

**UT-040015**  
**Telco Tuneup**  
**Stakeholder Comments & Staff Responses Summary**

**Definition of Class A and Class B Companies**

**Proposal** – Move existing definition out of a rule that applies only to non-competitive companies. Clarify that affiliates' lines count in the calculation.

**WAC 480-120-021 Definitions.**

"**Class A company**" means a local exchange company with two percent or more of the access lines within the state of Washington. The method of determining whether a company is a Class A company is specified in WAC 480-120-034 (Classification of local exchange companies as Class A or Class B).

"**Class B company**" means a local exchange company with less than two percent of the access lines within the state of Washington. The method of determining whether a company is a Class A company is specified in WAC 480-120-034 (Classification of local exchange companies as Class A or Class B).

**WAC 480-120-034 Classification of local exchange companies as Class A or Class B.** (1) Each local exchange company is classified as a Class A company or a Class B company, based on the number of access lines it provides to Washington state customers.

(2) The classification of a company as Class A or Class B is made without respect to the company's classification as a competitive company under RCW 80.36.320.

(3) For purposes of classifying a company as Class A or Class B, the number of access lines served by the local exchange company includes the number of access lines served in this state by any affiliate of that local exchange company.

(4) Any company whose classification as Class A or Class B changes, due to a change in the number of access lines served, a change in affiliate relationships, or other reason, must promptly notify the commission secretary of the change in classification.

(5) By July 1 of each year, the commission will publish on its web site the total number of access lines served by local exchange companies in

Washington, based on information reported by companies for the previous calendar year, and a calculation of the two-percent threshold.

**WAC 480-120-302 Accounting requirements for companies not classified as competitive.** (1) ~~(a) Companies with two percent or more of state access lines and companies with less than two percent of state access lines are classified as follows:~~

-	<b>Class</b>	<b>Number of Access Lines as of December 31 from prior year's annual report</b>
-	A	2% or more of state access lines
-	B	Less than 2% of state access lines

For example:

Company X access lines as of 12/31/98	33,823
Divided by	
-	-
Total state access lines as of 12/31/98	3,382,320
-	-
Equals company access lines as a percentage of total access lines.	- 1%

Therefore, ~~company X is a Class B company.~~

~~—(b) As long as a company can show it serves less than two percent of the total access lines listed in (a) of this subsection, it may compare future years to the year listed in the example above, as a safe harbor option.~~

~~—(c) If a company has more than two percent of the total access lines listed in (a) of this subsection, but believes that it has less than two percent of a subsequent year to that listed in the example above, it may use the more recent "total state access lines" as of that subsequent year in order to calculate a different threshold, as long as it provides all relevant information in a letter of certification to the commission concurrent with its election. For purposes of this rule the raw data may be requested from the commission's record center in order for the company seeking the data to generate its own calculation subsequent, and pursuant, to this rule.  
[remainder of rule omitted]~~

### **Stakeholder Comments**

CLECs (AT&T, MCI, Comcast) argue that they should not be subject to service quality reporting requirements and that parity between CLECs and ILECs is inappropriate.

Qwest supports this proposal. Verizon objects to counting affiliate lines.

### **Staff Response**

The proposed language is pure “tune-up” – no policy change regarding how CLECs are treated. The debate is really about whether to have service quality standards and reports for larger CLECs. It takes the form of an argument over what constitutes a Class A (i.e., reporting) company.

There are no new arguments since the Commission made its decision in 2002 to require service quality reports from larger CLECs. If the Commission wishes to reconsider that decision, it would probably be better to do it outside the tune-up process.

## **Company Performance for Orders for Nonbasic Services**

**Proposal** – Correct WAC title reference.

**WAC 480-120-112 Company performance for orders for nonbasic services.** (1) Except as provided in subsection (2) of this section, the local exchange company (LEC) must complete orders for all nonbasic services within one hundred eighty days of the order date or by a later date requested by a customer.

(2) The timeline set forth in subsection (1) of this section does not apply when a later installation or activation is permitted under WAC 480-120-071 (~~Extending service~~Extension of service), or when the commission has granted an exemption from the requirement for installation or activation of a particular order under WAC 480-120-015 (Exemptions from rules in chapter 480-120 WAC).

### **Stakeholder Comment**

None.

## Procedures for Establishing Credit for Residential Services

**Proposal** – Grammar change, add ability to make advanced payments for ancillary service.

**WAC 480-120-122 Establishing credit— Residential services.** ~~(1)~~ This section applies only to the provision of residential services.

~~(1) A For a local exchange company (LEC) that offers basic service as part of any bundled package of services, the requirements of this subsection apply only to its lowest-priced, flat-rated residential basic service offering. The LEC may require an applicant or customer of residential basic service to pay a local service deposit only if: in accordance with (a) through (e) of this subsection. For a LEC that offers basic service as part of any bundled package of services, the requirements of this subsection apply only to its lowest priced, flat rated residential basic service offering.~~

~~(a) If the~~ The applicant or customer has received two or more delinquency notices for basic service during the last twelve month period with that company or another company;

~~(b) If the~~ The applicant or customer has had basic service discontinued by any telecommunications company;

~~(c) If the~~ The applicant or customer has an unpaid, overdue basic service balance owing to any telecommunications company;

~~(d) If the~~ The applicant's or customer's service is being restored following a discontinuation for nonpayment or acquiring service through deceptive means under WAC 480-120-172(1); or

~~(e) If the~~ The applicant or customer has been disconnected for taking service under deceptive means as described in WAC 480-120-172(1).

(2) A LEC may, if provided for in its tariff or price list, require an applicant or customer of ancillary services to demonstrate satisfactory credit by reasonable means, ~~or~~ pay a deposit, or make advanced payments consistent with subsections (4) and (5) of this section.

The company must inform applicants that local service cannot be withheld pending payment of a deposit or advanced payments for ancillary services.

(5) When an applicant or customer is required to pay a basic service deposit or an interexchange deposit, but is unable to pay the entire amount in advance of connection or continuation of service, the ~~following~~

will apply the company must offer the applicant or customer the following options:

(a) ~~The customer may p~~Pay fifty percent of the requested deposit amount before installation or continuation of service, with the remaining amount payable in equal amounts over the following two months; or

(b) Where technology permits, the applicant or customer must ~~be allowed~~ have the option of accepting toll-restricted basic service in lieu of payment of the deposit. A company must not charge for toll restriction when it is used as an alternative to a deposit.

(6) A company may require an applicant or customer to pay a deposit or make advanced payments equal to two months' charges for ancillary service before providing or continuing ancillary services.

*[remainder of rule omitted]*

### **Stakeholder Comment**

AT&T suggests clarity in calculating the amount attributable to basic service, ancillary services and interexchange services and an additional option for the company of the requested deposit amount.

Comcast suggests language that would clarify subsection (2) that a service provider, in lieu of a deposit, may request advanced payments for ancillary services that would limit losses to the company as a result of non-payment.

Public Counsel asks for assurance that customers are informed of the option in subsection (5) to pay fifty percent of a deposit or select toll restriction.

### **Staff Response**

Incorporate Comcast suggestion to provide for advanced payments. Propose retaining language in subsection (5). The company may request an exemption to accommodate its service offerings and billing systems.

