

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In Re Rules Relating to Commission General – Tariffs: Chapter 480-80 WAC	DOCKET NO. UT-991301
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COMMENTS OF VERIZON

I. INTRODUCTION

Verizon files comments in the above Docket pursuant to the Commission's Notice of October 2, 2000. Verizon appreciates the efforts of the Commission staff which has been involved in an intensive and extensive rulemaking process involving those portions of the Washington Administrative Code which govern telecommunications providers. The subject of the Commission's most recent notice, and these comments, is very important from a practical perspective because Chapter WAC 480-80 governs how telecommunications companies establish and use the price lists or tariffs for the services they offer.

Verizon's concerns with the revision of existing WACs in Chapter 480-80 relate to the accomplishment of two broad goals. First, existing WAC Chapter 480-80 can be streamlined to ease the administrative burdens on both the Commission and impacted carriers. Verizon fully supports such streamlining. Second, Verizon urges the Commission to update the rules in Chapter 480-80 to recognize and maximize the use of electronic filing and storage capabilities. With these two goals in mind, Verizon welcomes the opportunity to "roll up its sleeves" to update the WACs in Chapter 480-80. Verizon also has specific questions or concerns about the proposed WACs (480-80-X01, -X02, -X03, -04).

II. COMMENTS

WAC 480-80-X01 – Price Lists for Services Offered by Competitively Classified Telecommunication Companies Under RCW 80.36.320

In general, Verizon supports the changes proposed by WAC 480-80-X01 which abbreviates the current WAC 480-120-027. Verizon agrees that regulations regarding price lists properly belong in Chapter WAC 480-80 and not Chapter 480-120. However, Verizon has the following questions, comments or concerns:

Subsection (1), which requires competitively classified telecommunications companies to file price lists, seems inconsistent with subsection (2) which exempts such companies from the requirements of RCW 80.36.130. This statute requires all telecommunications companies to charge the rates for services contained in published schedules — i.e., a price list. This inconsistency should be removed.

Subsection (1)(c) requires price lists to contain a complete list of each service offered by geographic location. The requirement for geographic location is a new requirement that is unnecessary and does not further the goal of competition. Competition should drive less regulation, not more. Verizon may not be able to specify the availability of all services by geographic locations. For certain services, such as basic local exchange service, geographic location would not be a concern. The provisioning of high speed data services, such as frame relay, does not lend itself to specifying in a tariff the locations where the service is available. Each request for frame relay service must be evaluated to determine if the service can be provisioned to the customer's specified location. It is inefficient, an administrative burden and nonsensical for Verizon to determine in advance of a customer request, just for inclusion in a price list, the locations where frame relay service may be available. Therefore, Verizon would suggest adding qualifying language to (1)(c) such as “if possible” or “where facilities are available”.

Section (3) states that price lists will be accepted by the Commission on a “file and use” basis. The term “file and use” is not defined in the regulations. Verizon asks for clarification as to the meaning of this term.

Section (4) allows competitively classified companies to deviate from the price list by a contract. Verizon suggests that this subsection be moved to WAC 480-80-X02, which deals with the subject of contracts.

Verizon would appreciate clarification as to the interplay between Sections (1)(b), (5) and (6)(a) and (b). As Verizon reads these provisions, competitively classified companies must maintain a complete and current copy of its price list on a website. A competitively classified company has the option to file a maximum price list for any service. It is unclear as to whether the competitively classified company must file an actual price list in addition to a maximum price list when it chooses a maximum price option. Subsection (6)(b)(i) requires a competitively classified company choosing the maximum price option to “disclose to the customer” the “actual price” being charged for the service. Subsection (6)(b)(ii) also requires a competitively classified company to give direct notice to the customer of any “price increase” at least ten days before it becomes effective. Verizon reads this to modify any price increase to the actual price, rather than any price increase to the maximum price contained in the price list. Verizon would appreciate further explanation.

WAC 480-80-X02 – Contract for Services Offered by Competitively Classified Telecommunication Companies Under RCW 80.36.320

If Verizon’s interpretation of the proposed rule is correct, Verizon fully supports the Commission’s revisions which would remove the need for contracts to be filed with the Commission for services provided at prices other than those contained in a price list. So long as contracts state rates below the price list maximum price, such contracts need not be filed with the Commission. The proposed revision would minimize administrative burdens for companies and the Commission, while serving the interests of consumers who would be fully protected so long as their prices are less than the maximum price established by the published price list. Such an approach should also allow competitive forces to operate more effectively.

WAC 480-80-X03 – Price Lists for Competitively Classified Telecommunication Services Under RCW 80.36.330

Verizon repeats its request for clarification of the term “file and use” in Subsection 2.

Verizon assumes that it means that the price list goes into effect automatically and does not require any formal Commission affirmation in order to become effective.

Verizon objects to Subsections (5) and (6) which would treat the same competitively classified service differently, depending upon the nature of the company offering the service. In Verizon's view, the Commission regulations should address the service and not the company, treating similarly classified services in the same regulatory manner. WAC 480-80-X03 requires a company not competitively classified to state a maximum and minimum price for any service. A competitively classified company need only state a maximum price. If the requirement for the inclusion of a minimum price in the price list is due to the Commission's concern of the potential of non-competitive services cross subsidizing competitive services, these concerns are addressed by the affiliate transaction rules as set forth in FCC 96-150.

