

December 20, 2001

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, Washington 98504-7250

Dear Ms. Washburn:

Subject: **VERIZON COMMENTS – UT-991922 - CHAPTER 480-121 WAC; WAC
480-120-052; AND WAC 480-120-058**

Pursuant to the Commission's December 7, 2001 Notice of Change of Proposed Rule Adoption Hearing and Notice of Opportunity to Comment, Verizon Northwest Inc. and Verizon Select Services Inc. ("Verizon") provide the following comments.

As Verizon stated previously in its November 28, 2001 comments, there appears to be an inconsistency in the draft rules with regard to the review and approval of registration applications. Verizon does not propose any specific solution, but points it out so the Commission can decide whether it needs to be addressed. Draft rule 480-121-020(3) provides that the Commission may require applicants to show (a) adequate financial resources, (b) technical competence, and (c) compliance with various legal requirements. Likewise, draft rule 480-120-040(2) provides that the Commission may deny a registration application for failure to possess adequate financial resources and/or technical competence. Yet, draft rule 480-121-040(1) allows the Commission's Secretary to grant applications where a Commission application form is used and six items of information are provided. None of these six items expressly covers technical competence or compliance with legal requirements, and the balance sheet and annual report may or may not show adequate financial resources for the proposed new Washington operation.

Furthermore, Verizon opposes the first sentence of the last paragraph of draft rule 480-121-063 that Staff has added. That sentence purports to use a rule to revoke waivers previously granted by the Commission in competitive classification proceedings. When

read together with the second sentence of the paragraph, the intent appears to be to put the burden on the affected companies to reapply for the waivers revoked by the rule. This is an unfair and unlawful approach to revoking waivers. For example, RCW 80.36.320(4) provides that "The commission may revoke any waivers . . . if such revocation . . . would protect the public interest." RCW 80.04.210 provides that the commission may change or rescind its orders "upon notice to the public and the public service company affected, and after opportunity to be heard." In other words, before the Commission can revoke a waiver granted in an order in a competitive classification docket, it must give notice to the affected company, give that company a hearing, and make a finding that the revocation is necessary to protect the public interest. The proposed rule would unlawfully circumvent these due process requirements. Therefore, Verizon suggests deleting the first sentence in the last paragraph of draft rule 480-121-063.

Please direct any questions to Joan Gage at 425-261-5238.

Very truly yours,

Lida C. Tong
Director – Regulatory & Government Affairs