

February 1, 2011

Mr. Dave Danner  
Executive Director and Secretary  
Washington Utilities & Transportation Commission  
Richard Hemstad Building  
PO Box 47250 – MS: 47250  
1300 S. Evergreen Park Drive SW  
Olympia, WA 98504-7250

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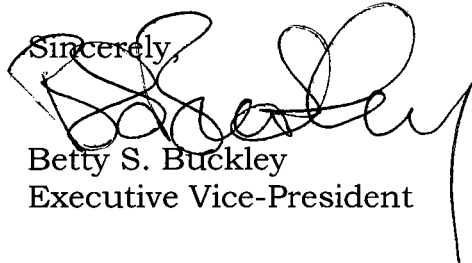
Dear Mr. Danner –

It has come to our attention that the Commission is concerned that HB 1587 and SB 5615 may have the effect of negating portions of or entire merger agreements, both recent and pending. HB1587 and SB 5615 are in no way intended to usurp existing commitments made in past property acquisition dockets or the pending CenturyLink/Qwest transaction. CenturyLink and Frontier have both been clear that their commitments remain intact. This is the reason that, although competitive local exchange companies are exempt from the Commission's authority under Chapter 80.12 RCW, an incumbent local exchange company opting for minimal regulation under HB1587 and SB 5615 will remain subject to the Commission's authority under that chapter. (See Section 2.2 of the bill)

To further mitigate the Commission's concerns WITA will be providing our bill sponsors and appropriate committee staff with the attached amendment.

We trust that this amendment will lay any misunderstanding of the purpose of HB 1587 and SB 5615 to rest and we look forward to a constructive dialogue on the merits of updating regulations related to incumbent local exchange companies in today's competitive telecommunications environment.

Sincerely,



Betty S. Buckley  
Executive Vice-President

PROPOSED AMENDMENT TO SECTION 2(2) OF HB 1587 and SB 5615:

(2) Except as provided in subsection (3) of this section, a local exchange company electing under this section is subject to the same level of regulation as companies classified as competitive under RCW 80.36.320. In approving an election, the commission shall grant the local exchange company the same waivers from regulatory requirements that are granted to companies classified as competitive under RCW 80.36.320, other than a waiver from chapter 80.12 RCW; provided, that, neither the granting of a waiver under this subsection nor the election of minimal regulation shall have the effect of modifying, waiving or terminating any commitment or requirement contained in any final order of the commission approving a prior acquisition or merger docket affecting the company making the election nor on any commitment made or requirement imposed in any final order after appeal, if any, in a pending acquisition or merger docket, including any reporting requirement, notwithstanding anything herein to the contrary, and, further, that any commitment or requirement to file an alternative form of regulation as part of such merger or acquisition commitment or requirement shall be deemed to be a commitment or requirement to file under RCW 80.36.135, not this section. After the approval of the election of minimal regulation, the local exchange company is not required to file reports or data with the commission, except the company must file an annual report that allows for calculation of the annual regulatory fee.

Further: Delete Section 8 of HB 1587