By requiring non-competitively classified companies to disclose minimum prices for competitive services, the Commission is in effect forcing one group of competitors to disclose highly proprietary pricing information which another group of competitors would not have to disclose. This rule would discriminate in favor of competitively classified companies.

Verizon urges the Commission to resolve all the questions or concerns identified above by choosing to treat similar competitive services in the same regulatory manner.

WAC 480-80-X04 – Contracts for Competitively Classified Telecommunications Service Under RCW 80.36.330

Based upon its comments with respect to WAC 480-80-X03, Verizon would modify WAC 480-80-X04 by deleting the minimum price requirements in Subsections (2) and (3). Contracts for competitively classified telecommunications services should be dealt with in the same manner,

irrespective of the classification of the offering company.¹

Existing Chapter 480-80 WAC

As stated in its introduction, Verizon's approach to modifying the existing provisions in Chapter 480-80 WAC is to initially take a broader view of these WACs to see how they might be revised to achieve the goals of promoting administrative ease and efficiency, and updating to reflect the technological capability of the Information Age. Therefore, Verizon does not propose specific language changes, but has the following suggestions:

1. Expand the Definitions and Clarify the Application of These Rules to Price Lists.

The key definitions in WAC 480-80-030 do not contain critical new terms, such as “price list”, “actual price list”, “maximum price list”, and “file and use”. Furthermore, it is unclear what provision of existing WAC 480-80 apply to price lists at all. Companies seeking registration and competitive classification from the Commission must file an initial price list. However, it is not clear that many of the technical provisions of WAC 480 (i.e. 480-80-140 through 230) would apply to the preparation of a filing of price lists. Chapter 480-80 overall should be updated to reflect the increasing use of price lists.²

2. Many of the Current Notice Provision with Respect to Tariffs are Outmoded.

With the exception of WAC 480-80-125, Verizon suggests a complete revamping of the rules regarding the posting of tariffs at company business offices. Verizon would support incorporating into one rule a rule designed to require utilities to find reasonable current means of notifying their customers about the terms, conditions and rates of providing service. The means originally provided, which apparently have been in place since at least 1959, require utilities to file

¹ Verizon supports the proposal of other parties to add a new rule that would streamline the promotional tariff filing process.

² For instance, 480-80-240(2)(d) provides that “initial tariffs not affecting regulated services may become effective on a minimal of one days notice. How does this impact price listed services?”

their tariffs at principal business offices and to provide certain notices. As a practical matter, few, if any, customers seek out tariffs from any source other than Verizon's Northwest Regional headquarters. Customers are directed to contact headquarters on a customer specific basis, and Verizon willingly provides the requested information. This informal, ad hoc process has served both Verizon and its customers well, because it spares customers the arduous process of trying to locate pertinent tariffs to deal with his or her particular concern.

Finally, Verizon would advocate an approach that would direct consumers to its website, which would have current posted tariff information. Verizon anticipates that it will have its tariffs and price lists posted to its website by the end of 2001 in all locations. At this time, the most effective means of providing the type of information contained in tariffs is over the internet, which is made increasingly available to all customers. Even customers without access to personal computers have such access in schools and libraries in their communities.

In sum, the notice concerns of the Commission can be distilled into one rule and can recognize that the most suitable current means of providing notice to the public of tariffs would be electronically. Verizon would recommend the Commission look at WAC 480-80-080, -090, -100, -110, -130, -250, -280, -290 as requiring revision or deletion to recognize the best practical means of providing customers with access to tariff information via the internet.³

3. Verizon Favors Incorporating All of the Technical Preparation Rules Into One Rule.

Verizon favors incorporating all technical rules into one rule. Consideration should be given to updating these rules to recognize and maximize the use of electronic filing and storage capabilities. Verizon looks forward to working with staff to update these rules.

³ Verizon does not object to retaining WAC 480-80-125 that deals with the notice utility must provide to customers concerning a rate increase.

4. Filing Requirement for Regulated Telecommunications Service Contracts Should Be Streamlined.

With respect to the treatment of telecommunication contracts under WAC 480-80-330, Verizon recommends that treatment of E-rate contracts be handled in the same manner as other contracts which must be filed under this rule. Differing treatment for individual case contracts increases internal administration costs and the potential for confusion. For the sake of simplicity and ease of internal administration, Verizon would revise subsection (8) to comport with the other sections of this rule.

III. SUMMARY

In sum, Verizon proposes a practical, modern approach to dealing with price lists and tariffs. Revisions should be made to ease the administrative burden for all parties associated with the regulatory process, without sacrificing important customer information needs.⁴

⁴ Verizon would also propose deleting WAC 480-80-340 requiring the submission of all forms to the Commission to be kept current. This is an example of an onerous administrative requirement that appears to have no practical utility to the Commission. Next, also note, the Commission should delete WAC 480-80-380.