BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Telecommunications - Operations, Chapter 480-120 WAC	**Docket No. UT - 990146**

COMMENTS OF

VERIZON NORTHWEST INC.,

VERIZON SELECT SERVICES INC.,

BELL ATLANTIC COMMUNICATIONS, INC. (d/b/a VERIZON LONG DISTANCE)

AND

NYNEX LONG DISTANCE COMPANY (d/b/a VERIZON ENTERPRISE SOLUTIONS)

June 27, 2002

I. INTRODUCTION

Verizon Northwest Inc., Verizon Select Services Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance) and Nynex Long Distance Company (d/b/a Verizon Enterprise Solutions) (collectively "Verizon") submit these comments on the proposed rules for Chapter 480-120.[1] These comments are filed pursuant to the Commission's Notice of Opportunity to Comment on Proposed Rules dated May 30, 2002.

While the many months of work in the CR-101 stage have resulted in useful clarifications and revisions to a number of the rule proposals, overall the package of rules that has been moved to the CR-102 stage represents a large unwarranted and counterproductive increase in regulation and in the cost of doing business in Washington. The Commission should not go down this road. It should reject the package of proposed rules and instead issue a new set of proposed rules that focuses on a limited number of changes to the existing rules to clarify, update and streamline them.

Unnecessary, Costly Increase in Regulation

This package of proposed rules is troubling because of its overall thrust of increasing regulation in Washington with neither a record of need nor a showing of corresponding benefit. If adopted, this package of regulations will impose significant new administrative burdens, costs and risks on telecommunications companies.

Before this rulemaking began in 1999, Chapter 480-120 had approximately 60 rules. During this rulemaking, the Commission has expanded the chapter to include almost 100 rules. Rather than reduce and streamline regulation, adopting the package of proposed rules would increase and complicate it. Verizon continues to urge the Commission to refrain from imposing new costs and burdens on telecommunications companies without demonstrating substantial public need.

Implementation Lead Time

If the proposed rules are adopted, Verizon will require at least six months to implement them all.

Reseller Clarification

The proposed rules purport to apply to all telecommunications companies subject to the Commission's jurisdiction, and to all those companies' services that are subject to the Commission's regulation. Some of the proposed rules - - especially those concerning service standards - - are not appropriate for companies that are pure resellers, i.e., those that do not own, manage or otherwise control network facilities. The proposed rules are, however, deficient in this regard: they do not clearly distinguish which rules do not apply to pure resellers. If the Commission adopts the proposed rules, it should add this clarification.

---

[1] Verizon has filed separate comments on the proposed customer proprietary network information rules.

II. COMMENTS ON SPECIFIC PROPOSED RULES

WAC 480-120-021 Definitions.

"Drop Facilities" – The proposed definition is not technically correct. Verizon suggests replacing "pedestals" with "network interface."

"Force Majeure" – The proposed definition is incomplete. It should read as follows:

> means acts of God, war, revolution, civil commotion, acts of public enemy, embargo, fire, explosion, vandalism, cut cable, inclement weather, earthquake, acts of the Government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing or boycotts, unavailability of facilities or equipment, and other circumstances beyond the reasonable control of the company.

In the substantive rules that use this term, it is critical to include recognition of all these events and, especially, to include the phrase "other circumstances beyond the reasonable control of the company."

"Held Orders" - The proposed definition does not accurately reflect the industry's use of the term. A "held order" is not simply one not completed by the due date. Rather, a "held order" is one for which the company does not have facilities available, i.e., the company will literally "hold" an order out of the normal provisioning workflow until facilities are constructed. Accordingly, "held orders" should be defined as

> Orders for exchange access lines where the company is unable to provide service by the due date because of lack of company facilities or equipment.

If the Commission means something different than this, it should use a term other than "held order."

"Residential Service" – The proposed definition should be revised to read, “basic service provided to a household and not used for business purposes." This revision makes clear, for example, that businesses operating out of households are required to pay business service rates.

"Telecommunications-related products and services" - Proposed subsection (c) is confusing. For example, read literally, it could include network equipment, but that would not make sense in light of the term’s usage in the proposed customer information rules. If the Commission means “customer premise equipment” (which is defined in this section of the rules), it should simply use that term in place of "equipment employed on the premises of a person to originate, route, or terminate telecommunications."

