

QWEST CORP

FORM 10-Q (Quarterly Report)

Filed 5/14/1997 For Period Ending 3/31/1997

Address	1801 CALIFORNIA ST SUITE 2950 DENVER, Colorado 80202
Telephone	303-896-3099
CIK	0000068622
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

**[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended March 31, 1997

OR

**[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 1-3040

U S WEST Communications, Inc.

A Colorado Corporation IRS Employer No. 84-0273800

1801 California Street, Denver, Colorado 80202

Telephone Number (303) 896-3099

THE REGISTRANT, A WHOLLY OWNED SUBSIDIARY OF U S WEST, INC., MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION H(1)(a) and (b) OF FORM 10-Q AND IS THEREFORE FILING THIS FORM WITH REDUCED DISCLOSURE FORMAT PURSUANT TO GENERAL INSTRUCTION H(2).

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ____

FORM 10-Q
TABLE OF CONTENTS

Item - - - - -	Page - - - - -
PART I - FINANCIAL INFORMATION	
1. Financial Statements	
Consolidated Statements of Operations - Three Months Ended March 31, 1997 and 1996	3
Consolidated Balance Sheets - March 31, 1997 and December 31, 1996	4
Consolidated Statements of Cash Flows - Three Months Ended March 31, 1997 and 1996	6
Notes to Consolidated Financial Statements	7
2. Management's Analysis of the Results of Operations - (Reduced disclosure format pursuant to General Instruction H(2))	9
PART II - OTHER INFORMATION	
1. Legal Proceedings	15
6. Exhibits and Reports on Form 8-K	15

CONSOLIDATED STATEMENTS OF U S WEST COMMUNICATIONS, INC.
OPERATIONS (Unaudited)

Dollars in millions	Three Months Ended March 31, 1997	Three Months Ended March 31, 1996
	-----	-----
Operating revenues:		
Local service	\$ 1,231	\$ 1,145
Interstate access service	687	622
Intrastate access service	200	190
Long-distance network services	250	290
Other services	179	161
	-----	-----
Total operating revenues	2,547	2,408
Operating expenses:		
Employee-related expenses	806	813
Other operating expenses	450	389
Taxes other than income taxes	105	95
Depreciation and amortization	522	511
	-----	-----
Total operating expenses	1,883	1,808
	-----	-----
Income from operations	664	600
Interest expense	96	103
Gain on sale of rural telephone exchanges	18	-
Other expense - net	22	17
	-----	-----
Income before income taxes and cumulative effect of change in accounting principle	564	480
Provision for income taxes	215	183
	-----	-----
Income before cumulative effect of change in accounting principle	349	297
Cumulative effect of change in accounting principle - net of tax	-	34
	-----	-----
NET INCOME	\$ 349	\$ 331
	=====	=====

See Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS U S WEST COMMUNICATIONS, INC.
(Unaudited)

Dollars in millions	March 31, 1997	December 31, 1996

ASSETS		
Current assets:		
Cash and cash equivalents	\$ 82	\$ 92
Accounts and notes receivable - net	1,489	1,550
Inventories and supplies	107	109
Deferred tax asset	122	152
Prepaid and other	74	57
	-----	-----
Total current assets	1,874	1,960
	-----	-----
Gross property, plant and equipment	32,568	32,451
Less accumulated depreciation	18,839	18,522
	-----	-----
Property, plant and equipment - net	13,729	13,929
Other assets	768	743
	-----	-----
Total assets	\$ 16,371	\$ 16,632
	=====	=====

See Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS U S WEST COMMUNICATIONS, INC.
(Unaudited), continued

Dollars in millions	March 31, 1997	December 31, 1996
	-----	-----
LIABILITIES AND SHAREOWNER'S EQUITY		
Current liabilities:		
Short-term debt	\$ 375	\$ 834
Accounts payable	1,027	998
Employee compensation	239	308
Dividends payable	349	307
Advanced billing and customer deposits	259	250
Accrued property taxes	244	193
Other	728	561
	-----	-----
Total current liabilities	3,221	3,451
	-----	-----
Long-term debt	5,362	5,375
Post-retirement and other post-employment benefit obligations	2,330	2,347
Deferred income taxes	806	807
Deferred credits and other	515	592
Contingencies (See Note B to the Consolidated Financial Statements)		
Shareowner's equity:		
Common shares - one share without par value, owned by parent	7,754	7,677
Cumulative deficit	(3,617)	(3,617)
	-----	-----
Total shareowner's equity	4,137	4,060
	-----	-----
Total liabilities and shareowner's equity	\$ 16,371	\$ 16,632
	=====	=====

