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Ms. Carole J. Washburn, Executive Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive S.W.
Olympia, WA 98504-7250

Re: Docket No. UT-990146 - Comments of GTE Northwest Incorporated and GTE
Communications Corporation

Dear Ms. Washburn:

As a result of the Commission workshop held on April 18, 2000, the Commission staff called for additional comments on four proposed new rules to be incorporated in Chapter WAC 480-120. GTE Northwest Incorporated and GTE Communications Corporation (collectively "GTE") respond as follows:

**WAC 480-120-X11
ACCESS CHARGES**

This proposed new rule represents a recodification of the access charge report rule currently in WAC 480-80-047. This rule was enacted after the seminal access charge proceeding in Docket No. U-85-23. In its comments filed February 4, 2000, GTE advocated deletion of this rule because it is outdated and inconsistent with Commission-adopted rules flowing from the access reform proceeding (Docket No. UT-970325). On April 18, 2000, the Thurston County Superior Court upheld the Commission's access reform rule, WAC 480-120-540, in Washington Independent Telephone Association, et al. v. Washington Utilities Transportation Commission (Cause No. 98-2-02413-2). The sustained rule does not require annual filings as contemplated by WAC 480-120-X11. While this Superior Court decision has been appealed, WAC 480-120-540 remains in effect and this new rule removes any need for WAC 480-120-X11. In addition, the provisions of WAC 480-120-X11 are carry-overs from the days when access charges were calculated according to a fully distributed cost methodology ("FDC") and when both originating and terminating access charges provided implicit universal service support. As such, they are clearly inconsistent with the Commission's new approach in WAC 480-120-540.

The new access rule is intended to promulgate a policy of promoting competition which allowed telecommunications companies to adjust access rates through one of three ratemaking options. (Court's Opinion, p.3). The new rule does not require annual filings, which would be required under WAC 480-120-X11. The new rule bases terminating access charges on total service long run incremental cost ("TSLRIC) which allows for interim universal service support recovery through an interim access charge rate element.

If WAC 480-120-X11 were to be adopted, then GTE would have to make annual filings including "complete workpapers and data sufficient for Commission Staff to review the correctness of the report and related tariff filings." WAC 480-120-X11 would impose a great burden on Washington Class A companies because it could thrust each company into a major regulatory proceeding each year at annual review time if the Staff found a company's filing "incorrect." Given the outstanding issues associated with state universal service support, it is unlikely that the Staff would agree with a company's filing.

The Commission has adopted a new approach to access charges in WAC 480-120-540. As such, it should abandon its old approach, which would perpetuate burdensome, annual filing requirements that were adopted under an outdated regulatory access charge regime. Therefore, WAC 480-120-X11 should not be adopted.

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Even if WAC 480-120-X11 were to be adopted, the rule would need to be clarified. It is ambiguous as to the type of access charge data that would be required for filing on an annual basis to give the Commission staff the opportunity to review the filing for "correctness." If it is to be retained, then the data filing requirement needs to be further explained.

WAC 480-120-X12
WASHINGTON EXCHANGE CARRIERS ASSOCIATION (WECA) FILINGS FROM
MEMBER COMPANIES

GTE has no formal position on this rule, which is currently embodied in WAC 480-80-048. However, GTE has no objection to its retention if, in fact, it is necessary to allow WECA to continue to function as advocated by the Washington Independent Telephone Association (WITA).

WAC 480-120-025(3)
COMMISSION ORDERED REFUNDS

This rule is not necessary and should be deleted because RCW 80.36.330(6) covers the situation addressed by the rule.

PROPOSED WAC 480-120-X19

GTE previously submitted its comments with respect to adoption of this proposed rule on April 7, 2000. A copy of these comments is attached. GTE strongly urges the Commission to not adopt the imputation rule as proposed by Nextlink.¹

Ten copies of these written comments are enclosed. They have been e-mailed as well.

Thank you for the opportunity to submit these supplemental comments. GTE continues to support the Commission's efforts to provide meaningful revision to existing Washington administrative rules which apply to telecommunications companies.

¹ In addition, GTE objects to adoption of Nextlink's "Fresh Look Complaint" proposed rule mentioned in Nextlink's February 4, 2000 letter. The "fresh look" issue has been thoroughly debated and resolved by the Commission in Docket No. UT-991476. GTE would oppose allowing this proposal to creep back in by way of this rulemaking.

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Very truly yours,

WILLIAMS, KASTNER & GIBBS PLLC

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END:wpc
Attachment