## **Deposit Administration**

**Proposal** – Clarify that deposits are for retail services, change date for establishing interest rate.

**WAC 480-120-128 Deposit administration.** (1) **Transfer of deposit.** A company must transfer a customer's deposit, less any outstanding balance, from the account at one service address to another service address, when a customer moves to a new address, is required to pay a deposit, and continues to receive service from that company.

(2) **Interest on deposits.** Companies that collect customer deposits must pay interest on those deposits calculated:

(a) For each calendar year, at the rate for the one-year Treasury Constant Maturity as of November 15 of the previous year, as calculated by the U.S. Treasury, as and published in the Federal Reserve's Statistical Release H.15 on January 15 of that year. If January 15 falls on a nonbusiness day, the company will use the rate posted on the next following business day; and

(b) From the date of deposit to the date of refund or when applied directly to the customer's account.

(3) **Refunding deposits for residential retail services.** Companies must refund deposits, plus accrued interest, less any outstanding balance, to a retail customer when:

(a) A customer terminates service or services for which a deposit is being held.

A company is not required to refund an amount held on deposit when a customer requests a discontinuation of service or services but requests to establish similar service with a company for which the current deposit holder also provides billing and collection service. The new provider must have authority with the commission to collect deposits; or

(b) The customer has paid for service for twelve consecutive months in a prompt and satisfactory manner as evidenced by the following:

(i) The company has not issued a discontinuation notice against the customer's account for nonpayment during the last twelve months; and

(ii) The company has sent no more than two delinquency notices to the customer in the last twelve months.

~~(c)~~ A company may apply a deposit refund to a customer's account or, upon customer request, must provide the refund in the form of a check issued and mailed to the customer no later than thirty days after satisfactory payment history is established or thirty days after the date the closing bill is ~~issued~~ paid when service is terminated.

### **Stakeholder Comment**

Qwest suggests using November 15 of the previous year as the interest rate on customer deposits.

WITA suggests that language be added to provide that the rule does not apply to deposits for access service.

### **Staff Response**

The date of November 15 of the previous year is proposed. Subsection (3) includes proposed language for “retail” services and specifies it does not apply to access service.

### **Anti-slamming Rule**

**Proposal** – Update to reflect FCC rule, establish time for LEC to lift freeze, time limit to submit change order, grammar changes.

#### **WAC 480-120-147 Changes in local exchange and intrastate toll services.**

##### **(1) Verification of orders.**

Calls to the number(s) must connect a customer to a voice response unit, or similar device, that records the required information regarding the change, including recording the originating automatic number identification (ANI).

(c) An appropriately qualified and independent third party operating in a location physically separate from the telemarketing representative has obtained the customer's oral authorization to submit the change order that confirms and includes appropriate verification data (e.g., the customer's date of birth). A company or a company's sales representative initiating a three-way conference call or a call through an automated verification system must drop off the call once the three-way connection with the third-party verifier has been established. The independent third party must not be owned, managed, controlled or directed by the carrier company or the carrier's company's marketing agent; and must not have any financial incentive to confirm preferred carrier company change orders for the carrier company or the carrier's company's marketing agent. The content of the verification must include clear and unambiguous confirmation that the customer has authorized a preferred carrier company change.



(4) **Implementing order changes.** An executing ~~carrier~~ company may not verify directly with the customer the submission of a change in a customer's selection of a provider received from a submitting ~~carrier~~ company. The executing ~~carrier~~ company must comply promptly, without any unreasonable delay, with a requested change that is complete and received from a submitting ~~carrier~~ company. An executing ~~carrier~~ company is any telecommunications ~~carrier~~ company that affects a request that a customer's ~~carrier~~ company be changed. A telecommunications company must submit a preferred company change order on behalf of a customer within no more than sixty days of obtaining authorization.

This section does not prohibit any company from investigating and responding to any customer-initiated inquiry or complaint.

(5) **Preferred carrier freezes.**

(d) All LECs must offer customers, at a minimum, the following procedures for lifting a preferred carrier freeze:

(i) A customer's written or electronic authorization stating the customer's intent to lift the freeze;

(ii) A customer's oral authorization to lift the freeze. This option must include a mechanism that allows a submitting ~~carrier~~ company to conduct a three-way conference call with the executing ~~carrier~~ company and the customer in order to lift the freeze. When engaged in oral authorization to lift a freeze, the executing ~~carrier~~ company must confirm appropriate verification data (e.g., the customer's date of birth), and the customer's intent to lift the freeze.

(iii) The LEC must lift the freeze within three business days of the customer's request.

*[remainder of rule omitted]*

### **Stakeholder Comment**

Regarding subsection (1)(a), AT&T has concerns that the letter of agency must be signed and dated by the actual customer of the record, and that any adult person authorized by such party should be able to make changes to the account. Company wants to change the rule to say, subscriber, and adopt the FCC's definition of subscriber.

Regarding subsection (4) AT&T and Verizon would like to adopt language that addresses multi-line and/or multi-location business customers that have entered into negotiated agreements to add lines during the course of a term agreement.

Large customers should not be limited to the 60-day requirement, and changes shall be valid for the period specified in the term agreement.

Regarding subsection (5) PIC freezes, AT&T would like the rule language to say, *may offer (vs. must offer) pic freezes* and offer it at its discretion. AT&T supports the new language that freezes be lifted within 72 hours of a request.

WITA supports changing the language from 72 hours to 3 business days to address holidays.

### **Staff Response**

Retain staff proposed language in subsection (1)(a) with no changes. Staff understands customer in this situation to include spouses and other persons authorized to conduct business on behalf of the account holder.

Retain staff proposed language in subsection (4) with no changes. Staff understands the full term of contracts and term agreements should be honored.

Retain current language in subsection (5). PIC freezes should continue to be offered on a nondiscriminatory basis to all customers. Staff incorporated suggestion to change language in subsection (5)(d)(iii).

### **Pro Rata Credits**

**Proposal** – Make no change.

#### **WAC 480-120-164 Pro rata credits.**

Every telecommunications company must provide pro rata credits to customers of a service whenever that service is billed on a monthly basis and is not available for more than a total of twenty-four hours in a billing cycle. The minimum amount of pro rata credit a company must provide is the monthly cost of service divided by thirty, then multiplied by the number of days or portions of days during which service was not provided.

For example:

$$\frac{(\text{Cost of Service}) \times (\text{Number of Days or Portions of Days Without Service})}{30} = \text{Pro Rata Credit}$$

Pro rata credits are not required when force majeure, customer premises equipment, or inside wiring is the proximate cause for the unavailability of a service. If a company provides a credit amount for unavailable service that is equal to or greater than the credit amount required by this rule, the amount of credit required by this rule need not be provided.

### **Stakeholder Comments**

Industry commenters would like to limit the credit to outages that are reported by customers, i.e., exclude outages that the company detects but are not reported by customers. They are concerned that the rule creates an obligation to monitor for outages and that paying credits is unnecessary when the customer does not report the outage.

### **Staff Response**

The companies have not presented new arguments or evidence since the Commission revised this rule in 2002. The companies have not shown that there is an excessive burden under the current rule. The rule does not impose an obligation on companies to detect outages. If a company detects an outage in the course of its normal operations, it is reasonable to provide a credit to all customers experiencing the outage – not just those who report it.

