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BEFORE THE WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION

In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale	)	Docket No. UT-960369 Phase III Volume IX Pages 2154-2181
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In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for US WEST COMMUNICATIONS, INC.	)	Docket No. UT-960370
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In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for GTE NORTHWEST, INCORPORATED.	)	Docket No. UT-960371
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A hearing in the above matter was held on November 19, 1999, at 9:38 a.m., at 1300 Evergreen Park Drive Southwest, Olympia, Washington, before Administrative Law Judge TERRENCE STAPLETON.

The parties were present as follows:

AT&T, by Michel Singer, Attorney at Law, 1875 Lawrence Street, Suite 1575, Denver, Colorado, 80202 (Via conference bridge.)

US WEST COMMUNICATIONS, INC., by Lisa A. Anderl, Attorney at Law, 1600 Seventh Avenue, Room 3206, Seattle, Washington 98191.

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THE COMMISSION, by Ann Rendahl,  
2 Assistant Attorney General, P.O. Box 40128, Olympia,  
Washington 98504-0128.

3

PUBLIC COUNSEL, by Simon ffitich,  
4 Attorney at Law, 900 Fourth Avenue, #2000, Seattle,  
Washington 98164.

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NEXTLINK WASHINGTON, ELECTRIC  
6 LIGHTWAVE, INC., ADVANCED TELCOM, INC., NORTHPOINT  
COMMUNICATIONS, INC., and NEW EDGE NETWORKS, INC., by  
7 Dan Waggoner, 2600 Century Square, 1501 Fourth  
Avenue, Seattle, Washington 98101-1688 (Via  
8 conference bridge.)

9

GTE, by Jennifer McClellan,  
Attorney at Law, Hunton & Williams, 951 E. Byrd  
10 Street, Richmond, Virginia, 23219, and Christopher S.  
Huther, Attorney at Law, Collier, Shannon, Rill &  
11 Scott, PLLC, 3050 K Street, N.W., Washington, D.C.  
20007 (Via conference bridge.)

12

COVAD COMMUNICATIONS COMPANY, by  
13 David Rice, Attorney at Law, 4400 Two Union Square,  
601 Union Street, Seattle, Washington, 98101 (Via  
14 conference bridge.)

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RHYTHMS LINKS, INC., by Angela Wu,  
Attorney at Law, Two Union Square, Suite 5450, 601  
16 Union Street, Seattle, Washington 98101.

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TRACER, by Arthur A. Butler,  
Attorney at Law, Two Union Square, Suite 5450, 601  
18 Union Street, Seattle, Washington 98101 (Via  
conference bridge.)

19

WASHINGTON INDEPENDENT TELEPHONE  
20 ASSOCIATION, by Richard A. Finnigan, Attorney at Law,  
2405 S. Evergreen Park Drive, S.W., Suite B-3,  
21 Olympia, Washington 98502.

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MCI WORLDCOM, by Rogelio Pena and  
Ann Hopfenbeck, Attorneys at Law, 707 17th Street,  
23 Suite 3600, Denver, Colorado, 80202 (Via conference  
bridge.)

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FRONTIER, by Sara Siegler-Miller,  
Attorney at Law, 2000 NE 42nd Street, Suite 154,  
2 Portland, Oregon, 97213 (Via conference bridge.) Phone  
503-249-8000, Fax 503-249-5060.

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25 Barbara L. Spurbeck, CSR  
Court Reporter

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JUDGE STAPLETON: Let's please come to order. This is a prehearing conference in the ongoing and ongoing and ongoing Docket Numbers 960369, 960370 and 960371. This is a prehearing conference scheduled in the 19th Supplemental Order on Prehearing Conference entered on November 9th, 1999. We're gathered in Olympia, Washington, on November 19th, 1999, before Administrative Law Judge Terrence Stapleton.

I will ask the parties just to simply enter their name and the party on whose behalf they're appearing this morning. I believe all the other information is already of record. And we'll begin with the hearing room, with Mr. Finnigan.