WAC 480-120-061 Refusing service.

Since this proposed rule would apply to long distance service providers (IXCs), it should be revised to give IXCs the option to require a customer to pay the entire deposit for long distance service as a condition of service. (See the discussion of WAC 480-120-122, below.)

The proposed rule concerning fraud and deception is silent concerning a company's ability to monitor its network for fraud. Rather, the proposed rule addresses items such as deception in the application process or rotation of service among roommates. In addition, there is nothing in the proposed rule that requires the customer to remove the root cause of the fraud and to compensate the company prior to restoration of service. Therefore, the Commission should insert the following subsection between proposed subsections (6) and (7):

> The Company may refuse, suspend or cancel service immediately and without prior notice in the event of excessive network usage that is determined to be fraudulent. Whenever service is discontinued for fraudulent use of service, the Company may, before restoring service, require the Customer to make, at his or her own expense, all changes in facilities or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use.

WAC 480-120-103 Application for service.

Proposed subsection (3) should be made more flexible by adding "if requested by the customer." at the end.

WAC 480-120-105 Company performance standards for installation or activation of access lines.

Subsection (2) should be deleted, because it would tie the Commission's hands, it would be complex and unworkable, and it could result in unreasonable penalty assessments.

Proposed subsection (2) would write too much penalty language into the rule. As Chairwoman Showalter stated at the November 20, 2001 workshop in this docket, excessive penalty language in a rule is unnecessary and surplussage.

First, the proposed rule provision that companies will be penalized on a per order basis is arbitrary and unwarranted. Such a rule is contrary to the Commission's precedent of basing penalties on the entirety of the circumstances.[2] A company may not meet an installation standard for one or more orders due to a number of reasons, and multiple misses of a deadline may have a common cause. The Commission should not enact a rule that locks it into the arbitrary proposed penalty-per-order formula.

Second, the proposed rule proposes a possible tripling-up of penalties where a company may have orders that exceed the standard in more than one subsection of part (1) of the rule. This is inappropriate on its face and does not exist in the current rule.

This multiple penalty proposal is also unworkable. For example, suppose a company were to violate the installation deadline standard of subsection (1)(a) by installing only 80 of 100 orders within five business days, with the 20 "missed" orders having taken between, say, six and sixty days to install. Under subsection (1)(a)'s 90 percent threshold, which 10 of the orders would be considered violations for penalty purposes? The proposed rule does not and cannot workably answer the question. It is best to not even attempt to restrict the Commission's judgment by addressing such details in this rule.

---

[2] *MCImetro Access v. U S WEST, Inc.,* Decision and Final Order (February 10, 1999), Docket UT-971063.

Proposed subsection (2) should be deleted.

WAC 480-120-107 Installation and activation credits; WAC 480-120-108 Missed appointment credits; WAC 480-120-164 Pro-rata credits.

The Commission should not enact a rule that forces companies to change their tariffs and institute "credits." Such a rule would be unlawful. In addition, the proposed rule would discourage innovation and instead impose costly regulatory micromanagement.

The proposed service credit rules would be unlawful because, as the Court of Appeals recently held, the Commission may not use rulemakings to force companies to change their tariffed rates and rate structures. The proposed rules would require companies to tariff new "credits," which in effect would act as reductions in tariffed service rates. The proposed rule would also interfere with companies' existing tariff arrangements, such as Verizon's "service performance guarantee."

Beyond their unlawfulness, the proposed rules would unwisely preempt innovation in the industry. Besides Verizon, many companies already have in place tariff or price list provisions or operational practices focussed on assuring good customer service, including appointment and installation commitments. They provide a variety of effective approaches to customer satisfaction, including not only billing credits but also "money back" guarantees and alternative service arrangements. Free of regulatory strictures, companies could also experiment with other customer satisfaction approaches, such as on-the-spot cash, vouchers, prepaid calling cards -- perhaps even frequent flyer miles. There is no need for the Commission's rules to preempt these management initiatives.