## **Commission-referred Complaints**

**Proposal** – Require records retention for two years, add clarifying language, delete subsection, grammar changes.

**WAC 480-120-166 Commission-referred complaints.** (1) Each company must keep a record of all complaints concerning service or rates for at least ~~three~~ two years and, on request, make them readily available for commission review. The records must contain complainant's name and address, date and the nature of the complaint, action taken, and final result.

(2) Each company must have personnel available during regular business days to respond to commission staff.

(3) Applicants, customers, or their authorized representatives, may file with the commission an informal complaint as described in WAC 480-07-910 (Informal complaints) or a formal complaint against a company when there are alleged violations of statutes, administrative rules, or tariffs as provided by WAC 480-07-370 (Pleadings—General).

(4) When the commission staff refers an informal complaint to a company, the company must:

(a) Stop any pending action involving the issues raised in the complaint provided any amounts not in dispute are paid when due (e.g., if the complaint involves a disconnect threat or collection action, the disconnect or collection must be stopped);

(b) Thoroughly investigate all issues raised in the complaint and provide a complete report of the results of its investigation to the commission, including, if applicable, information that demonstrates that the company's action was in compliance with commission rules; and

(c) Take corrective action, if warranted, as soon as appropriate under the circumstances.

(5) Commission staff will ask the customer filing the informal complaint whether the customer wishes to speak directly to the company during the course of the complaint, and will relay the customer's preference to the company at the time staff opens the complaint.

(6) Unless another time is specified in this rule or unless commission staff specifies a later date, ~~the~~ company must report the results of its investigation of service-affecting informal complaints to commission staff within two business days from the date commission staff passes the complaint to the company. Service-affecting complaints include, but are not limited to, nonfunctioning or impaired services (i.e., disconnected services or those not functioning properly).

(7) Unless another time is specified in this rule or unless commission staff specifies a later date, ~~the~~ company must report the results of its investigation of nonservice-affecting informal complaints to commission staff within five business days from the date commission staff passes the complaint to the company. Nonservice-affecting complaints include, but are not limited to, billing disputes and rate quotes.

(8) Unless another time is specified in this rule or unless commission staff specifies a later date, the company must provide complete responses to requests from commission staff for additional information on pending informal complaints within three business days.

(9) The company must keep commission staff informed when relevant changes occur in what has been previously communicated to the commission and when there is final resolution of the informal complaint.

(10) An informal complaint opened with the company by commission staff may not be considered closed until commission staff informs the company that the complaint is closed.

~~(11) The company must provide information requested by staff regarding any informal complaint in accordance with subsections (6) and (7) of this section until such time as staff informs the company that the complaint is closed.~~

### **Stakeholder Comment**

AT&T concurs with rule change. AT&T proposes mandatory record keeping be for two years.

### **Staff Response**

Staff proposes the change to the two-year requirement.

## **Discontinuing Service—Company Initiated**

**Proposal** – Provide consistent language across WACs, grammar changes.

**WAC 480-120-172 Discontinuing service—Company initiated.** (1) A company may discontinue service without notice or without further notice when, after conducting a thorough investigation, it finds the customer has ~~performed a~~ used ~~deceptive practice means~~ by:

- (a) Tampering with the company's property;
- (b) Using service through an illegal connection;
- (c) Unlawfully using service or using service for unlawful purposes; or

(d) ~~Obtaining~~ Using service ~~in another false or deceptive~~ deceptively ~~manner~~.

(2)(a) A company may discontinue service without notice or without further notice when after conducting a thorough investigation, it determines the customer has:

- (i) Vacated the premises without informing the company;

(ii) Paid a delinquent balance in response to a delinquency notice as described in subsection (7) of this section with a check or electronic payment that is subsequently dishonored by the bank or other financial institution; or

(iii) Failed to keep payment arrangements agreed upon in response to a delinquency notice as described in subsection (7) of this section.

(b) The company must restore service once the customer has corrected the reason for discontinuance as described in subsection (2)(a) of this section.

(c) The company may require a deposit from a customer that it has disconnected due to the reasons described in subsection (2)(a) of this section.

(3) A company may discontinue service after providing proper notice, or may issue a discontinuation notice, if, and only if, ~~in one or more of the following circumstances:~~

(a) The company determines the customer has violated a rule, statute, service agreement, filed tariff, or price list;

(b) The company determines the customer has used customer-owned equipment that adversely affects the company's service to its other customers;

(c) The company determines the customer has not paid regulated charges or has not paid a deposit as provided in the tariff or price list of the company or another company with which it has a billing and collection agreement, except for nonpayment of charges incurred from information delivery services as provided for in WAC 480-120-254 (Telephone solicitation) or disputed third party-billed charges;

(d) The company is unable to substantiate the identity of the individual requesting service:

(i) Companies must allow the applicant to substantiate identity with one piece of identification chosen from a list, provided by the company, of at least four sources of identification. The list must include a current driver's license or other picture identification;

(ii) Company business offices and payment agencies, required under WAC 480-120-132 (Business offices) and 480-120-162 (Cash and urgent payments), must provide a means for applicants to provide identification at no charge to the applicant;

(8) In addition to the notice required in subsection (7) of this section, a company must attempt to make personal contact with a

customer prior to discontinuing service. Any of the following methods will satisfy the personal contact requirement:

(d) **Telephone notice.** The company must attempt at least two times to contact the customer during regular business hours. If the company is unable to reach the customer on the first attempt, the company must attempt to contact the customer using any business or message number provided by the customer as a contact number. The company must keep a log or record of the calls for a minimum of ninety calendar days showing the telephone number called, the time of the call, and details of the results of each attempted call. The disconnection must not take place before 5:00 p.m. of the next business day after the phone calls or attempts.

*[remainder of rule omitted]*

### **Stakeholder Comments**

AT&T is concerned about identity theft. Qwest argues that restricting disconnection until 5:00 p.m. could give delinquent customers 4 to 5 extra days of service. Verizon suggests the proposed change in subsection (1)(d) is circular. Verizon suggests current language be retained.

### **Staff Response**

Changes to this section were strictly editing for consistency, and Staff suggests retaining its proposed language. In cases of identity theft, a company can provide notice, disconnect, and rely on the restoration of service rule or establishment of credit rule to determine whether to restore service.

The addition of language in subsection (8)(d) is consistent with (8)(a) through (c) which identifies a deadline to disconnect once proper notice is given. Retain proposed Staff changes.

## **Restoring Service after Discontinuation**

**Proposal** - Provide consistent language across WACs, move payment arrangements portion to WAC 480-120-174, grammar changes.

**WAC 480-120-173 Restoring service after discontinuation.** (1) A company must restore a discontinued service when:

(a) The causes of discontinuation not related to a delinquent balance have been removed or corrected. ~~In the case of a~~ Deceptive practices, as described in WAC 480-120-172 (1)(a), ~~this~~ means the customer has corrected the ~~deceptive practice~~ deception and has paid the estimated amount of service that was taken through deceptive means, all costs resulting from the ~~deceptive use~~ deception, any applicable deposit, and any delinquent balance owed to the company by that customer for the same class of service. A company may require a deposit from a customer that has obtained service ~~in a deceptive manner~~ deceptively as described in WAC 480-120-172 (1)(a). A company is not required to allow six-month arrangements on a delinquent balance as provided for in WAC 480-120-173 (1)(b) 174(1) when it can demonstrate that a customer obtained service through deceptive means in order to avoid payment of a delinquent amount owed to that company;

(b) Payment or satisfactory arrangements for payment of all proper charges due from the applicant, including any proper deposit and reconnection fee, have been made as provided in WAC 480-120-122 (Establishing credit – Residential services) and 480-120-174 (Payment arrangements) ~~Applicants or customers, excluding telecommunications companies as defined in RCW 80.04.010, are entitled to, and a company must allow, an initial use, and then, once every five years dating from the customer's most recent use of the option, an option to pay a prior obligation over not less than a six-month period. The company must restore service upon payment of the first installment if an applicant is entitled to the payment arrangement provided for in this section and, if applicable, the first half of a deposit is paid as provided for in WAC 480-120-122; or~~

(c) The commission staff directs restoration pending resolution of any dispute between the company and the applicant or customer over the propriety of discontinuation.