MR. FINNIGAN: Rick Finnigan, on behalf of the Washington Independent Telephone Association.

MS. ANDERL: Lisa Anderl, on behalf of US West Communications, Inc.

MS. WU: Angela Wu, with Rhythms Links, Inc.

MS. RENDAHL: Ann Rendahl, for Commission Staff.

JUDGE STAPLETON: Mr. Rice.

MR. RICE: David Rice, on behalf of Covad

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1 Communications.  
2 JUDGE STAPLETON: Ms. Singer.  
3 MS. SINGER: Michel Singer-Nelson, on  
4 behalf of AT&T.  
5 JUDGE STAPLETON: Mr. Pena.  
6 MR. PENA: Rogelio Pena, on behalf of MCI  
7 WorldCom.  
8 MS. HOPFENBECK: And Ann Hopfenbeck, on  
9 behalf of MCI WorldCom.  
10 JUDGE STAPLETON: Will you spell your name,  
11 please?  
12 MS. HOPFENBECK: That's H-o-p, as in Paul,  
13 f, as in Frank, e-n-b, as in boy, e-c-k.  
14 JUDGE STAPLETON: Thank you. Ms. Miller.  
15 MS. SIEGLER: Sara Siegler, on behalf of  
16 Frontier.  
17 JUDGE STAPLETON: Ms. McClellan.  
18 MS. McCLELLAN: Jennifer McClellan, on  
19 behalf of GTE Northwest, Incorporated.  
20 JUDGE STAPLETON: Mr. Butler.  
21 MR. BUTLER: Arthur A. Butler, on behalf of  
22 Tracer.  
23 JUDGE STAPLETON: Mr. ffitch.  
24 MR. FFITCH: Simon ffitch, Public Counsel,  
25 Washington Attorney General's Office.

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1 JUDGE STAPLETON: Mr. Waggoner.

2 MR. WAGGONER: Daniel Waggoner, on behalf  
3 of Nextlink, SCS, ELI, NorthPoint, ATG and New Edge  
4 Networks.

5 JUDGE STAPLETON: Do you have that written  
6 on the palm of your hand? Are you sure you have all  
7 of them?

8 MR. WAGGONER: Mr. Kopta very kindly wrote  
9 it out for me.

10 JUDGE STAPLETON: Thank you. All right  
11 Let's take up in order the matters I mentioned  
12 earlier. With regard to the FCC's UNE remand order,  
13 perhaps the 19th Order wasn't sufficiently clear, but  
14 the scope of the deaveraging, which we will talk  
15 about in a moment, will not include UNEs that are  
16 identified in the FCC's order that expand the list  
17 beyond what was available at the time that this  
18 proceeding was undertaken.

19 So it will be appropriate to extend the  
20 schedule on the parties -- any filing the party  
21 wished to make on the scope and the outcome of the  
22 FCC's remand -- UNE remand order. So we can talk  
23 about a schedule for that. If the parties have some  
24 specific preference, I was just looking at Mr.  
25 Powell's letter to see if he actually proposed a new

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1 filing date, and I don't see one specifically  
2 mentioned. Ms. Anderl, did you have a date in mind?

3 MS. ANDERL: For the first filing on  
4 deaveraging, Your Honor?

5 JUDGE STAPLETON: No, for the briefs on the  
6 UNE remand order.

7 MS. ANDERL: Oh, no. And I was actually  
8 looking, I guess, when we talked about that, for some  
9 clarification really on what we were supposed to be  
10 addressing. It's a long order, and I'm sure that we  
11 can say an awful lot about it, but in terms of what's  
12 going to be helpful for the Commission and the other  
13 parties in terms of clarifying what the issues are  
14 or, you know, what impacts we think flow out of that  
15 relative to what we're doing at this stage of the  
16 proceeding, I think it would be better if we maybe  
17 talked about that and got some clarity before I can  
18 propose a reasonable filing date.