The adoption of these rules would also substantially increase the cost of business to companies through added labor and systems requirements and the expense of the credits. These costs - - which would benefit only a few customers - - ultimately would be paid by the entire customer base.

Customers are getting good service in Washington. Companies are being responsive and creative. No service quality crisis has prompted the proposed rules. No customer outcry has sought them. In these circumstances, the Commission should not impose costly, stifling, unlawful new regulations.

WAC 480-120-122 Establishing credit--Residential services.

IXCs should be authorized to require deposits. Proposed subsection (6) should be revised to read as follows:

> A company may require an applicant or customer to pay a deposit equal to two months' charges for ancillary service <u>or interexchange service</u> before providing or continuing ancillary services <u>or interexchange services</u>.

As a competitive service, long distance more closely resembles a discretionary service just like ancillary services, and the deposit payment arrangement should not be different between these services.

A company should have the option to require a customer to pay the entire deposit for long distance service, as it does for ancillary services. Local service and ancillary services are billed in advance of providing the service, so a company does not provide the service before receiving the entire deposit. Long distance service is generally billed in arrears. With the first bill the customer may already have incurred charges in excess of the deposit required by the IXC, placing the IXC more at risk. For these reasons, interexchange carriers should be able to require full payment of deposits for interexchange service prior to offering or continuing service.

WAC 480-120-133 Response time for calls to business office or repair center.

The Commission should reject the proposal to increase the current answer time standard from a monthly to weekly basis. Such a change would unreasonably ignore the normal ebbs and flows of call volumes over time, would impose new administrative burdens, and would increase the cost of doing business in Washington.

Customers are receiving good service today. There is no evidence of industry problems justifying this dramatic change in the standard. Should the Commission in the future obtain information that a particular company is having problems, it can - - and should - - investigate and resolve the matter on an individual basis. The current monthly standard should be retained; the proposed weekly standard should be rejected.

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

Proposed subsection (1)(b) should be changed because it erroneously assumes that all electronic verification systems use automatic number identification derived directly from the end user customer's line.

For example, under Verizon's process the Service Representative obtains the telephone number and other verification details from the customer, inputs it in the electronic verification system and then hands the customer off to the electronic verification system to complete the service change request on his own, responding to the IVR's prompts. Therefore, proposed subsection (1)(b) should read as follows:

> (b) The submitting carrier has obtained the customer's authorization, as described in (a) of this subsection, electronically, by use of an automated, electronic telephone menu system. This authorization may ~~must~~ be placed from any ~~the~~ telephone number(s) for which the preferred carrier is to be changed and must confirm the information required in (a)(i) through (vi).
>
> Telecommunications companies electing to confirm sales electronically must establish one or more toll free telephone numbers exclusively for that purpose.
>
> Calls to the number(s) ~~must~~ will connect a customer to a voice response unit, or similar device, that records the required information regarding the change~~, including automatically recording the originating automatic number identification (ANI)~~.

Also, proposed subsections (1)(a)(v) and (2) should be changed, because it is the LATA (rather than state boundaries) that forms the demarcation point between services traditionally provided by LECs and IXCs. As currently proposed, the rule does not permit a customer to presubscribe to interLATA intrastate service. The provisions should read as follows:

> (v) That the customer understands that only one telecommunications carrier may be designated as the customer's ~~interstate~~ interLATA preferred carrier; that only one

> telecommunications carrier may be designated as the customer's intraLATA preferred carrier; and that only one telecommunications carrier may be designated as the customer's local exchange provider, for any one telephone number. The letter of agency must contain a separate statement regarding the customer's choice for each preferred carrier, although a separate letter of agency for each choice is not necessary; and
>
> (2) Where a telecommunications carrier is selling more than one type of telecommunications service (e.g., local exchange, intraLATA~~-intrastate~~ toll, interLATA~~-interstate toll~~, and international toll), that carrier must obtain separate authorization, and separate verification, from the customer for each service sold, although the authorizations may be made within the same solicitation.

WAC 480-120-161 Form of bills.

Proposed subsection (2)(a) should be deleted because it erroneously assumes that all companies have more than one billing cycle in a month - - or if it does not, it presumes to mandate manual billing for some customers. Imposing a requirement that companies customize billing schedules for individual customers would be costly and unreasonable.

