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1 BEFORE THE WASHINGTON UTILITIES AND
2 TRANSPORTATION COMMISSION

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4 In the Matter of the Continued) Docket No. UT-003013
5 Costing and Pricing of)
6 Unbundled Network Elements and) Volume I
7 Transport and Termination.) Pages 1-54
8 _____)

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8 A hearing in the above matter was
9 held on March 3, 2000, at 10:47 a.m., at 1300
10 Evergreen Park Drive Southwest, Olympia, Washington,
11 before Administrative Law Judge C. ROBERT WALLIS.

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13 The parties were present as
14 follows:

15 US WEST COMMUNICATIONS, INC., by
16 Lisa A. Anderl, Attorney at Law, 1600 Seventh Avenue,
17 Room 3206, Seattle, Washington 98191.

18 THE COMMISSION, by Ann E. Rendahl,
19 Assistant Attorney General, 1400 S. Evergreen Park
20 Drive, S.W., P.O. Box 40128, Olympia, Washington
21 98504-0128 (Via teleconference bridge.)

22 NEXTLINK WASHINGTON, ELECTRIC
23 LIGHTWAVE, INC., ADVANCED TELCOM, INC., NEW EDGE
24 NETWORKS, INC., NORTHPOINT COMMUNICATIONS, and GST

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1 TELECOM, by Gregory J. Kopta, Attorney at Law, 2600
Century Square, 1501 Fourth Avenue, Seattle,
2 Washington 98101-1688.

3 GTE, by Jennifer McClellan,
Attorney at Law, Hunton & Williams, 951 E. Byrd
4 Street, Richmond, Virginia, 23219.

5 TRACER and RHYTHMS LINKS, INC., by
Arthur A. Butler, Attorney at Law, Ater Wynne, Two
6 Union Square, Suite 5450, 601 Union Street, Seattle,
Washington 98101 (Via teleconference bridge.)

7
8 SPRINT, by Eric S. Heath, Attorney
at Law, 330 S. Valley View Boulevard, Las Vegas,
Nevada 89152 (Via teleconference bridge.)

9
10 MCI, COVAD, MPOWER, and ICG, by
Brooks Harlow, Attorney at Law, Miller Nash, 400 Two
Union Square, 601 Union Street, Seattle, Washington
11 98101.

12 AT&T, by Susan Proctor and Michel
Singer-Nelson, Attorneys at Law, 1875 Lawrence
13 Street, Suite 1575, Denver, Colorado, 80202 (Via
teleconference bridge.)

14
15 GLOBAL CROSSING, by Sara Siegler,
Attorney at Law, 2000 N.E. 42nd Street, Suite 154,
Portland, Oregon 97213 (Via teleconference bridge.)

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24 Barbara L. Spurbeck, CSR
25 Court Reporter

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1 JUDGE WALLIS: The conference will please
2 come to order. This is a prehearing conference
3 before the Washington Utilities and Transportation
4 Commission in Docket Number UT-003013. This is the
5 Matter of the Continued Costing and Pricing of
6 Unbundled Network Elements and Transport and
7 Termination. This prehearing conference is being
8 held in Olympia, Washington, on March 3 of the year
9 2000. My name is Robert Wallis, and I'm the
10 presiding Administrative Law Judge.

11 I would like to begin this morning's
12 session by taking appearances from the parties who
13 are present, both in this room and by teleconference.
14 Let's begin with those who are present within the
15 room. If you are planning to petition for
16 intervention, please so state, and we will take up
17 the issues of those petitions at the conclusion of
18 the taking of appearances.

19 I'm going to begin on my left and ask for
20 Counsel to state your name, your business address,
21 and the name of the client that you represent.

22 MS. McCLELLAN: On behalf of GTE Northwest,
23 Incorporated, my name is Jennifer McClellan. I'm
24 with the law firm of Hunton & Williams, at 951 East
25 Byrd Street, Richmond, Virginia, 23219.

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1 MS. ANDERL: Thank you, Your Honor. Lisa
2 Anderl, representing US West Communications, Inc., at
3 1600 Seventh Avenue, Room 3206, Seattle, Washington,
4 98191. And Your Honor, given my understanding of the
5 parties from the prior proceeding, I don't believe
6 that we would need to petition to intervene, but our
7 name is not -- no carrier's name is in the caption of
8 this new docket, so --

9 JUDGE WALLIS: Yes, that's correct.

10 MR. HARLOW: Thank you, Your Honor. Brooks
11 Harlow, representing MCI WorldCom, Covad
12 Communications, MPower, capital M, no space,
13 P-o-w-e-r, formerly known as MGC Communications, and
14 ICG Communications, all of whom plan to petition to
15 intervene.

16 JUDGE WALLIS: Your business address,
17 please?

18 MR. HARLOW: Yes, this is stated in our
19 written petitions. 4400 Two Union Square, 601 Union
20 Street, Seattle, Washington, 98101.

21 MR. KOPTA: Gregory J. Kopta, of the law
22 firm Davis, Wright, Tremaine, LLP, 2600 Century
23 Square, 1501 Fourth Avenue, Seattle, Washington,
24 98101-1688, representing Nextlink Washington, Inc.,
25 Electric Lightwave, Inc., Advanced Telcom Group,

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1 Inc., GST Telecom Washington, Inc., New Edge
2 Networks, Inc., and NorthPoint Communications.

3 JUDGE WALLIS: Very well. Let's move now
4 to the bridge line and begin with Commission Staff.

5 MS. RENDAHL: Ann Rendahl, Assistant
6 Attorney General, representing Commission Staff.

7 JUDGE WALLIS: Ms. Rendahl, it's very
8 difficult to hear you.

9 MS. RENDAHL: Ann Rendahl, Assistant
10 Attorney General, representing Commission Staff. My
11 address is P.O. Box 40128, Olympia, Washington,
12 98504-0128.

13 JUDGE WALLIS: For Tracer.

14 MR. BUTLER: Arthur A. Butler, of the law
15 firm of Ater Wynne, LLP. Address, 601 Union Street,
16 Suite 5450, Seattle, Washington, 98101-2327, and I'm
17 appearing on behalf of Tracer, Rhythms Links, Inc.,
18 Broad Band Office Communications, Inc., TC Telecom,
19 Inc. and (inaudible.)

20 JUDGE WALLIS: Mr. Butler, the name of the
21 last client and anything you said after that was not
22 audible.

23 MR. BUTLER: Teligent Services, Inc.

24 JUDGE WALLIS: Can you spell that, please?

25 MR. BUTLER: T-e-l-i-g-e-n-t

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1 S-e-r-v-i-c-e-s, Inc. And all those clients petition
2 to intervene.

