

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Pricing Proceeding)
for Interconnection, Unbundled Elements) DOCKET NO. UT-960369
Transport and Termination, and Resale)
_____)

In the Matter of the Pricing Proceeding)
for Interconnection, Unbundled Elements) DOCKET NO. UT-960370
Transport and Termination, and Resale for)
_____)

U S WEST COMMUNICATIONS, INC.)
_____)

In the Matter of the Pricing Proceeding) DOCKET NO. UT-960371
for Interconnection, Unbundled Elements)
Transport and Termination, and Resale for)
_____)

GTE NORTHWEST INCORPORATED)
_____)

VERIZON NORTHWEST INC.’S RESPONSE TO STAFF’S COMMENTS
REGARDING ITS SEPTEMBER 18, 2000 COMPLIANCE FILING

Pursuant to the Commission’s Twenty-Eighth Supplemental Order, Verizon Northwest Inc. (“Verizon”), by counsel, hereby files its response to the comments of the Commission Staff (“Staff”) regarding the Company’s September 18, 2000 Compliance Tariff Filing.

A. Tariff WN-U-21 – Interconnection Services

Sheet Numbering

Staff states that Verizon mistakenly believed Advice No. 927 became effective on the tariff’s stated effective date rather than upon Commission order as required by WAC 480-09-340 (3), and as a result filed “revised” tariff sheets rather than “original” tariff sheets. Staff Comments at 4. Staff

recommends that Verizon refile tariff sheets labeled as “Original Sheets”. *Id.* Verizon agrees that this revision should be made to its compliance tariff filing.

Sheet 2, General Regulations

Staff recommends that the first two paragraphs from Advice Nos. 927 and 946, sheet 2, “General Regulations”, be deleted. Alternately if the Commission does not delete the items, the Staff recommends the two paragraphs be revised. Staff Comments at 4-5. Verizon does not agree that either paragraph should be deleted in its entirety.

The first paragraph states that:

The general regulations, terms and conditions for the UNEs listed in this tariff will be governed under the CLP’s Interconnection Agreement.

Verizon included this language in the tariff to inform CLECs of where the terms and conditions governing Verizon’s provisioning of UNEs are contained so that there is no assumption that there are no terms and conditions for these UNEs. Therefore, Verizon requests that the Commission allow this language to remain in the tariff. However, Verizon does not object to Staff’s alternative proposed language with the following modification:

The general regulations, terms and conditions for the UNEs listed in this tariff will be governed under the CLP’s Interconnection Agreement until such time as the Commission adopts tariffed terms and conditions.¹ This provision does not preclude any party from negotiating different UNE terms and conditions under 47 U.S.C § 251(c)(1).

¹ Although Verizon is agreeable to Staff’s proposed language, Verizon is not currently aware of an open docket addressing UNE terms and conditions.

Staff also proposes that the Company delete or amend the following paragraph:

The rates for the UNEs listed with this tariff are not inclusive. Additional rates may be applied as indicated within each CLP's Interconnection Agreement.

Staff's suggested changes to this language suggest that it misunderstands the paragraph's intent. Verizon intended this paragraph to clarify that only the UNE rates that have been approved by the Commission are currently contained in the tariff. Several UNE rates have not yet been ordered or even addressed by the Commission. Rates for these UNEs are, however, currently contained in each CLP's Interconnection Agreements. In order to clarify the intent of this language, Verizon proposes the following revision:

_____ The rates for the UNEs listed in this tariff are not inclusive. The rates for those UNEs that have not been addressed by the Commission are contained in CLP's Interconnection Agreement.

Sheet 4, 4-Wire Analog Voice Grade Loop

Staff states that Verizon's compliance tariff filing should include 4-wire loop rates for each density zone rather than the statewide average rate. Staff Comments at 5. Although Verizon believes the Commission intended to deaverage both 2-wire and 4-wire loops rates, the Twenty-Fourth Supplemental Order only indicates that deaveraged 2-wire rates were adopted by the Commission. Twenty-Fourth Supplemental Order at ¶¶ 81, 83, 93, 97-98. If the Commission indeed intended Verizon to file deaveraged 4-wire loop rates in its compliance tariffs, Verizon assumes that the calculation of the 4-wire deaveraged rates would be computed using the same methodology adopted in the Seventeenth Supplemental Order for the 4-wire statewide average rate. The Commission concluded that the Verizon statewide average 4-wire rate is 50% more than the adopted

statewide average 2-wire rate. Seventeenth Supplemental Order at ¶ 525. Following this methodology, Verizon’s 4-wire deaverage loops rates would be the following:

Zone	Prices	Percentage of Lines
1	\$22.44	28.88%
2	\$25.11	23.93%
3	\$30.17	9.78%
4	\$35.04	18.88%
5	\$74.78	18.52%

Verizon requests clarification from the Commission concerning whether it intended to deaverage 4-wire loop rates in its Twenty-Fourth Supplemental Order using the methodology adopted in the Seventeenth Order, and if so, whether the 4-wire deaveraged loop rates approved for Verizon are those noted above.

Sheet 4.3, Interim Local Number Portability (“ILNP”) Charges

Staff indicates that Verizon’s Advice No. 946; sheet 4.3 should include a footnote stating that the ILNP charges do not apply in areas with long-term number portability. Staff Comments at 5. Verizon does not object to adding this footnote to its tariff filing.