Proposed subsection (2)(b) should be revised to read:

> If a company is delayed in billing a customer, the company must, upon customer request, offer a reasonable payment schedule. ~~arrangements that are equal to the length of time the bill is delayed beyond the regularly scheduled billing interval, (e.g., if the bill includes two months delayed charges, the customer must be allowed to pay the charges over two months).~~

There are many situations that may cause delayed billing, some of which could be beyond the control of companies. For example, customers may provide incorrect billing information. In addition, the Commission may prevent companies from billing until the conclusion of regulatory investigations.

WAC 480-120-162 Cash and urgent payments.

The proposed rule fails to acknowledge and reflect the realities of the in-person bill payment situation. It ignores the difficulty of finding and retaining payment agents, and it would prohibit a key tool in addressing the problem. It also ignores geographic realities.

In-person bill payments are very much the exception, and commerce has been very much moving away from them for many years. Many alternatives exist, including the usual mailed payment, paying online, by telephone (which allows customers to pay by check, debit or ATM cards), automatic bank draft, and Western Union Quick Collect (where payments are accepted at any Western Union location). It has been Verizon's experience that payment agencies are often very difficult to find and maintain in some areas, and this is becoming more of a problem.

In addition, so-called “urgent payments” are usually necessitated by the customer’s failure to make a timely payment by other means, and the cost of processing them should be born by such persons rather than the general customer body. Furthermore, if a customer receives a late notice and needs to make an urgent payment, Verizon will try to work with the customer. The customer's account will be reviewed to determine if arrangements can be made that would allow the urgent payment to be mailed. Other payment options may also be discussed if it is determined that a balance cannot be extended.

The current rules require multiple payment locations in the largest exchanges, but these exchanges are relatively small and are close together in metropolitan areas. Thus, they can be reached relatively easily by the customers who need them. Because of this fact and since in-person payments are the exception and it is increasingly difficult to obtain and retain payment agents, the requirement for multiple locations in a single exchange should be deleted. In addition, a given exchange should not be required to have a separate agent if one is available in an adjacent exchange.

At the minimum, proposed subsection (1) should be modified as follows:

> (1) Each local exchange company (LEC) must establish and maintain payment agencies for receipt of cash and urgent payments. For purposes of this section, a payment agency may be a business office of the company that accepts customer payments. An urgent payment is a payment that the company requires upon threat of discontinuation of service. Each LEC must use the following criteria when determining the number of payment agencies required:
>
> (a) Exchanges serving over <u>twenty-five thousand</u> ~~seventy-five thousand~~ access lines must have a minimum of one payment agency within the exchange <u>or in an adjacent exchange</u>. ~~for every fifty thousand access lines~~.
>
> ~~(b) Exchanges serving twenty-five thousand to seventy-five thousand access lines must have a minimum of one payment agency within the exchange.~~
>
> (<u>b</u>~~c~~) LECs that do not have exchanges that meet the criteria in (a) ~~or (b)~~ of this subsection must have at least one payment agency.

Second, the Commission should reject the sentence in proposed subsection (2) that states: "Companies may not contract with a payment agent that charges a fee, surcharge, or any other similar charge to customers for the provided services and transactions."

Fewer businesses operating as payment agents are willing to do so free of charge to the customer. Many wish to charge a fee. Verizon is seeing evidence that major industry players - the vendors that manage the agents - are less interested in authorized arrangements with billers. In other states, implementation of a split fee network with both free and convenience locations has enabled Verizon to continue to attract vendors who are willing to accept free payments. The vendors are willing to continue to offer free locations because they are able to gain some additional revenue from customers who are willing to voluntarily pay a convenience fee in return for completing their transaction at a particular location. Without the ability to have some convenience agents we may reach a point where no vendor is willing to offer free locations because of the reduced margins and the many service and processing requirements that authorized vendors must meet. In addition, customers themselves are more accepting of paying for the cost of the services they receive, which is consistent with the position that the cost-causer should pay -- not those who are mailing their payments in a timely manner and who may never use this service.

