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August 7, 2001

BY FEDERAL EXPRESS

Mr. Dale Hardy Roberts  
Chief Regulatory Law Judge/Secretary  
Missouri Public Service Commission  
200 Madison Street  
Jefferson City, MO 65101

**FILED**

AUG 8 2001

Missouri Public  
Service Commission

**Re: Supplement to Application For Approval of  
Internal Corporate Restructuring  
Qwest Communications Corporation  
LCI International Telecom Corp.,  
Phoenix Network, Inc. and  
USLD Communications, Inc.**

**Case No. TM-2001-628**

Dear Mr. Roberts:

Enclosed for filing are the original and eight copies of a Supplement to Application For Approval of Internal Corporate Restructuring by Qwest Communications Corporation, LCI International Telecom Corp., Phoenix Network, Inc. and USLD Communications, Inc.

HOGAN & HARTSON L.L.P.

Mr. Dale Hardy Roberts  
Chief Regulatory Law Judge/Secretary  
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August 7, 2001  
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Please return a date-stamped copy of the enclosed submission  
(additional copy and self-addressed, postage pre-paid envelope provided).

Respectfully submitted,

By: Sharis Arnold Pozen/mgr  
Sharis Arnold Pozen  
(Missouri Bar # 0038777)  
Marissa G. Repp

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Enclosures

cc: Office of Public Counsel  
General Counsel of Missouri Public Service Commission  
Robert Franson, Missouri Public Service Commission  
Phil Garcia, Missouri Public Service Commission  
David L. Ziegler, Regional Director, Policy and Law, Qwest Services Corporation  
Wendy M. Moser, Esq., Associate General Counsel, Qwest Services Corporation

Before the  
STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

**FILED**

AUG 8 2001

Application of )  
)  
Qwest Communications )  
Corporation and Certain )  
of its Affiliates )  
)  
For Approval of Internal )  
Corporate Restructuring )

Missouri Public  
Service Commission

Case No. TM-2001-628

**SUPPLEMENT TO APPLICATION FOR APPROVAL  
OF INTERNAL CORPORATE RESTRUCTURING**

Pursuant to Missouri Rev. Stat. § 392.300 and 4 C.S.R. §§ 240-2.060(1) and 240-060(8), Qwest Communications Corporation ("QCC"), LCI International Telecom Corp. ("LCIT"), Phoenix Network, Inc. ("Phoenix") and USLD Communications, Inc. ("USLD") (collectively, the "Applicants") submitted to the Missouri Public Service Commission (the "Commission") on May 15, 2001, an Application for approval of internal corporation restructuring (the "Application"). Thereafter, the Applicants supplemented the record in this proceeding with a submission dated July 20, 2001 (filed on July 23, 2001) (the "July 20<sup>th</sup> Submission"). The Application and the July 20<sup>th</sup> Submission are incorporated by reference herein.

This Supplement is to request that the Commission grant, to the extent necessary, a waiver of the requirements of the anti-slamming rule, 4 CSR 240-33.150, so that individual customer authorization need not be obtained and individual customer notification need not be sent for this corporate restructuring.

As detailed in the July 20<sup>th</sup> Submission, the Applicants believe that customer authorization and notification of the internal restructuring is not only unnecessary in these circumstances, but would be confusing to consumers. The proposed restructuring involves a circumstance where both LCIT and Phoenix already do business under the "Qwest" brand. For this reason, the internal restructuring will be entirely transparent to LCIT's and Phoenix's customers, and customers will not see a change in their service provider or contact or billing information on any invoice or bill. Not only will there be no identifiable change in service from a customer perspective, there will be no change in customer rates or terms of service upon consummation of the restructuring. Simply put, Applicants firmly believe (as does the Federal Communications Commission and several other state commissions that have formally or informally addressed this issue), that a requirement of customer authorization and notification, in this context, will more likely result in customer confusion as opposed to well-intended clarity.

This point is amplified by a recent order from the Federal Communications Commission ("FCC"). In that order, the FCC streamlined its process for compliance with its anti-slamming rules in situations involving carrier-to-carrier sale or transfer of subscriber bases. <sup>1/</sup> In particular, the *FCC Order* determined that a corporate restructuring that does not result in changes in name, contact information, billing information and rates and terms of services --such as

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<sup>1/</sup> See *2000 Biennial Review -- Review of Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers*, FCC 01-156 (released May 15, 2001) ("*FCC Order*").

that proposed by Applicants herein -- is exempt from any certification or customer notification requirement under the FCC pre-subscribed carrier change authorization rules. 2/ The FCC commented that "in such cases, requiring notice of a change that is imperceptible to the affected subscribers might cause confusion where there would otherwise be none." 3/

In addition to the FCC's pronouncement, all twelve state utility commissions that have so far reviewed and approved of Applicants' proposed internal restructuring have not required customer authorization and notification despite, in most instances, their own state-specific anti-slamming rules. 4/

Applicants hereby request that this Commission likewise approve this transaction without imposing customer authorization and notification requirements upon Applicants and, to the extent necessary, that the Commission grant a waiver of the requirements of 4 CSR 240-33.150 or otherwise deem such rule to be inapplicable to this restructuring.

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2/ See *FCC Order*, at ¶ 13.

3/ *Id.* at n.24.

4/ The states where LCIT and/or Phoenix have customers and which have approved (or provided equivalent consent) to the restructuring are: Delaware, Florida, Louisiana, Maryland, Nevada, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee and West Virginia. In addition, the Oklahoma Corporation Commission, where the restructuring approval is pending, issued an order granting a waiver of its anti-slamming rule for the restructuring, wherein it held that "Applicants should not be required to provide notice to individual affected customers and that any Commission rules which require such notice should also be waived." Furthermore, to date, five other utility commissions or their staff (Alaska, Kansas, Kentucky, Maine and Michigan) have confirmed that no state action or waivers are required for the consummation of the restructuring.

For the reasons stated in the Application, the July 20<sup>th</sup> Supplement and herein, the Applicants request that the Commission approve the internal restructuring, and that it grant a waiver of the requirements of 4 CSR 240-33.150.

Respectfully submitted,

**Qwest Communications  
Corporation**

**LCI International Telecom  
Corp.**

**Phoenix Network, Inc.**

**USLD Communications, Inc.**

By: *Sharis Arnold Pozen*  
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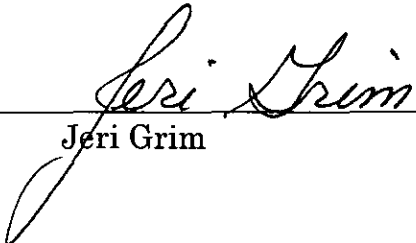
Dated: August 7, 2001

**CERTIFICATE OF SERVICE**

I, Jeri Grim, a legal secretary with the law firm of Hogan & Hartson L.L.P., hereby certify that on this 7<sup>th</sup> day of August, 2001, a copy of the foregoing Supplement to Application For Approval of Internal Corporate Restructuring and transmittal letter thereto was sent by U.S. mail to:

Office of Public Counsel  
Missouri Public Service Commission  
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General Counsel  
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Jeri Grim