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF U S WEST COMMUNICATIONS, INC.
CASH FLOWS (Unaudited)

Dollars in millions	Three Months Ended March 31, 1997	Three Months Ended March 31, 1996

OPERATING ACTIVITIES		
Net income	\$ 349	\$ 331
Adjustments to net income:		
Depreciation and amortization	522	511
Gain on sale of rural telephone exchanges	(18)	-
Cumulative effect of change in accounting principle	-	(34)
Deferred income taxes and amortization of investment tax credits	22	22
Changes in operating assets and liabilities:		
Restructuring payments	(29)	(42)
Post-retirement medical and life costs, net of cash fundings	(11)	(44)
Accounts receivable	60	93
Inventories, supplies and other current assets	(3)	(31)
Accounts payable and accrued liabilities	222	29
Other - net	(12)	2
	-----	-----
Cash provided by operating activities	1,102	837
	-----	-----
INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(395)	(637)
Proceeds from sale of rural telephone exchanges	7	-
Payments on disposals of property, plant and equipment	(7)	(7)
	-----	-----
Cash (used for) investing activities	(395)	(644)
	-----	-----
FINANCING ACTIVITIES		
Repayments of short-term debt - net	(429)	(93)
Repayments of long-term debt	(54)	(24)
Dividends paid on common stock	(307)	(308)
Equity infusions from U S WEST Communications Group	73	88
	-----	-----
Cash (used for) financing activities	(717)	(337)
	-----	-----
CASH AND CASH EQUIVALENTS		
Decrease	(10)	(144)
Beginning balance	92	191
	-----	-----
Ending balance	\$ 82	\$ 47
	=====	=====

See Notes to Consolidated Financial Statements.

U S WEST COMMUNICATIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended March 31, 1997

(Dollars in millions)

(Unaudited)

A. Summary of Significant Accounting Policies

Basis of Presentation

U S WEST Communications, Inc. (the "Company") is incorporated under the laws of the State of Colorado and is an indirect, wholly owned subsidiary of U S WEST, Inc. ("U S WEST").

The Consolidated Financial Statements have been prepared by the Company, pursuant to the interim reporting rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally accompanying financial statements prepared in accordance with generally accepted accounting principles ("GAAP") have been condensed or omitted pursuant to such SEC rules and regulations. In the opinion of the Company's management, the Consolidated Financial Statements include all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the financial information set forth therein. It is suggested that the Consolidated Financial Statements be read in conjunction with the financial statements and notes thereto included in the Company's Form 10-K for the year ended December 31, 1996.

Certain reclassifications within the Consolidated Financial Statements have been made to conform to the current year presentation.

B. Contingencies

There are pending regulatory actions in local regulatory jurisdictions that call for price decreases, refunds or both. In one such instance, the Utah Supreme Court has remanded a Utah Public Service Commission ("PSC") order to the PSC for hearing, thereby establishing two exceptions to the rule against retroactive ratemaking: 1) unforeseen and extraordinary events, and 2) misconduct. The PSC's initial order denied a refund request from interexchange carriers and other parties related to the Tax Reform Act of 1986. The range of possible risk is \$0 to \$160 at March 31, 1997.

In 1996, the Washington State Utilities and Transportation Commission ("WUTC" or the "Commission") acted on the Company's 1995 rate request. The Company had sought to increase revenues by primarily raising rates for basic residential services over a four-year period. The two major issues in this proceeding involve the Company's request for improved capital recovery and elimination of the imputation of Yellow Pages revenue. Instead of granting the Company's rate request, the Commission ordered approximately \$91.5 in annual net revenue reductions, effective May 1, 1996.

