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1 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION

2 COMMISSION

3 INTEGRA TELECOM OF)
WASHINGTON, INC.,)

4)
Complainant,)

5)

vs.)

6)

7 VERIZON NORTHWEST, INC.,)

8)

Respondent.)

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10 A prehearing conference in the above matter
11 was held on August 15, 2006, at 10:15 a.m., at 1300
12 South Evergreen Park Drive Southwest, Olympia,
13 Washington, before Administrative Law Judge THEODORA
14 MACE.

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16 The parties were present as follows:

17 INTEGRA TELECOM OF WASHINGTON, INC., by JOHN
18 (JAY) P. NUSBAUM (via bridge), Associate Regulatory
Attorney, 1201 Northeast Lloyd Boulevard, Suite 500,
Portland, Oregon 97232; telephone, (503) 453-8054.
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20 VERIZON NORTHWEST, INC., by GREGORY M. ROMANO
(via bridge), General Counsel, Northwest Region, 1800
41st Street, WA0105RA, Everett, Washington 98201;
21 telephone, (425) 261-5460.

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24 Kathryn T. Wilson, CCR

25 Court Reporter

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1 P R O C E E D I N G S

2 JUDGE MACE: Let's be on the record in the
3 matter of Integra Telecom of Washington, Inc., versus
4 Verizon Northwest, Inc., Docket No. UT-053038. Today's
5 date is August 15th, 2006, and we are convened at the
6 offices of the Washington Utilities and Transportation
7 Commission in Olympia, Washington.

8 My name is Theodora Mace, and I'm the
9 administrative law judge who has been assigned to this
10 case. I have with me here in the hearing room Judge C.
11 Robert Wallis, and I would like to have the oral
12 appearances in short form of counsel at this point.

13 MR. ROMANO: Gregory Romano, representing
14 Verizon Communications and Verizon Northwest.

15 MR. NUSBAUM: This is Jay Nusbaum
16 representing Integra Telecom of Washington.

17 JUDGE MACE: The reason we convened today was
18 because a prehearing conference was scheduled to
19 discuss what was happening with regard to settlement of
20 this case, and we had an e-mail from Counsel yesterday
21 stating that a settlement had been reached, and
22 attached to the e-mail was a copy of the Settlement.

23 We would like to hear from the parties this
24 morning about the Settlement Agreement, briefly
25 describing it, and talking about how it's different

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1 from the prior Settlement Agreement and how it meets
2 the Commission's concerns stated in Order No. 4, which
3 is dated March 15th, that suspended consideration of
4 the Settlement Agreement.

5 So I don't know which one of you should go
6 first; Mr. Romano, Mr. Nusbaum?

7 MR. ROMANO: I would be happy to go first.

8 MR. NUSBAUM: That's fine.

9 MR. ROMANO: The Settlement Agreement differs
10 in a material way from the one that was entered into
11 previously in that the previous Settlement Agreement,
12 as you all may remember, provided for a situation in
13 which Integra could, in essence, refile the Complaint,
14 and the reason it was created that way was at the time,
15 the parties were working together through some sort of
16 technical solution, and the Settlement Agreement
17 envisioned the possibility that Integra could refile
18 the Complaint if that solution did not come to task.
19 Whereas in this case, the parties were able to work
20 through together on a technical solution, solved the
21 problems, and therefore, we've removed any reference in
22 the Settlement Agreement to the possibility that
23 Integra could refile the Complaint.

24 JUDGE MACE: As I recall the Complaint, it
25 had to do in some measure with several customers of

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1 Integra who were having trouble with disconnecting
2 their phones, and there were specific customers that
3 were involved. When I read through the Settlement
4 Agreement that you just filed, it appeared to me that
5 the problems with those specific customers had been
6 resolved.

7 MR. ROMANO: That is correct.

8 MR. NUSBAUM: That's right, Your Honor.

9 JUDGE MACE: However, when I read the
10 Settlement Agreement that was just filed, it does talk
11 about -- I'm referring to Page 2 -- if Integra orders
12 resale -- this is in Paragraph 2 -- on a particular
13 line, pending resolution of a disconnect supervision
14 problem with Verizon and the problem is subsequently
15 fixed, Verizon will work cooperatively with Integra to
16 resolve the problem.

