

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

IN THE MATTER OF WASHINGTON TELEPHONE)
ASSISTANCE PROGRAM RULEMAKING) DOCKET NO. UT-003074

**COMMENTS OF VERIZON
August 22, 2001**

Verizon Northwest Inc. ("Verizon") submits the following comments on the revised proposed rules that the Commission distributed with its August 1, 2001, Notice of Opportunity to Submit Written Comments.¹ Since Verizon last submitted comments, new Department of Social and Health Services ("DSHS") rules have become effective for the Washington Telephone Assistance Program ("WTAP").² There are gaps and disconnects between the DSHS rules and the Commission's proposed rules on the carriers that will participate. In addition, neither the DSHS rules nor the Commission's proposed rules address the funding shortfall situation described by Verizon in its previous comments.

The Commission and DSHS need to continue working together to develop rules that -- in combination -- fully resolve these issues and will provide WTAP assistance into the future without disruption or confusion for customers or participating service providers.³

¹Verizon companies submitted comments on prior drafts on September 22, 2000, January 30, 2001, and May 4, 2001.

²WAC 388-273-0010 through -0035, effective June 1, 2001.

³RCW 80.36.440 provides that "the commission and the department may adopt any rules necessary to implement" the WTAP law. It would be sensible for them to do so in a joint or coordinated rulemaking.

PARTICIPATING CARRIER ISSUES

The proposed Commission rules set forth those carriers that must offer WTAP services and additional carriers that may offer them. The DSHS rules identify those carriers from which customers may order WTAP services and those carriers that will be reimbursed for their WTAP service costs. The two sets of rules are not clearly and fully aligned. This would create uncertainty about carriers' participation and the possibility of some carriers providing WTAP services without receiving reimbursement. The Commission needs to work with DSHS to clarify and rectify this problem in both of their rules.

Proposed Commission rule WAC 480-122-020 would mandate that every "eligible telecommunications carrier (ETC)" and every "non-ETC local exchange company" with 100 or more residence local service customer lines provide WTAP service (i.e., local telephone service at the discounted monthly rate fixed by the Commission, and the 50% service connection charge discount and deposit waiver required by RCW 80.36.410 through -475). It would also allow non-ETC wireless service companies to provide WTAP service. Proposed WAC 480-122-010(6) would define "ETC" as a carrier designated [by the Commission] as an ETC pursuant to 47 U.S.C. 214(e).

The DSHS rules tell potential customers who qualifies for WTAP services (WAC 388-273-0020), what the WTAP service benefits are (WAC 388-273-0025), and how to apply for WTAP services (WAC 388-273-0030). They also tell carriers what costs will be reimbursed (WAC 388-273-0035). None of these are clearly keyed to the scope of proposed

Commission WAC 480-120-020.

WAC 388-273-0020 provides that eligible persons may "apply to the local exchange company" for WTAP services, and it defines "local exchange company" as "an eligible telecommunications carrier providing local service, i.e., the telephone company." This is a circular definition, and DSHS does not define "eligible telecommunications company." In contrast, WAC 388-273-0030 tells customers to apply for WTAP services "by contacting the local telephone company." WAC 388-273-0035 sets forth those WTAP service costs for which DSHS will reimburse "the local telephone company." "Local telephone company" is not defined.

In short, it is not clear from the DSHS rules that it will reimburse WTAP costs for all of the companies that the proposed Commission rules would mandate or allow to provide WTAP services. This uncertainty needs to be resolved.

AVAILABLE FUNDING

As explained in prior Verizon comments, WTAP participation by non-ETCs could increase WTAP costs beyond the statutory WTAP funding limit. Obviously, the Commission should not mandate companies to incur costs for which they cannot be assured recovery. The Commission needs to work with DSHS to resolve this issue.

At a minimum, the Commission's rules should suspend the WTAP participation mandate in cases where DSHS has insufficient funds to fully reimburse the companies. It should also provide that in such shortfall situations, companies that are voluntarily providing WTAP services should be allowed to cease doing so.

CONCLUSION

The proposed Commission rules and the DSHS rules are not adequately coordinated on the issue of which companies will provide WTAP services and whether they can all be assured of full reimbursement. The Commission needs to work with DSHS to correct these shortcomings. This needs to be accomplished before WTAP participation is expanded, in order to avoid future disruptions to WTAP customers and reimbursement shortfalls to WTAP service providers.