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March 29, 2004

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

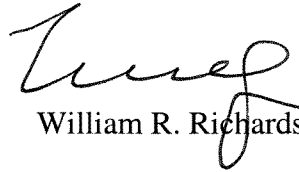
Re: **WUTC Docket No. UT-023003**

Dear Ms. Washburn:

Pursuant to the Notice of Opportunity to Respond to Issues Lists, issued March 23, 2004 in the above-referenced proceeding, Verizon Northwest Inc. ("Verizon") hereby submits its Reply Comments on MCI's Issues List and its revised issues list.

Please let me know if you have any questions.

Sincerely,



William R. Richardson, Jr.

cc: ALJ Theodora M. Mace
Counsel of Record

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

In the Matter of the Review of)
Unbundled Loop and Switching Rates; the) DOCKET NO. UT-023003
Deaveraged Zone Rate Structure; and)
Unbundled Network Elements, Transport,)
and Termination)
)

REPLY COMMENTS OF VERIZON NORTHWEST INC.
ON MCI'S PROPOSED ISSUES LIST

Pursuant to the Notice of Opportunity to Respond to Issues Lists, issued March 23, 2004 in the above-captioned docket ("Notice"), Verizon Northwest Inc. ("Verizon") respectfully submits these comments in reply to MCI's proposed issues list. In accordance with the Notice, Verizon also submits herewith a revised issues list reflecting its comments.^{1/}

As noted below, MCI's unexplained effort to add a raft of new issues to the UNE list at this late date is inappropriate for a number of reasons. Certain of MCI's proposed additions appear to be "subsidiaries to issues already on the list."^{2/} Notice at 1. Others are intended to be (or have been) addressed in other

^{1/} Verizon's revised issues list removes those UNEs that were eliminated by the *Triennial Review Order*, and whose elimination was not challenged in *United States Telecom Association v. FCC*, 359 F.3d 554 (D.C. Cir. 2004). Certainly, all actions of the Federal Communications Commission that have not been challenged on judicial review are now final.

Moreover, the issue of 2- and 4-wire digital loops seems inadvertently to have been omitted from the proposed issues list attached to the Twentieth Supplemental Order. Verizon has added that element to its proposed issues list.

^{2/} Such additions are similar, for example, to multiplexing and switch features, which are subsidiaries to issues already on the list (dedicated transport and local switching, respectively), but which are not included on the ALJ's proposed issues list.

Commission dockets. Most are also inconsistent with the Commission's determination that *it* "will continue to define the scope of this proceeding on an element-by-element basis."^{3/} Consistent with this determination, the Twentieth Supplemental Order did not serve as an invitation to the parties to add new issues to the UNE list. Rather, that Order only provided that parties were to "explain their *elimination* of any issues from the proceeding."^{4/} It has now been over nine months since initial cost studies were filed in this proceeding, and less than two months remain before hearings are scheduled to begin. Adding a panoply of new issues at this point would undoubtedly create incredible confusion and uncertainty. For all of these reasons, none of MCI's proposed additions to the UNE list have merit.

Specifically, each of MCI's proposed additions to the list of issues should be rejected (or is unnecessary) for the following reasons:

- **2-wire digital loop**: Verizon has already proposed a rate for this element, as set forth in Attachment RP-2 to its June 26, 2003 supplemental filing.^{5/}
- **2-wire xDSL capable loops**: This appears to be the same rate element as the "2-wire loop — non-loaded," which is already on the list.

^{3/} Third Supplemental Order. Docket No. UT-023003, ¶ 11 (issued Aug. 13, 2002) ("Third Supplemental Order") (rejecting more comprehensive review of virtually all UNE rates proposed by Verizon).

^{4/} Twentieth Supplemental Order, Docket No. UT-023003, ¶ 11 (issued Mar. 11, 2004) (emphasis added).

^{5/} Verizon filed this supplemental rate sheet to reflect changes made to the FCC's unbundling requirements in the *Triennial Review Order*.

- **DS-1 Clear Channel Capability**: No party has previously proposed to have this element included on the UNE list, and Verizon has not developed rates for it in its direct testimony.
- **Inside Wire**: This appears to be the same rate element as Verizon's Intra-Building House and Riser Cable Rate. As Verizon noted in its initial panel testimony, Verizon has already provided rates for house and riser cable, even though, to its knowledge, it does not own any such facilities in Washington.^{6/}
- **New port elements (Groundstart, Coin Line side, DID/DOD/PBX, ISDN BRI Digital line side, DS1 digital trunk side, ISDN PRI Digital trunk side, Centrex Trunk)**: Verizon has not developed rates for any of these elements in its direct testimony. Verizon previously proposed rates for digital ports in this proceeding, but the Commission specified that the list should be confined to analog ports.^{7/}
- **Common transport**: This is already on the list as "shared transport." Verizon has already proposed a rate for this element, as set forth in Attachment RP-2 to its June 26, 2003 initial filing.
- **CDT**: As with other proposed additions, MCI has not even defined this one, much less offered any justification for adding it now. But it appears to refer to dedicated transport to CLEC offices. As Verizon

^{6/} Panel Testimony of Verizon Northwest, Inc. on Recurring Costs, Docket No. UT-023003 (filed June 26, 2003). at 33-34.

