

Agenda Date: November 28, 2007  
Item Number: A4

**Docket:** UT-072101  
**Companies:** Asotin Telephone Company, d/b/a TDS Telecom  
Lewis River Telephone Company, d/b/a TDS Telecom  
McDaniel Telephone Company, d/b/a TDS Telecom

**Staff:** Tim Zawislak, Telecommunications Regulatory Analyst

### **Recommendation**

Grant the petition as amended -- including the specific waivers of rule and statute listed in Attachment A -- subject to conditions similar to those imposed by the commission in Docket UT-071571.

### **Discussion**

On October 26, 2007, Asotin Telephone Company, Lewis River Telephone Company, and McDaniel Telephone Company, all three doing business as TDS Telecom (company), filed a petition for minimal regulation of bundled telecommunications services. TDS Telecom serves approximately 10,000 retail customers in nine telephone exchanges throughout the state, including some of the more rural and less densely populated areas of Southwest and Southeast Washington.

During the 2007 legislative session the commission supported and the legislature passed an industry consensus bill<sup>1</sup> to allow bundles of telecommunications services to be minimally regulated under certain conditions.

Bundling of telecommunications services as a single retail offering has become a popular practice among all providers of telephone service, and the incumbent carriers regulated by the commission have stated that their customers prefer bundles over tariffed offerings à la carte.

TDS Telecom's petition is similar to the petitions presented in Dockets UT-071571 through UT-071575,<sup>2</sup> which asked the commission to implement the new statutory provisions for Embarq, Fairpoint, Verizon, and Mashell Telephone Companies. The petitioners in those matters asked that the commission's order provide that certain laws (RCWs) and rules (WACs) would not apply to their packages and bundles under minimal regulation. The commission granted those petitions in part. TDS Telecom follows this framework in its petition and proposes to largely mirror what the commission ultimately adopted for the previous five companies.

TDS Telecom's petition differs from the petitions in the previous dockets as follows:

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<sup>1</sup> SHB 2103 and companion SB 5888, Laws of 2007, Chapter 26, Laws 2007, Section 2, codified as RCW 80.36.332 ("the 2007 legislation").

<sup>2</sup> Dockets UT-071571 through UT-071575 were decided at the commission's open public meeting on September 12, 2007.

- TDS Telecom does not request waivers of RCW 80-36-150 (1)-(4), which were requested but not granted in previous dockets.
- TDS Telecom does not request exemption from WAC 480-80-141 or subsections 4(a), 5(b)-(c), (8), (9) and (10) of WAC 480-120-161, which were requested but not granted in previous dockets.
- TDS Telecom does not request exemption from WAC 480-80-143, Special contracts for gas, electric, and water companies, which was requested and granted in previous dockets.
- TDS Telecom represents that it has already implement internal billing practices to allocate partial payments as received to basic service first and thereafter to remaining regulated features and other bundled features.

The attachment to this memo reflects the waivers and exemptions that the commission approved for the other five petitions and the proposed order includes the conditions that the commission imposed in its previous orders. Additionally, in a letter dated October 31, 2007 (and received by the Commission on November 5, 2007); the company has indicated that it is willing to comply with the system of conditions ordered by the commission in the prior dockets, including:

annual self-certification
reporting upon request
notice to customers

TDS Telecom provided with its October 31, 2007, letter a list of regulated features currently included in its existing bundles and confirms that as required by the 2007 legislation, all features are available on an à la carte basis in its tariffs. The company also submitted confidential cost support indicating compliance with section 2(b) of the 2007 legislation. The company is preparing the necessary web posting provisions, and will demonstrate compliance with section 2(c) of the statute before de-tariffing existing bundles or offering new minimally regulated bundles.

### **Conclusion**

The Legislature enacted statutory changes in 2007 that allow for significant relaxation of regulations applicable to bundles of telecommunications services. TDS Telecom's petition, letter, and representations satisfy the statutory requirements and its petition should be granted with the same conditions applied to the previous petitions.

Staff recommends granting the petition subject to the conditions identified in this memo and including the specific waivers identified in Attachment A.

Attachment