(3) A company may refuse to restore service to a customer who has been discontinued twice for ~~deceptive practices~~ means as described in WAC 480-120-172 (1)(a) for a period of five years from the date of the second disconnection, subject to petition by the customer to the commission for an order requiring restoration of service based on good cause.

### Stakeholder Comments



Qwest strongly disagrees that this rule includes temporary suspension or toll restriction, rather it applies only after complete disconnection of service. Qwest requests clarification of the definition of “Discontinue; discontinuation; discontinued” found in WAC 480-120-021.

### **Staff Response**

Changes to this section were primarily editing for consistency, and moving the payment arrangement section into a rule that strictly covers payment arrangements (WAC 480-120-174).

The definition of “Discontinue, discontinuation, discontinued,” found in WAC 480-120-021, means that the company cannot restrict or limit service in any way or it is considered a discontinuation. Retain proposed Staff changes.

## **Payment Arrangements**

**Proposal** – Clarify when service to customers must be restored.

**WAC 480-120-174 Restoring service based on Washington telephone assistance program (WTAP) or federal enhanced tribal lifeline program eligibility** **Payment arrangements.** (1) **General.** Applicants or customers, excluding telecommunications companies as defined in RCW 80.04.010, are entitled to, and a company must allow, an initial use, and then, once every five years dating from the customer’s most recent use of the option, an option to pay a prior obligation over not less than a six-month period. The company must restore service upon payment of the first installment if an applicant is entitled to the payment arrangement provided for in this section and, if applicable, the first half of a deposit is paid as provided for in WAC 480-120-122 (Establishing credit—Residential services).

(2) **Restoring service based on Washington telephone assistance program (WTAP) or federal enhanced tribal lifeline program eligibility.** Local exchange companies (LECs) must restore service for any customer who has had basic service discontinued for nonpayment under WAC 480-120-172 (Discontinuing service—Company initiated) if the customer was not a participant in either the Washington telephone assistance program (WTAP) or the federal enhanced tribal lifeline program at the time service was discontinued and if the customer is eligible to participate in WTAP or the federal enhanced tribal lifeline program at the time the restoration of

service is requested. To have service restored under this subsection, a customer must establish eligibility for either WTAP or the federal enhanced tribal lifeline program, agree to continuing participation in WTAP or the federal enhanced tribal lifeline program, agree to pay unpaid basic service and ancillary service amounts due to the LEC at the monthly rate of no more than one and one-half times the telephone assistance rate required to be paid by WTAP participants as ordered by the commission under WAC 480-122-020 (Washington telephone assistance program rate), agree to toll restriction, or ancillary service restriction, or both, if the company requires it, until the unpaid amounts are paid. Companies must not charge for toll restriction when restoring service under this section.

~~(2)~~ In the event a customer receiving service under this subsection fails to make a timely payment for either monthly basic service or for unpaid basic service or ancillary service, the company may discontinue service pursuant to WAC 480-120-172.

(3) Nothing in this rule precludes the company from entering into separate payment arrangements with any customer for unpaid toll charges or over a longer period than described in this rule as long as both the company and the customer agree to the payment arrangement. Longer payment arrangements as described in this subsection satisfy the requirements in subsection (1) or (2) of this section.

### **Stakeholder Comment**

AT&T suggested a couple of editing changes.

MCI believes this is a new rule to accept new customers with poor payment histories and extend 6 months credit

### **Staff Response**

This is not a new rule. A section was moved from the existing restoral of service rule (WAC 480-120-173) to create one consistent payment arrangement rule that includes general payment arrangement information, along with providing service to WTAP and federal enhanced tribal lifeline program eligible customers. Retain staff proposed changes with the addition of AT&T's suggestion to subsection (3).

## Automatic Dialing and Announcing Devices

**Proposal** – Eliminate prohibition on using ADADs to dial unlisted numbers.

### **WAC 480-120-253 Automatic dialing-announcing device (ADAD).**

(5)(c) The ADAD does not dial ~~unlisted telephone numbers (except as provided in this subsection)~~, designated public service emergency telephone numbers as listed in published telephone directories, or any telephone number before 8:00 a.m. or after 9:00 p.m. ~~An ADAD may dial an unlisted number if the ADAD is being used to deliver the name, telephone number, or brief message of a calling party to a called party when the called party's line was busy or did not answer.~~

### **Stakeholder Comments**

Industry supports. No consumer comments.

## Operator Service Providers

**Proposal** – Grammar changes.

**WAC 480-120-262 Operator service providers (OSPs).** (1) Only for the purpose of this section:

"Consumer" means the party paying for a call using operator services. For collect calls, a consumer is both the originating party and the party who receives the call.

"Customer" means the call aggregator or pay phone service provider (PSP) contracting with an operator service provider (OSP) for service, such as hotel, motel, hospital, correctional facility, prison, campus, or similar entity.

"Operator service provider (OSP)" means any corporation, company, partnership, or person providing a connection to intrastate or interstate long-distance or to local services from locations of call aggregators.

"Operator services" means any telecommunications service provided to a call aggregator location that includes automated or live assistance to ~~customers~~ consumers in billing or completing (or both) telephone calls, other than those billed to the number from which the call

originated or those completed through an access code used to bill a ~~customer's~~ consumer's account previously established with the company.

This section applies to OSPs providing operator services from pay phones and other call aggregator locations. Each OSP must maintain a current list of the customers it serves in Washington and the locations and telephone numbers where the service is provided.

*[remainder of rule omitted]*

### **Stakeholder Comment**

None.

## **Emergency Operation**

**Proposal** – Grammar change.

**WAC 480-120-414 Emergency operation.** (1) ~~All companies~~ Each company must maintain, revise, and provide to the commission the following:

(a) The titles and telephone numbers of the company's disaster services coordinator and alternates; and

(b) Upon request of the commission, the company's current plans for emergency operation, including current plans for recovery of service to governmental disaster recovery response agencies within the state of Washington.

(2) For coordination of disaster response and recovery operations, each company must maintain on file with the Washington state emergency management division the titles and telephone numbers of the managers of the company's:

(a) Local network operations center;

(b) Regional network operations center; or

(c) Emergency operations center.

### **Stakeholder Comment**

None.

