Law Office of
Richard A. Finnigan
2112 Black Lake Blvd. SW
Olympia, Washington 98512
Fax (360) 753-6862

Richard A. Finnigan
(360) 956-7001
rickfinn@localaccess.com

Kathy McCrary, Paralegal
(360) 753-7012
kathym@localaccess.com

June 6, 2008

VIA E-MAIL AND HAND DELIVERY

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: Docket No. UT-073014 – Comments of Industry Coalition

Dear Ms. Washburn:

Enclosed are the Comments of Industry Coalition for the above-referenced docket. The Industry Coalition is generally supportive of the draft rule as set out in the CR-102 Notice. The enclosed Comments seek clarification of some points. The Industry Coalition thanks the Commission for consideration of these Comments.

Sincerely,

RICHARD A. FINNIGAN

RAF/km
Enclosure

cc: Clients (via e-mail)
Tom Dixon (via e-mail)
Mark Reynolds (via e-mail)
Milt Doumit (via e-mail)
Richard Potter (via e-mail)
Brian Thomas (via e-mail)

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Rulemaking Concerning Telecommunications Service Extensions (WAC 480-120-071 and 480-103)	DOCKET NO. UT-073014 **COMMENTS OF INDUSTRY COALITION**

In accordance with the Notice of Opportunity to Submit Written Comments on Proposed Rules, Verizon Northwest Inc., Qwest Corporation, CenturyTel of Washington, Inc., United Telephone Company of the Northwest d/b/a Embarq, TDS Telecom, Tenino Telephone Company and other member companies of the Washington Independent Telecommunications Association (collectively, the "Industry Coalition" or "Coalition") offer these comments and suggested modifications to the proposed rules issued by the Commission on May 9, 2008. The Coalition generally supports the proposed rules, and seeks only the limited clarifications specified below.

Proposed Rules 480-120-071(2)(c)(ii):

Although generally supportive of the payment arrangements specified under subsections (2)(c)(ii) and 4(c) of the proposed rules, the Coalition respectfully suggests that companies and customers be permitted to instead agree to use a firm or negotiated quotation for construction charges in lieu of the estimated charge and reimbursement procedure described in those subsections. The proposal would not harm any potential customer as it would apply only upon company and customer agreement. Accordingly, the following additional language in bold and capital letters is proposed:

(ii) **UNLESS OTHEWISE AGREED BY A COMPANY AND ITS CUSTOMER**, for an extension of service that exceeds the allowances provided under subsection (3) of this section, within one hundred twenty days of the order date, the company must provide the applicant a bill for the estimated cost of construction of the extension of service under subsection (4)(a) of this section. The company must include with the bill a notice to the applicant of the right to be reimbursed for a portion of the cost by a subsequent applicant as provided under subsection (5) of this section.

Proposed Rule 480-120-071(3)(c):

Proposed Rule 480-120-071(3)(c) provides for recovery of extraordinary costs associated with an extension that is up to 1000 feet. However, perhaps unintentionally, the proposed rule does not address extraordinary costs that could be incurred in construction of the first 1000 feet of any line extension that is longer than 1000 feet. Obviously, the same rationale that would permit recovery of extraordinary costs incurred as to the first 1000 feet would apply without regard to whether the line extension is shorter or longer than 1000 feet. Absent a clarification, however, a company could be allowed to recover the cost of 1000 feet of rock cutting on an extension that is 1000 feet long, but would not be allowed to recover the cost of rock sawing if that extension happened to be longer than 1000 feet. The bold, capitalized language inserted below would address this concern:

(c) If the company determines that an extension of service up to one thousand feet, **OR THE FIRST THOUSAND FEET OF AN EXTENSION THAT IS LONGER THAN ONE THOUSAND FEET**, will involve extraordinary costs, the company may petition for permission to charge the applicant(s) for those costs. The petition must be in the form required under WAC 480-07-370 (1)(b)(ii) and the company must file the petition within one hundred twenty days after the order date. The company must provide notice to the applicant of the petition.