3 JUDGE WALLIS: Thank you. For Sprint.

4 MR. HEATH: Eric Heath, that's E-r-i-c
5 H-e-a-t-h, representing Sprint. My address is 330
6 South Valley View Boulevard, Las Vegas, Nevada,
7 89152. Telephone, 702-244-6541, fax is 702-244-7380.

8 JUDGE WALLIS: For Global Crossing.

9 MS. SIEGLER: Yes, this is Sara Siegler,
10 S-i-e-g-l-e-r, for Global Crossing, formerly known as
11 Frontier Telemanagement, Inc. and Frontier Global
12 Services, Inc. I'm located at 2000 N.E. 42nd Street,
13 Suite 154, Portland, Oregon, 97213.

14 JUDGE WALLIS: For AT&T.

15 MS. PROCTOR: Susan Proctor and Michel
16 Singer-Nelson. The address is Suite 1575, 1875
17 Lawrence, L-a-w-r-e-n-c-e, Street, Denver, Colorado
18 80202. And we will also be petitioning to intervene.

19 JUDGE WALLIS: Very well. Let me ask if
20 there is anyone in the room who desires to appear in
21 this proceeding in a representative capacity who has
22 not stated an appearance? Let the record show that
23 there is no response. Let me ask if there is anyone
24 on the bridge line who desires to appear in a
25 representative capacity who has not stated an

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1 appearance? Let the record show that there's no
2 response.

3 MR. HEATH: Judge, this is Eric Heath, may
4 I interrupt for a moment, please?

5 JUDGE WALLIS: Mr. Heath.

6 MR. HEATH: I apologize. When entering my
7 appearance, I did not indicate whether or not Sprint
8 was petitioning to intervene, and to the extent that
9 we are listed as a party in the notice for this
10 proceeding, I don't know that it's necessary, but if
11 -- Sprint intends to participate, and to the extent
12 the petition to intervene will be required, Sprint
13 will be doing that. Thank you.

14 MS. McCLELLAN: And Your Honor, the same
15 holds true for GTE.

16 JUDGE WALLIS: I have a comfort level in
17 stating that the notice of hearing in this docket,
18 which was served on February 18th, did state the
19 Commission's understanding of the entities that would
20 have an interest in appearing and would continue
21 their participation from the earlier docket numbers
22 960369, et al.

23 As the notice explains, this proceeding is
24 a continuation of that proceeding. And while it is a
25 new docket number and it is beginning on page one of

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1 Volume I of a transcript, we do understand that it is
2 a process, and it is a stage in a process, and I
3 think we can get through this technical question
4 about who needs to intervene by just taking a look at
5 who all is here and whether anyone who is here has
6 any objection to anybody else appearing, and then, if
7 so, we will listen to those objections. How about if
8 we do that?

9 MR. HARLOW: Your Honor, I want to raise
10 one procedural point. Occasionally, cases do get
11 appealed, and under the APA, a jurisdictional
12 prerequisite to maintaining an appeal is service on
13 all parties of record, so I think it's critically
14 important that everyone state their address for
15 service purposes in the unlikely event somebody
16 appeals, in the unlikely event we ever finish the
17 docket. So I would certainly request that we meet at
18 least the minimum formalities so we don't have
19 procedural issues potentially a year or two down the
20 road.

21 JUDGE WALLIS: I'm not suggesting that we
22 avoid taking the addresses of those people who
23 appear. On the contrary, I will circulate some
24 pieces of paper to those who are in the room, and ask
25 that you list -- well, we have, I think, have we not,

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1 Ms. Rendahl, secured this list by, in fact, asking
2 parties to identify the client and name of the
3 client's representative for purposes of service, and
4 then the legal representative and their addresses.
5 So this is a relatively new list, is it not?

6 MS. RENDAHL: I believe that's true. It
7 arose out of the notice that went out to all the
8 parties (inaudible).

9 JUDGE WALLIS: Ms. Rendahl, we cannot hear
10 you.

11 MS. RENDAHL: I'm sorry. I believe that's
12 true. There was a notice that went out to all
13 parties in 369 requesting each party to identify a
14 representative, as well as the parties themselves,
15 and I think that is what went out to all parties in
16 this docket on notice. Is that what you're
17 requesting, Judge Wallis?

18 JUDGE WALLIS: Yes. Very well.

19 MS. RENDAHL: So I believe it's an
20 up-to-date list, but there will need to be, for those
21 new intervenors, the new companies, probably similar
22 information filed by those new parties, a
23 representative, as well as the person who will be the
24 designated contact person for the parties.

25 JUDGE WALLIS: Very well. I am going to

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1 circulate that paper or those pieces of paper, and
2 ask that if your name is not and your client's name
3 is not accurate on the notice of hearing, that you
4 correct it. If your name or your client's name is
5 not listed, that you provide that with all of the
6 relevant information, and also that you provide us
7 with an e-mail address for yourself. And I don't
8 believe that a telefax number is listed here for
9 people, so I'm going to ask for that, also.

10 MS. RENDAHL: So your intent, Judge Wallis,
11 is to have an e-mail address, a regular mail address,
12 fax number and telephone number for each
13 representative?

14 JUDGE WALLIS: Yes.

15 MS. ANDERL: Your Honor, will we discuss
16 specifically for what purposes the use of the e-mail
17 addresses is acceptable?

18 JUDGE WALLIS: We certainly can if you
19 would like.

20 MS. ANDERL. I would.

21 JUDGE WALLIS: Let's be off the record for
22 a minute.

23 (Discussion off the record.)

24 JUDGE WALLIS: Let's be back on the record,
25 please. We have engaged in some discussion about

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1 process in terms of means of communication and in
2 terms of the necessity for and the nature of and the
3 responses to requests to intervene in this docket.

4 In terms of communication, the Commission,
5 once it receives information from all of today's
6 participants, will provide a list of Counsel and
7 address information so that folks can reach each
8 other as necessary via voice, telefacsimile, or
9 electronic mail.

10 The proposal that appears to reflect a
11 consensus of the parties is that a rule of reason be
12 adopted for means of communication, that there is no
13 waiver of receipt of a hard copy, that a courtesy
14 copy by electronic mail is often very helpful, that
15 telefax copies sometimes are unnecessarily
16 duplicative of hard copies that are received shortly
17 thereafter, that if we get into a situation where
18 things are breaking relatively quickly and need to
19 communicate, that electronic mail then becomes an
20 acceptable method of communication. However, parties
21 have provided or will provide alternate recipients of
22 electronic mail, so that there's some assurance that
23 if electronic mail is sent, that it does not fall
24 through the cracks.