U S WEST COMMUNICATIONS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in millions)

(Unaudited)

Based on the above ruling, the Company filed a lawsuit with the King County Superior Court (the "Court") for an appeal of the order, a temporary stay of the ordered rate reduction and an authorization to implement a revenue increase. The Court declined to change the WUTC order. The Company appealed the Court's decision to the Washington State Supreme Court (the "State Supreme Court") which, on January 22, 1997, granted a stay of the order, pending the State Supreme Court's full review of the appeal which will begin in the second quarter of 1997.

Effective May 1, 1996, the Company began collecting revenues subject to refund with interest. The cumulative amount of revenues collected subject to refund as of March 31, 1997, is approximately \$95. The Company expects its appeal to be successful and has not accrued any of the amounts subject to refund. However, an adverse judgment on the appeal would have a significant impact on the future results of operations.

Item 2. Management's Analysis of the Results of Operations (Dollars in millions)

Some of the information presented in or in connection with this report constitutes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although the Company believes that its expectations are based on reasonable assumptions within the bounds of its knowledge of its business and operations, there can be no assurance that actual results will not differ materially from its expectations. Factors that could cause actual results to differ from expectations include: (i) different than anticipated competition from new entrants into the local exchange and intraLATA toll markets, (ii) changes in demand for the Company's products and services, including optional custom calling features, (iii) different than anticipated employee levels, capital expenditures, and operating expenses as a result of unusually rapid, in-region growth, (iv) the gain or loss of significant customers, (v) pending regulatory actions in state jurisdictions, and (vi) regulatory changes affecting the telecommunications industry, including changes that could have an impact on the competitive environment in the local exchange market.

RESULTS OF OPERATIONS - FIRST QUARTER 1997 COMPARED WITH FIRST QUARTER 1996

Following are details of the Company's reported net income, normalized to exclude the effects of certain non-operating items.

	Three Months Ended March 31, 1997	Three Months Ended March 31, 1996	Increase (Decrease) Dollars	Increase (Decrease) Percent
Reported net income	\$ 349	\$ 331	\$ 18	5.4
Adjustments to reported net income:				
Gain on sale of rural telephone exchanges (1)<F1>	(11)	-	(11)	-
Cumulative effect of change in accounting principle (2)<F2>	-	(34)	34	-
Current year effect of change in accounting principle (2)	-	(5)	5	-
Normalized income	\$ 338	\$ 292	\$ 46	15.8

<F1>

(1) In first-quarter 1997, the Company sold certain rural telephone exchanges in Nebraska for a pretax gain of \$18 and an after tax gain of \$11.

<F2>

(2) Effective January 1, 1996, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of."

During 1997, the Company's normalized income increased \$46, or 15.8 percent, to \$338. Earnings before interest, taxes, depreciation, amortization and other ("EBITDA") increased \$75, or 6.8 percent, to \$1,186. EBITDA also excludes the gain on sale of certain rural telephone exchanges in 1997. The increases are primarily due to higher demand for services and continued cost control efforts, which accelerated in the latter half of 1996. The Company anticipates net income growth will be partially offset by increased costs related to growth initiatives and interconnection requirements.

Form 10-Q - Part I**Item 2. Management's Analysis of the Results of Operations (Dollars in millions), continued**

The Company believes EBITDA is an important indicator of the operational performance of its businesses. EBITDA, however, should not be considered as an alternative to operating or net income as an indicator of the performance of the Company's business or as an alternative to cash flows from operating activities as a measure of liquidity, in each case determined in accordance with GAAP.

Effective January 1, 1996, the Company adopted SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," which, among other things, requires that companies no longer record depreciation expense on assets held for sale. Adoption of SFAS No. 121 resulted in a one-time gain of \$34 (net of tax of \$22), related to the cumulative effect of change in accounting principle.