19 JUDGE STAPLETON: Okay. Well, obviously,  
20 the intent was that if that order came out in a  
21 timely way vis-a-vis the schedule that was  
22 established at the September 23rd prehearing  
23 conference, that the parties may need to address the  
24 Commission about the need to file testimony, cost  
25 studies, set prices for new unbundled elements that

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1 the Commission would be obligated under that order to  
2 set prices for.

3           Since the Phase III of this proceeding,  
4 which will close this proceeding upon final order,  
5 will not include any additional UNEs identified by  
6 the FCC, nor the list of items that were in the  
7 prehearing conference order, which includes  
8 collocation and OSS and perhaps the flat rate  
9 capacity charge if, in fact, the parties need time  
10 beyond the filing schedule for Phase III, then  
11 perhaps there really isn't anything needed from the  
12 parties on the FCC order and this can all be  
13 discussed at the prehearing conference on the new  
14 docket.

15           MS. ANDERL: That certainly seems like one  
16 reasonable outcome, if those are the parameters that  
17 we're going to operate under, that we're just  
18 deaveraging the old list of UNEs, and to the extent  
19 they can be -- and I know a lot of parties think that  
20 that's only the loop. My suggestion would be let's  
21 just go forward with finishing deaveraging, get final  
22 prices, close this docket and move on to do other  
23 things in other dockets, and there wouldn't  
24 necessarily be any comments on the FCC's UNE remand  
25 order required at this point.



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1 JUDGE STAPLETON: Okay. Would anyone else  
2 like to comment on this? All right. Then let's move  
3 on to the second item, Staff's November 10 letter  
4 regarding capacity charge filing. I hope that I  
5 didn't give Ms. Rendahl an ulcer wondering why she  
6 hadn't heard from the Commission, but --

7 MS. RENDAHL: No, I knew you guys were  
8 wrong.

9 JUDGE STAPLETON: Thank you. The intent  
10 was not to overrule the Commission's own extension of  
11 the grant to the parties to take the time necessary  
12 to try to reach the resolution sought by the 17th  
13 Supplemental Order, so my comment a moment ago about  
14 if that resolution happens in a timely way so that we  
15 can include it in the deaveraging phase and final  
16 phase of this proceeding, then we will do so. If the  
17 parties need additional time and don't get there,  
18 we'll roll it over to a separate docket -- to the new  
19 separate docket and resolve it there.

20 MS. RENDAHL: Thank you.

21 JUDGE STAPLETON: Any other comment on that  
22 matter?

23 MR. PENA: Your Honor, this is Rogelio  
24 Pena. I'm a bit confused by what's been said so far  
25 on the issues --

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1 JUDGE STAPLETON: I'm sorry, Rogelio.  
2 We're unable to hear you in the hearing room.

3 MR. PENA: Is this better?

4 JUDGE STAPLETON: It's a little bit better.

5 MR. PENA: Well, I guess I have a question.  
6 The December 2nd workshop, is that still on, then, or  
7 is that called off? I'm a bit confused as to how to  
8 proceed.

9 JUDGE STAPLETON: Whatever schedule was  
10 established by the Commission, my understanding, by  
11 agreement of the parties, remains the schedule in  
12 which the parties will address this issue.

13 MR. PENA: Okay, thank you.

14 MS. RENDAHL: May I address that?

15 JUDGE STAPLETON: Yes, please.

16 MS. RENDAHL: There is a scheduled workshop  
17 on December 2nd, and Staff will be sending out an  
18 agenda within the next few days, probably early next  
19 week, in addition to the number to call in as you are  
20 today, if you don't want to be here. So it will be  
21 December 2nd, here at the Commission in the main  
22 hearing room, and we'll clarify that early next week.

23 JUDGE STAPLETON: Thank you. The next item  
24 is the November 12th objection to the 19th  
25 Supplemental Order filed on behalf of ATG. It is my

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1 preference to simply resolve this by substituting the  
2 former party, Shared Communications Services, with  
3 the intervenor and apparently the parent company of  
4 SCS, ATG. Does anyone have any objection to that?  
5 All right, thank you.

