

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

MCI TELECOMMUNICATIONS) CORPORATION AND AT&T) COMMUNICATIONS OF THE PACIFIC) NORTHWEST,)) Complainants,)) v.)) U S WEST COMMUNICATIONS, INC.,) GTE NORTHWEST, INC., AND) UNITED TELEPHONE COMPANY) OF THE NORTHWEST,)) Respondents.))	DOCKET NO. UT-970658 NOTICE OF PREHEARING CONFERENCE (March 20, 2002 at 9:30 a.m.)
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 On April 16, 1997, MCI Telecommunications Corporation (MCI) and AT&T Communications of the Pacific Northwest, Inc., (AT&T) filed a Formal Complaint and Petition for Declaratory Order to Remove Payphone Investment from Access Rates against U S WEST Communications, Inc., (now Qwest Corporation), GTE Northwest, Inc., (now Verizon Northwest, Inc.), and United Telephone Company of the Northwest (United). MCI and AT&T alleged unlawful and unreasonable rates, charges, tolls, rentals, services, and practices, and asked the Washington Utilities and Transportation Commission to require respondents to comply with the Telecommunications Act of 1996 by removing from intrastate operations their deregulated payphone investments and associated expenses, and by making concomitant reductions in their intrastate revenue requirements and rates.
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 In its *Fifth Supplemental Order* the Commission determined that both U S WEST and GTE had payphone subsidies present in their Washington payphone operations. U S WEST was ordered to remove the amount of \$874,315 from its Local Switching access charge, retroactive to April 15, 1997. GTE was ordered to remove the amount of \$564,076 from its terminating intrastate Carrier Common Line (CCL) access charge rate element, retroactive to April 15, 1997.
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 Qwest and Verizon appealed the Commission's order to Superior Court, and the order was stayed pending review. On February 16, 2000, the King County Superior Court upheld the Commission's decision. The respondents appealed that ruling to the Court of Appeals Division I, obtaining a further stay of the Commission's Order. The Court of Appeals affirmed the Commission's decision in an order issued July 9, 2001. Respondents requested reconsideration

and the court revised the opinion on September 12, 2001. On January 7, 2002, the Court of Appeals issued the mandate referring the matter back to the Commission.

4 On February 6, 2002, Qwest Corporation made a compliance tariff filing (Advice No. 3285T). This tariff filing has been rejected in accordance with WAC 480-09-340. Also on February 6, 2002, Verizon Northwest Inc. filed a letter in regard to the Fifth Supplemental Order in Docket No. UT-970658. Verizon states it is in full compliance and requests the Commission enter an order approving Verizon's compliance with the Fifth Supplemental Order in Docket No. UT-970658.

5 All parties were asked to file comments to Qwest's compliance filing and Verizon's letter no later than Wednesday, February 27, 2002. Responses were received from MCI, AT&T and the Commission Staff. Those responses indicate that MCI and AT&T object to the Qwest tariff and the Verizon letter. The Commission believes that it is appropriate that the parties should join together at a prehearing conference to discuss resolution of the compliance issues raised by the parties.

6 Clyde H. MacIver and Brooks E. Harlow, attorneys, Seattle, and Rogelio E. Pena, attorney, Denver represent MCI. Gregory T. Diamond, attorney, Seattle, and Susan D. Proctor, attorney, Denver represent AT&T. Lisa A. Anderl and Peter J. Butler, attorneys, Seattle, represent U S WEST. Judith A. Endejan, attorney, Seattle, represents GTE. United was represented by Seth M. Lubin, attorney, Hood River, Oregon. Mary M. Tennyson, Senior Assistant Attorney General, Olympia, represents the staff of the Washington Utilities and Transportation Commission (Commission Staff).

7 **NOTICE IS GIVEN That a prehearing conference will be held at 9:30 a.m. on Wednesday, March 20, 2002, in Room 206, Chandler Plaza Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.**

8 The complete file is available for inspection during office hours at the Commission's Records Center in Olympia, Washington.

9 DATED at Olympia, Washington this 7th day of March, 2002.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN
Secretary