Subsection (2) should be revised to read as follows:

> (2) The payment agency must clearly post and maintain regular business hours and may be supported by the same personnel as the business office or customer service center. ~~It must not assess a charge from the applicant or customer for processing a transaction. Companies may not contract with a payment agent that charges a fee, surcharge, or any other similar charge to customers for the provided services and transactions.~~ The payment agency locations put in place to meet the minimum requirement of subsection (1) shall not assess a fee on the applicant or customer for processing a payment. LECs may establish additional convenience locations that assess charges, not to exceed $1.00 per transaction.

Third, proposed subsection (5) should be changed by replacing "thirty days" with "as soon as possible." When Verizon becomes aware of the fact that a payment agency has either closed without company knowledge or is refusing to accept company payments, it makes every effort to replace a payment agent that has closed as quickly as possible. However, this is a process over which the company has only limited control. Depending on the nature of the neighborhood in which the agent is being sought and other external factors, it may be impossible to identify, qualify, equip, and train a new agent within thirty days. Simply locating an agent willing to process payments as a free agent often takes much longer than thirty days.

WAC 480-120-262 Operator service providers (OSPs).

The Commission should not adopt the proposed benchmark rate rule. It would be anti-competitive, costly to implement, and counterproductive. It would delay call processing for all customers. The proposed benchmark rates are unreasonably low. And customers are already in control as to determining the rates applicable to their calls.

The automatic rate quote process that would be mandated by proposed subsection (3) was rejected by the FCC as inherently anti-competitive in several respects. *See*, In the Matter of Billed Party Preference for InterLATA 0+ Calls, CC Docket No. 92-77, Second Report and Order and Order on Reconsideration, FCC 98-9, released January 29, 1998, ¶s 30-34. Those findings are fully applicable in Washington. Among other things, the benchmark approach is back door rate regulation. Due to the unrealistic nature of the proposed benchmark's structure (discussed below), this regulation would impact both per minute toll rates and the rates for operator service functions. This is inconsistent with the Commission's prior findings that the toll and operator services markets are competitive in Washington.

Since the proposed benchmark rates are below market levels - - even below rates in tariffs approved by the Commission, Verizon and essentially all other carriers would be impacted by the rule. Because of technological limitations, the proposed rule would force Verizon to use live operators to handle all 0+ calls in Washington, including interstate calls. Obviously, this would increase the company's costs significantly. The proposal would also increase costs by requiring Verizon and other OSPs to incur increased expenses to establish or modify systems and processes to monitor changes in rates that are subject to the benchmarks. This would be in addition to the cost increases caused by the longer average call duration caused by making every call be assisted by a live operator. All of these cost increases would put upward pressure on 0+ service rates in Washington for all carriers - - a plainly counterproductive result that is not in the public interest.

Moreover, this would significantly increase customer irritation and inconvenience, as each call would be dragged out by the live operator intervention. Indeed, as the proposed rule is written, the operator would have to persevere in delivering the rate quote even if the caller said "Never mind; I'm in a hurry."

The overly prescriptive and unrealistic approach of the proposed rule exacerbates the problem. There are three main types of "OSP" calls that would be affected by the rule: customer dialed calling card calls,[3] operator handled station-to-station calls (collect, third number billed, calling card), and operator handled person-to-person calls. The charges for these calls consist of two components: the charge for the operator function and the charge for transporting the call (the toll charge). The operator charge in effect applies to the first minute only. In other words, the charge is the same no matter how long the call lasts. The toll rates, of course, are typically per minute. The proposed benchmarks blend these into a single rate for a one minute, a five minute and a ten minute call based on the assumption of "50 cents per call plus 50 cents per minute."[4] In reality, the structures of carriers' charges are much different. The following table compares the proposed benchmarks with Verizon rates, which are at the lower end of the mainstream carriers and which were originally established in tariffs approved by the Commission. (The underlined totals exceed the proposed benchmarks.)

[3] These calls are also known as "credit card calls" and are different than calls made using prepaid cards.

[4] UTC News & Views, Spring 2002, page 3.

