VIA FACSIMILE

June 19, 1998

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RE:Settlement Conference in Case No. USW-T-98-3

Dear Parties,

U S WEST and the Staff have expressed an interest in determining whether the parties could reach a settlement in this case prior to the technical hearing currently scheduled for September 15, 1998, making such hearing unnecessary.  Pursuant to Procedural Rule 272, the Staff hereby gives notice of its intent to engage in settlement discussions with U S WEST.  The settlement conference is scheduled for 9:30  a.m., Wednesday, June 24, 1998 in the Commission’s Conference Room.  The parties intend to discuss the following issues:

1.What are U S WEST’s costs for providing EAS between U S WEST exchanges?

2.What are U S WEST’s costs for providing EAS between an independent telephone company exchange and a U S WEST EAS region?

3.In determining U S WEST’s costs, what stimulation factor should be used for  calculating EAS traffic and the necessary facility improvements?

4.In determining U S WEST’s costs, what dial-around factor should be used for calculating EAS traffic and the necessary facility improvements?

If you have any questions concerning the issues set out above, please contact me at 334-0314.

Sincerely yours,

Cheri C. Copsey

Deputy Attorney General

cc:Parties of Record

Myrna J. Walters

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