Operating Revenues

An analysis of operating revenues follows:

Three Months Ended March 31,	1997	1996	Demand	Price Changes	Lower Refunds	Other	Increase (Decrease) Dollars	Increase (Decrease) Percent
Local service	\$1,231	\$1,145	\$ 101	\$ (10)	\$ 5	\$ (10)	\$ 86	7.5
Interstate access	687	622	64	(5)	10	(4)	65	10.5
Intrastate access	200	190	9	2	-	(1)	10	5.3
Long-distance network	250	290	(22)	(1)	-	(17)	(40)	(13.8)
Other services	179	161	-	-	-	18	18	11.2
Total	\$2,547	\$2,408	\$ 152	\$ (14)	\$ 15	\$ (14)	\$ 139	5.8
	=====	=====	=====	=====	=====	=====	=====	=====

Local service revenues increased \$86, or 7.5 percent, to \$1,231, primarily as a result of access line growth and increased demand for new product and service offerings, and existing central office features. Total reported access lines increased 562,000, or 3.7 percent, during the past 12 months, of which 250,000 was attributable to second lines. Second line installations increased 28.6 percent. Access lines grew 688,000, or 4.6 percent, when adjusted for sales of approximately 126,000 rural telephone access lines during the past twelve months. Partially offsetting the increase in local service revenues was the effect of lower wireless interconnection access prices as mandated by the Telecommunications Act of 1996, which reduced local service revenues by \$16.

Higher interstate access revenues are primarily attributable to access line growth, a 6.6 percent increase in billed interstate access minutes of use and increased demand for private line services. True-ups of \$18 to the 1996 sharing related accruals for refunds to interexchange carriers also contributed to the increase in interstate access revenues. These true-ups more than offset the current year sharing related accruals. The increase in intrastate access revenues was primarily attributable to a 8.5 percent increase in billed intrastate access minutes of use and increased demand for private line services.

Form 10-Q - Part I**Item 2. Management's Analysis of the Results of Operations (Dollars in millions), continued**

Long-distance network service revenues decreased \$40, or 13.8 percent, as compared with 1996, primarily due to the effects of competition and the implementation of multiple toll carrier plans ("MTCPs") in Iowa and Nebraska in 1996, and in Oregon and Washington in first-quarter 1997. The MTCPs essentially allow independent telephone companies to act as toll carriers. During 1997, the MTCPs reduced long-distance revenues by \$17, which was offset by increased intrastate access revenues of \$2 and decreased other operating expenses (i.e., access expense) of \$14.

Excluding the effects of the MTCPs, long-distance network service revenues decreased 7.9 percent. Erosion of long-distance network service revenues will continue due to the loss of exclusivity of 1+ dialing in Minnesota and Arizona, and continued dial-around activity in other states within the Communications Group's 14 state region. The Communications Group is partially mitigating competitive losses through competitive pricing of intraLATA long-distance services and increased promotional efforts to retain customers.

During 1997, revenues from other services increased \$18, or 11.2 percent, primarily as a result of continued market penetration in voice messaging services, and increased inside wire maintenance services and billing and collection service revenues.

Future revenues at U S WEST Communications may be affected by pending regulatory actions in federal and local regulatory jurisdictions.

Costs and Expenses

	Three Months Ended March 31, 1997	Three Months Ended March 31, 1996	Increase (Decrease) Dollars	Increase (Decrease) Percent
Employee-related expenses	\$ 806	\$ 813	\$ (7)	(0.9)
Other operating expenses	450	389	61	15.7
Taxes other than income taxes	105	95	10	10.5
Depreciation and amortization	522	511	11	2.2
Interest expense	96	103	(7)	(6.8)
Other expense - net	22	17	5	29.4

Employee-related expenses decreased slightly in 1997, primarily due to lower salaries and wages, and overtime. Salaries and wages decreased primarily as a result of employee reductions totaling 3,873 during the last twelve months. However, this decrease was largely offset by the effects of inflation-driven wage increases. The reduction in overtime is primarily the result of continued cost control efforts which accelerated in the latter half of 1996. Partially offsetting these decreases were higher contract labor costs and an increase in the post-retirement benefits accrual. The contract labor increase primarily relates to marketing and sales efforts associated with a special advertising promotion of caller identification and additional costs related to systems development.

Form 10-Q - Part I

Item 2. Management's Analysis of the Results of Operations (Dollars in millions), continued

The increase in other operating expenses is primarily due to higher advertising expenses, of which approximately \$30 is attributable to a special advertising promotion of caller identification. Also contributing to the increase was a reserve adjustment associated with billing and collection activities performed for interexchange carriers, and increased consulting and professional fees primarily related to new business opportunities.