SERVICE	PROPOSED BENCHMARKS	OPERATOR RATE	TOLL CHARGE	TOTAL QUOTE	VERSUS BENCHMARK
Customer dialed calling	1 min. - $1.00	$0.95	$0.17	$1.12	+ 12¢
card etc.	5 min. - $3.00	$0.95	$0.85	$1.80	($1.20)
	10 min - $5.50	$0.95	$1.17	$2.12	($3.38)
Operator handled station-to-	1 min. - $1.00	$2.50	$0.17	$2.67	+ $1.67
station: -collect -3rd # billed	5 min. - $3.00	$2.50	$0.85	$3.35	+ 35¢
-calling card	10 min - $5.50	$2.50	$1.17	$3.67	($1.83)
Operator handled person-to-	1 min. - $1.00	$4.50	$0.17	$5.67	+$4.67
person	5 min. - $3.00	$4.50	$0.85	$5.35	+$2.35
	10 min - $5.50	$4.50	$1.17	$5.67	+ 67¢

By using too low of an operator function charge ($0.50) and too high of a toll rate ($0.50), the proposed benchmarks produce an unrealistic and unreasonable effect. As the proposed rule is written, Verizon would have to provide rates quotes for each type of call even though its rates are reasonable.

The current rule provides an opportunity to every concerned customer to learn the cost of a 0+ call up front. There has been no showing that this approach should be supplanted by the proposed rule, let alone that any possible benefits would exceed its considerable costs and customer inconveniences and irritation. For these reasons, the proposed rule should be rejected.

WAC 480-120-311 Access charge and universal service reporting.

Proposed subsection (1) should be deleted, and subsection (2)(d) should be revised.

Proposed subsection (1) is illogical. At best, it is tied to the Commission's invalidated access charge rule and, therefore, serves no legitimate purpose.

Proposed subsection (1)(a) states that carriers must make the required report until a state universal service fund is created, but the contents of the report have no obvious relationship to universal service support. To the extent that it may have been intended to tie to the interim universal service rate element established under current WAC 480-120-540, the proposal has been rendered moot by the Court of Appeal's recent invalidation of that rule. The universal service support issue aside, no useful purpose would be served by compelling carriers to report billed and imputed switched access rate element units. Thus, the proposal would simply increase the regulatory burdens and costs of doing business in Washington, with no corresponding public benefit. It should be rejected.

Proposed subsection (2)(d) needs to be revised, as it currently asks for elements that are not subject to annual certification requirements under sections 54.314 and 54.315 of the FCC rules. Long Term Support, Interstate Access Support and Interstate Common Line Support are not subject to annual certification by the state. The FCC has placed certification requirements on the carriers for these elements. For example, in the October 11, 2001 Order, the FCC states that "to ensure that carriers receiving Interstate Common Line Support and LTS will use that support in a manner consistent with section 254(e), we will require carriers seeking such support to file a certification with the Commission and the Administrator. This requirement is consistent with rules adopted in the Interstate Access Support Order. This certification requirement will be applicable to rate-of-return carriers and competitive eligible telecommunications carriers seeking support from our Interstate Common Line Support mechanism." (Order at para. 176) The first certification for LTS and ICLS was filed with the Commission and the Administrator on April 18, 2002. Such certification shall be filed in CC Docket No. 96-45 annually thereafter on June 30, which is the date that certification for Interstate Access Support is due.

WAC 480-120-312 Universal service cost recovery authorization.

Since this proposed rule is obviously derived from the access charge reform rule that was recently invalidated by the Court of Appeals, it should not be adopted.

WAC 480-120-401 Network performance standards.

This proposed rule needs to be modified so that it accurately reflects the appropriate standard.

"Average" should be inserted in front of “busy season” in proposed subsections (2)(a) and (3). Implicit in the statement of "busy season" is the understanding that busy season is an average of the readings encountered during the measurement period. ITU-T, the International Telecommunications Union - Telephony explicitly defines the busy season as the highest month during the year, a definition which Verizon supports. In common sources such as Newton's Telecom Dictionary and Telcordia (formerly Bellcore) technical recommendations, the busy season is generally abbreviated ABS (Average Busy Season). Verizon proposes that while the "average" as a part of the acronym is probably understood, verbiage would be more consistent with industry sources if the word "average" were added to this section in front of the words "busy season".

