

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Joint Application of

VERIZON COMMUNICATIONS, INC., AND  
MCI, INC.

For Approval of Agreement and Plan of Merger

DOCKET NO. UT-050814

INTEGRA TELECOM'S POST-HEARING  
BRIEF

---

**I. INTRODUCTION AND SUMMARY OF POSITION**

1. Intelevator Integra Telecom of Washington, Inc. ("Integra") hereby submits this post-hearing brief in support of the settlement agreement between Integra, Staff, and Applicants Verizon Communications, Inc. ("Verizon") and MCI, Inc. ("MCI") (together, "Applicants") (the "Settlement Agreement"). Because Integra's sole issue in this docket is Verizon's wholesale service quality, Integra limits its comments herein to condition number four of the settlement agreement, which addresses wholesale service quality.

2. As a condition of settlement, Verizon has agreed to report on wholesale service quality metrics until at least the end of 2008. The metrics measure Verizon's performance in its wholesale transactions with competitive LECs like Integra. Integra requested this condition in its testimony because Integra believes a binding commitment by Verizon to adhere to established wholesale performance metrics would provide certainty and accountability in wholesale transactions, which ultimately strengthens the provision of service to end user customers. Accordingly, the settlement condition is in the public interest and should be affirmed by the Commission.

## II. BACKGROUND OF THE TRANSACTION AND PROCEEDING

3. Integra defers to Staff's description of the transaction and proceeding.

## III. THE PROPOSED SETTLEMENT

### A. Are the Settlement Conditions in the Public Interest?

4. Because Integra's testimony addresses only wholesale service quality, Integra herein addresses only settlement condition number four, wholesale performance metrics.
5. The wholesale performance condition reads as follows:

Verizon will continue to report under the now expired Bell Atlantic-GTE FCC merger conditions performance metrics (as such metrics have been or are modified from time-to-time) until it implements for Washington the revised California JPSA Verizon metrics (as such metrics have been or are modified from time-to-time) (see California Docket R. 97-10-016/L.97-10-017). Verizon will implement the California JPSA Verizon metrics for Washington when the California PUC approves revisions pending before the California PUC and revisions to reflect the withdrawal of the UNE Platform service and Line Sharing. (Verizon's implementation of the California JPSA Verizon metrics also will depend on the availability of Verizon Information Technology resources needed to implement the California JPSA Verizon metrics and on Verizon's need to schedule the implementation work so as not to adversely affect the performance of other CLEC affecting work by Verizon's Information Technology Organization.) Verizon expects it will be able to implement the revised California JPSA Verizon metrics in Washington by December 2006. Verizon will continue to provide metrics reports electronically. Verizon shall have the right to modify the metrics from time-to-time, e.g., to remove from the metrics measurements for "delisted" UNEs such as UNE Platform and Line Sharing. Also, Verizon will send a letter to all CLECs indicating that Verizon will continue to provide service quality measurements, initially under the Bell Atlantic-GTE FCC merger conditions service quality plan metrics (as such metrics have been or are modified from time-to-time) and then under the California JPSA Verizon metrics (as such metrics have been or are modified from time-to-time). Verizon will report these measures until December 31, 2008, although any party can attempt to initiate a proceeding after July 1, 2008 to extend the reporting date beyond December 31, 2008. In providing UNEs, Verizon shall follow all effective FCC regulations prohibiting discrimination in the provision of, and access to, unbundled network elements, e.g., 47 C.F.R.

51.311(a) and (b) (“Nondiscriminatory access to unbundled network elements”). Finally, Verizon will provide WUTC Staff with access to all reports.

6. The settlement provision governing wholesale performance metrics is in the public interest. Verizon has taken the position that, absent the Settlement Agreement, it is not required to report on wholesale service quality metrics.<sup>1</sup> In the Settlement Agreement, however, Verizon commits to reporting on wholesale performance metrics at least until the end of 2008. At first, Verizon will report on the wholesale service quality metrics the FCC imposed when Bell Atlantic merged with GTE to create Verizon. Ultimately, most likely at the end of 2006, Verizon will replace those metrics with the wholesale performance metrics developed in the California Joint Proposed Settlement Agreement (“JPSA”). Those metrics – whether the FCC or JPSA – measure Verizon's performance in its wholesale transactions with competitive LECs like Integra.

7. In its testimony, Integra asked that, as a condition for approval of the proposed merger, the Commission require Verizon to report on either the FCC or JPSA standards. Integra requested this condition because, as Integra witness Jason Koenders explained in his statement on the settlement panel, enforceable wholesale service quality metrics and standards will prevent backsliding after the proposed merger and will ensure transparency and accountability in Verizon's wholesale transactions. Verizon has committed to do exactly what Integra asked in its testimony. Ideally, the enforceable standards will make Integra's relationship with Verizon better and will make Integra better able to meet its customers' expectations. The standards ultimately should strengthen the provision of service to end user customers. Accordingly, settlement condition number four is in the public interest.