25 How did I do on the summary of the

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1 discussions?

2 MS. ANDERL: I think that's accurate.

3 MR. HARLOW: Ditto.

4 MR. KOPTA: I would agree.

5 MS. PROCTOR: I would agree.

6 MS. McCLELLAN: As would I.

7 JUDGE WALLIS: Very well. Let's move on,
8 then, to the subject of interventions. We engaged in
9 some discussion about the necessity for interventions
10 and acknowledged that this is the continuation of a
11 prior proceeding.

12 There was an exchange of information about
13 some of the proposed parties who had not participated
14 in earlier phases of this proceeding, and Mr. Kopta
15 and Mr. Harlow both provided information about
16 clients, and I'm wondering if you could repeat that
17 information for the record. Mr. Harlow.

18 MR. HARLOW: Are you asking me to repeat
19 names, addresses, and so forth?

20 JUDGE WALLIS: No, the status of --

21 MR. HARLOW: Okay. The MPower?

22 JUDGE WALLIS: MPower, yes.

23 MR. HARLOW: Okay. Thank you for
24 clarifying that. Yes, for the record, I noted a
25 correction to the MPower petition to intervene, and

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1 that is that MPower has a registration application
2 pending in Washington. MPower is a CLEC doing
3 business as such in numerous other jurisdictions,
4 under authority granted by those other jurisdictions,
5 and expects to be formally registered in Washington
6 in about 30 days. It is not currently so registered.

7 It also expects to be doing business
8 requiring interconnection, collocation, and other
9 services from US West and GTE in the very near
10 future.

11 JUDGE WALLIS: Some concern was stated
12 regarding the participation of MPower, and I
13 indicated my understanding of prior Commission
14 rulings in analogous situations, that applicants for
15 authority may participate on a contingent basis
16 pending receipt of the authority for which they are
17 applying. Mr. Kopta.

18 MR. KOPTA: Thank you, Your Honor. The six
19 parties whom I'm representing today were all parties
20 in the prior proceeding, but GST was listed as being
21 represented by Swidler & Berlin, and NorthPoint is
22 listed as being represented by Christine Mailloux,
23 in-house Counsel for NorthPoint.

24 I was not able to confirm with them whether
25 they are going to retain that representation or

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1 whether I will be representing them, but at the risk
2 of not being able to participate, I am representing
3 them here today to ensure that they are allowed to
4 participate in this docket. And if any correction is
5 needed in terms of who their representative will be
6 on an ongoing basis, we will inform the Commission
7 and the parties.

8 JUDGE WALLIS: Thank you very much. I have
9 asked Counsel to provide information about clients,
10 updating information that appears in the notice of
11 today's prehearing conference, and adding information
12 that does not appear, including telefax and
13 electronic mail addresses.

14 Now we want to take up the questions of the
15 issues that will be included in Docket 3013.

16 MS. ANDERL: Your Honor, I believe Mr.
17 Butler still has to give us information about some of
18 the intervenors he represents.

19 JUDGE WALLIS: Oh.

20 MS. ANDERL: I had asked, when we were off
21 the record, that when the petition was made,
22 specifically by Broad Band Office Communications,
23 that an address be given for the record.

24 JUDGE WALLIS: Yes, thank you. Mr. Butler.

25 MR. BUTLER: Yes, the address of Broad Band

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1 Office Communications, Inc. --

2 JUDGE WALLIS: Mr. Butler, I'm sorry, we
3 cannot hear you. Mr. Butler, we cannot even tell if
4 you're saying something.

5 MS. ANDERL: Now we really can't.

6 MR. BUTLER: Can you hear me now?

7 JUDGE WALLIS: Yes.

8 MR. BUTLER: Okay. Address for Broad Band
9 Office Communications, Inc. is 951 Mariner's,
10 M-a-r-i-n-e-r's, Island Boulevard, Suite 700, San
11 Mateo, M-a-t-e-o, California, 94404. Do you need any
12 additional information?

13 MS. ANDERL: Your Honor, I would request,
14 in order that we be able to determine whether we have
15 an objection to the intervention or not, that we
16 understand the status of this company, whether
17 they're registered with the Commission, whether they
18 have an interconnection agreement, just a little bit
19 of background. We've not heard of them before.

20 MR. BUTLER: Broad Band Office
21 Communications, Inc. is registered with the
22 Commission. It obtained its registration and
23 competitive classification on the 23rd of February of
24 this year. It's my understanding they have not yet
25 had an opportunity to negotiate an interconnection

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1 agreement, having just received the registration
2 authority. That was obtained in Docket UT-991956.
3 It was a CLEC authority to provide local exchange
4 (inaudible.)

5 JUDGE WALLIS: Mr. Butler, again, it's very
6 difficult to understand what you're saying.

7 MR. BUTLER: Broad Band Office
8 Communications, Inc. was authorized to do business in
9 the state of Washington in Docket Number UT-991956 on
10 February 23, 2000. I do not believe that it has had
11 an opportunity yet to negotiate an interconnection
12 agreement, but it does have authority to provide
13 local exchange in all systems of telecommunications
14 services in the state of Washington.

15 MS. ANDERL: Thank you. Your Honor, I
16 would also, looking through the notice of this
17 hearing, I believe that Teligent Services, Inc. and
18 SBC National are similarly situated, in that we don't
19 have a history on them because they were never
20 parties, so I wonder if we could get that same
21 information?

22 MR. BUTLER: SBC Telecom changed their
23 name. The address, 175 East Houston Street, San
24 Antonio, Texas, 78205. It is a competitive local
25 exchange company with authority, registration and

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1 competitive classification to do business in
2 Washington. That was granted in Docket Number
3 UT-990588 on May 12, 1999.

4 Teligent Services, Inc. is also registered
5 in the state of Washington. Address is 8065
6 Leesburg, L-e-e-s-b-u-r-g, Pike, P-i-k-e, Suite 400,
7 Vienna, Virginia, 22182.

8 MS. ANDERL: Did you wish the parties to
9 state their position on the interventions at this
10 time?

11 JUDGE WALLIS: Yes.

12 MS. ANDERL: Your Honor, given your earlier
13 remarks, I believe that we do not have any
14 objections, per se, to the interventions of any of
15 the parties. I would, however, request that the
16 interventions be specifically conditioned on an
17 agreement by the parties to not broaden the scope of
18 the proceedings, especially as it -- as the scope
19 relates to what may be pulled out into the OSS and
20 collocation issues, where much ground has already
21 been covered on those dockets.