## **Safety (Adoption by Reference)**

**Proposal** – Correct the Safety rule to include a reference to the Adoption by Reference rule.

**WAC 480-120-402 Safety.** The plant and all facilities of utilities ~~shall~~ must be constructed and installed in conformity with good engineering practice and comply with the minimum standards as set out in the ~~current~~ National Electric Safety Code ~~in effect on January 1, 1991~~. Information about this standard regarding the version adopted and where to obtain it is set forth in WAC 480-120-999 (Adoption by reference). All instrumentalities and equipment ~~shall~~ must be installed and maintained with due consideration to the safety of the ~~subscribers~~ customers, employees and general public. Hazardous conditions endangering persons, property, or the continuity of service when found, reported or known to exist, ~~shall~~ must be expeditiously corrected.

### **Stakeholder Comment**

We did not solicit comment on this specific rule. Companies argue that we should always use the most recent national standard.

### **Staff Response**

This is a technical correction only. The issue of whether to use the most current version is addressed in 480-120-999.

## **Service Quality Reporting**

**Proposal** – Grammar/style changes.

**WAC 480-120-439 Service quality performance reports.** (1) **Class A companies.** ~~Each~~ Class A ~~companies~~ company must report monthly the information required in subsections (3), (4), and (6) through (10) of this section. ~~Companies~~ Each company must report within thirty days after the end of the month in which the activity reported on takes place (e.g., a report concerning missed appointments in December must be reported by January 30).

(2) **Class B companies.** Class B companies need not report to the commission as required by subsection (1) of this section. However, these

companies must retain, for at least three years from the date they are created, all records that would be relevant, in the event of a complaint or investigation, to a determination of the company's compliance with the service quality standards established by WAC 480-120-105 (Company performance standards for installation or activation of access lines), 480-120-112 (Company performance for orders for nonbasic services), 480-120-133 (Response time for calls to business office or repair center during regular business hours), 480-120-401 (Network performance standards), 480-120-411 (Network maintenance), and 480-120-440 (Repair standards for service interruptions and impairments, excluding major outages).

(3) **Missed appointment report.** The missed appointment report must state the number of appointments missed, the total number of appointments made, and the number of appointments excluded under (b), (c), or (d) of this subsection. The report must state installation and repair appointments separately.

(a) A LEC is deemed to have kept an appointment when the necessary work in advance of dispatch has been completed and the technician arrives within the appointment period, even if the technician then determines the order cannot be completed until a later date. If the inability to install or repair during a kept appointment leads to establishment of another appointment, it is a new appointment for purposes of determining under this subsection whether it is kept or not.

(b) When a LEC notifies the customer at least twenty-four hours prior to the scheduled appointment that a new appointment is necessary and a new appointment is made, then the appointment that was canceled is not a missed appointment for purposes of this subsection. A company-initiated changed appointment date is not a change to the order date for purposes of determining compliance with WAC 480-120-105 (Company performance standards for installation or activation of access lines) and 480-120-112 (Company performance for orders for nonbasic services).

(c) A LEC does not miss an appointment for purposes of this subsection when the customer initiates a request for a new appointment.

(d) A LEC does not miss an appointment for purposes of this subsection when it is unable to meet its obligations due to force majeure, work stoppages directly affecting provision of service in the state of Washington, or other events beyond the LEC's control.

(4) **Installation or activation of basic service report.** The report must state the total number of orders taken, by central office, in each month for all orders of up to the initial five access lines as required by WAC 480-120-105 (Company performance standards for installation or

activation of access lines). The report must include orders with due dates later than five days as requested by a customer. The installation or activation of basic service report must state, by central office, of the total orders taken for the month, the number of orders that the company was unable to complete within five business days after the order date or by a later date as requested by the customer.

(a) ~~A separate report must be filed~~ The company must file a separate report each calendar quarter that states the total number of orders taken, by central office, in that quarter for all orders of up to the initial five access lines as required by WAC 480-120-105 (Company performance standards for installation or activation of access lines). The installation or activation of basic service ninety-day report must state, of the total orders taken for the quarter, the number of orders that the company was unable to complete within ninety days after the order date.

(b) ~~A separate report must be filed~~ The company must file a separate report each six months that states the total number of orders taken, by central office, in the last six months for all orders of up to the initial five access lines as required by WAC 480-120-105 (Company performance standards for installation or activation of access lines). The installation or activation of basic service one hundred eighty day report must state, of the total orders taken for six months, the number of orders that the company was unable to complete within one hundred eighty days.

(c) A company may exclude from the total number of uncompleted orders for the month:

(i) ~~o~~Orders for which customer-provided special equipment is necessary;

(ii) ~~w~~When a later installation or activation is permitted under WAC 480-120-071 (Extension of service);

(iii) ~~w~~When a technician arrives at the customer's premises at the appointed time prepared to install service and the customer is not available to provide access; or

(iv) ~~w~~When the commission has granted an exemption under WAC 480-120-015 (Exemptions from rules in chapter 480-120 WAC), from the requirement for installation or activation of a particular order, ~~may be excluded from the total number of orders taken and from the total number of uncompleted orders for the month.~~

(d) For calculation of the report of orders installed or activated within five business days in a month, a company may exclude from the total number of orders taken and from the total number of uncompleted

~~orders for the month~~, orders that could not be installed or activated within five days in that month due to force majeure ~~may be excluded from the total number of orders taken and from the total number of uncompleted orders for the month~~ if the company supplies documentation of the effect of force majeure upon the order.

(5) **Major outages report.** Notwithstanding subsections (1) and (2) of this section, any company experiencing a major outage that lasts more than forty-eight hours must provide a major outage report to the commission within ten business days of the major outage. The major outages report must include a description of each major outage and a statement that includes the time, the cause, the location and number of affected access lines, and the duration of the interruption or impairment. When applicable, the report must include a description of preventive actions to be taken to avoid future outages. This reporting requirement does not include company-initiated major outages that are in accordance with the contract provisions between the company and its customers or other planned interruptions that are part of the normal operational and maintenance requirements of the company.

The commission staff may request oral reports from companies concerning major outages at any time and companies must provide the requested information.

(6) **Summary trouble reports.** Each month companies must submit a report reflecting the standard established in WAC 480-120-438 (Trouble report standard). The report must include the number of reports by central office and the number of lines served by the central office. In addition, the report must include an explanation of causes for each central office that exceeds the service quality standard established in WAC 480-120-438 (~~Trouble report standard~~). The reports, including repeated reports, must be presented as a ratio per one hundred lines in service. The reports caused by customer-provided equipment, inside wiring, force majeure, or outages of service caused by persons or entities other than the local exchange company should not be included in this report.

(7) **Switching report.** Any company experiencing switching problems in excess of the standard established in WAC 480-120-401 (2)(a) (Switches--Dial service), must report the problems to the commission. The report must identify the location of every switch that is performing below the standard.

(8) **Interoffice, intercompany and interexchange trunk blocking report.** ~~Companies~~ Each company that experiences trunk blocking in excess of the standard in WAC 480-120-401(3) (Interoffice facilities) and (5)



(Service to interexchange carriers) must report each trunk group that does not meet the performance standards. For each trunk group not meeting the performance standards, the report must include the peak percent blocking level experienced during the preceding month, the number of trunks in the trunk group, the busy hour when peak blockage occurs, and whether the problem concerns a standard in WAC 480-120-401(3) or (5). The report must include an explanation of steps being taken to relieve blockage on any trunk groups that do not meet the standard for two consecutive months.