The increase in taxes other than income taxes is primarily due to increased use and gross receipts tax.

The decrease in interest expense is primarily due to lower average debt levels and lower interest rates as compared to 1996. Partially offsetting the decrease in interest expense was a decrease in the amount of interest capitalized resulting from a lower average balance of telecommunications plant under construction.

RESTRUCTURING CHARGE

In 1993, the Company incurred an \$880 restructuring charge (pretax). The related restructuring plan, which is expected to be substantially complete by the end of 1997, is designed to provide faster, more responsive customer services, while reducing the costs of providing these services.

During the first quarter, the restructuring reserve decreased \$29 to a balance of \$94 at March 31, 1997. Reserve usage is primarily a result of expenditures for employee separation and systems development costs. First-quarter 1997 employee separations were 207, bringing the cumulative employee separations under the restructuring plan to 7,379.

CONTINGENCIES

There are pending regulatory actions in local regulatory jurisdictions that call for price decreases, refunds or both. In one such instance, the Utah Supreme Court has remanded a Utah Public Service Commission ("PSC") order to the PSC for hearing, thereby establishing two exceptions to the rule against retroactive ratemaking: 1) unforeseen and extraordinary events, and 2) misconduct. The PSC's initial order denied a refund request from interexchange carriers and other parties related to the Tax Reform Act of 1986. The range of possible risk is \$0 to \$160 at March 31, 1997.

In 1996, the Washington State Utilities and Transportation Commission ("WUTC" or the "Commission") acted on the Company's 1995 rate request. The Company had sought to increase revenues by primarily raising rates for basic residential services over a four-year period. The two major issues in this proceeding involve the Company's request for improved capital recovery and elimination of the imputation of Yellow Pages revenue. Instead of granting the Company's rate request, the Commission ordered approximately \$91.5 in annual net revenue reductions, effective May 1, 1996.

Form 10-Q - Part I**Item 2. Management's Analysis of the Results of Operations (Dollars in millions), continued**

Based on the above ruling, the Company filed a lawsuit with the King County Superior Court (the "Court") for an appeal of the order, a temporary stay of the ordered rate reduction and an authorization to implement a revenue increase. The Court declined to change the WUTC order. The Company appealed the Court's decision to the Washington State Supreme Court (the "State Supreme Court") which, on January 22, 1997, granted a stay of the order, pending the State Supreme Court's full review of the appeal which will begin in the second quarter of 1997.

Effective May 1, 1996, the Company began collecting revenues subject to refund with interest. The cumulative amount of revenues collected subject to refund as of March 31, 1997, is approximately \$95. The Company expects its appeal to be successful and has not accrued any of the amounts subject to refund. However, an adverse judgment on the appeal would have a significant impact on the future results of operations.

REGULATORY ENVIRONMENT

On May 7, 1997, the Federal Communications Commission ("FCC") announced three decisions that will establish rules to implement the Universal Service provision of the Telecommunications Act of 1996 ("the Universal Service Order"), as well as rules to restructure the access charge system ("the Access Reform Order") and the FCC's current price cap plan (the "Price Cap Order").

Universal Service

Under the Universal Service Order, all providers of interstate telecommunications services will contribute to universal service funding, which will be based on assessments against these service providers' end-user revenues. The Universal Service Order deferred defining a new explicit mechanism to support high-cost service in areas served by non-rural telephone companies, such as the Company, until January 1, 1999. Until the explicit mechanism is put in place, the existing universal service support mechanisms were left intact, except to the extent modified by the FCC's Access Reform and Price Cap Orders discussed below.

The FCC's Universal Service Order also includes the establishment of two separate funds to help connect eligible schools, libraries and rural health care providers to the global telecommunications network.

Federal Access Reform

The FCC rejected proposals to immediately base access rates on total service long run incremental costs. The FCC will instead rely on market forces to bring access rates to competitive levels over time. The FCC will issue detailed rules at a later date.