WAC 480-120-412 Major outages.

The proposed new deadlines in subsections (4)(b) and (c) are arbitrary are should be rejected. It is more realistic and useful to focus on prioritizing restoral efforts during major outages, and the Commission’s rules should reflect that. Proposed subsection (6)’s proposed notification scheme for planned outages is also unwarranted and would be unnecessarily costly.

Out-of-service situations result from many different causes, including electrical power outages, inclement weather and cable cuts, all normally beyond the company's control. Outages that occur at night or during non-working hours pose another obstacle. Depending on the situation, it may be physically impossible to clear an out-of-service condition by the proposed deadline. In any event, the cost of attempting to ensure enough round-the-clock coverage to meet the proposed deadlines would be astronomical.

Since for the most part a company cannot control when an outage is cleared, proposed subsections (4)(b) and (c) miss the mark. What the company can control is the priority of restoration, which is the key to expediting clearance of major outages.

Therefore, the specific time frames set out in subsections (4)(b) and (c) should be deleted, and proposed subsection (4) should be modified to reflect that outages affecting PSAPs, law enforcement facilities, fire departments and hospitals will be a company's first priority and restored as soon as possible. All other outages will be restored next, as soon as possible.

Verizon also has concerns with the notice requirements in proposed subsection (6). It is not always necessary to notify all customers of a planned outage since, such work is usually completed at night or in the early morning hours when it has minimal impact on customer service.

Costs are another concern. It would be very expensive to notify a large number of customers by mail. The only practical method of notifying large quantities of customers of planned outages would be via a newspaper or public service announcement. This type of announcement would be a security concern, as criminals would also find out about planned outages. With knowledge of the outages made public, criminal activity could increase in the affected areas due to actual or perceived impacts on alarm services and telephone service for emergency purposes.

At a minimum, the duration of a planned outage requiring notification should be changed to ten minutes instead of five in the last sentence in proposed subsection (6).

In addition, this proposed rule should not apply to pure resellers.

WAC 480-120-438 Trouble report standard.

The proposed rule should be modified to recognize the statistical problems created by small central offices.

If the Commission's trouble report standard is going to be applied at the central office level as opposed to companies' operational districts, then an exception for small central offices needs to be added. In very small central offices, it takes only a handful of trouble reports to exceed the standard. Verizon suggests adding language as follows:

> Trouble reports by central office must not exceed four trouble reports per one hundred access lines per month for two consecutive months, or per month for four months in any one twelve-month period. This standard does not apply to trouble reports related to <u>central offices with less than 500 customer access lines,</u> customer premise equipment, inside wiring, force majeure, or outages of service caused by persons or entities other than the local exchange company.

Note that even with this exception to the standard, the Commission would still be monitoring performance at the central office level, so it could detect and address any chronic problems in a given central office.

At a minimum, the Commission should allow companies to group central offices with less than 500 customer access lines together for standard purposes. For example, if a company has a 100 line, a 300 line and a 250 line central office, those offices should be treated as a 650 line central office for purposes of complying with the standard proposed in this rule.

WAC 480-120-439 Service quality performance reports.

Proposed subsection (4) is unnecessarily complex and cumbersome. The Commission should start with a straightforward approach and move to a more complicated approach such as in the proposed rules *only if* experience proves it to be necessary. At this time, the Commission should adopt a rule such as the following:

> (4) Report on installation or activation of basic service.
> The report must show the company's performance in comparison to the standards set forth in WAC 480-120-107.

WAC 480-120-440 Repair standards for service interruptions and impairments, excluding major outages.

The blanket deadlines and 100% standard proposed in subsections (1) and (2) are unrealistic and unreasonable. If the new deadlines are adopted, a 95% standard should be used. Subsection (8)'s proposed notice requirements should also be modified to be more realistic.