6 MS. ANDERL: Your Honor.

7 JUDGE STAPLETON: Yes.

8 MS. ANDERL: May I just ask, though, for  
9 whomever filed that to clarify whether US West was  
10 served, because I frankly have no recollection of  
11 having received that document.

12 MR. WAGGONER: This is Mr. Waggoner.  
13 Unfortunately, since Mr. Kopta would have filed it, I  
14 can't exactly speak to that. We do have proof of  
15 service attached, so I'm assuming it's correct, but I  
16 don't really have an independent way to verify it,  
17 other than say that we have a proof of service filing  
18 on all parties, so perhaps it didn't make its way to  
19 Ms. Anderl. I apologize if that's the case.

20 JUDGE STAPLETON: We'll give Ms. Anderl a  
21 chance to read this. It's fairly short and to the  
22 point, so we'll set this aside for the moment. And  
23 I'll note that the November 16th GTE letter regarding  
24 the remand order has already been addressed, and  
25 unless there's anything in this order, in this

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1 letter, I'm sorry, from Ms. McClellan that I missed,  
2 it seemed to me the letter was focused exclusively on  
3 that order and any potential filing or pleadings  
4 regarding it. Ms. McClellan, is there anything in  
5 this letter that I've overlooked?

6 MS. McCLELLAN: No, Your Honor.

7 JUDGE STAPLETON: Okay, thank you.

8 MS. ANDERL: So Your Honor, your proposed  
9 resolution of the ATG objection is to simply  
10 substitute ATG for SCS?

11 JUDGE STAPLETON: That's correct, remove  
12 SCS from the service list and from the proceeding.

13 MS. ANDERL: US West doesn't object to  
14 that.

15 JUDGE STAPLETON: Okay. Thank you very  
16 much. Late yesterday afternoon, I faxed out to all  
17 the parties a letter responding to one of two  
18 questions that GTE had proposed to the Commission for  
19 clarification about some values that appear in the  
20 Eighth Supplemental Order. There was a typographical  
21 error in the value on which GTE was seeking some  
22 clarification. And this morning I have had faxed out  
23 to the parties a corrected response to GTE on that  
24 item, and all of you should have received it by now,  
25 as well.

02166

1           The Commission will respond to the second  
2 issue, which is the first issue in GTE's letter,  
3 early next week.

4           Okay. Ms. McClellan, you had some  
5 questions about implementation of the 17th  
6 Supplemental Order. Would you like to raise those at  
7 this time, please?

8           MS. McCLELLAN: Yes, Your Honor. GTE  
9 understands, from the 19th Supplemental Order and the  
10 18th Supplemental Order, that the rates for which a  
11 statewide average was determined will be deferred  
12 until deaveraging is completed in Phase III. What we  
13 are unclear about is whether the compliance filings  
14 that were filed on the 15th, what day they would take  
15 effect. We assume that it would be either the date  
16 the Commission issued an order or the date on which  
17 any new revised filings would be filed in January,  
18 pursuant to the schedule.

19           We are also unclear as to certain other  
20 items in the 17th Supplemental Order, such as the  
21 avoided cost discount, when that will take effect,  
22 the loop conditioning costs, when they would take  
23 effect, the interim local number portability, the  
24 shared transport, and I believe that's it. And we  
25 would seek some guidance from the Commission as to

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1 the dates of implementation for those items.

2 JUDGE STAPLETON: Well, that was a  
3 mercifully short list. Ms. McClellan, I'm a little  
4 concerned here why GTE did not raise these issues in  
5 a timely way when the Commission offered the  
6 opportunity for clarification of the 17th Order. If  
7 there are things there that need to be clarified,  
8 then I guess what I'm going to have to ask you to do  
9 is put this in a letter directed to all the parties,  
10 and I'll give the parties time to comment if they  
11 wish to. There's no need to if it's only a matter of  
12 the Commission interpreting the order for you, but I  
13 am not in a position to sit here and work through  
14 each one of those with you today.