17 And then there is a sentence that says,
18 Integra reserves any right it may have to seek a credit
19 for the difference between resale and UNE rates if it
20 believes it is entitled to such a credit, and Verizon
21 reserves the right to challenge any attempt by Integra
22 to seek such a credit.

23 That paragraph does not refer to the specific
24 customers that were at issue in the Complaint as it was
25 filed; is that correct?

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1 MR. ROMANO: That is correct.

2 JUDGE MACE: That relates to future problems?

3 MR. ROMANO: Right. In the interest that
4 this may come up again that that's just sort of
5 reservation language for how this may be addressed
6 going forward, but it was not, at least in my
7 estimation, referred to the customers that were dealt
8 with in the Complaint.

9 MR. NUSBAUM: That's my understanding as
10 well. I think Mr. Romano has summarized it accurately,
11 and that is, the process in place, if the issue comes
12 up in the future with respect to the specific customers
13 listed in the Complaint, those issues have been taken
14 care of.

15 JUDGE MACE: I think the other thing I would
16 just like to address generally is public interest
17 concerns. Because the Commission review settlements
18 and may approve them with a public interest in mind, if
19 you would address where you think this settlement
20 serves the public interest. Mr. Romano, I'll let you
21 go first.

22 MR. ROMANO: I think the Settlement serves
23 the public interest because it shows an example of two
24 parties actually sort of setting aside respective legal
25 opinions and sitting down together and working through

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1 a technical solution with both parties devoting
2 significant resources to try to test and work together
3 to determine a solution that ultimately worked out
4 without having to involve too much in the way of
5 Commission resources for resolution.

6 JUDGE MACE: Mr. Nusbaum?

7 MR. NUSBAUM: I would second that and also
8 say that there were really two goals of the Settlement
9 Agreement. One was to fix the problems that were
10 specifically listed in the Complaint, and I think the
11 Settlement Agreement also, as you've noted, has a
12 component of cooperation in the future if the issue
13 comes up, and that should serve the public interest
14 that we have a framework in place to deal with these
15 issues. If for some reason in the future they crop up
16 again, we now have a plan to address them, which we did
17 not have in the past.

18 JUDGE MACE: Tell me more about that
19 framework for resolving future disputes, or maybe not
20 disputes, but future problems regarding disconnect
21 service.

22 MR. NUSBAUM: Essentially what the parties
23 have agreed to do is to cooperate to identify any
24 potential issues that come up, and primarily to
25 maintain an open line of communication to address how

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1 to order specific services, if there is an issue with
2 services that are ordered, how to resolve that issue.

3 It's primarily a communication requirement
4 which we think will help greatly in the future in our
5 relationship with Verizon, and I think Verizon's
6 relationship with Integra as well.

7 JUDGE MACE: Judge Wallis, did you have any
8 other questions?

9 JUDGE WALLIS: I have no questions, thank
10 you.

11 JUDGE MACE: We will take a look at the
12 Settlement Agreement and take into account what you
13 have told us today, and if there is a need for a future
14 settlement hearing, as I indicated in my e-mail this
15 morning, we will notify you. It is possible that this
16 may be able to be processed to an order without the
17 need of a future settlement conference, but we need to
18 take some time to review this before we determine that.

19 Let me just ask this: Assuming we could
20 enter an initial order approving the Settlement
21 Agreement, would the parties be willing to waive -- let
22 me back up. Let me start again. Would you waive an
23 initial order in this case and just go to Commission
24 final order?

25 MR. ROMANO: Verizon would be happy to waive.

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1 MR. NUSBAUM: That would be fine with
2 Integra.

3 JUDGE MACE: Thank you. I think that is all
4 we need to discuss today. Do you gentlemen have
5 anything else that you want to offer at this point?

6 MR. ROMANO: No, Your Honor.

7 MR. NUSBAUM: No, Your Honor.

8 JUDGE MACE: Thank you so much for
9 cooperating to go ahead with this brief hearing today.
10 That was very helpful, and I know, Mr. Nusbaum, you
11 were involved in something else, but I do appreciate
12 that you were able to break yourself free. Thank you
13 very much. That concludes the hearing.

14 (Prehearing adjourned at 10:25 a.m.)

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