Subsection (1) would require companies to repair <u>all</u> out-of-service except those that are part of a major outage and those caused by force majeure within forty-eight hours. Subsection (2) would require companies to repair all other regulated service interruptions within seventy-two hours. Repair activity is dynamic in that there are numerous potential causes, many of which cannot be predicted, as in the case of severe weather, power outages and contractor dig-ups. The unpredictable nature of repair activity makes it impossible to forecast the workforce needed to ensure resolution of 100% of out-of-service conditions within forty-eight hours. Each out-of-service situation is different, and it may be physically impossible to clear a particular case within forty-eight hours. Therefore, Verizon suggests the following changes to proposed subsections (1) and (2):

> (1) A company must repair ~~all~~ <u>95% of</u> out-of-service interruptions except those which are part of a major outage (WAC 480-120-412) and those caused by force majeure within forty-eight-hours from the time a customer initially reports the problem to the company. For purposes of this section an out-of-service interruption is defined as a condition that prevents the use of the telephone exchange line for purposes of originating or receiving a call and does not include trouble reported for non-regulated services such as voice messaging, inside wiring, or customer premises equipment.

> (2) A company must repair 98% of all other regulated out-of-service interruptions within seventy-two hours from the time a customer initially reports the problem to the company.

For proposed subsection (8), Verizon has the same concerns as noted above for proposed subsection (6) of WAC 480-120-412. In addition, this proposed rule should not apply to resellers.

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

The E911 network is tied to the switch that provides dial tone / phone number (ELIN). The possible location that a number might work at may be outside the boundary of the Selective router that the ELIN is tied to - - such is the case with many of Verizon's Foreign Exchange accounts. Accounts are not tied to a Selective router based on the address they service. Therefore, Verizon suggests the following changes to subsection (1)(a)-(c):

> (1) Local exchange companies (LECs) must provide enhanced 9~~-~~1-1(E911) services including:
>
> (a) For single line service, the ability for customers to dial 911 with the call and caller's ELIN transmitted to the E911 selective router serving the ELIN ~~location of the ERL for that line~~;
>
> (b) For multi-line customers, the ability for customers to dial 911 with the call and caller's ELIN transmitted to the E911 selective router serving the ELIN ~~location of the ERL for that line~~;
>
> (c) For pay phones served by pay phone access lines (PALs), the ability for customers to dial 911 with the call and caller's ELIN transmitted to the E911 selective router serving the ELIN ~~location of the ERL for that line~~. The phone number must be that of the pay phone.

For proposed subsections (2)(a)-(c), Verizon continues to strongly advocate the following suggestions to clarify that companies can utilize either an internet-based method **or** a secure dial up method:

> (2) (a) LECs that provide or make available E911 data base management, whether directly or through contract, must provide to all PBX owners or their agents (including LECs) a simple, internet-based method to maintain customer records in the E911 database, ~~and~~ or the LEC may provide an option of a secure dial up access method for the PBX owner or agent to maintain customer records in the E911 data base. The method must use a generally accepted national format for customer record information.
>
> (b) LECs that provide or make available E911 data base management, whether directly or through contract, must provide or make available to all other LECs a simple, internet-based method to maintain customer records in the E911 data base for their ~~non-PBX~~ customers, ~~and~~ or the LEC may provide an option of a secure dial up access or direct data link method for LECs to maintain customer records in the E911 data base. ~~Methods for maintaining station location information that are not internet-based may be offered in addition to the required internet-based method.~~
>
> (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 subsection (b) of this subsection~~.

Verizon also has the following suggestions for proposed subsection (d) because not all companies have a twenty-four hour data base operation / process:

> (d) For single line services, PBX main station lines, and payphone lines, LECs must transmit updated error free location information records to the data base management system (DBMS) within ~~twenty-four hours~~ one business day of those records being posted to the company record system.
>
> Records that can not be transmitted or do not post to the DBMS because of address errors must be corrected within two working days unless modifications are necessary to the audit tables of the master street address guide, in which case the record must be resubmitted within ~~twenty-four hours~~ one business day of ~~notification that~~ the master street address guide ~~has been~~ being updated.

III. CONCLUSION

Verizon continues to urge the Commission to refrain from imposing new costs and burdens on telecommunications companies without demonstrating substantial public need. If the Commission continues to move forward with these proposed rules, Verizon respectfully requests the Commission include the above-proposed revisions. If the proposed rules are adopted, Verizon will require at least six months to implement them all.