22 And given the parties' lack of
23 participation in some of those prior dockets, it
24 seems to me they could unnecessarily broaden the
25 scope of the proceedings. But beyond that, we would

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1 not object.

2 JUDGE WALLIS: Mr. Harlow.

3 MR. HARLOW: Given the broad scope of these
4 proceedings, it's hard to imagine we could broaden
5 them, but our written intervention petitions do
6 commit not to broaden the scope, consistent with the
7 Commission's intervention rule.

8 JUDGE WALLIS: Mr. Butler.

9 MR. BUTLER: The same.

10 JUDGE WALLIS: Very well. That will be
11 done. Are we ready to move on to organization and
12 schedule? It appears that we are. I'm going to
13 observe that the parties have all agreed that -- at
14 least those who have filed comments about
15 organization have agreed that it is appropriate to
16 have one proceeding for the UNE remand and line
17 sharing issues, and either one or two other either
18 proceedings or separate phases to look at the OSS and
19 collocation issues.

20 Is that a statement that everyone here can
21 agree with?

22 MR. KOPTA: No, Your Honor. We don't
23 agree. We had sent by electronic mail a list of
24 issues and a potential schedule, and our position is
25 that all of the issues should be considered in a

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1 single docket, as opposed to broken out into
2 individual dockets.

3 JUDGE WALLIS: Why is that, Mr. Kopta?

4 MR. KOPTA: A couple of reasons. One is
5 there's a great deal of interrelationship between all
6 of these issues. For example, collocation and line
7 sharing are going -- there are aspects of collocation
8 that are going to impact line sharing, and vice
9 versa, just as an example.

10 Another -- the other issue is ease of
11 administration. When you have multiple dockets
12 dealing with different aspects of costs for different
13 facilities, it becomes difficult to track, difficult
14 to monitor, and difficult to administer.

15 And a practical concern related to that is
16 the experience that we had in the last cost docket,
17 when it was separated into phases. Oftentimes there
18 are issues that carry over from phase to phase, and
19 the proceeding becomes protracted and it ends up
20 taking much longer to resolve the issues than if they
21 were considered in a single proceeding in a single
22 phase.

23 And our preference would be to attempt to
24 expeditiously deal with all of the issues. From our
25 perspective, I'm not sure that we can prioritize them

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1 in a way that we could say some -- these issues need
2 to be resolved immediately, while others can wait.
3 Certainly our list of priorities would be different
4 than other parties' lists of priorities. So we
5 believe that the best way to deal with those issues
6 is to have a single proceeding that proceeds on a
7 track that is reasonable, but expeditious in the
8 resolution of all issues presented.

9 JUDGE WALLIS: Mr. Harlow.

10 MR. HARLOW: Yes, we're in agreement with
11 that. I'll just expand on it a little bit, starting
12 with Greg's last point, which I think he hinted --
13 maybe this is what he meant to say, maybe I'm just
14 overly blunt, but different parties do have different
15 motivations in this, in terms of which matters they
16 want to be expedited, and I think if we have a single
17 proceeding, everyone will be pushing to conclude it
18 promptly, because everyone has something in there
19 that they want.

20 I think that will lead to efficiency, which
21 is my second point. I think there are a lot of
22 efficiencies to be gained. Even though the issues
23 are different, a lot of the parties use the same
24 witnesses, certainly use the same attorneys, and I
25 think that we would, even though it would be a bigger

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1 proceeding, bigger single proceeding, I think there
2 would be a lot of efficiency to be gained, to be done
3 in a single proceeding.

4 And part of it is just human nature, or I
5 guess lawyer nature, in that if we have a hearing set
6 aside for a docket, it tends to take a certain amount
7 of time. Let's say a week. There's a lot of getting
8 up to speed time any time you have hearings, so if
9 you split it out, I estimate you'd have -- it
10 probably would take you three times as long to do
11 three dockets, or almost as long, maybe two and a
12 half times as long, as it would if you kept it all in
13 a single docket.

14 JUDGE WALLIS: What length of time would
15 you estimate that a combined hearing would require?

16 MR. HARLOW: I would -- I guess I'd defer
17 to others, but I think clearly the proposal from GTE
18 is probably too aggressive, even for the single issue
19 there, much less an entire docket. I think we'd
20 probably be looking at trying to put it well within
21 the usual ten-month time frame for contested cases.
22 I'd defer to others on their thoughts on that.

23 JUDGE WALLIS: Mr. Kopta.

24 MR. KOPTA: We had proposed a schedule
25 based on some of the earlier discussions that we had

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1 had prior to this prehearing conference that would
2 contemplate hearings in the late September, early
3 October time frame. And as far as the length of time
4 for the hearings, I would anticipate, given the
5 number and complexity of the issues, that we're
6 talking about at least two weeks' worth of hearings.

7 We took that into consideration in terms of
8 whether it makes sense to have all these issues in a
9 single proceeding or to break them up, and felt that
10 it doesn't outweigh the other concerns that we have,
11 and we would rather have what would seem to be longer
12 than normal hearings in order to make sure that we do
13 get a prompt resolution of all of the issues that
14 everyone cares about.

15 JUDGE WALLIS: Mr. Butler, I'd like to hear
16 your comments on this issue.

17 MR. BUTLER: We would agree with --

18 JUDGE WALLIS: Mr. Butler, I cannot hear
19 you. I'm sorry.

20 MR. BUTLER: We will agree with Mr. Kopta
21 and Mr. Harlow.

22 JUDGE WALLIS: Do you have any further
23 comments and do you have any estimate of time?

24 MR. BUTLER: No, I think Mr. Kopta stated
25 what I think is a minimal reasonable time to resolve

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1 this issue.

2 JUDGE WALLIS: Very well. Let's get others

3 --

4 MS. PROCTOR: Judge Wallis?

5 JUDGE WALLIS: Yes.

6 MS. PROCTOR: This is Susan Proctor.

7 JUDGE WALLIS: Ms. Proctor.

8 MS. PROCTOR: I just wanted to clarify that
9 we, too, had faxed in a letter last evening, and
10 after I got back from the office and talked to our
11 people who know something about this, they were also
12 intimating that issues were so intertwined that
13 separating them didn't make sense. I would note
14 that, during the arbitration, we addressed all of
15 these issues and somehow managed to do it in two
16 days. So there is hope that this can be done in one
17 docket, I think.

