent concurrence in Qwest’s belief and position that the Company has taken positive steps to address and eliminate slamming concerns. The Company is also prepared to provide periodic reports to the Staff concerning Qwest’s ongoing efforts to control and eliminate slamming as a condition of approval of its application in this case. Qwest takes exception to a condition of application approval which would require Qwest to disclose to the Staff the contents of the independent auditor’s reports referred to in the proposed FCC compliance plan.

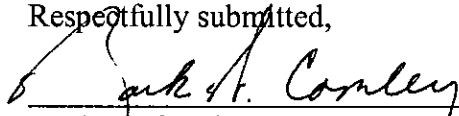
5. As an alternative to the filing of the independent audit reports, Qwest will agree that it, or its corporate parent, will submit to the Staff, at six month intervals for a period of three years, the following reports with the Staff:

- a. A “Slamming Compliance Plan Status/Update” in the form set forth on Attachment 1 of this response. Attachment 1 is an actual report of Qwest’s activities, as of May 1, 2000, toward implementing the anti-slamming actions outlined in the Slamming Compliance Plan filed at the FCC. Even though the FCC has not yet approved the Compliance Plan proposed by Qwest, the Company is nonetheless proceeding to implement the plan. Attachment 1 reports on anti-slamming actions at a national level.
- b. A chart illustrating the number of PIC disputes filed by Qwest customers with their LEC by the month the customer’s PIC was changed, on a national basis, as of the most recent month’s data available.
- c. A chart illustrating the number of PIC disputes filed by Qwest customers with their LEC by the month the customer’s PIC was changed, on a Missouri-specific basis, as of the most recent month’s data available.
- d. To the extent the Status/Update or the charts identified in the foregoing subparagraphs contain proprietary or highly confidential information, the Company reserves it right to submit the same to Staff confidentially under seal or protective order.

6. Representatives of Qwest have discussed this alternative with the General Counsel’s

office and the Staff, and the Company understands that Staff will accept this alternative. As a result, Qwest does not intend to file testimony in response to Staff's Supplemental Suggestions.

Respectfully submitted,



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Attorneys for QWEST COMMUNICATIONS CORPORATION

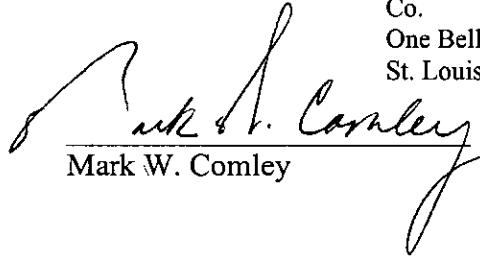
Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand delivered, on this 10th day of May, 2000, to:

Michael F. Dandino
Senior Public Counsel
Office of Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

William K. Haas
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Mark W. Comley

SLAMMING COMPLIANCE PLAN
of Qwest Communications International Inc.
STATUS/UPDATE – May 1, 2000

This information is being provided as a current status of the efforts of Qwest Communications International Inc., to implement the anti-slamming actions outlined in its Slamming Compliance Plan which has been filed with the FCC. This information is meant to supplement and provide additional detail to the plan.

- *CARE flags* – Page 5, Section I B – These flags have been implemented
- *Charge-Backs and Disgorgement of Profits from Slamming* - Page 5, Section I C – Contracts are currently being modified to increase the financial penalty associated with an invalid PIC change to \$100 which is two-to-three times the commission revenues associated with the change to even further incent appropriate behavior financially.

Additionally, Qwest has implemented all proposed steps in Section II.

- *Targeted Third-Party Verification* - Page 6, Section II – currently, over 80% of sales are being third-party verified. This percentage varies somewhat depending on sales mix during a particular week and particular programs being verified. Additionally, Qwest is implementing a new third-party verifier that supports voice and data transfer. This should further increase the accuracy of this process.
- *Strengthened Distributor Enforcement Procedures* – Page 7, Section II – as a result of identifying sales quality issues, Qwest has now terminated their relationship with some twenty-seven sales agents and/or telemarketing companies. These are:
 - Alliance
 - CPN
 - Snyder Telemarketing
 - Venture
 - Eganet
 - C&H
 - MT Marketing
 - MCH International
 - Future Call
 - Dino Group
 - Eurasia Telecom
 - Everlasting Telecom
 - Advanced Direct Marketing
 - Ethnic Telemanagement
 - Flag Arising
 - T8 Enterprises
 - Hynet
 - Roush
 - Pacific & Sons
 - Premier Telco
 - Teletouch
 - Voice Network
 - Li Deer International
 - Intergate
 - EMD
 - La Tiae
 - Tri-State

Qwest is in final termination discussions with an additional agent/telemarketer.

- Quintel

Additionally, Qwest has terminated seven additional agents/telemarketers for other reasons.

- EZ2 Reach
- SilverLight
- King Teleservices
- Tam's
- North American
- GTI

- Amnet

There are currently an additional three companies in Phase 1 implementation, two in Phase 2, and two on probation after being in Phase 1 and improving.

- *Independent Audit* – Page 10, Section II – An initial independent audit was performed to help develop this plan and those recommendations were included in this plan. Additional independent audits will be conducted every six months.

Finally, not included in the compliance plan is an effort by Qwest to have more direct control over the sales efforts made on its behalf. In order to do this:

- Telemarketing partners have been shifted from a per sale commission structure to an hourly compensation structure where Qwest personnel can determine scripts and offers and perform ongoing training and quality monitoring.
- Direct sales agents have been reduced and the remaining agents have had their compensation shifted so that a large part of that compensation is based upon a customer's ongoing revenue stream, incenting them to ensure that they have quality sales that stick for an extended period of time.

Results

As a result of these actions, the volume of PIC disputes on a national basis has dropped by over 78% between August 1999 and January/February 2000 and is trending even further down.

If there are any additional questions regarding this plan or implementation status, please contact Carol Kuhnnow at (703) 363-3189.