WILMER CUTLER PICKERING
HALE AND DORR LLP

William R. Richardson, Jr.

2445 M STREET NW
WASHINGTON, DC 20037
+1 202 663 6038
+1 202 663 6363 fax
william.richardson@wilmerhale.com

July 15, 2005

Carole Washburn
Executive Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive, S.W.
Olympia, WA 98504

Re: Docket Nos. UT-023003, UT-050814

Dear Ms. Washburn:

The Staff's recent response to the request for clarification filed by Verizon Northwest Inc. ("Verizon NW") in Docket No. UT-023003 agrees with Verizon NW on the need for a technical conference "in order for Verizon to make a correct and complete compliance filing." The Staff's change of position concerning the ability of Verizon NW to use revised retail depreciation rates in this UNE case, and the Staff's erroneous assumption that doing so would result in "additional delay," are matters that Verizon NW believes can most appropriately be addressed at such a technical conference.

However, the Staff's response also now seeks to import into the UNE proceeding (Docket No. UT-023003) a wholly new issue relating to the proposed Verizon-MCI parent company merger, which is the subject of Docket No. UT-050814. Entertaining this suggestion would substantially complicate and delay the resolution of the UNE proceeding, and would be supported by neither the facts nor the law.

The Staff has suggested that the merger of the Verizon and MCI parent companies would "result in additional access lines for Verizon [NW] in Washington, which generally will result in lower cost estimates in the cost models." To the extent an MCI subsidiary (e.g., MCImetro) is leasing lines (i.e., unbundled loops) from Verizon NW pursuant to section 251 of the Telecommunications Act of 1996, those lines and the costs associated with them are already included in the parties' cost models, so the parent company merger will have no effect on such costs. To the extent an MCI subsidiary is providing facilities-based competition to Verizon NW today, its facilities are not ILEC facilities subject to the unbundling and TELRIC pricing limitations of section 251, and thus are irrelevant to the rates prescribed for Verizon NW in Docket No. UT-023003. If the Staff is assuming that closure of the parent company merger would somehow result in such MCI facilities becoming part of the Verizon NW network, the Staff is simply mistaken. The closure of the parent company merger will not include any transfer of facilities ownership among subsidiaries. Thus, there is no basis for the Staff's assumption that including the costs associated with facilities constructed by MCI would result in "lower cost estimates in the cost models," and no justification for extending this proceeding to make such a determination relating to a prospective transaction which postdates the close of the record in Docket No. UT-023003 by many months.

Respectfully submitted,

William R. Richardson, Jr.

cc: Counsel of Record in Docket Nos. UT-023003, UT-050814

BEFORE THE 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) (Recurring Costs))	**Docket No. UT-023003**

CERTIFICATE OF SERVICE

I hereby certify that I have this 15th day of July 2005, served this document upon all of the parties listed below by Federal Express and by e-mail:

Administrative Law Judge Theodora Mace
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive, SW
Olympia, WA 98504-7250

Rex Knowles
XO Washington, Inc,
1111 East Broadway
Salt Lake City, UT 84111

Lisa A. Anderl
Qwest Corporation
1600 7th Avenue
Rm. 3206
Seattle, WA 98101

Gregory J. Kopta
AT&T
Davis Wright Tremaine
2600 Century Square
1501 Fourth Avenue
Seattle, WA 98101-1688

Dennis D. Ahlers
Eschelon Telecom, Inc.
730 Second Avenue South
Suite 1200
Minneapolis, MN 55402

Sue Lamb
Lamb Communications Services
111 Teal Lane
Sagle, ID 83860

Arthur A. Butler
WeBTEC
Ater Wynne LLP
601 Union Street
Suite 5450
Seattle, WA 98101-2327

Catherine Murray
Manager, Regulatory Affairs
Eschelon Telecom of Washington, Inc.
730 Second Avenue South, Suite 1200
Minneapolis, MN 55402

Carole Washburn
Executive Secretary
WUTC
1300 S. Evergreen Park Drive, SW
Olympia, WA 98504-7250

Simon ffitch
Public Counsel
Assistant Attorney General
900 Fourth Street, #2000
Seattle, WA 98164

Richard A. Finnigan
Attorney at Law
2405 Evergreen Park Drive, SW
Suite B-3
Olympia, WA 98502

Karen S. Frame
Senior Counsel
Covad Communications Company
7901 E. Lowry Blvd.
Denver, CO 80230-6906

Greg Diamond
Covad Communications Company
7901 E. Lowry Blvd.
Denver, CO 80230-6906

Christopher S. Huther
Preston Gates Ellis &
Rouvelas Meeds LLP
Suite 500
1735 New York Avenue, N.W.
Washington, DC 20006-5209

Michel Singer Nelson
MCI/WorldCom, Inc.
707 17th Street
Suite 4200
Denver, CO 80202

Lisa F. Rackner
Ater Wynne LLP
222 S.W. Columbia
Suite 1800
Portland, OR 97201-6618

Shannon Smith
Commission Staff
Asst. Attorney General
1400 S. Evergreen Park Drive, SW
Olympia, WA 98504-0128

Ted D. Smith
Stoel Rives LLP
201 S. Main Street
Suite 1100
Salt Lake City, UT 84111-4904

Jonathan Thompson
Commission Staff
Senior Asst. Attorney General
1400 S. Evergreen Park Drive, SW
P.O. Box 40128
Olympia, WA 98504-0128

William R. Richardson, Jr.
MTQ

William R. Richardson, Jr.
Catherine Kane Ronis
Wilmer Cutler Pickering Hale and Dorr LLP
2445 M Street, N.W.
Washington, D.C. 20037
(202) 663-6000