Sheets 4.1 and 4.2 Service Orders

Staff claims that Verizon’s interim OSS charges are excessive and should be adjusted to reduce the amount to no more than \$5.00 per service order. Staff Comments at 5-6. Staff points to no record evidence to support this contention, and its recommendation should be rejected.

While the Commission deferred addressing *permanent* OSS costs and pricing to Phase III – and subsequently to Docket UT-003013 Phase A, it adopted *interim* OSS prices in the Seventeenth

Supplemental Order. The Commission expressly adopted Verizon's non-recurring costs and rates—which included OSS costs—with minor modifications. Seventeenth Supplemental Order at ¶¶ 107-08, 452, 526, 536. Removal or modification of Verizon's OSS costs were not included in the modifications ordered. *Id.* at ¶¶ 452-55. Moreover, the Commission expressly noted that the OSS costs and rates approved in the Seventeenth Supplemental Order were interim in nature, pending a final review of detailed OSS cost studies. Seventeenth Supplemental Order at 107, 526. If Staff was concerned with the level of Verizon's interim OSS costs and rates, the appropriate procedure to address those concerns was through a petition for reconsideration of the Commission's decision in the Seventeenth Supplemental Order. They chose not to do so.² Nor did Staff object to the level of OSS costs contained in Verizon's compliance filings of November 15, 1999 or June 9, 2000. Staff cannot now collaterally attack the Commission's ruling through comments on compliance tariff filings.

Moreover, the Commission already rejected similar concerns raised by several Competitive Local Exchange Carriers ("CLECs") over the establishment of interim OSS rates based on the Incumbent Local Exchange Carriers' ("ILECs") cost studies filed in Phase II. In its Twenty-Fifth Supplemental Order, the Commission stated:

In our Seventeenth Supplemental Order, the Commission authorized the ILECs to establish interim rates. The Commission concluded that interim rates should be put into place at the close of this proceeding so that the ILECs can begin collecting charges for the costs incurred

² Nor did Staff object to or file a petition for reconsideration of the Twenty-Fifth and Twenty-Sixth Supplemental Orders, which reaffirmed its approval of the interim OSS rates contained in Verizon's compliance tariffs.

in modifying their operation support systems. The OSS rates established in this proceeding are interim and subject to a true-up . . . and therefore the CLECs concerns of overcharges can be addressed in subsequent proceedings.

Twenty-Fifth Supplemental Order at ¶ 21. *See also* Twenty-Sixth Supplemental Order at ¶ 49 (denying CLECs' request that Verizon include OSS cost recovery as a separately identified item rather than as part of its non-recurring rates because Verizon adequately described how its OSS charges are applied to NRCs).

Indeed, the Commission's decision that interim OSS rates are subject to true-up at the conclusion of UT-003013 came *at Staff's request*. Twenty-Fifth Supplemental Order at ¶ 87. Since the interim OSS rates are subject to true-up, the Staff may and has addressed its concerns with Verizon's proposed permanent OSS costs and prices in Part A of Docket UT-003013. No adjustments to Verizon's interim OSS costs and prices are necessary at this time.

B. Tariff WN U-22 – Resale Local Exchange Services

1. Resale Terms and Conditions

Staff notes that the Commission indicated in its Twenty-Sixth Supplemental Order that parties had agreed to address terms and conditions at a later date and directed Qwest to remove terms and conditions from its resale tariff. Staff Comments at 6. As a result, Staff recommends the following changes to remove terms and conditions from Verizon's proposed resale tariff:

Sheets 3, 5, 6, and 7 should be deleted in their entirety;

Sheet 1 – Delete all except the first two paragraphs and the sixth paragraph which begins with the words “Service Offered in this tariff ...”; and

Sheet 9 – Delete the paragraphs titled “Interference with or Impairment of Service” and “Subscribing to Adequate Service”.

Id.

Verizon does not object to Staff’s recommendation with one exception. In paragraph 5 of Sheet 1³, Verizon includes the following language:

This tariff is applicable to the resale of services available to registered Competitive Local Providers (CLPs), who have an effective Interconnection Agreement with the Company for this state under Sections 251 and 252 of the Telecommunication Act of 1996, or have adopted such an agreement to Section 252(i) thereof.

This language should remain in the tariff to ensure that only CLECs who have an interconnection agreement with Verizon may purchase from the Company’s resale tariff. This language is also necessary because the resale terms and conditions are currently outlined in each CLEC’s interconnection agreement, not in Verizon’s proposed resale tariff.

Non-Recurring Charges for Ordering Resale

Staff states that the NRC Study adjustments Verizon made in its September 18, 2000 compliance filing to its time estimates for UNE service orders also need to be made to the time estimates for resold service orders. Staff Comments at 6-7. Verizon does not object to this proposal, and will provide parties with the updates to its NRC study and proposed rates no later than October 30, 2000.

³ Verizon is agreeable to removing the last sentence in paragraph 5 of Sheet 1.

C. Tariff WN U-20 – Collocation Service

Staff recommends that Verizon's Advice No. 947 should not become effective due to changes made in the current collocation tariff and the pending resolution of the building modification monthly charges in Docket No. UT-003013. Staff Comments at 7. Verizon's understanding of the Staff's proposal is that the non-recurring building modification charges included in Advice No. 947 would not become effective and the monthly building modification charges currently contained in Verizon's collocation tariff would remain in effect. Verizon concurs with this recommendation.

D. CONCLUSION

For the foregoing reasons, the Commission should approve Verizon's compliance tariff filing subject to the revisions noted above.

Respectfully submitted,

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