

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of Rulemaking Concerning Line)
Extension Tariffs) **Docket Nos. UT-991737**
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COMMENTS OF GTE NORTHWEST INCORPORATED

May 25, 2000

INTRO
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UCTION

GTE Northwest Incorporated ("GTE") submits its comments on the proposed rule in this docket.

Extending facilities to unserved locations raises an important public policy issue regarding the provision of Universal Service. GTE supports resolution of line extension issues as part of an overall Universal Service reform. GTE urges the Commission to take a comprehensive approach to resolving Universal Service issues which include defining a carrier's "obligation to serve," designating eligible telecommunications carrier for unfiled unserved areas¹, and establishing appropriate Universal Service support. Adoption of the proposed line extension rule is inconsistent with the uniform approach advocated by GTE. It represents a piecemeal approach and begs several key unresolved questions, such as who is "reasonably entitled" to service from a given company in a given area under RCW 80.36.090, and whether this rule would establish a "universal service program" prohibited by RCW 80.36.610.

Furthermore, GTE strongly believes that the Commission may not lawfully use a rulemaking to force companies to change their present tariff rates, terms and conditions. Rather, if the Commission feels that the issue of line extension must be addressed, then a better approach is to issue an Interpretative and Policy Statement.

Finally, the proposed rule does not comply with the requirements of Sections 253 and 254

¹ "Unfiled unserved" areas refers to areas that are outside of incumbent local exchange carrier exchanges as established by maps filed with the Commission. Such areas are addressed by proceedings such as the Commission's current dockets UT-991930, UT-991931, and UT-993000. This rulemaking, on the other hand, applies to "in-franchise unserved" areas; i.e. areas inside the filed exchange boundaries. GTE agrees with U S WEST's comments on the legal necessity of so limiting any line extension rule.

of the Telecommunications Act of 1996 (“the Act”). The proposed rule does not impose line extension requirements in a competitively neutral manner, and it does not recover the cost of compliance in a competitively neutral manner from all providers of telecommunications services. Nor does the rule set a "uniform standard" as stated in the CR-102.

In sum, GTE does not support adoption of the proposed rule. Nonetheless, GTE acknowledges that the latest proposed line extension tariff rule demonstrates significant progress on some of the critical issues, such as cost recovery. In this regard, GTE appreciates the Commission Staff’s willingness to listen to parties’ concerns and to act positively to address several of them. The proposed rule, with the modifications discussed herein, is a starting point to address the issues of mandated line extensions.

PROPOSED RULE (1) -- EXTENSION OF SERVICE

The proposed language does not clearly define the services that must be provided where service is extended. Basic service isn’t mentioned until subsection (1)(c), where the proposed rule requires that substitute wireless services must provide all elements of basic service. The proposed rule should be revised to state that only basic local exchange service must be provided.

The rule defines obligations to extend service by reliance on “urban growth area” boundaries. There is no correlation between "urban growth areas" under the Washington Growth Management Act and a company's defined serving area. Only the carrier's exchange boundary is relevant when determining if the provider’s network would need to be extended in order to service the applicant.

Furthermore, service extensions should not be limited to “distribution plant,” since feeder

plant and other facilities are needed to provide the basic services requested and may not be adequate or available. GTE suggests the substitution of "its own network facilities" for "distribution plant".

The qualifiers "actual direct" and "direct" should not be used in subsection (1)(c) because the definition of the "costs" the company may recover is addressed in subsection (3)(a).

PROPOSED RULE (2) -- SERVICE EXTENSION CHARGE TO APPLICANTS

The initial charge uses a multiple of 20 times the basic monthly service rate. The initial rate bears no relationship to the actual cost of the line extension and could be extremely inadequate to recover such cost. GTE understands that Staff chose this figure based on public input at field hearings on the issue of what would-be customers could afford. While affordability is important, other customer means should be considered before shifting unrecovered costs responsibility to another group of ratepayers. For instance, the Washington Telephone Assistance Plan support could be used to help defray line extension charges. While the Commission's current rule excludes line extension charges, the Commission has the authority to remove this limitation. *See* WAC 480-122-010(8); RCW 80.36.410 to -.475.

The reference in Section 2(b)(i) and Section 2(b)(ii) to "urban growth areas" should be deleted, as discussed above in GTE's comments on Section 1.

The reference to, and definition of, "cost" should be deleted from this subsection; because subsection (3) deals with "cost recovery for extension of service."

PROPOSED RULE (3) -- COST RECOVERY FOR EXTENSIONS OF SERVICE

Subsection (3)(a) excludes the costs of “reinforcement”. This is inappropriate because line extensions may require a company to add facilities all the way back to the central office. Cost recovery for reinforcement and network upgrade should be allowed.

GTE and WITA previously commented that there is no need to include the standard “and in the public interest” in subsection (3)(c). It should be deleted. If the Commission chooses to adopt the proposed line extension rule, then it has already found that the elements of the rule are “in the public interest”.

PROPOSED RULE (4) -- EXTENSION OF SERVICE TO NEIGHBORING EXCHANGE FACILITIES

There is no need to address what would be inter-company arrangements in a rule. Subsection (4) should be deleted. Where line extensions would be more efficient provided by another company, the involved companies should have the flexibility to deal with such situations on an individual basis, making any necessary contract, tariff or other filings with the Commission at the time. If the Commission uses an Interpretive and Policy Statement approach rather than a rule, as GTE recommends, the Commission should express its encouragement of such arrangements and generally set forth the type of cost recovery mechanisms it will approve.

PROPOSED RULE (5) -- EXTENSIONS TO DEVELOPMENTS

No Comments.

CONCLUSION

GTE appreciates the Commission Staff's willingness to address the concerns of impacted companies. The currently proposed line extension tariff rules are an improvement over previous versions of the proposed rule because of significant progress on critical issues, such as cost recovery. However, GTE continues to oppose the proposed rule. The Commission can and should address the issue of line extensions by means of an Interpretative and Policy Statement.