

BEFORE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Review of: Unbundled Loop and Switching Rates; the Deaveraged Zone Rate Structure; and Unbundled Network Elements, Transport, and Termination	Docket No. UT-023003
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**PETITION FOR RECONSIDERATION AND MOTION FOR AMENDMENT OF THE
TWENTY-FIFTH SUPPLEMENTAL ORDER**

Pursuant to section 34.05.470 of the Revised Code of Washington and Washington Administrative Code sections 480-07-375, 480-07-850, and 480-07-875, Verizon Northwest Inc. (“Verizon NW”) hereby seeks reconsideration of the Commission’s Twenty-Fifth Supplemental Order, issued on February 17, 2005, which denied in part Verizon NW’s request, filed on February 16, 2005, for an extension of time in which to file a Petition for Clarification and to make the compliance filing ordered by the Commission in its Twenty-Fourth Supplemental Order. Specifically, the Commission held that Verizon NW was required to file its Petition for Clarification and make its compliance filing as to the loop, switching, and transport elements by February 22, 2005, although it granted Verizon NW’s request for an extension as to all other rate elements. In denying Verizon NW’s extension request as to switching, dedicated transport and high capacity loops, the Commission reasoned that, as a result of the FCC’s recent Order on Remand in the Triennial Review proceeding (“Remand Order”), the Commission must issue an

order on the compliance filing prior to March 11, 2005, in order to have “established” rates for those elements by that date.

ARGUMENT

The premise of the Commission’s findings is incorrect. The Commission need not issue an order on Verizon NW’s compliance filing with respect to switching, dedicated transport and high capacity loops prior to March 11, 2005 in order for Verizon NW to take advantage of the pricing scheme adopted in the FCC’s Remand Order. During the transition period, the FCC found that for dedicated transport and high capacity loops, the element may be priced “at the higher of (1) 115 percent of the rate the requesting carrier paid for the ... element on June 15, 2004, or (2) 115 percent of the rate the state commission has established or establishes, if any, between June 16, 2004 and the effective date of this Order [March 11, 2005], for that...element.” *Order* at ¶¶ 145, 198. With respect to local circuit switching, the FCC established a transition period price of: “the higher of (1) the rate at which the requesting carrier leased UNE-P on June 15, 2004, plus one dollar, or (2) the rate the state public utility commission establishes, if any between June 16, 2004, and the effective date of this Order, for UNE-P plus one dollar.” *Id.*, ¶228.

Verizon NW’s preliminary assessment is that the Twenty-Fourth Supplemental Order *reduces* the rates for UNE-P, dedicated transport and high capacity loops. And even if Verizon NW’s compliance filing shows that rates for UNE-P, dedicated transport, or high capacity loops are *higher* than the rates in effect as of June 16, 2004, those rates will be deemed “established” prior to March 11, 2005, because the Commission’s Twenty-Fourth Supplemental Order, which is a final order and specifically states that it is an order *establishing* UNE rates, was issued on

February 9, 2005. The date of the Commission's compliance order therefore has no bearing on the issue of whether the Commission established UNE rates prior to March 11, 2005.

In any event, the Commission need not address the issue at this time. The March 11 deadline referred to by the Commission affects only one party, Verizon NW, because it may take the higher of the two options. Verizon NW recognizes that someone may (erroneously) in the future argue that the Twenty-Fourth Supplemental Order did not "establish" rates prior to March 11, 2005. Verizon NW will litigate the issue at the appropriate time if necessary, and assumes the risk associated with the outcome of such litigation. Thus, there is no reason to compress this complex Petition for Reconsideration/Clarification and compliance process into such a short timeframe.

Finally, Verizon NW simply *cannot*, under any circumstances, make its compliance filing on switching, dedicated transport and high capacity loops by February 22, 2005.¹ Verizon NW is still trying to understand the Commission's Twenty-Fourth Supplemental Order and how it will comply with it, particularly given that the Commission has mixed and matched two different models. Indeed, Verizon NW already has a list of issues that require clarification before Verizon NW can run its studies to comply with the Commission's order. Moreover, Verizon NW cannot run HM 5.3 as part of its compliance filing, because Verizon NW does not have access to the necessary information (primarily, the TNS data) needed to make the changes ordered by the Commission.² Verizon NW also has not yet received the Commission's workpapers, which are needed for Verizon to run and verify its compliance filing.

¹ See accompanying Declaration of MargaretMary McCready.

² Verizon NW also believes that in these circumstances there are substantial questions whether it can be compelled to do so. Verizon NW will address this issue in its Petition for Reconsideration, which will be filed February 22, 2005.

CONCLUSION

For the foregoing reasons, Verizon NW requests that the Commission reconsider its Twenty-Fifth Supplemental Order and grant Verizon NW's request for extension until March 10, 2005, to file a Petition for Clarification. With respect to the compliance filing, Verizon NW requests that it be permitted to file it 45 days after the Commission's ruling on Verizon NW's Petition for Clarification or Verizon NW's Petition for Reconsideration, whichever is later.

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February 18, 2005

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