

July 20, 2005

VIA HAND-DELIVERY AND ELECTRONIC FILING

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

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REG. MAIL

Re: Petition of Verizon Northwest Inc. for Waiver – UT 031023

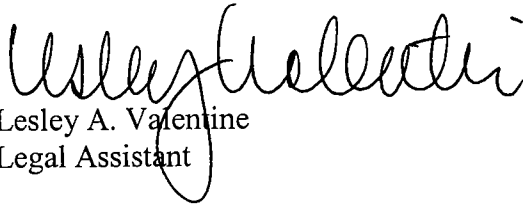
Dear Ms. Washburn:

Enclosed please find an original and 20 copies of Verizon Northwest's Petition for Waiver to be filed in the above-referenced matter. This document was inadvertently filed yesterday under an incorrect docket number, (UT 050695), and we would like to replace that filing with the enclosed.

Please date-stamp and return to us a copy of the filing for our records in the enclosed stamped, self-addressed envelope provided for your convenience. If you have any questions, please call me at (206) 340-9381.

Very truly yours,

GRAHAM & DUNN PC



Lesley A. Valentine
Legal Assistant

Enclosures

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BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Petition for Waiver of Certain Provision of) Docket No. UT-031023
WAC 480-120-262)
) PETITION FOR WAIVER
)

PETITION

I. Introduction

1. In this petition, Verizon Northwest Inc. (“Verizon”) requests that the Washington Utilities and Transportation Commission (“Commission” or “WUTC”) issue Verizon a permanent waiver of the Commission’s requirement, contained in WAC 480-120-262(3), to provide specific rate quotes on certain calls placed from payphone or other aggregator location. Verizon instead proposes to continue providing a “not-to-exceed” rate quote that the Commission has previously found to satisfy the purpose and intent of WAC 480-120-262(3).

2. Verizon’s name and address is:

Verizon Northwest Inc.
924 South Capitol Way, Suite 108
Olympia, Washington 98501

Attn: Robert Millar

The name and address of Verizon's counsel is:

Judith Endejan
Graham & Dunn PC
2801 Alaskan Way, Suite 300
Seattle, WA 98121-1128

II. Background

2. WAC 480-120-262(3) requires Operator Service Providers (“OSPs”) to disclose the charge on any call from a payphone or other aggregator location if the charges for the call would exceed a benchmark established in the rule. The benchmark is equal to fifty cents per minute plus fifty cents per call. Verizon's rates for some calls exceed the rule's benchmark.¹ As previously illustrated, Verizon has numerous rates that may apply to a call covered by the new rule, for instance, depending on whether the call turns out to be a collect person-to-person call or a collect station-to-station call.²

3. On June 23, 2003, Verizon filed a petition requesting that the Commission either issue a policy statement interpreting WAC 480-120-262(3) or grant Verizon a permanent exemption from a specific portion of this subsection of the rule.³

4. The Commission denied Verizon's petition for an interpretive statement, finding that the rule did not present an issue of controversy or substantial uncertainty. The Commission issued Verizon an exemption from certain requirements in WAC 480-120-262 until August 1, 2005.⁴ This temporary exemption allowed Verizon to provide callers with a maximum rate

¹ See, e.g., Comments of Verizon Northwest Inc. et al., Dkt. No. UT-990146 (June 27, 2002).

² See *id.*

³ Petition of Verizon Northwest Inc., Dkt No. UT-031023 (June 23, 2003).

⁴ Order Denying Petition for Interpretive and Policy Statement and Granting Temporary Exemption, Dkt No. UT-031023 (July 31, 2003).

quotation rather than the actual rates and charges for each call on the condition that the disclosure message explain the method of obtaining an actual rate quote and that charges to consumers not exceed the quoted maximum rate. Since August 2003, Verizon has been providing such rate quotes to calls made from payphone and aggregator locations in Washington.