**(9) Repair report.**

(a) For service-interruption repairs subject to the requirements of WAC 480-120-440 (Repair standards for service interruptions and impairments, excluding major outages), ~~companies~~ each company must report the number of service interruptions reported each month, the number repaired within forty-eight hours, and the number repaired more than forty-eight hours after the initial report. In addition, a company must report the number of interruptions that are exempt from the repair interval standards as provided for in WAC 480-120-440.

(b) For service-impairment repairs subject to the requirements of WAC 480-120-440, ~~companies~~ each company must report the number of service impairments reported each month, the number repaired within seventy-two hours, and the number repaired more than seventy-two hours after the initial report. In addition, a company must report the number of impairments that are exempt from the repair interval standard as provided for in WAC 480-120-440.

**(10) Business office and repair answering system reports.** When requested, ~~companies~~ each company must report compliance with the standard required in WAC 480-120-133 (Response time for calls to business office or repair center during regular business hours). If requested, ~~companies~~ each company must provide the same reports to the commission that company managers receive concerning average speed of answer, transfers to live representatives, station busies, and unanswered calls.

(11) The commission may choose to investigate matters to protect the public interest, and may request further information from companies that details geographic area and type of service, and such other information as the commission requests.

(12) If consistent with the purposes of this section, the commission may, by order, approve for a company an alternative measurement or

reporting format for any of the reports required by this section, based on evidence that:

- (a) The company cannot reasonably provide the measurement or reports as required;
- (b) The alternative measurement or reporting format will provide a reasonably accurate measurement of the company's performance relative to the substantive performance standard; and
- (c) The ability of the commission and other parties to enforce compliance with substantive performance standard will not be significantly impaired by the use of the alternative measurement or reporting format.

(13) Subsection (12) of this section does not preclude application for an exemption under WAC 480-120-015 (Exemptions from rules in chapter 480-120 WAC).

### **Stakeholder Comment**

AT&T and Comcast would like the UTC to limit service quality standards and reporting to incumbent LECs. If the rules are to apply to CLECs, there should be changes made to reflect differences in their operating practices and network design.

Qwest wants to make sure that its UTC-approved alternative reporting format is not voided by an amendment to the rule.

### **Staff Response**

There is a complex set of issues regarding whether to impose service standards on competitive companies, whether to impose service standards on non-competitive or semi-competitive companies, whether to require reports on compliance with those standards, and whether to require reports on performance in areas where there is no substantive standard.

In 2002, the UTC decided after extensive comment and deliberation to exempt CLECs from some, but not all, performance standards and to require reports on a set of metrics that does not align with the performance standards. It also decided to apply the same reporting requirements to CLECs and ILECs, regardless whether they were subject to the same performance standards.

There are no new arguments presented in the stakeholder comments. The CLECs arguments about different practices and architecture can be handled through the alternative reporting process, which the UTC recently used with Comcast. The claims about operating practices and network design are overstated.

If the Commission wishes to reconsider the 2002 decisions, we recommend that it does so outside the tune-up process.

### **E-911 Database updates**

**Proposal** – Clarify obligations to make changes to customer records.

**WAC 480-120-450 Enhanced 9-1-1 (E911) obligations of local exchange companies.**

(2)(c) LECs that provide pay phone access lines must maintain customer record information, including ELIN and ERL information, for those access lines using a method required by (b) of this subsection. ~~Records must be forwarded~~ The LEC must forward the records to the data base manager within one business day of a record's posting to the company records system.

### **Stakeholder Comment**

None.

### **Application of Terminating Access Rule to CLECs**

**Proposal** – Incorporate the oft-granted CLEC waiver into the rule itself.

**WAC 480-120-540 Terminating access charges.** (1) ~~(a)~~ Except for any universal service rate allowed pursuant to subsection (3) ~~(1)(b)~~ of this section the rates charged by a local exchange company for terminating access service offered by tariff shall not exceed the lowest rate charged by the local exchange company for the comparable local interconnection service (in each exchange), such as end office switching or tandem switching. If a local exchange company does not provide local interconnection service (or does so under a bill and keep arrangement),

the rates charged for terminating access shall not exceed the cost of the terminating access service being provided.

(b) If a local exchange company is authorized by the commission to recover any costs for support of universal access to basic telecommunications service through access charges, it shall recover such costs as an additional, explicit universal service rate element applied to terminating access service.

(2) The rates charged by a local exchange company for terminating access service offered by price list shall not exceed the rates charged by the incumbent local exchange company for terminating access service in the comparable geographic area. For purposes of this subsection, the rates charged by the incumbent local exchange company include any universal service rate charged pursuant to subsection (1)(b).

(3) The cost of the terminating access shall be determined based on the total service long-run incremental cost of terminating access service plus a reasonable contribution to common or overhead costs. Local loop costs are considered "shared" or "joint" costs and shall not be included in the cost of terminating access. However, nothing in this rule prohibits recovery of local loop costs through originating access charges (including switched, special, and dedicated as defined in subsection (4)(a) of this section).

~~(3) If a local exchange company is authorized by the commission to recover any costs for support of universal access to basic telecommunications service through access charges, it shall recover such costs as an additional, explicit universal service rate element applied to terminating access service.~~

(4) Definitions.

(a) "Access charge" means a rate charged by a local exchange carrier to an interexchange carrier for the origination, transport, or termination of a call to or from a customer of the local exchange carrier. Such origination, transport, and termination may be accomplished either through switched access service or through special or dedicated access service.

(b) "Terminating access service" includes transport only to the extent that the transport service is bundled to the end office or tandem switching service. Dedicated transport unbundled from switching services is not subject to subsection (1) of this section.

(c) "Bill and keep" (also known as "mutual traffic exchange" or "payment in kind") is a compensation mechanism where traffic is exchanged among companies on a reciprocal basis. Each company terminates the traffic originating from other companies in exchange for the right to terminate its traffic on that company's network.

(5) The requirement of subsection (1) of this section that any terminating rate be based on cost shall not apply to any local exchange company that is a small business, or to any local exchange company that is competitively classified, if it concurs in the terminating rate of any local exchange company that has filed a terminating rate that complies with the requirements of subsection (1) of this section. For the purposes of this subsection, "small business" has the same meaning as it does in RCW 19.85.020.

(6) Any local exchange company that is required to lower its terminating access rates to comply with this rule may file tariffs or price lists (as appropriate) to increase or restructure its originating access charges. The commission will approve the revision as long as it is consistent with this rule, in the public interest and the net effect is not an increase in revenues.

### **Stakeholder Comment**

AT&T is concerned that this rule attempts to limit interstate access charges because it does not expressly limit itself to intrastate access charges.

AT&T and Sprint believe the CLEC exemption should be incorporated into the rule.

### **Staff Response**

The language above reflects the recommendation of AT&T and Sprint. It would be desirable to get all LECs to a cost basis for terminating access – with no universal service element for ILECs or CLECs. In the meantime, it is reasonable to let CLECs continue their current level of access charges.

## **Adoption By Reference**

**Proposal** – Update one reference, grammar changes.

**WAC 480-120-999 Adoption by reference.** In this chapter, the commission adopts by reference all or portions of regulations and standards identified below. They are available for inspection at the commission branch of the Washington state library. The publications,

effective dates, references within this chapter, and availability of the resources are as follows:

(1) American National Standards for Telecommunications - *"Network Performance Parameters for Dedicated Digital Services - Specifications"* (ANSI T1.510-1999) is published by the American National Standards Institute (ANSI).