15 I am fortunate that, in my advanced years,  
16 my memory of what was even in the 17th Supplemental  
17 Order is now gone, so I'm going to have to ask you to  
18 do this in writing, and if you choose to do that, I'd  
19 like to have that faxed to me and to the parties by  
20 five o'clock on Monday, please.

21 MS. McCLELLAN: That's no problem. I just  
22 want to raise it to everyone's attention today.

23 JUDGE STAPLETON: All right, thank you.  
24 The parties, they have until noon on Tuesday to fax  
25 in any response or any comment they feel they need to

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1 make on GTE's letter. Well, let's pretend like this  
2 is all day, and we'll give it till five o'clock on  
3 Tuesday for the parties to fax that in.

4 All right. I think what I'll turn to now,  
5 if there are no other comments on anything that's  
6 been raised so far, is the scope of UNEs and  
7 interconnection for which the Commission seeks to  
8 deaverage in Phase III. I believe the 19th Order  
9 intimated that there would be other than just the  
10 loop, and I need to turn to the parties for their  
11 thoughts on interconnection and UNEs, which the  
12 Commission has resolved the costing and pricing in  
13 such a way that they can also be made part of the  
14 scope of Phase III. So I'll just throw that open for  
15 comment at this time.

16 MS. ANDERL: Your Honor, Lisa Anderl, for  
17 US West. I think we would just reiterate that it is  
18 our belief that the only UNE that can be deaveraged,  
19 based on the cost studies in evidence in the record,  
20 is the loop, and it is our understanding that the  
21 Commission very clearly wants to proceed based on  
22 what is already in the record, rather than consider  
23 new cost studies.

24 And given the opportunity to respond after  
25 the prior prehearing conference as to whether we

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1 thought that the record would support deaveraging of  
2 other UNEs, I believe we responded no, and I would  
3 just say that that is still our position.

4 JUDGE STAPLETON: Other parties wish to  
5 comment?

6 MR. HUTHER: Judge Stapleton, this is Chris  
7 Huther, on behalf of GTE. I'd like to echo Ms.  
8 Anderl's views and reiterate the following, that at  
9 the last prehearing conference GTE expressed its  
10 position on this issue and the capabilities of its  
11 cost model, and likewise agree that the loop is the  
12 only element that should be deaveraged, and indeed  
13 could be deaveraged with the existing cost models.

14 JUDGE STAPLETON: Other comments? Well, I  
15 believe that when the advisory team met with the  
16 Commissioners, that we had contemplated that there  
17 were UNEs for which the Commission had resolved cost  
18 and pricing issues, and that were therefore capable  
19 of being deaveraged based on the outcome of Phase  
20 III.

21 Dr. Gabel, obviously you're far more  
22 intimately familiar with this record and the  
23 resolutions that the Commission has reached in the  
24 18th and 17th -- Eighth and 17th Supplemental Orders.  
25 Do you have any comments on what you've heard?



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1 DR. GABEL: Well, the other UNE items --

2 JUDGE STAPLETON: David, I'm sorry, we  
3 can't hear you in the hearing room.

4 DR. GABEL: The other areas where we're  
5 pretty certain that there's sufficient evidence for  
6 deaveraging would be for switching. If you look at  
7 the Eighth Supplement Order, paragraphs 299 and 300,  
8 you'll see the investment equation which the  
9 Commission used for estimating the assessment  
10 associated with the switch, and then -- that's  
11 paragraph 299. Then, in paragraph 300, it finds out  
12 that there's information in the record that would  
13 tell you, for each of GTE's switches and also for  
14 each of US West's switches, how many lines are at  
15 each of those switching machines.

16 So in my mind, it would seem possible,  
17 given the number of lines at every switching machine  
18 and we know the investment function in the switch,  
19 that deaveraging could be proposed also for the  
20 switch without considerable efforts.