18 JUDGE WALLIS: Tell me, do you litigate the
19 HAI cost models in those proceedings?

20 MS. PROCTOR: Actually, we submitted that
21 at that time, but of course, as you know, in
22 Washington, the cost models got broken out. But you
23 know, we did the US West rate case in, I think, three
24 weeks, so it can be done.

25 JUDGE WALLIS: Commission Staff.

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1 MS. RENDAHL: Your Honor, this is Ann
2 Rendahl. And we have submitted a -- filed a letter
3 this morning, faxed it out to all parties, and I
4 believe Staff who are present may have circulated our
5 thoughts there this morning. Now, since I'm not
6 there with Staff, is a member of the Staff there or
7 if members of the Staff have other thoughts, I'd
8 defer to them to express them right now.

9 MR. SPINKS: Good morning. This is Tom
10 Spinks, on the Commission Staff. I think that we are
11 concerned a bit about the inefficiency of the two
12 proceedings, even though we've agreed that that's a
13 reasonable way to proceed. We don't think that it's
14 unreasonable to do it all in one proceeding, either.
15 But if we do do the two proceedings, we're thinking
16 about that, in the context that the second proceeding
17 does not -- is not unduly delayed or doesn't follow
18 very far behind the first proceeding, and that the
19 first proceeding contain both the OSS and the
20 unbundling.

21 JUDGE WALLIS: Very well. US West.

22 MS. ANDERL: Thank you, Your Honor. Not
23 surprisingly, we have a bit of a different view. We
24 believe that while the issues are certainly
25 interrelated, they are not so interrelated as to

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1 mandate consideration in a single docket.
2 Particularly, the OSS and collocation issues are
3 susceptible, in my mind, of being taken out into
4 separate dockets, either two dockets or one. It
5 makes sense to do that, because as I indicated in my
6 written correspondence, there's a lot less work to do
7 to get ready for hearings on those. We've already
8 filed testimony and cost studies, and that puts us,
9 in my view, several months ahead of the rest of the
10 possible schedule.

11 Certainly, there may be collocation
12 implications in connection with line sharing or line
13 sharing implications in connection with collocation,
14 but I don't think that they are so connected that it
15 mandates consideration of them together. I think you
16 could consider that there may be impacts. I haven't
17 heard any discussion of why OSS needs to be
18 considered in the larger docket.

19 As you know, this has been pending on the
20 OSS issues for many years now. We were permitted to
21 file interim compliance rates and ordered back in
22 October to file new studies on January 31st, 2000.
23 It does seem to me that that is something that we can
24 finish relatively more expeditiously than the other
25 issues.

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1 As far as the UNE and line sharing issues,
2 I agree that those ought to be in a docket, a single
3 docket. Our internal estimation is that it is at
4 least 90 to 120 days before we're ready with our cost
5 study on those issues, and so that puts us into June
6 or July before we would be able to make our direct
7 filing. And I don't want to, nor do I think it's
8 practical or necessary to hold up consideration of
9 other issues that are more ripe during that interim
10 period of time.

11 My view on what combined hearings would be,
12 if in fact we do go forward with combined hearings,
13 is that two weeks is optimistic. And that type of a
14 schedule is very difficult on all concerned, both in
15 terms of finding time on one's calendar and doing all
16 of the preparation necessary for all of the issues on
17 kind of a single, one-time basis, as opposed to a
18 more phased basis. I think that about covers it.

19 JUDGE WALLIS: Ms. McClellan.

20 MS. McCLELLAN: GTE finds itself in a
21 similar position as US West, in that the UNE remand
22 issues, we will not be able to file our direct case
23 until early August, at the very earliest, mid-July.
24 Our model that we intend to file, we needed 90 days
25 to complete, and the sub-loop portion of that model

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1 will not be finished until mid-June. So to the
2 extent that unbundling becomes an issue in that
3 docket, we cannot be ready before mid-July.

4 We see no reason to prolong collocation and
5 OSS to that longer schedule. We believe that since
6 the work on those models is already completed and we
7 believe that that can be addressed sooner, rather
8 than later. We are also concerned that to the extent
9 our collocation tariff becomes an issue in the
10 collocation cost docket, that the Commission would be
11 under the ten-month clock anyway, and we are
12 concerned it may not be able to meet with the longer
13 schedule, and therefore we see no reason not to hold
14 the collocation and OSS proceedings earlier,
15 consistent with the schedule that we proposed.

16 We originally had preferred three separate
17 dockets, because we were concerned that the --
18 including OSS with collocation could delay the
19 collocation decision anyway. However, we are willing
20 to combine those two into one docket, so long as that
21 docket -- the hearings can be completed by September.

22 MS. PROCTOR: Judge Wallis.

23 JUDGE WALLIS: Yes.

24 MS. PROCTOR: Susan Proctor. I was
25 curious, in the schedule proposed by both US West and

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1 GTE, I did not hear them addressing the requirements
2 that there be prices for line sharing by -- I think
3 it's June 9th. And that, of course, is a requirement
4 of the FCC. And I also cannot remember whether we
5 were supposed to have sub-loop unbundling in our
6 arbitration. I'm just not remembering that.

7 But it does seem to me that if US West and
8 GTE are going to be talking effectively next year
9 before resolution of sub-loop and other UNE remands
10 issues will be resolved, that we would have to look
11 at some sort of interim measures. And I think we've
12 sort of discussed at the conference the other day.
13 That was all I had.

14 JUDGE WALLIS: Thank you, Ms. Proctor. Mr.
15 Heath.

16 MR. HEATH: Thank you, Judge. I'm not in a
17 position to indicate which process my client prefers
18 in this matter, although with regard to the arguments
19 made for the -- to consider it all in a single
20 proceeding, the interrelationship of these matters
21 would seem -- it seems to be a logical -- it would
22 seem logical to me that it should be all one
23 proceeding.

24 Having said that, however, I don't have any
25 position on this at this time. Thank you.

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1 JUDGE WALLIS: Ms. Siegler.

2 MS. SIEGLER: We're in the same position as
3 Greg just explained, Greg Kopta, for all of his
4 clients.

5 JUDGE WALLIS: Thank you. What I'm going
6 to suggest is that we take the issue of the shape of
7 the docket to the Commissioners, consult with them
8 about their schedules and their ability to schedule
9 either separate or combined hearings, their views on
10 the interrelationships among the dockets, and
11 announce that decision in a prehearing conference
12 order.