5. Commission Staff recommended limiting the exemption to a two-year period in order to allow the Commission to assess whether Verizon's use of maximum rate provides sufficient information to consumers.⁵

III. The "Not-To-Exceed" Rate Quote Fulfills the Rule's Objectives

6. The purpose of WAC 480-120-262(3) is to enable customers to make informed decisions about whether to complete a potentially expensive call from a pay phone or other aggregator location.

7. Verizon does not have an automated program that will provide a rate quote as envisioned by WAC 480-120-262(3). Verizon estimates it would take an outside vendor 9 to 12 months and more than \$3 million to develop an automated system and software capable of isolating aggregator traffic from non-aggregator traffic and providing an automated rate quote announcement to the caller and billed party. Although Verizon has explored the alternative of routing all such calls to an operator who would speak the required rate quote information regardless of whether the caller requested it, Verizon determined that this is not a desirable approach due to factors including cost, administrative complications caused by this non-standard approach for one state, and customer irritation.

⁵ Staff Recommendation, July 31, 2003 Agenda, Dkt. No. UT-031023.

8. Upon approval of a permanent waiver by this Commission, Verizon will continue playing a recorded advisory at the beginning of each call (such recording will also be heard by the called party for collect calls) that advises callers of a maximum cost associated with the call, instead of a recitation of each and every possible charge that could apply. The current advisory is worded as follows:

Welcome to Verizon. The rate for this call will not exceed five dollars and fifty cents for the first minute and seventeen cents for each additional minute plus applicable taxes and government fees. For the exact rate press zero. ~bong tone~. For calling card calls enter your calling card number, for collect calls press one now. To charge this call to another number enter a complete billing number now. For Person-to-Person and all other calls press zero.

9. If the Commission were to deny this waiver petition and require Verizon to comply with the rule's rate quotation requirements, Verizon's customers would be forced to listen to a recorded message that is more than 45 seconds long. For all 0+ calls and collect calls (not just calls from payphones or call aggregator locations), this recording would have to be played first to the calling party and then again to the called party, extending the call handling time by approximately 2 minutes. Such a lengthy message would read:

Welcome to Verizon, please hold after the tone for rate information. – bong tone- The rate for this call may include the following charges: for local calls: 60 cent operator-handled surcharge and 25 cent payphone usage surcharge; for intraLATA calls: 17 cents per minute, 95 cents for customer-dialed 0+ surcharge, \$2.50 Operator Handled surcharge, \$4.50 person-to-person surcharge and 25 cent payphone usage surcharge; for local correction facility calls: \$1.50 corrections collect surcharge; for intraLATA corrections facility calls: 20 cents per minute and \$1.75 corrections collect surcharge. For additional rate information press 0 for an operator. For calling card calls enter your calling card number, for collect calls press one now. To charge this call to another number enter a complete billing number now. For person-to-person and all other calls press zero.

10. Since Verizon implemented its maximum rate quote in August 2003, Commission Staff has monitored Verizon's compliance and consumer issues relating to the temporary waiver. To date, there are no consumer complaints that would indicate Verizon's "not-to-exceed" rate

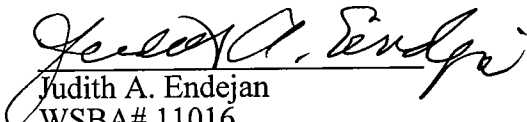
quote provides insufficient information to consumers. Consequently a permanent waiver is warranted.

IV. Conclusion

12. Verizon's "not-to-exceed" rate quote meets the intent of WAC 480-120-262(3). Based on a two-year monitoring of the temporary waiver, a permanent waiver of the rule is warranted. Verizon respectfully requests this Commission grant Verizon a permanent waiver of WAC 480-120-262(3) to allow "not-to-exceed" rate quotes to be provided by Verizon.

Respectfully submitted this 20th day of July, 2005.

GRAHAM & DUNN PC

By 
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