21 MR. HUTHER: This is Chris Huther again.  
22 To be clear, I think that GTE expressed that it  
23 could, with some effort, manipulate cost models in  
24 such a way that it would produce limited data for  
25 switching, as well as the loop. But the loop, I

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1 understand, is a much easier task. That is, the  
2 changes, the modifications that would be necessary  
3 within the model would be accomplished much more  
4 easily than it would be for switching. But I  
5 believe, with a certain amount of lead time, the  
6 experts could make some efforts in achieving some  
7 data for switching, as well.

8 MR. RICE: In the area of switching --

9 JUDGE STAPLETON: David, I'm going to have  
10 to ask you to start over. The court reporter cannot  
11 pick up any of your conversation.

12 MR. RICE: Mr. Huther, it's my  
13 understanding from the Eighth Order that the  
14 Commission relied on the investment equation that  
15 appears at paragraph 299, so it did not -- I don't  
16 recall the numbers being based on cost models. So I  
17 mean, I certainly -- my recollection could be wrong  
18 here, but I just suggest that you ask for an expert  
19 to look at paragraphs 299 and 300.

20 MR. HUTHER: I'll be glad to. My  
21 recollection is not clear on that point, either, so  
22 I'll review the paragraph and consult with our  
23 expert.

24 MS. ANDERL: Your Honor, Lisa Anderl, for  
25 US West. We would be happy to do the same, and that

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1 is take the reference to paragraphs 299 and 300 back  
2 and see if that would support deaveraging.

3           The only caveat that I would offer is that  
4 I believe that the FCC's mandate is geographic  
5 deaveraging, and I'm not certain that the information  
6 it presented in the Eighth Supplemental Order would  
7 necessarily support geographic deaveraging on any  
8 sort of an implementable basis. So we will look at  
9 that, as well.

10           In other words, you probably have to  
11 deaverage -- I don't know if you have to deaverage  
12 switching in the same -- according to the same  
13 geographic divisions as you propose to deaverage the  
14 loop, but I think we have to do something that is  
15 done on a basis that can be identified and billed so  
16 that there's not required some sort of a manual  
17 lookup for every single order, and then -- so you  
18 know, we certainly can't deaverage on a loop-by-loop  
19 basis and probably want to do it in some fairly  
20 broadly-described density zones, as originally  
21 proposed by the FCC, and I'm not sure that the  
22 switching really lends itself to that, as described  
23 by Dr. Gabel.

24           JUDGE STAPLETON: All right. Any other  
25 comments on deaveraging in Phase III?

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1 MS. SINGER: This is Michel Singer, from  
2 AT&T. We do have one concern about the loop  
3 deaveraging. We would ask that we get all the  
4 supporting underlying information as to how the loop  
5 was actually determined so that we could go forward  
6 to deaverage in a consistent way.

7 If all the parties started with all the  
8 underlying information at the same place, then I  
9 think it would be a better record for the Commission  
10 to use to figure out what would be the correct way to  
11 deaverage the loop. So would it be possible for all  
12 the parties to get the underlying information, the  
13 underlying run?

14 JUDGE STAPLETON: I'm not sure I'm clear on  
15 exactly what is it you're seeking, Ms. Singer.

16 MS. SINGER: Here, I'll let Doug Denney say  
17 what he wants to get from the Commission.

18 MR. DENNEY: What would be nice to have is  
19 the underlying runs that -- the model runs that were  
20 done by the Commission in order to get the results in  
21 the order so that we could start in those exact  
22 places. We've had some difficulty replicating those  
23 exactly. So with those underlying runs, we'd all be  
24 able to start in the same position.

25 MS. ANDERL: Your Honor, Lisa Anderl here.

02174

1 It's my understanding that the parties asked for that  
2 type of information after the Eighth Supplemental  
3 Order was issued and that the Commission did, in  
4 fact, provide sufficient clarifying information for  
5 parties to replicate the model runs. It was some  
6 time ago, and perhaps -- I don't know if Mr. Denney  
7 was involved in the docket at that time, but that is  
8 my recollection.