13 In the meantime, what I would like to do is
14 proceed and look at optional time frames that the
15 parties think would be necessary under the various
16 suggestions that we've received, and the issues that
17 the parties believe would be included in the UNE
18 remand and line sharing portion of the docket.

19 MR. KOPTA: Your Honor, may I make a couple
20 of additional points on a prior issue before we move
21 to the issues you were just describing?

22 JUDGE WALLIS: Mr. Kopta.

23 MR. KOPTA: Thank you. I just wanted to
24 make a couple of responses to Ms. Anderl's comments,
25 as far as collocation and OSS. While it may be true

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1 that, for US West, there's less work to do on
2 collocation and OSS, that's not true for my clients.
3 We still need to consider whether we will be
4 submitting a model and additional testimony that
5 would be considered direct testimony, as opposed to
6 simply responding to US West's testimony.

7 And the same is true of OSS, whether we
8 want to submit testimony that would be considered
9 direct, in terms of estimating forward-looking costs
10 for OSS, as well as whether there are any additional
11 cost issues from a CLEC perspective, in terms of
12 offsets to which CLECs should be entitled based on
13 their OSS costs.

14 And secondly, with response to Ms. Anderl's
15 remark that there's no reason that OSS needs to be
16 considered with other issues because of the lack of
17 interrelationship, I would also respectfully
18 disagree.

19 The FCC's UNE remand order specifies
20 certain aspects of OSS that need to be available. To
21 the extent that those are not currently available, it
22 may be that that would have an impact on the costs
23 which US West and GTE would seek to recover. An
24 illustration of this is -- was just made earlier this
25 week in terms of making adjustments to reflect the

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1 distance of a loop and additional costs that would be
2 incurred.

3 The last thing I think we want to do is
4 complete an OSS portion only to find out at the end
5 of a later proceeding on other issues that it has OSS
6 impacts that need to be considered and we need to
7 revisit OSS costs to see if there are some additional
8 costs or maybe some cost savings that need to be
9 considered.

10 JUDGE WALLIS: Thank you, Mr. Kopta. Well,
11 let's go through the roster here and see if we have
12 additional comments. And I'm going to go back to US
13 West at the end of that discussion and GTE. In the
14 meantime, let's see if others have comments. Ms.
15 Rendahl.

16 MS. RENDAHL: Once again, I think --

17 JUDGE WALLIS: You needn't repeat anything
18 that you've said before, but if this discussion has
19 brought forth a new thought or idea, please state it.

20 MS. RENDAHL: Again, I'll defer to Staff,
21 if they have thoughts on this to express during the
22 prehearing.

23 JUDGE WALLIS: Mr. Spinks.

24 MR. SPINKS: Thank you. Just one
25 additional thought, which -- not directly relevant to

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1 Mr. Kopta's comments, but if there is a split
2 proceeding, we would certainly be interested in
3 having maybe joint hearings, if we could. In other
4 words, one hearing that would cover the testimony in
5 both proceedings might be something to consider to
6 help make the two be more efficient.

7 JUDGE WALLIS: Mr. Harlow.

8 MR. HARLOW: We concur in Mr. Kopta's
9 additional comments.

10 JUDGE WALLIS: Mr. Butler.

11 MR. BUTLER: As do we.

12 JUDGE WALLIS: Ms. Siegler.

13 MS. SIEGLER: Nothing further, Your Honor.

14 JUDGE WALLIS: Ms. Anderl.

15 MS. ANDERL: Thank you, Your Honor. With
16 regard to whether or to what extent parties should
17 need additional time to consider what, if anything,
18 they're going to file in connection with OSS or
19 collocation, I would just comment that I believe that
20 they should have, under the schedules previously set
21 forth, have been able to make that determination by
22 now.

23 It's been almost six months that they have
24 known that the January 31st filing was coming in.
25 And I don't believe that now is the time for those

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1 parties to begin thinking about what their responsive
2 strategy would be, and I think that they should not
3 need that much additional time to be ready to
4 respond.

5 Additionally, OSS cost recovery, and it is
6 no secret, is very important to US West, and has been
7 pending without being implemented for quite some
8 time. US West does have a compliance filing pending
9 with the Commission that might allow interim OSS cost
10 recovery if it is approved and becomes effective.
11 Under those circumstances, our concerns about the
12 cost recovery issues are really significantly
13 addressed, and to the extent that that issue is
14 resolved quickly, it may be that our view on the need
15 for an expeditious schedule on OSS is significantly
16 revised.

17 JUDGE WALLIS: Ms. McClellan.

18 MS. McCLELLAN: Again, we concur with US
19 West. And our only additional concern is that to the
20 extent that GTE's collocation tariff becomes an issue
21 in the collocation cost considerations, we do have
22 outstanding collocation issues with CLECs that we
23 need to resolve quickly.

24 And our worry is that if collocation is
25 included with all of the other issues, that we will

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1 delay a decision on those collocation issues for too
2 long, in our opinion.

3 JUDGE WALLIS: Very well. Does anyone have
4 anything further? All right. Now what I would like
5 to do --

6 DR. GABEL: Judge Wallis.

7 JUDGE WALLIS: Yes?

8 DR. GABEL: This is Dr. David Gabel.

9 JUDGE WALLIS: Dr. Gabel.

10 DR. GABEL: I just want to follow up on Ms.
11 McClellan's --

12 JUDGE WALLIS: Dr. Gabel, we're having
13 trouble hearing what you're saying.

14 DR. GABEL: I just want to ask Ms.
15 McClellan if she could clarify what outstanding
16 issues there are with regard to the collocation
17 tariffs, just so that I understand her statement
18 fully.

19 JUDGE WALLIS: Thank you. Ms. McClellan.

20 MS. McCLELLAN: GTE filed a collocation
21 tariff in December to address some of the
22 difficulties we've been having in negotiating
23 collocation terms and conditions with the CLECs. We
24 filed that tariff as an alternative or as an interim
25 method of what the collocation terms and conditions

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1 would be until those interconnection agreements are
2 finalized.

3 And it is our understanding, based in part
4 on Mr. Harlow's issues list, as well as by a comment
5 made by Mr. Kopta during last week's hearings, that
6 they would like that tariff to also be at issue in
7 this new collocation docket. And it is our belief
8 that we -- we would like to resolve those outstanding
9 issues as quickly as possible.

10 Also, to the extent that the Commission
11 suspends that tariff or if there's a complaint filed
12 relating to that tariff, it's my understanding the
13 Commission would have a ten-month clock of when they
14 need to address those issues, and we're not convinced
15 that one large proceeding dealing with all the UNE
16 remand issues, as well as collocation, could be
17 completed in that time frame.