(a) The commission adopts the version in effect on December 29, 1999.

(b) This publication is referenced in WAC 480-120-401 (Network performance standards).

(c) The American National Standards for Telecommunications *"Network Performance Parameters for Dedicated Digital Services - Specifications"* is a copyrighted document. Copies are available from the publisher and third-party vendors.

(2) *The Institute of Electrical And Electronic Engineers (IEEE) Standard Telephone Loop Performance Characteristics* (ANSI/IEEE Std 820-1984) is published by the ANSI and the IEEE.

(a) The commission adopts the version in effect on March 22, 1984, and reaffirmed September 16, 1992.

(b) This publication is referenced in WAC 480-120-401 (Network performance standards).

(c) *The IEEE Standard Telephone Loop Performance Characteristics* is a copyrighted document. Copies are available from the publishers.

(3) *The National Electrical Safety Code* is published by the IEEE.

(a) The commission adopts the version in effect ~~in 1997~~ on January 1, 2002.

(b) This publication is referenced in WAC 480-120-402 (Safety).

(c) *The National Electrical Safety Code* is a copyrighted document. Copies are available from the publishers and from third-party vendors.

(4) *Title 47 Code of Federal Regulations*, cited as 47 CFR, is published by the United States Government Printing Office.

(a) The commission adopts the version in effect on October 1, 1998.

(b) This publication is referenced in WAC 480-120-~~302359~~ (Accounting requirements for companies not classified as competitive) and 480-120-~~322349~~ (Retaining and preserving records and reports).

(c) Copies of Title 47 Code of Federal Regulations are available from the Government Printing Office and from third-party vendors.

### **Stakeholder Comment**

We did not solicit comment on this specific rule. Companies argue that we should always use the most recent national standard.

**Staff Response**

The reference to the National Electrical Safety Code will be updated. The other references will be reviewed in the annual Adoption By Reference Rulemaking.

**WTAP – Obligation to offer WTAP benefit**

**Proposal** – Eliminate the requirement that non-ETCs offer the WTAP benefit if they have more than 100 residential customers.

**WAC 480-122-020 Washington telephone assistance program rate.** The commission ~~shall~~ will set by order the telephone assistance rate to be paid by program participants for local service. Every eligible telecommunications carrier (ETC) must offer the telephone assistance rates and discounts in accordance with RCW 80.36.410 through 80.36.475. ~~Every non-ETC local exchange company must offer the telephone assistance rates and discounts in accordance with RCW 80.36.410 through 80.36.475 when one hundred or more of its access lines are subscribed to for residential service. Radio communications service companies that are not ETCs may offer the telephone assistance rates and discounts in accordance with RCW 80.36.410 through 80.36.475.~~

**Stakeholder Comment**

AT&T and Comcast support. Public Counsel has concerns, wonders if there is an ETC in all areas of state and if WTAP customers should be able to choose their provider.

**Staff Response**

All incumbent local exchange companies are designated as ETCs in all areas where they offer service. We agree with the concept of having a choice of providers for WTAP customers, but the appropriate way to achieve CLEC participation in WTAP is through the design and management of WTAP rather than by imposing a regulatory requirement.

## WTAP – Tax Collection

**Proposal** – Eliminate the section on WTAP tax collection, because it is unnecessary with a 2004 statutory revision.

~~WAC 480-122-060 Telephone assistance excise tax. Wireline local exchange companies shall collect a telephone assistance excise tax on all switched access lines in an amount set by the commission by order at the request of the department. Each party line customer shall be assessed the telephone assistance excise tax in full. The telephone assistance excise tax shall be separately identified on each ratepayer's bill as the "Washington telephone assistance program." Money collected from the telephone assistance excise tax shall be transferred to a telephone assistance fund administered by the department.~~

### **Stakeholder Comment**

AT&T wonders if this means that companies will no longer be required to collect the WTAP excise tax.

### **Staff Response**

RCW 80.36.430 was amended earlier this year to impose the tax obligation directly on local exchange companies. The previous language had directed the UTC to direct the companies to collect the tax. This eliminates the need for an administrative rule on the subject.

## Tariff Changes that do not Require Statutory Notice

**Proposal** – Make consistent with the statutory provisions.

**WAC 480-80-123 Tariff changes that do not require statutory notice.** (1) A utility must file with the commission tariff changes that do not require statutory notice at least one day before the effective date.

(2) The filing must include a transmittal letter as set forth in WAC 480-80-104 (Transmittal letter).

(3) Tariff changes that do not require statutory notice include:

(a) Initial tariffs filed by a newly regulated utility;



- (b) A filing for a service not previously contained within a regulated utility's existing tariff;
- (c) A change to a telecommunications tariff not affecting the rates or charges paid by customers;
- (d) A change to a tariff change, other than a telecommunications tariff, that does not affect the public; and
- (~~e~~) A change in a banded rate when notice to customers has been or will be given in accordance with tariff rules applicable to the service.  
*[remainder of rule omitted]*

### **Stakeholder Comment**

There was one question about the difference in the standards for telecom tariffs and other tariffs.

### **Staff Response**

The proposed change makes the telecom provision more consistent with Chapter 80.36 RCW, which has slightly different language than Chapter 80.28 RCW. The question relates to the provision applying to non-telecom tariffs, which is in existing rule and is outside the scope of the rule making.

Sprint's concern about including the web-site and toll-free information for other service providers for which Sprint provides billing services is addressed with additional language in WAC 480-120-196.

## **Price List Format and Content**

**Proposal** – Add to the Price List Format and Content rule the requirement, which already exists in another rule (480-80-206), to include the web address of the price list on the price list.

**WAC 480-80-204 Price lists format and content.** (1) A price list must include, for each service in the price list, a description of the service, any limitations, terms, or conditions on the offering of that service, and all rates, charges, or prices at which the service is offered.

(2) A price list must:

(a) Plainly state the places where the offered telecommunications service will be rendered;

- (b) Include the effective date clearly marked on each page;
- (c) Include the complete name, address, phone number, unified business identifier (UBI) number, and if available, the mail address and web page address of the issuing utility; and

(ed) Conform to all applicable laws, rules, and orders. The filing of a nonconforming price list will not be deemed a waiver of the law, rule, or order. A company may not enforce a price list provision that conflicts with a law, rule, or order unless the commission waives that law, rule, or order.

### **Stakeholder Comment**

None.

### **Web Address on Bill**

**Proposal** – Delete the requirement to include the web address of the price list on bills and notices. Incorporate this requirement into the rules governing bills (480-120-161) and notices (480-120-196).

**WAC 480-80-206 Price list availability to customers.** (1) Each telecommunications company offering service under a price list must maintain a complete copy of the price list on a website accessible to the public using standard web browser software.

(2) Each telecommunications company offering service under a price list must provide to any customer making a written or oral request a copy of the price list sheets applicable to that customer's service. The telecommunications company must provide the price list at no charge to the customer. This subsection does not apply if the telecommunications company makes available for public inspection, at a location within the customer's exchange, a complete copy of the price list.