9 MR. DENNEY: I was, but I didn't recall  
10 getting the information necessary to replicate those  
11 runs.

12 DR. GABEL: Mr. Denney, this is David  
13 Gabel. Ms. Anderl is correct that, after the Eighth  
14 Supplemental Order was issued, the Commission  
15 identified the inputs that it used for the different  
16 models. The Commission did not release the output  
17 from the runs of the models. In the 17th  
18 Supplemental Order, at page 55, paragraph 205, the  
19 output value from each of the models which the  
20 Commission used -- so this is something that wasn't  
21 available when the Eighth Supplemental Order was  
22 issued, but is available now. Have you tried to  
23 match the model to the numbers that appear at page  
24 55, paragraph 205?

25 MR. DENNEY: I mean, thus far I haven't

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1 been successful in getting that precisely. And I can  
2 look back to see what's provided after that Eighth  
3 Supplemental Order to make sure I'm viewing those  
4 right, because I remember there was some  
5 discrepancies between what was in the initial order  
6 and what we were trying to run, I mean, what was  
7 actually being used.

8 JUDGE STAPLETON: My response generally to  
9 Ms. Singer is that, the 17th Supplemental Order being  
10 a blur, the Eighth Supplemental Order didn't even  
11 happen in my life. Nonetheless, I do recall the post  
12 order process, the concerns about the parties, the  
13 requests for information in order to replicate and  
14 run the models to produce the Commission's outputs,  
15 and I believe that all that information has already  
16 been made available to the parties.

17 And unless I hear some very explicit basis  
18 for any information that is not now available to the  
19 parties, that is absolutely necessary or critical to  
20 running these models so you have that starting point,  
21 I will presume that all that information is in the  
22 record or has been made available to the parties  
23 otherwise.

24 MR. DENNEY: This is Doug Denney again.  
25 What would simplify matters greatly is to have the

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1 electronic versions of the run that the Commission  
2 used. Then it's a very simple process of matching  
3 everything up and working from that point for all of  
4 the parties.

5 JUDGE STAPLETON: I'll take that under  
6 advisement and speak to both my adviser and to the  
7 Commissioners.

8 MS. SINGER: Thank you very much.

9 DR. GABEL: Mr. Denney, just so I'm clear  
10 on this issue, what you're looking for when you say  
11 you would like the electronic version, are you  
12 looking for the entire model or just the output  
13 files?

14 MR. DENNEY: The output files, at a  
15 minimum, that would make it easy to determine what  
16 was done in the models, so that should be sufficient  
17 to get to where I want to go.

18 JUDGE STAPLETON: All right. Thank you for  
19 that clarification, David, Mr. Denney. Anything else  
20 anyone wants to raise on the subject of deaveraging?

21 MS. ANDERL: Your Honor, Lisa Anderl, for  
22 US West. We'd just like to note for the record that  
23 we have, in fact, been able to replicate the model  
24 runs and certainly wouldn't want to -- if it were  
25 going to add additional time to the schedule,

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1 wouldn't want to do that when we believe that the  
2 information is available.

3 JUDGE STAPLETON: Thank you. All right.

4 It appears that the list of UNEs for Phase III is  
5 very short. Looks like we're looking at the loop and  
6 potentially switching. Rather than wait for a  
7 prehearing conference order, which I will enter  
8 probably after the holiday, but I would like for US  
9 West and GTE and any other party who's interested in  
10 doing so to review the Eighth Supplemental Order and  
11 confirm in a letter to the Commission whether or not  
12 you believe that switching can be deaveraged in Phase  
13 III, based upon the information that's of record, and  
14 how much time will you need to do that.

15 MS. ANDERL: Lisa Anderl. Depending upon  
16 the availability of our experts, I would say we  
17 should be able to do it either by the Wednesday  
18 before Thanksgiving or the Tuesday or Wednesday of  
19 the following week.

