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November 13, 2006

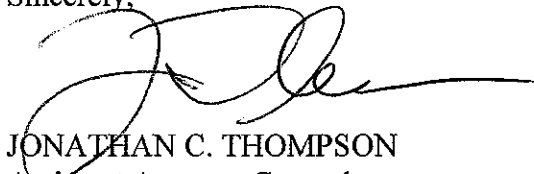
Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P. O. Box 47250
Olympia, Washington 98504-7250

Re: *Verizon/MCI Merger*
Docket No. UT-050814

Dear Ms. Washburn:

Enclosed for filing in the above-referenced docket are the original and 20 copies of Commission Staff's Answer to Verizon's Filing, and Certificate of Service. If you have any questions, please contact me at (360) 664-1225.

Sincerely,



JONATHAN C. THOMPSON
Assistant Attorney General

JCT:klg
Enclosures
cc: Parties



BEFORE THE WASHINGTON 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

COMMISSION STAFF'S ANSWER
TO VERIZON'S FILING

1 Pursuant to the Commission's October 30, 2006, Notice of Opportunity to File
Answer, Commission Staff states the following.

2 In its Order 07, Accepting Settlement, on Condition; Approving Settlement, on
Condition, the Commission directed Verizon to file a summary of any plan Verizon might
have for conducting its merged operations in Washington within 60 days after those plans
are determined but not later than January 1, 2007. Order 07 at ¶ 171.

3 The Commission imposed this requirement in response to Public Counsel's argument
that Verizon should be prevented from operating its MCI subsidiary within Verizon's
Washington service area in a manner which would allow Verizon to circumvent Verizon's
Washington tariffs. *Id.* at ¶¶ 168-172. Specifically, Public Counsel asked that MCI's
competitive local exchange carrier subsidiary, MCImetro Access Transmission Services, be
reviewed to determine whether it will retain its competitive classification. The Commission
declined to initiate such a proceeding at that time, but required Verizon to file a summary of
any plan for merged operations.

4 On October 26, 2006, Verizon filed a letter from David S. Valdez which it asks the
Commission to accept in compliance with the requirement of paragraph 171 of Order 07. In
response to Public Counsel's concerns, Verizon's filing states at page 1 that:

In the merger docket, Public Counsel expressed concern about the possibility that Verizon may operate competitive telecommunications companies in a manner "to contravene requirements imposed by law on Verizon NW." (Merger Order at Paragraph 169). As explained below, that has not occurred, and – if anything – Verizon has taken steps in the opposite direction through efforts to concentrate the provision of certain mass market services in the Verizon NW service territory through the heavily regulated Verizon NW entity.

5 Verizon's filing goes on to explain that MCImetro and MCI Communications have filed tariffs to grandfather those companies' mass market offerings within Verizon NW's footprint. The filing also states that MCI-branded services provided to mass market customers, and to small businesses, are now managed as part of the Verizon Telecom business unit.

6 These statements would appear to dispel the concerns raised by Public Counsel (as reiterated by the Commission at paragraphs 168-172). However, because the concerns were raised by Public Counsel and not by Staff, Staff takes no position at this time as to the adequacy of Verizon's filing. Staff would, however, reserve the opportunity to respond following Public Counsel's comments regarding the adequacy of Verizon's filing.

DATED this 27th day of February 2006.

Respectfully submitted,

ROB MCKENNA
Attorney General



JONATHAN C. THOMPSON
Assistant Attorney General
Counsel for Washington Utilities and
Transportation Commission Staff

Docket UT-050814
CERTIFICATE OF SERVICE

I hereby certify I have on this day served the attached document upon the persons and entities listed on the Service List by depositing a copy of said document in the United States mail, addressed as shown on said Service List, with first class postage prepaid.

DATED at Olympia, Washington this 13th day of November, 2006.



KRISTAL GROSS

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