November 4, 1997

William J.  Batt

Marshall Batt & Fisher

PO Box 1308

Boise, ID 83701

Michelle Singer

AT&T Communications of the

     Mountain States, Inc.

1875 Lawrence Street, Rm.  1575

Denver, CO 80202

RE: IPUC Case No.  USW-T-96-15; ATT-T-96-2; Arbitration between U S WEST and AT&T.

Dear Mr. Batt and Ms. Singer:

The recent presentation of issues to the arbitrator by the parties, as well as recent decisions by the Eighth Circuit Court of Appeals in the Iowa Utilities Board v. FCC case, have altered the schedule by which the arbitration between U S WEST and AT&T was to be concluded.  In particular, the arbitrator issued his Fifth Arbitration Order on October 7, 1997, and the Eighth Circuit Court of Appeals thereafter amended its Iowa Utilities Board decision.  As a result, U S WEST requested an opportunity to file a supplemental petition for review with the Commission, and AT&T is entitled to file a response.  U S WEST filed its Second Supplemental Memorandum in Support of its Petition for Review on October 27, 1997, and AT&T will file its response by Thursday, November 6, 1997.  I understand this last round of filings will conclude the presentation of issues to be resolved by arbitration.

After AT&T files its final responsive memorandum, the Commission will endeavor to issue an order completing the arbitration process within 30 days.  Thereafter, the parties should prepare a final agreement incorporating the issues resolved through the arbitration.

Please contact me if you have any questions or concerns regarding this proposed schedule to complete the arbitration.

Sincerely,

Weldon B.  Stutzman

Deputy Attorney General

WBS/vld:L:Batt.ws2

cc:Myrna J.  Walters, Commission Secretary

WILLIAM J.  BATT

MARSHALL BATT & FISHER

PO BOX 1308

BOISE, ID 83701

MICHELLE SINGER

AT&T COMMUNICATIONS OF THE

     MOUNTAIN STATES, INC.

1875 LAWRENCE STREET, RM.  1575

DENVER, CO 80202