20 JUDGE STAPLETON: Ms. McClellan.

21 MR. HUTHER: Judge, this is Chris Huther.  
22 I think we should be able to meet a similar deadline.

23 JUDGE STAPLETON: All right. Let's ask, if  
24 possible, that it be submitted to the Commission by  
25 five p.m. on Wednesday before the holiday. That will



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1 give me the opportunity to get this order out on  
2 Monday, then.

3 MS. ANDERL: We'll make every effort to do  
4 that.

5 JUDGE STAPLETON: And just if there is a  
6 roadblock, just give me a telephone call, please, and  
7 let me know how much additional time you'll need.  
8 I'll ask you to serve that on all the parties, so  
9 that they know where we're at simultaneous with its  
10 filing with the Commission.

11 All right. Is there anything else to be  
12 discussed this morning?

13 MS. ANDERL: Your Honor.

14 JUDGE STAPLETON: Ms. Anderl.

15 MS. ANDERL: Did you want to take up the  
16 collocation?

17 JUDGE STAPLETON: I believe that I -- I  
18 guess I mentioned in passing when I was describing  
19 the separate docket that it would include OSS,  
20 collocation, the studies that were required by the  
21 17th Order and any additional UNEs that the FCC  
22 identifies, and those things that we are not -- that  
23 we had contemplated doing in Phase III, but obviously  
24 the parties feel it is not appropriate or opportune  
25 to resolve in Phase III.

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1 MS. ANDERL: So should the parties simply  
2 anticipate a prehearing conference order in a new  
3 docket?

4 JUDGE STAPLETON: Yes, absolutely.  
5 Prehearing conference notice.

6 MS. ANDERL: Notice, I'm sorry.

7 JUDGE STAPLETON: You'll get an order, too,  
8 afterwards.

9 MR. FINNIGAN: I was wondering if this had  
10 become the prehearing conference for that.

11 JUDGE STAPLETON: Absolutely not. The  
12 docket number hasn't been selected. We simply wanted  
13 to get everything resolved here, get Phase III under  
14 way, working quickly toward a resolution, at least of  
15 deaveraging of the loop, if not loop and switching,  
16 then worrying about teeing up -- the cost studies, I  
17 believe, for OSS are not due until January 31st. So  
18 we have plenty of time to get this other docket  
19 going.

20 MR. FINNIGAN: Do you contemplate a  
21 prehearing conference in the other docket before the  
22 end of this year?

23 JUDGE STAPLETON: No, I do not.

24 MR. FINNIGAN: Thank you.

25 MS. McCLELLAN: This is Jennifer McClellan.

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1 Just to clarify, the filing deadline for the cost  
2 study will remain the same?

3 JUDGE STAPLETON: Yes, it will.

4 MS. McCLELLAN: Thank you.

5 DR. GABEL: Terry, this is David Gabel.

6 JUDGE STAPLETON: Yes, please.

7 DR. GABEL: Fortunately, I am on the East  
8 Coast, so you don't need to see my red face. I read  
9 forward in the order the Eighth Supplemental Order,  
10 and actually looked at paragraph 312 that the value  
11 used by the -- (inaudible).

12 JUDGE STAPLETON: David, you're  
13 fading.

14 DR. GABEL: All right. I've read forward  
15 in the Eighth Supplemental Order, the paragraph 312,  
16 and there it looks like the Commission used a value  
17 of \$150 of the investment regardless of the number of  
18 lines in the central office, so I think it's still  
19 worthwhile asking for the parties to comment on this  
20 issue, but let me just ask them to also make sure  
21 that they look at paragraph 312 to indicate there is  
22 not a basis for the deaveraging. But that's  
23 something the parties can address.

24 JUDGE STAPLETON: Thank you. All right.  
25 If there's nothing else to come before us, hearing

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1 nothing, we'll stand adjourned. Thank you all very  
2 much for your time.

3 (Proceedings adjourned at 10:14 a.m.)

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