18 DR. GABEL: Thank you.

19 JUDGE WALLIS: Anything further?

20 MR. HARLOW: Yes, Your Honor. We concur, I
21 guess, that we think the GTE tariff is appropriate to
22 bring in here. But again, the comments that are
23 being made by GTE, as well as US West, just point out
24 they have their issues that they want to expedite and
25 we have ours that we want to expedite. I suppose

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1 we'd probably be happy to split it into two dockets
2 if we flip the order of proceeding.

3 But I can't think of a better way to
4 motivate us all to get the docket done as quickly and
5 reasonably as possible as keeping it all together.
6 It keeps everybody's feet to the fire.

7 And the ten-month clock Ms. McClellan
8 alludes to I think is essentially what Greg has
9 proposed and what we would concur with. I think
10 there's, frankly, a good reason the Commission shoots
11 for ten months in contested proceedings. It tends to
12 work. We tend not to beat it by much in any docket,
13 even when we try to expedite it, and sometimes we
14 have to go over. I think that's what we ought to be
15 shooting for. I think the best way to get there is
16 to keep all the issues together. Everyone will be
17 equally motivated, then, to conclude it efficiently.

18 MS. McCLELLAN: I just had one comment to
19 follow up. The schedule that we had proposed for the
20 UNE remand issues, which is slightly different from
21 Mr. Kopta's, that is the earliest schedule that we
22 could meet based on when our cost model's going to be
23 ready. And there's just no way that we could
24 complete a docket to have hearings in September using
25 that cost model, which is pretty much GTE's case.

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1 Particularly, if sub-loop unbundling is going to be
2 an issue, we cannot shorten that schedule much beyond
3 the schedule that GTE has proposed.

4 MR. BUTLER: Excuse me, Your Honor, this is
5 Art Butler.

6 JUDGE WALLIS: Mr. Butler, we can barely
7 hear you.

8 MR. BUTLER: Hello? Can you hear me now?

9 JUDGE WALLIS: A little bit better, yes.

10 MR. BUTLER: Okay. I have to excuse
11 myself. I've got another commitment. So I'll have
12 another person from my office monitor the rest of the
13 call. With your permission, I'd like to excuse
14 myself.

15 JUDGE WALLIS: Very well.

16 MR. BUTLER: Thank you.

17 JUDGE WALLIS: All right. Let us now move
18 to the question of timing of a hearing or hearings,
19 and see what kind of time lines would be feasible
20 under the options that the parties are proposing.
21 Let's be off the record to engage in some discussion
22 about that.

23 (Discussion off the record.)

24 JUDGE WALLIS: Let's be back on the record,
25 please. We've engaged in some considerable

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1 discussions about scheduling, about the elements that
2 are contemplated to be issues in the UNE remand
3 aspect of the proceeding.

4 I'd like to identify a list of those
5 issues. They begin with line sharing. Although the
6 parties are going to consult as to whether, if the
7 schedule is split, whether line sharing may be
8 addressed in the first part, rather than the second.
9 Parties have agreed to get back with the Commission
10 before the end of next week with a statement as to
11 whether that would be feasible, recognizing that, as
12 Mr. Spinks pointed out, line sharing would involve a
13 proportion, rather than cost study-specific basis, so
14 that having determined the proportion, any cost study
15 could determine the prices for those proportions.

16 In the UNE remand aspect, we're looking at
17 the following elements: Loop conditioning, dark
18 fiber, UNE platform, inside wiring, at least in those
19 instances in which a local exchange company owns
20 wiring that goes from the NID inside the structure to
21 a specific customer, sub-loop unbundling, DS1 and
22 DS3, and EELs, that is, enhanced extended loops.

23 As to EELs, there are two questions. One
24 is whether, under federal law, US West will offer
25 switching and not enhanced extended loops. The

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1 second has to do with whether the Commission wishes
2 to make a decision under state law.

3 The final element that may be considered
4 has to do with flat-rate reciprocal compensation. We
5 are advised that none of the parties are anxious for
6 the Commission to proceed with a study producing
7 flat-rate reciprocal compensation rates, but are
8 willing to engage in the exercise if the Commission
9 desires to do so.

10 I have asked the parties to make statements
11 on the record as to their reasoning for the
12 Commission to consider in making that decision, and
13 would like to begin with Commission Staff, if Staff
14 has an opinion.

15 MS. RENDAHL: Your Honor, this is Ann
16 Rendahl.

17 JUDGE WALLIS: Ms. Rendahl.

18 MS. RENDAHL: Can you hear me?

19 JUDGE WALLIS: Barely, yes.

20 MS. RENDAHL: How about this?

21 JUDGE WALLIS: Much better.

22 MS. RENDAHL: Okay. Based on the outcome
23 of the workshop that was held, I believe in December
24 of 1999, it appears that while Staff believes there
25 is merit in a flat-rate capacity charge, that is so

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1 based on the Commission believing it to be not just
2 an optional to the parties' proposal, but something
3 that would be required.

4 And considering that the Commission has
5 made that essentially an optional charge and none of
6 the CLECs or ILECs believe it to be something that
7 they would use, Staff, at this point, believes if the
8 other parties believe there is no merit in going
9 forward, Staff will concur with them. If there are
10 any Staff members present who wish to clarify upon my
11 statement, I would welcome it.

12 JUDGE WALLIS: Mr. Spinks is indicating in
13 the negative. Does anyone else wish to make a
14 statement? Mr. Kopta.

15 MR. KOPTA: Thank you, Your Honor. We
16 would just agree with Ms. Rendahl as to what the
17 representation was and the outcome was in the
18 technical conference that we had.

19 There are multiple concerns of carriers,
20 not the least of which is a lack of any interest in
21 obtaining reciprocal compensation on a flat-rated
22 basis, but even that standing aside, there is some
23 question about whether it is even feasible to develop
24 a rate that would properly reflect all of the costs
25 that are involved in providing reciprocal

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1 compensation on a flat rated basis.

2 And assuming that that could be done, the
3 costs incurred by all parties to do what it would
4 take to develop a means of measuring those costs and
5 whether, in the final analysis, if no one wants it
6 and it would be very expensive, if possible, to even
7 develop a cost, whether that's the best use of
8 parties' and the Commission's limited resources. And
9 certainly, from my clients' point of view, the answer
10 is that it is not.