Form 10-Q - Part I**Item 2. Management's Analysis of the Results of Operations (Dollars in millions), continued**

The Access Reform Order will generally remove non-traffic sensitive costs from minutes-of-use access charges. The FCC concluded these non-traffic sensitive costs should be generally recovered through flat-rate charges against interexchange carriers, multi-line business users and additional residential lines. The Access Reform Order will also affirm the tentative conclusions reached in the Notice of Proposed Rulemaking issued in December 1996 that incumbent local exchange carriers ("LECs") may not assess interstate access charges on information service providers and purchasers of unbundled network elements. The FCC will separately address issues surrounding information service providers' usage of the public switched network in a related Notice of Inquiry. The impacts of access reform will occur over a number of years and the effects on the Company cannot be evaluated until the order and accompanying rules are issued. Competition from new entrant local exchange carriers will also affect the Company's access revenues.

Price Cap Order

The FCC's Price Cap Order will require LECs that are subject to price cap regulation to increase their price cap index productivity factor to 6.5 percent. The order will eliminate the lower productivity factor options (i.e., 4.0 percent and 4.7 percent) that required sharing of earnings above a specified level and will require LECs to set their 1997 price cap index assuming that the 6.5 factor had been in effect at the time of the 1996 tariff filing. The Price Cap Order will require price cap incumbent LECs to file revisions to their interstate access tariffs in compliance with the new rules to be effective July 1, 1997. The effects of the Price Cap Order on the Company cannot be evaluated until a later date when the FCC releases its order and new rules.

OTHER ITEMS

On March 31, 1997, Standard and Poor's lowered the Company's senior unsecured debt rating from A plus to A. This downgrading is a result of a modified rating criteria implemented by Standard and Poor's to reflect the changing telecommunications regulatory environment.

In January 1997, the Company purchased personal communications service licenses in the FCC's block auction of D and E spectrum. The purchase price of approximately \$57 will be paid as the licenses are granted.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company and its subsidiaries are subject to claims and proceedings arising in the ordinary course of business. While complete assurance cannot be given as to the outcome of any contingent liabilities, in the opinion of the Company, any financial impact to which the Company and its subsidiaries are subject is not expected to be material in amount to the Company's operating results or its financial position.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit No.
- - - - -

12 Statement regarding computation of earnings to fixed charges
ratio of U S WEST Communications, Inc.

(b) Reports on Form 8-K Filed During the First Quarter of 1997:

No reports on Form 8-K have been filed for the Company during the first quarter of 1997.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

May 14, 1997

/s/ Allan R. Spies

U S WEST Communications, Inc.
Allan R. Spies
Vice President and Chief
Financial Officer

U S WEST COMMUNICATIONS, Inc.
RATIO OF EARNINGS TO FIXED CHARGES
(Dollars in Millions)

	Quarter Ended	
	3/31/97	3/31/96

Income before income taxes, extra-ordinary item and cumulative effect of change in accounting principles	\$564	\$480
Interest expense (net of amounts capitalized)	96	103
Interest factor on rentals (1/3)	15	13
	-----	-----
Earnings	\$675	\$596
Interest expense	\$103	\$116
Interest factor on rentals (1/3)	15	13
	-----	-----
Fixed charges	\$118	\$129
Ratio of earnings to fixed charges	5.72	4.62

ARTICLE 5

CIK: 0000068622

NAME: U S WEST COMMUNICATIONS, INC.

MULTIPLIER: 1,000,000

PERIOD TYPE	3 MOS
FISCAL YEAR END	DEC 31 1997
PERIOD END	MAR 31 1997
CASH	82
SECURITIES	0
RECEIVABLES	1,489
ALLOWANCES	0
INVENTORY	107
CURRENT ASSETS	1,874
PP&E	32,568
DEPRECIATION	18,839
TOTAL ASSETS	16,371
CURRENT LIABILITIES	3,221
BONDS	5,362
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	7,754
OTHER SE	(3,617)
TOTAL LIABILITY AND EQUITY	16,371
SALES	2,547
TOTAL REVENUES	2,547
CGS	0
TOTAL COSTS	0
OTHER EXPENSES	1,883
LOSS PROVISION	0
INTEREST EXPENSE	96
INCOME PRETAX	564
INCOME TAX	215
INCOME CONTINUING	349
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	349
EPS PRIMARY	0
EPS DILUTED	0

End of FilingPowered By **EDGAR**
Online

© 2005 | EDGAR Online, Inc.