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GTE Northwest Incorporated

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March 5, 1991

Mr. Paul Curl, Secretary
Washington Utilities and Transportation Commission
Chandler Plaza Building
1300 S. Evergreen Park Drive, SW
P.O. Box 9022
Olympia, Washington 98504

Dear Mr. Curl:

Subject: **UT-900726 PROPOSED WAC'S 480-120-121, -106, -138, and -141
RELATING TO ALTERNATE OPERATOR SERVICES, PAY TELEPHONES,
AND BILLS**

Last October GTE Northwest Incorporated ("GTE Northwest") filed comments (copy attached) which were generally supportive of revisions to the Commission's proposed rules regulating Alternate Operator Services ("AOS"). Because, however, the Commission has changed the definition of AOS companies to include local exchange companies ("LEC's"), GTE Northwest opposes the current proposed revisions to WAC's 480-120-121, -106, -138, and -141 which would relate to AOS companies.

GTE Northwest does not believe that either the legislation enacted in 1990 [Laws of 1990, Ch. 247 (H.B. 2526)] or the existing AOS rules were intended to regulate LEC's providing operator services in connection with its regularly conducted business activities. Many of the complaints received by the Commission relating to AOS providers do not relate to the activities of LEC's, but to true "alternates" to the LEC's. To broaden the definition of an AOS company to include a LEC would be nonsensical, and would result in needless complexity and additional expense for the LEC with no clear demonstrated benefit to the end user customer. By definition, an alternate operator services company provides services as an alternative to the local exchange company which currently provides customers with information contemplated by the proposed rules, such as in connection with charges and billing matters. At the September 11, 1990, Open Meeting the Commission Staff recommended that the glossary be clarified to exclude LEC's from the definition of an AOS company. If it

does not do so, GTE Northwest submits that application and interpretation of the rules could lead to the following unintended results:

- (a) Proposed WAC 480-120-141(1) would require each LEC to file all of its customer directories for all of its service areas twice each year with the Commission to assure compliance with this section. Obviously, the Commission's intent by these rules would not be to obtain fourteen different directories and listings for 525,000 customer lines from GTE Northwest in order to assure that alternate operator services companies are properly serving its customers and assuring that its customers are in compliance with the rules.
- (b) Including LEC's within the definition of an AOS company would make each LEC responsible for assuring that true alternative providers and call aggregators comply with all of the rules to be enacted by the Commission. Proposed WAC 480-120-141(2) states that, "Failure to secure compliance constitutes a violation by the Alternative Operator Services company." It is simply impossible to impose such enforcement duties upon LEC's who have neither the capabilities nor true authority to enforce compliance with Commission rules by AOS companies. That is properly the function of this Commission which requires registration of all AOS companies operating in the state and which has the ability to impose sanctions for rule violations. Adoption of this rule would involve LEC's in needless litigation over payment disputes, and impose an unreasonable and unmanageable obligation which simply could not be done if the rule is held to apply to LEC's. GTE Northwest makes efforts to ensure that it is dealing only with registered Alternate Operator Services companies and billing agents, and does what it can to assure that these companies abide by the Commission rules. To ask more of GTE Northwest and other LEC's would constitute an abrogation of the Commission's own duties and responsibilities.
- (c) Another unanticipated consequence of including LEC's within the definition AOS providers appears in WAC 480-120-141(7)(a). This rule would require GTE Northwest operators to have ANI information display capability available at all times at their consoles in order to respond to emergency requests. At the current time they do not have such capability. If GTE Northwest were bound by this rule, it would have to purchase and install new equipment to provide the increased ANI capability. The cost of compliance would thus increase dramatically and, again, represents an unanticipated cost consequence of the Commission's proposed new definition.

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Therefore, to avoid the unintended consequences cited above, as well as other possibilities, from the onerous duties imposed on AOS providers that may not necessarily relate to the conduct of LEC's, GTE Northwest strongly urges the Commission to revise its definition of an AOS company as contained in WAC 480-120-021 to exclude LEC's.

In addition to the above concerns, GTE Northwest has concerns with respect to several other sections of the proposed rule revisions, including:

- (a) WAC 480-120-138, like proposed WAC 480-120-141, should be clarified to exempt provisions relating to pay telephones from compliance with provisions of the pay telephone rule to recognize the legitimate limitations which must be placed on such inmate telephones. For instance, both the State and the LEC's have a legitimate interest in protecting against unlimited access to 1-800 numbers, 9-1-1, and directory assistance in an inmate situation, which concerns would not be present with respect to pay telephones made generally available to the public. Accordingly, GTE Northwest asks for recognition of this exemption in WAC 480-120-138.
- (b) WAC 480-120-141(4)(a) would call for GTE Northwest to, once again, post new instruction cards for installation on all GTE Northwest pay telephones. GTE Northwest has incurred over \$5,000 in printing costs in the past year to print new instruction cards, as well as additional costs associated with actual installation of the revised cards at pay telephone sites. GTE Northwest believes that deletion of the words "dialing through the local telephone company" is a language change which is needless, erroneous, and would result in unnecessary expense. It is needless because the language on the announcements currently posted sufficiently apprise any customer of such customer's calling rights. It is erroneous because in many cases the LEC operator may not necessarily have updated carrier lists to determine the availability of a chosen carrier to any given customer calling from a particular location that may or may not be served by such carrier. The best that LEC operators can do is to remind customers to refer to the access information on their Calling Cards to complete calls. GTE Northwest does not want the public to be misled to believe that in all instances the LEC operator will be able to actually direct them to their chosen carrier.

