

Law Office of
Richard A. Finnigan
2112 Black Lake Blvd. SW
Olympia, Washington 98512
Fax (360) 753-6862

Richard A. Finnigan
(360) 956-7001
rickfinn@localaccess.com

Kathy McCrary, Paralegal
(360) 753-7012
kathym@localaccess.com

September 18, 2007

VIA E-MAIL AND HAND DELIVERY

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

Re: Docket No. UT-073014 – Line Extension Rule

Dear Ms. Washburn:

The Washington Utilities and Transportation Commission (“Commission”) has issued a Notice of Opportunity to File Written Comments (“Notice”) in this docket. This matter was given serious consideration by the Washington Independent Telephone Association Board of Trustees (“WITA”) at its September 14, 2007, quarterly meeting. WITA believes that the Commission’s inquiry into the line extension rule is timely and well taken.

In the Notice, the Commission set out a series of questions to various stakeholders. Questions 1 and 4 are addressed to certain classes of telecommunications companies and apply to WITA’s member companies. Those questions are as follows:

Question 1: For telecommunications companies required to extend service under the current rule, please comment on specific benefits and burdens that have resulted from the rule and whether any of the burdens have caused harm to the company; if there has been harm, please quantify the harm.

Question 4: For ETCs, please comment on whether the current rule has benefits or burdens on the company and if the rule has been beneficial or burdensome to customer service, company operations, or in any other respect.

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These two questions are obviously designed to look at the benefits and burdens of the current rule.

The existing rule is designed to facilitate the extension of service as far as possible, even to very remote and hard to serve locations. The customer obligation under the current rule is minimal and most of the burden for extending service falls on the participating companies. The current rule does contain a waiver provision.

As the Commission is aware, the waiver provision does not include any clear standards. Thus, the waiver provision has been expensive for companies to pursue. The transactional cost for pursuing a waiver appear to be high enough that not many of WITA's members have sought waivers.

The current rule is also administratively complex in that it requires a company to analyze whether a particular development falls into a particular delineated category to determine who is responsible for paying for the line extension, and, further, to determine at what point in time the development became viable since certain aspects of the rule applies only to developments that were begun after the effective date of the rule.

WITA's members have not, on a collective basis, undertaken a quantification of the benefits and burdens. However, the general feeling among WITA's members is that the rule is more burdensome than it should be.

The Commission also asked a general question calling for specific recommendations or statements of policy goals. The question reads as follows:

Question 7: For all interested persons, please make any specific recommendations for changes, or make statements in favor of retaining the current rule, and include policy goals that support retaining or changing the rule.

It is WITA's position is that the Commission should give serious consideration to requiring customers who request service in remote or difficult to serve areas to bear a greater share of the cost of extending service in such locales. The balancing of equities between the existing customer base and the extension of service to new customers in areas that are hard to reach should be re-examined. It is perhaps time to recognize that line extensions that exceed certain cost thresholds should require greater customer contribution to the cost of the line

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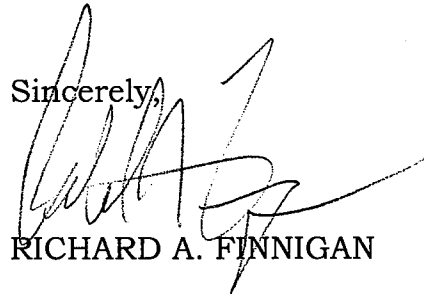
extension by those requesting line extensions.

WITA thinks it is also timely to re-examine whether the appropriate mechanism for funding costly line extensions should be the terminating access rate. Given other pressures on access rates, it may be necessary to consider a different source of funding.

WITA also favors a policy that looks to ease of administration in any new line extension rule. A rule that is easy to interpret and to apply relieves both companies and the Commission of unnecessary process and allows for timely construction of new line extensions.

WITA's members look forward to participating in the upcoming workshops on the line extension rule. WITA welcomes the Commission's review of the existing rule.

Sincerely,

A handwritten signature in black ink, appearing to read 'RAF', with a long horizontal flourish extending to the right.

RICHARD A. FINNIGAN

RAF/km

cc: Clients (via e-mail)