Proposed Rule 480-120-071(3)(d) [NEW LANGUAGE]:

The Coalition proposes that a subsection (d) be added in order to address general waivers under WAC 480-120-015. Among the factors that could support a waiver under this section would be the existence of an alternative service provider that is an Eligible Telecommunications Carrier ("ETC"). Under the Coalition's proposed language, the Commission would retain full discretion to determine good cause under the standards set forth in WAC 480-120-015 and 480-07-110. However, the proposed language would make it clear that the existence of an ETC as an alternative service provider for the location where the extension is requested could be a factor to be considered by the Commission in deciding whether to grant a waiver. The proposed additional language is as follows

> 480-120-071(3)(d) [NEW LANGUAGE] A company may seek a waiver of the requirement to extend service under this rule pursuant to WAC 480-120-015. In making its determination whether to grant such waiver, the Commission may take into consideration the existence of an alternative service provider that is an Eligible Telecommunications Carrier ("ETC") for the location where an extension of service is requested.

Proposed Rule 480-120-071(4)(c):

Proposed Rule 480-120-071(4)(c) specifies that refunds will be made for overpayments. The Coalition requests clarification that a company and customer may agree to use bill credits instead of refunds for overpayments. The proposal would not harm any potential customer as it would apply only upon company and customer agreement. Accordingly, the following additional language in bold and capital letters is proposed:

> (c) **UNLESS OTHEWISE AGREED BY A COMPANY AND ITS CUSTOMER**, at the completion of the construction

> of the extension of service, the company must determine the difference between the estimated cost provided under subsection (2)(c)(ii) of this section and the actual cost of construction. The company must provide to the applicant detailed construction costs showing the difference. The company must refund any overpayment and may charge the applicant for reasonable additional costs up to ten percent of the estimate.

Proposed Rule 480-120-071(8):

As drafted, proposed section 480-120-071(8) addresses only one limited aspect of the transition to the new regime: pending applications for service for which a waiver has been requested. The Coalition is concerned that without additional language addressing the transition, the new rule might have unintended consequences. For example, there are cost recovery mechanisms in place based on the current rule that will not have run their course on the effective date of the new rule but that will be effectively repealed by the new rule. Specifically, the customer surcharge authorized in current rule 480-120-071(3)(a) and the terminating switched access surcharge authorized in current rule 480-120-071(4) run on a twenty-month cycle. Thus, there is a risk that the cost recovery mechanisms authorized by those subsections would be terminated prematurely, before running their full cycle. The Coalition proposes that the following additional language be added to proposed subsection 480-120-071(8) to address this concern:

> WAC 480-120-071 as it was in effect on June 1, 2008 shall continue to apply to applications for extension of service that a company has completed or accepted before _____(*the effective date of the amended rules).*

Proposed Rule 480-120-071(8) [Effective Date]:

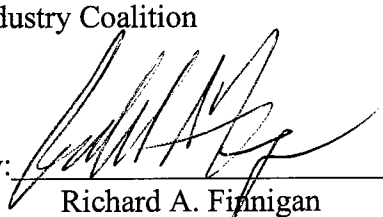
In addition to the specific rule modifications proposed above, the Coalition requests that companies be required to file tariffs that conform to the requirements of the

new rule within 90 days after the new rule becomes effective in order to allow sufficient time for rule implementation. The new rule, as proposed, will require a number of new processes to be implemented by the affected companies that will take time to design and staff. For example, subsection (5) of the proposed, which deals with subsequent applicants to existing extensions, requires the development of a record keeping system to track extensions and accommodate the proportional sharing of costs between applicants in a multi-applicant extension of service.

Thank you for the consideration of these Comments.

Respectfully submitted this 6th day of June, 2008.

Industry Coalition

By: 

Richard A. Finnigan
Attorney for the Washington
Independent Telecommunications
Association