

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
RESPONSE TO BENCH REQUEST

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REQUESTER: Bench

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BENCH REQUEST NO. 1: The Commission recently learned that Verizon has altered the terms and conditions of its Internet service offerings to Washington consumers. Specifically, according to a recent posting on Verizon's Web site <http://www22.verizon.com/residential/wifi>, and a letter sent to Internet consumers, Verizon WiFi (which is currently provided free to existing and future Verizon Internet consumers) will not be available after March 26, 2010, in a number of states including Washington.

In light of this announcement, please respond to the following questions no later than April 5, 2010:

1. How, if at all, will Verizon's action impact the value of the property to be transferred to Frontier?
2. To what extent, if at all, will there be attrition of current Verizon Internet or bundled Voice and Internet customers due the limitation of service?
3. If there are anticipated impacts on the value of the property to be transferred or if there is anticipated attrition of current customers, how will that change the analysis of the "no harm" standard as articulated by Verizon.¹

RESPONSE:

Staff believes that Verizon's discontinuance of WiFi will have little or no effect on the Commission's analysis of the "no harm" standard in this case, based on Frontier's and Verizon's overall response to Bench Request No. 1.

¹ Verizon Post-hearing Brief at 5.