

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	DOCKET UT-121964
)	
Teleport Communications America, LLC, for an Order Granting Competitive Classification and)	ORDER 01
)	
Exemption from WAC 480-121-061(1), Requiring Effective Date at Least 30 days Following Filing)	ORDER GRANTING COMPETITIVE CLASSIFICATION AND EXEMPTION FROM RULE
)	

BACKGROUND

- 1 On October 16, 2012, Teleport Communications America, LLC (TCA or Company) filed with the Washington Utilities and Transportation Commission (Commission) a notification that TCG Oregon and TCG Seattle would merge into the Company effective December 31, 2012. The proposed merger is part of a multi-state initiative to consolidate state-specific subsidiaries into TCA. The transaction will be entirely pro forma in that it will involve only affiliates of TCA and no non-affiliated entities. All of these companies are wholly owned subsidiaries of AT&T Inc.

- 2 On December 17, 2012, TCA filed a petition to become a competitive classified telecommunications company. The Company filed the necessary information to meet the requirements to become competitively classified.

- 3 On December 20, 2012, TCA filed a petition requesting exemption from WAC 480-121-061(1), which requires an effective date of competitive classification, at least thirty days following the filing date. The Company states these are internal consolidations of TCA affiliates and will not affect existing customers. The Company's existing customers will continue to receive the same prices, terms and conditions for their services and will not be affected by this transaction.

- 4 Commission Staff (Staff) has reviewed the Company's filings and recommends both be granted for the following reasons:

- a) The Company informed Staff of the proposed merger on October 16, 2012. The merger involves the restructuring of wholly owned subsidiaries of AT&T Inc.
- b) Upon notification to the Company by Staff, the Company filed a registration and competitive classification with the Commission on December 17, 2012, for TCA. Staff has reviewed the data sent by TCA registering and requesting competitive classification and concludes the data submitted by the Company is sufficient to recommend that the Commission grant TCA competitive classification. Staff's recommendation is premised upon TCA complying with the statutes and rules governing telecommunications companies including, RCW Title 80, WAC 480-120 and WAC 480-121. WAC 480-121-063 identifies the regulatory requirements that are waived for competitively classified telecommunication companies.
- c) Staff also recommends the Company comply with WAC 480-120-382, which requires TCA to submit to the Commission an annual report and pay regulatory fees no later than May 1 of each year.
- d) The Company has also petitioned for an exemption from WAC 480-121-061(1), which requires that the effective date of any competitive classification be at least 30 days after the date of the filing in which competitive classification is requested. This merger is a consolidation of wholly owned AT&T Inc. affiliated state-specific companies. The Commission granted TCG Seattle's petition for competitive classification on June 30, 1995. Granting the exemption from WAC 480-121-061(1) would permit the proposed merger to close on December 31, 2012. Such merger has no effect on the Company's existing customers in Washington.
- e) The proposed merger into TCA would not affect prices, terms or conditions to existing customers.

FINDINGS AND CONCLUSIONS

- 5 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate public service companies, including competitively classified telecommunications companies. [RCW 80.01.040](#), [RCW 80.04](#) and [RCW 80.36](#).

- 6 (2) TCA notified the Commission on October 16, 2012, that it was merging TCG Oregon and TCG Seattle into Teleport Communication America, LLC, effective December 31, 2012.
- 7 (3) On December 17, 2012, TCA filed a petition seeking to become a competitively classified telecommunications company and a public service company subject to Commission jurisdiction in the state of Washington.
- 8 (4) On December 20, 2012, TCA petitioned the Commission for an exemption WAC 480-121-061(1).
- 9 (5) TCA is subject to [WAC 480-121-061\(1\)](#), which requires that the effective date of a company's petition for competitive classification be at least 30 days after the date of the filing in which competitive classification is requested.
- 10 (6) Under WAC [480-121-015](#), the Commission may grant an exemption from any rule in WAC [480-121](#), if consistent with the public interest, the purposes underlying regulation and applicable statutes. See also [WAC 480-07-110](#).
- 11 (7) The Company is merging an existing affiliated competitively classified company into TCA. The prices, terms and conditions to existing customer services will not be affected by this merger.
- 12 (8) This matter came before the Commission at its regularly scheduled meeting on December 27, 2012.
- 13 (9) After review of the petitions in Docket UT-121964, the Commission grants TCA's petitions for competitive classification and exemption from WAC 480-121-061(1). Granting both petitions is in the public interest and is consistent with the purposes underlying the regulation and applicable statutes.

ORDER

THE COMMISSION ORDERS:

- 14 (1) The request by Teleport Communications America, LLC, for an exemption from WAC 480-121-061(1) is granted.

- 15 (2) The request by Teleport Communications America, LLC, for competitive classification is also granted.
- 16 (3) Teleport Communications America, LLC, must comply with the statutes and rules governing telecommunications companies including RCW Title 80, WAC 480-80, WAC 480-120, and WAC 480-121. WAC 480-121-063 identifies regulatory requirements that are waived for competitively classified telecommunications companies.
- 17 (4) In accordance with WAC 480-120-382, Teleport Communications America, LLC, must submit to the Commission an annual report and pay regulatory fees no later than May 1 of each year.
- 18 (5) The Commission retains jurisdiction over the subject matter and Teleport Communications America, LLC to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective December 27, 2012.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary