

July 8, 2004

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
9300 East Hampton Drive  
Capitol Heights, Maryland 20743

**ERRATA – Qwest Communications International, Inc.  
Section 272 Biennial Report  
EB Docket No. 03-198**

Dear Ms. Dortch:

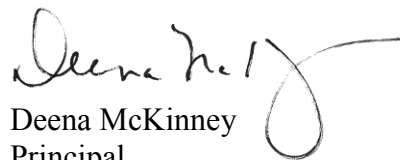
On June 10, 2004, Ernst & Young, LLP filed the Qwest Communications International, Inc. Section 272 Biennial Report electronically through ECFS and in hard copy with your office.

Subsequent to filing the of report with your office, we noted the following two typographical errors that require correction:

- Page 16 of Attachment A – Objective V/VI, Procedure 5. Paragraph 3 – Two references to 34 affiliate agreements posted to the Internet more than ten day after the effective dates are incorrect. These two references should state that 33 affiliate agreements were posted to the Internet more than ten days after their effective dates.
- Attachment A-2, Line 6 should read “Assets Held for Future Use (credit balance) included in Trial Balance, not included in Fixed Asset Listings”

Attached are corrected pages for Page 16 of Attachment A and Attachment A-2. Please replace these corrected pages in the report previously submitted to your office. This letter has been filed via ECFS and has been sent to you via Federal Express.

Sincerely,



Deena McKinney  
Principal  
Ernst & Young, LLP

randomly selected 80 affiliate agreements<sup>18</sup> and obtained copies of the selected agreements. Summarized, in the workpapers, the selected agreements noting the names of the parties, type of service, price, terms and conditions. Also identified which agreements terminated during the Audit Test Period and noted that none of the agreements terminated prematurely. Inquired and documented that services provided in nine affiliate agreements were provisioned before the written affiliate agreement was in place. These nine services are listed in Attachment A-3.

5. Using the sample of 80 affiliate agreements selected in procedure 4 above, viewed each Section 272 affiliate's section of the Qwest corporate Internet site, [www.qwest.com](http://www.qwest.com), and compared the prices, terms and conditions of services and assets shown on this site to the copies obtained in Procedure 4 above. For 78 of the 80 affiliate agreements, noted no differences. Noted that one affiliate agreement tested terminated on January 28, 2003 and had been removed from the Qwest Internet site before the testing date of February 14, 2004.<sup>19</sup> Qwest Corporate management represented that affiliate agreements are removed from the Internet site one year after termination. For one affiliate agreement pricing addendum tested, noted that the copy obtained included pricing for three services that were not listed on the pricing addendum posted on the Internet site.

For the selected affiliate agreements, physically inspected the information made available for public inspection at the principal place of business for the Qwest BOC, at 1801 California, 3<sup>rd</sup> Floor, Denver, Colorado, 80202. Compared the tested agreements inspected at the Qwest BOC principal place of business to the copies of the tested agreements obtained above. Noted no exceptions.

Using the sample of 80 agreements selected in Procedure 4 above, documented in the working papers the dates when the agreements were signed and/or when the services were first rendered (whichever took place first) and the dates of posting on the Internet. Noted that 33 of the 80 agreements tested were posted to the Qwest Internet site more than ten days after their effective date.<sup>20</sup> Attachment A-4 lists the 33 affiliate agreements that were posted to the Internet more than ten days after their effective date. Requested the reasons as to why these late postings occurred and included the responses received for each late posting in Attachment A-4.

In addition to the affiliate agreements tested above, Qwest disclosed additional affiliate agreements and/or amendments that were posted to the Internet more than ten days after

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<sup>18</sup> Forty Tariffs were originally included in the random sample of 80 agreements tested in Objective V/VI, Procedure 4 and Procedure 5, but were replaced since: 1) the tariffs are made available on Qwest's tariff Internet site and are updated on the site on a page-by-page basis; and, 2) the Internet posting requirements for affiliate agreements included in the Accounting Safeguards Order, paragraph 122, do not apply to services provided pursuant to tariffs.

<sup>19</sup> This agreement was in the replacement sample drawn and tested after the Joint Oversight Team requested that tariffs not be included in the testing for Objective V/VI, Procedures 4 and 5, on February 12, 2004.

<sup>20</sup> The effective date of the agreement was determined as the earlier of the date the agreement was signed by all parties or the date that services were first rendered or provisioned under the agreement.

<b>Reconciliation of QCC Trial Balance to Fixed Asset Listings As of September 30, 2003</b>		
<i>Line</i>		
	<b>Fixed Asset Listings:</b>	
1	QCC Fixed Asset Listing	\$4,768,685,871
2	QNLP Fixed Asset Listing	1,923,613,167
3	Capitalized Leases Listing	<u>1,408,753,890</u>
4	Total Fixed Assets Per Fixed Asset Listings	8,101,052,928
	<b>Reconciling Items:</b>	
5	Work In Process assets (credit balance) included in Trial Balance, not included in Fixed Asset Listings	(352,360,935)
6	Assets Held for Future Use (credit balance) included in Trial Balance, not included in Fixed Asset Listings	(11,000,000)
7	Inventory Assets included in Trial Balance, not included in Fixed Asset Listings	76,000,000
8	Entries included in Trial Balance, not yet posted to Fixed Asset Listing	6,100,000
9	Accumulated Depreciation included in Trial Balance, not included in Fixed Asset Listings	(214,873,331)
10	Restatements and Impairments recorded in Trial Balance, not included in Fixed Asset Listings	(6,549,000,000)
11	Unreconciled amount	(831,714)
12	<b>Fixed Asset Balance per Trial Balance</b>	<u>\$1,055,086,948</u>