^{7/} See Third Supplemental Order ¶ 11.

has noted, that has been removed from the UNE list by virtue of the *Triennial Review Order*.^{8/}

- **Line Splitting (new and existing)**: The Commission has previously stated that it will initiate a separate proceeding to investigate line splitting; accordingly, line splitting is not on the Commission's list of issues here, and the issue is not appropriate for resolution in this UNE cost docket.^{9/}
- **Line Sharing (new and existing)**: The Commission has already set rates for use of the high-frequency portion of the loop.^{10/} Given the Commission's determination to set issues for this proceeding on an "element-by-element" basis, its decision not to revisit the issue of line sharing here, and the elimination of line sharing on a prospective basis in the *Triennial Review Order*, it should not be addressed in this case at this late date.
- **Loop Qualification**: This is a non-recurring cost that, as Verizon has previously noted, the Commission has resolved to address in a separate proceeding.
- **Intra-Building House and Riser Cable**: As discussed above, this item is already on the Commission's list. Verizon proposed a rate for it in Attachment RP-2 to its June 26, 2003 panel testimony.

^{8/} Comments of Verizon Northwest, Inc. on the Issues List, Docket No. UT-023003 (filed Mar. 22, 2004), at 2.

^{9/} See Thirty-Second Supplemental Order, Docket No. UT-003013, ¶ 32 (issued June 21, 2002).

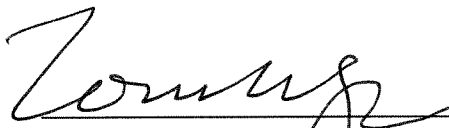
^{10/} See Thirteenth Supplemental Order, Docket No. UT-003013, ¶¶ 64-66 (issued Jan. 31, 2001).

- **Multiplexing (DS1-DS0 and DS3-DS1)**: This element is subsidiary to the dedicated transport UNE offered by Verizon.
- **Signalling (SS7 Access Service, SS7 Transport) and Call-Related Databases**: As set forth in its June 26, 2003 panel testimony (at 100), Verizon has established rates for the E-911 and Advanced Intelligent Networks databases, as required by paragraph 440 of the Third Supplemental Order in this docket. The Commission did not require the inclusion of these additional items in this docket, and adding them at this late date would be wholly inappropriate,
- **Redesignation of existing splitters**: It is not at all clear what equipment or activities this proposal is intended to describe. To the extent that it refers to a charge for transferring splitters from one CLEC to another — and thus represents a “transfer of installed splitters” — that item has been excluded from the case by agreement of the parties, as described in Verizon’s comments.
- **Loop Extenders for ISDN-BRI Loops**: This element is already on the list.
- **CLEC-owned Splitter in Virtual Collocation, Cross Connects, Collocation for Line Splitting and Collocation for Line Sharing**: Each of these proposed UNEs relates directly to collocation, and as such, was addressed by the Commission in its collocation docket.^{11/}

^{11/} See *id.* ¶¶ 181-373.

For the foregoing reasons, each of MCI's proposed additions to the UNE list should be rejected.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richardson", written over a horizontal line.

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March 29, 2004

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**PROPOSED ISSUES LIST OF VERIZON NORTHWEST, INC.
DOCKET NO. UT-023003**

RECURRING COSTS PLUS

OTHER ISSUES

Verizon

2-wire loop (analog)
4-wire loop (analog)
2/4 wire loops (digital)
2/4 wire loops – xDSL capable
Deaveraged 2/4 wire loop
High capacity loops (except OCn loops)
Copper distribution subloops
Drop sub-element
NID
Basic analog port
Local office switching
Local tandem switching
Deaveraged switching
Common Transport (except OCn transport)
Dedicated transport (except OCn transport)
UNE-P (new and existing)
Daily record usage file
EELs
Per-MOU reciprocal compensation
Updated average loop length
Tandem switch compensation
Recurring costs for high capacity loops
Verizon ICM – inflation
Verizon common cost factor
Verizon intrabuilding riser cables
Verizon signaling and call-related databases
Verizon ISDN loop extenders
Verizon dark fiber