~~(3) Each telecommunications company offering service under a price list must include in each customer bill or notice:~~

~~(a) The internet address (uniform resource locator) of the website containing its price list; and~~

~~(b) The toll-free telephone number to use in requesting price list copies and a statement that there is no charge for the price list copy. If a company is not required by subsection (2) of this section to provide price list copies, it must instead provide the address, telephone number, and business~~

~~hours of the location within the customer's exchange at which a complete copy of the price list is available for public inspection.~~

**WAC 480-120-196 Customer notice requirements -- Competitively classified telecommunications companies or services.** This rule sets out requirements in specific circumstances for notices that companies must provide to customers when services are provided under price list.

(1) A company must provide customer notice before the effective date of changes to the price list for competitively classified companies or competitively classified services.

(a) The company must provide notice to each affected customer at least ten days before the effective date when a company proposes to:

- (i) Increase rates;
- (ii) Decrease rates; or
- (iii) Change terms or conditions.

The company must measure the ten-day period from the time the notice is mailed to all customers or appears in the newspaper or on the website.

(b) Each customer notice must include, at a minimum:

- (i) The effective date;
- (ii) A clear description of changes to rates and services; ~~and~~
- (iii) A company contact number where customers can seek additional information; and

(iv) The internet address (uniform resource locator) of the web site where the company's price list is posted, unless the company is not required by WAC 480-80-206(2) (Price list availability to customers) to post its price list.

(c) For increase in rates or a material change of terms and conditions a company must provide notice by bill insert, bill message, printing on the billing envelope, a separate mailing to all affected customers, or, if a company has the capability and the customer has authorized, by e-mail.

(d) For changes not covered by (c) of this subsection. A company must provide notice by:

- (i) Any method listed in (c) of this subsection;
- (ii) Publishing the notice in one or more newspapers of general circulation for the affected areas; or
- (iii) Posting the notice on the website on which the price list is available to the public.

(2) A company may request assistance from the commission's designated public affairs officer with efforts to comply with this section.

(3) As an alternative to the customer notice required by this rule, a company may propose another form of customer notice. The commission's public affairs officer must approve any such notice in advance.

(4) Within ten days of making a filing requiring posting, publication, or customer notice required by this rule, a company must file a statement with the commission records center that the required notice has been posted, published, and/or mailed. The statement must include:

- (a) The methods used to post, publish, and/or give notice to customers;
- (b) When the notice was first posted, published, and/or issued to customers; and
- (c) A copy of the notice.

**WAC 480-120-161 Form of bills.**

[...]

(4) **Bill organization.** Telephone bills must be clearly organized, and must comply with the following requirements:

(a) Bills may only include charges for services that have been requested by the customer or other individuals authorized to request such services on behalf of the customer, and that have been provided by the company;

(b) The name of the service provider associated with each charge must be clearly and conspicuously identified on the telephone bill;

(c) Where charges for two or more carriers appear on the same telephone bill, the charges must be separated by service provider; ~~and~~

(d) The telephone bill must clearly and conspicuously identify any change in service provider, including identification of charges from any new service provider; ~~and~~

(e) The telephone bill must include the Internet address (uniform resource locator) of the web site containing the service provider's tariff or price list, if the service provider is a telecommunications company required to publish its tariff or price list on a web site pursuant to WAC 480-80-206(2) (Price list availability to customers) or WAC 480-120-193 (Posting of tariffs for public inspection and review. This requirement may be satisfied by including the address of a web site other than that of the telecommunications company itself, if the web site provides the tariff or price list that applies to the service being billed.

For purposes of this subsection, "new service provider" means a service provider that did not bill the subscriber for service during the service provider's last billing cycle. This definition ~~shall~~ includes only providers that have continuing relationships with the subscriber that will

result in periodic charges on the subscriber's bill, unless the service is subsequently canceled.

For purposes of this subsection, "clearly and conspicuously" means notice that would be apparent to ~~the~~ a reasonable customer.

[...]

(7) **Itemized statement.** A company must provide an itemized statement of all charges when requested by a customer, including, but not limited to, ~~the following~~:

(a) Rates for individual services;

(b) Calculations of time or distance charges for calls, and calculations of any credit or other account adjustment; and

(c) When itemizing the charges of information providers, the name, address, telephone number, and toll-free number, if any, of the providers.

### **Stakeholder Comment**

Sprint argues that the requirement to include a web address on the bill is a burden when companies bill on behalf of other companies. Sprint estimates that it would cost \$865,000 to reprogram its ILEC billing system to include the web addresses of long-distance companies who use the ILEC bill to collect from their customers. Sprint's alternative proposal is to permit the use of a third-party's web site, such as that of a billing agent.

Public Counsel would like to clarify how many clicks it can take to get to the tariff or price list.

### **Staff Response**

Staff believes the current rule permits the use of a billing agent's web site to satisfy the requirement for access to the tariff or price list. However, to address the concern, we have proposed to add this sentence [at the end of (4)(e)]:

This requirement may be satisfied by including the address of a web site other than that of the telecommunications company itself, if the web site provides the tariff or price list that applies to the service being billed.

Staff does not believe that the clarification requested by Public Counsel is necessary. This concern can be addressed through enforcement of the requirement that the web site be "accessible to the public."

## Customer Proprietary Network Information

**Proposal** – Repeal the CPNI rules invalidated by the federal court. Adopt by reference the federal CPNI rules.

~~480-120-201—Definitions.~~

~~480-120-203—Use of customer proprietary network information (CPNI) not permitted to identify or track customer calls to competing service providers.~~

~~480-120-204—Opt in approval required for use, disclosure, or access to customer I-CPNI.~~

~~480-120-205—Using customer proprietary network information (CPNI) in the provision of services.~~

~~480-120-206—Using individual customer proprietary network information (I-CPNI) during inbound and outbound telemarketing calls.~~

~~480-120-207—Use of private account information (PAI) by company or associated companies requires opt-out approval.~~

~~480-120-208—Use of customers' private account information (PAI) to market company products and services without customer approval.~~

~~480-120-209—Notice when use of private account information (PAI) is permitted unless a customer directs otherwise (opt-out).~~

~~480-120-211—Mechanisms for opting out of use of private customer account information (PAI).~~

~~480-120-212—Notice when express (opt-in) approval is required and mechanisms for express approval.~~

~~480-120-213—Confirming changes in customer approval status.~~

~~480-120-214—Duration of customer approval or disapproval.~~

~~480-120-215—Safeguards required for I-CPNI.~~

~~480-120-216—Disclosing CPNI on request of customer.~~

### **WAC 480-120-207 202 Customer Proprietary Network Information**

(1) The Commission adopts by reference 47 C.F.R. §§ 64.2003 through 64.2009, concerning protection of Customer Proprietary Network Information, for application to all telecommunications carriers providing wireline, intrastate telecommunications service in Washington.

(2) Telecommunications carriers providing wireline, intrastate telecommunications service in Washington shall provide the Commission with the same notice that carriers are required to provide the Federal Communications Commission under 47 C.F.R. § 64.2009(f).

**Stakeholder Comment**

Public Counsel and other consumer advocates propose that we pursue an opt-in requirement or adopt additional requirements for opt-out notice and procedures.

AT&T and MCI support. Comcast argues that state enforcement of federal regulations will be duplicative and could lead to conflicting interpretations. Verizon questions the need for state rules and says they would impose additional reporting requirements.

**Staff Response**

At a minimum, the invalidated rules should be repealed. Adoption of the federal rules would improve the UTC's ability to protect customer privacy. The concerns about duplication and inconsistency have some merit, but on balance we believe this is a reasonable approach.