The message the Commission now wishes posted may also be misleading in that the LEC operator may be unable to connect a customer from a given location where such location is not served by the chosen carrier.

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In sum, GTE Northwest believes that the proposed language changes regarding the posting of notices should be deleted, and that the existing posting of notices requirement already in place be deemed sufficient.

- (b) GTE Northwest objects to proposed WAC 480-120-141(5)(b)(i) which would require GTE Northwest to change the information on every pay telephone as each pay telephone subscription is changed. GTE Northwest receives dozens to several hundred carrier change orders each day. The administrative burden and associated costs would make it impossible to post the proposed information on the instruction card on an ongoing basis, given the current turnover in presubscription. This subsection should be deleted.
- (c) GTE Northwest also opposes the double-branding requirement proposed by WAC 480-120-141(5). At the current time GTE Northwest is not required on any federal level to provide double branding. To do so would be a large, ongoing expense which has not been accounted for by the Staff in the Analysis Cost Factors section accompanying the proposed rules.

In conclusion, GTE Northwest fully appreciates the Commission's efforts in attempting to design workable rules and regulations governing the activities of true alternate operator services companies. However, GTE Northwest cautions the Commission against extending this detailed, onerous set of regulations to LEC's. To do so would unduly impose burdens upon LEC's to address evils not created by their activities.

Thank you for the opportunity to provide these comments. Should you have any further questions, please contact Dean Randall at (206) 261-5657.

Very truly yours,



for Fred E. Logan
Director - Regulatory Affairs

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October 18, 1990

Mr. Paul Curl
Secretary
Washington Utilities and
Transportation Commission
Chandler Plaza Building
1300 S Evergreen Park Drive SW
Olympia, Washington 98504

Dear Mr. Curl:

ALTERNATIVE OPERATOR SERVICES PROPOSED RULEMAKING DOCKETS
UT-900726-R/UT-900733-R

GTE Northwest, in general supports the revisions to Commission Rules regulating Alternative Operator Services. GTE Northwest believes that these proposed rules will benefit Washington consumers overall, and will help to benefit the operation of GTE Northwest's local exchange business. Customer complaints should be diminished if these rules are enacted and competition in this area of telecommunications services will go forward on a more level ground.

However, GTE Northwest has several concerns and suggested corrections to the Commission's proposed rules which it would like the Commission to consider. They are:

- No. 1 Local Exchange Company Enforcement
Proposed WAC 480-120-138(18) places responsibility upon the local exchange company to assure that Alternate Operator Service Providers abide by the Commission rules and tariffs. It imposes a "duty" to enforce the terms and conditions of such rules and tariffs. While GTE Northwest will take action to see that its Alternate Operator Services subscribers are aware of and agree to abide by such rules it does not believe it is appropriate to impose upon it a more pro-active enforcement responsibility. As violations are brought to GTE-NW's attention it would notify the pay phone owner and follow-up to ensure that corrective action has been taken. Thus it would like clarification from the Commission with respect to any additional enforcement

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obligations other than that. The Commission has the responsibility to enforce its Alternate Operator Services rules and indeed has proposed in WAC 480-120-142 exactly how it would do this. We believe that paragraph 480-120-138(18) should be modified to refer to new WAC 480-120-142 which describes the Commission's enforcement mechanisms.

No. 2

Printing - Instruction Cards

Proposed WAC 480-120-141(3)(a) calls for revision to prior telephone instrument posting rules. GTE-NW has incurred over \$5,000 in printing costs in past 6 months to print up these new instruction cards and has incurred additional costs in order to visit each pay phone and change instruction cards. GTE-NW is reluctant to incur costs particularly where the change in wording will not clarify the situation for the consumer. Technically the proposed wording change is erroneous. The operator may not be able to connect the customer with the carrier of his/her choice. Such operator may only be able to instruct the customer how to dial the desired carrier.

Furthermore GTE-NW has problems with the proposed revision to WAC 480-120-141(3)(b)(i) which would require GTE-NW to change the information on the pay phone as often as the pay phone presubscription is changed. GTE-NW receives from a dozen to several hundred carrier change orders a day and would find it very burdensome to post the requested information on the instruction cards in a legible format on a current basis given the turnover in presubscription.

No. 3

GTE-NW would propose that paragraph WAC 480-120-141(3)(c) be amended to read "access to any registered interexchange carrier providing access from the point of caller origination".

It also proposes that paragraph 480-120-138(7)(d) be revised to indicate that there shall be no charge "to the calling party by the call aggregator or the AOS". The local exchange carrier will not know whether a specific call to an AOS access number is an emergency. All such calls will be included in the bills to the AOS or call aggregators for usage. Therefore the call aggregators or AOS should ensure that the proper credit is achieved.

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No. 4 WAC 480-120-138 9(c)
The requirement to disclose surcharges on the instrument would impose a burdensome responsibility on a local exchange companies such as GTE-NW because such surcharges are negotiated between the site provider and the AOS without GTE Northwest's involvement or knowledge. If this requirement is allowed to stand, AOS providers should be required to notify local exchange companies of the surcharges in effect on specific pay phones to allow the local exchange companies to provide the necessary posting.

GTE-NW appreciates the efforts the Commission has undertaken to regulate AOS providers and hopes that it will approve the rules with the suggested revisions above.

Very truly yours,

Original Signed By
F. E. LOGAN

Fred Logan
Director - Regulatory Affairs

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