---

<sup>1</sup> Exh. No. 201T-C 20 (Koenders).



8. Notably, not a single witness at the hearing took issue with settlement condition number four. In fact, Public Counsel witness Roycroft described the wholesale service quality condition as a “positive aspect” of the settlement agreement. There is simply no testimony or evidence in the record that would indicate, much less demonstrate, that condition number four is not in the public interest.

**B. Does the Settlement, as a Whole, Assure that the Merger Meets the Standard for Approval?**

9. As stated above, Integra’s testimony is limited to Verizon’s wholesale service quality. Integra, therefore, does not address the other settlement conditions, which Staff and Applicants address.

**IV. IF COMMISSION REVIEW AND APPROVAL OF THE TRANSACTION IS REQUIRED, WHAT IS THE STANDARD FOR APPROVAL?**

10. Integra defers to Staff’s response to this question.

**V. ABSENT THE SETTLEMENT, DOES THE TRANSACTION MEET THE STANDARD FOR APPROVAL?**

**A. Will the Transaction Create Adverse Effects for Competition or in Other Areas?**

11. In its testimony, Integra explained that, without conditions, the transaction would harm wholesale competition because Verizon admits it will be a stronger wholesale competitor after the proposed merger, and because MCI, a national leader on wholesale service quality issues for CLECs, will no longer speak for CLECs.<sup>2</sup> However, as stated above, Integra’s concerns have been addressed by Verizon’s commitment to report on wholesale performance metrics as settlement condition number four.

**B. Will the Transaction Provide Benefits to Washington?**

12. Integra defers to Staff’s response to this question.

---

<sup>2</sup> Exh. No. 201T-C 20 (Koenders).

**C. Should Conditions Be Imposed?**

13. Since Integra was not involved in the issues raised by Staff, Public Counsel, or XO, Integra does not take a position on those issues. However, as stated in its testimony, Integra believes that the proposed merger should include a condition that requires Verizon to adhere to wholesale service quality standards such as the FCC or JPSA metrics. If the Commission does not approve the Settlement Agreement for some reason but decides to approve the proposed merger, the Commission should impose a condition similar or identical to settlement condition number four on Applicants. However, to be clear, Integra urges the Commission to adopt the conditions set forth in the Settlement Agreement.

**VI. CONCLUSION**

14. The Settlement Agreement's condition relating to wholesale performance metrics is in the public interest and should be approved.

Dated this 22<sup>nd</sup> day of November, 2005.

INTEGRA TELECOM OF  
WASHINGTON, INC.

By: 

\_\_\_\_\_  
Jay Nusbaum

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon the persons and entities listed on the Service List below by electronic mail and by delivering a copy to a commercial parcel delivery company, addressed as shown on said Service List, and making or arranging payment of the pertinent fee.

DATED at Portland, Oregon this 22<sup>nd</sup> day of November, 2005.



John (Jay) P. Nusbaum

Jonathan C. Thompson\*  
Assistant Attorney General  
State of Washington  
1400 S Evergreen Park Drive SW  
PO Box 40128  
Olympia, WA 98504-0128

Judith Endejan\*  
Graham & Dunn PC  
Pier 70  
2801 Alaskan Way, Suite 300  
Seattle, WA 98121-1128

Charles H. Carrathers  
Vice President & General Counsel  
Verizon Northwest  
600 Hidden Ridge  
Irving, TX 75038

Sherry F. Bellamy  
Vice President & Assoc. Gen. Cnsl.  
Verizon Corporate Services Corp.  
1515 North Courthouse Rd., Ste.  
500  
Arlington, VA 22201

Robert P. Slevin  
Associate General Counsel  
Verizon Corporate Services Corp.  
1095 Ave. of the Americas, Rm.  
3824  
New York, NY 10036

Andrew B. Clubock  
Kirkland & Ellis LLP  
655 Fifteenth Street NW, Suite  
1200  
Washington, DC 20005

Arthur Butler\*  
Ater Wynne  
601 Union Street  
Seattle, WA 98101-2327

Michel Singer Nelson\*  
Senior Attorney  
MCI, Inc.  
707 17<sup>th</sup> Street  
Denver, CO 80202

Marsha A. Ward  
Vice President, State Regulatory  
MCI, Inc.  
6 Concourse Parkway, Suite 600  
Atlanta, GA 30328

Simon ffitch\*  
Ass't Attorney General  
Office of the Attorney General  
900 Fourth Ave.  
Suite 2000  
Seattle, WA 98164

Gregory J. Kopta\*  
Davis Wright Tremaine LLP  
2600 Century Square  
1501 Fourth Avenue  
Seattle, WA 98101-1688

Gregory T. Diamond\*  
Senior Counsel  
Covad Communications Co.  
7901 Lowry Blvd.  
Denver, CO 80230

John O'Rourke  
Director  
Citizens Utility Alliance  
212 W. 2<sup>nd</sup> Ave., Suite 100  
Spokane, WA 99201

\* denotes signatory to protective order