11 JUDGE WALLIS: Mr. Harlow, do you have a
12 view?

13 MR. HARLOW: No, I don't have any direction
14 from any of my clients on this issue, so no comment.

15 JUDGE WALLIS: Ms. Anderl.

16 MS. ANDERL: Thus far, Your Honor, there's
17 consensus on this issue. We, additionally, while we
18 were intrigued by the idea initially, found ourselves
19 with the same concerns the other parties have raised,
20 as well as concerns on implementing a pricing or rate
21 structure on a single-state basis, as this has not
22 been considered in any of our other jurisdictions.
23 Add that to the mix.

24 JUDGE WALLIS: Ms. McClellan.

25 MS. McCLELLAN: GTE has nothing further to

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1 add.

2 JUDGE WALLIS: Any of the other persons on
3 the bridge line? Mr. Heath.

4 MR. HEATH: I have nothing to add. Thank
5 you.

6 JUDGE WALLIS: Ms. Siegler.

7 MS. SIEGLER: No comment.

8 JUDGE WALLIS: Ms. Proctor.

9 MS. PROCTOR: Yes, we would share in the
10 comments of Mr. Kopta.

11 JUDGE WALLIS: Very well. The two
12 principal options that appear to exist for scheduling

13 --

14 MR. KOPTA: Before we get to that, Your
15 Honor, may I just note that we had also raised the
16 issue of cross-connects, and that seems to be a
17 neither fish nor fowl kind of issue, since
18 cross-connect is the connection between the loop and
19 the collocated equipment, so is it more appropriate
20 to look at it in terms of the loop or more
21 appropriate to look at it in terms of collocation.

22 I think the way that it's been presented to
23 date is to keep it with collocation, and we are
24 certainly fine with that approach, but just wanted to
25 clarify that that is another issue raised in the

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1 FCC's UNE remand order, and therefore want to make
2 sure that it is addressed in one or the other
3 contexts.

4 JUDGE WALLIS: Thank you very much. And
5 also, I believe you raised the issue of attached
6 electronics.

7 MR. KOPTA: That's correct, something the
8 FCC referred to. Essentially, if you have a loop or
9 other facility provided over fiberoptic cable, you
10 need optimal electronics on either end of that
11 fiberoptic cable to make the whole circuit work.

12 And the FCC included the consideration of
13 the costs for attached electronics, to the extent
14 that that is part of a loop that's being provisioned.
15 So it may be that that issue is subsumed within the
16 high-capacity loop issue; i.e., the DS1 or DS3, but
17 just wanted to point out that that is another aspect
18 of the FCC's UNE remand order that will have cost
19 implications.

20 JUDGE WALLIS: The final matter that you
21 raised, and I apologize for not catching these, but I
22 drew the line too darkly and my eye did not pass it,
23 was dark fiber, as to whether the term included both
24 interoffice and loop or only interoffice, and I
25 believe that the answer to that is that it includes

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1 both; is that correct?

2 MR. KOPTA: That's correct. In the FCC's
3 UNE remand order, they reference dark fiber both in
4 the context of interoffice transport and when used in
5 provisioning unbundled loops.

6 JUDGE WALLIS: Thank you very much. Is
7 there anything else relating to schedule -- or
8 relating to content? All right.

9 Based on the representations of the
10 parties, given the challenges that they face, it
11 appears that two principal options exist for
12 scheduling this matter. And I have advised the
13 parties that, in addition to their concerns, which I
14 will very briefly summarize, and which they're
15 welcome to expound upon when I complete doing that,
16 the Commission does have its own resource and
17 calendar concerns which may affect its ability to
18 schedule the matter so that a decision will be made
19 by the Commission in a relatively short time.

20 The two options appear to be, number one,
21 to split the hearing into two phases or, number two,
22 to run it as a single hearing.

23 The parties have indicated that some of
24 them are prepared to proceed on the OSS and
25 collocation issues and perhaps, as I indicated

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1 earlier, on line sharing issues, before they would be
2 ready to proceed on the other issues.

3 GTE would be ready in April, which is
4 acceptable to US West. Mr. Kopta and Mr. Harlow
5 contend that their clients would require until early
6 June to prepare the necessary direct testimony to
7 begin in that time frame.

8 It does appear that, encouraging the
9 parties to stretch a bit, it could be feasible to
10 begin in latter May or early June, and then proceed
11 with, from that point, that is, the filing of direct
12 testimony and any cost studies in that time frame;
13 approximately 60 days later, the filing of responding
14 testimony; 30 days following that, the filing of
15 rebuttal testimony; and hearings some two weeks after
16 the filing of rebuttal testimony, and estimating two
17 weeks as a potential time requirement for the actual
18 hearings. That would put the hearings into the time
19 frame generally of July.

20 The second phase would be the all other
21 phase. And it appears, from listening to the
22 parties, that a single hearing containing all
23 elements could well proceed upon the same general
24 time frame.

25 GTE has asked that that not begin until

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1 approximately August 4th, but has indicated in
2 discussions that it could have its material ready for
3 filing in July. If that's the case, then the filing
4 would proceed with the cost studies and supporting
5 testimony during July, and our preference would be
6 that that be no later than mid-July. Responding
7 testimony in September, approximately 60 days later,
8 rebuttal testimony about 30 days after that, and the
9 hearing to begin some two to three weeks following
10 the submission of rebuttal testimony, generally in
11 the November or early December time frame.

12 Then, of course, time would be required,
13 under either option, for briefing and preparation of
14 an order.

15 Is there anything that any of the parties
16 wish to say at this point, either in correction of
17 what I have outlined or in supplementation?

18 MR. KOPTA: There is simply one --

19 JUDGE WALLIS: Mr. Kopta.

20 MR. KOPTA: Thank you. A supplement that I
21 would add, which is when you referenced in connection
22 with a two-phased or two-docket alternative, hearings
23 in July, that would be under the schedule that GTE
24 and US West have proposed, with initial filings in
25 April, whereas if there were to be an initial phase

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1 that begins in mid-May to early June, as my clients
2 and Mr. Harlow's clients would advocate in terms of
3 being able to prepare the necessary testimony, then
4 we would be looking at hearings sometime in
5 September.

6 JUDGE WALLIS: Yes, I misspoke. Thank you.

7 MS. ANDERL: Your Honor, if this is an
8 opportunity to just give a brief and very general
9 comment about the two proposed schedules, I would
10 like to say that we believe very strongly that the
11 split schedule is the way to go, and that belief is
12 highly dependent on the current status quo, which is
13 that we do not have interim OSS cost recovery. If
14 that status quo were to change, we would be more
15 amenable to a single schedule, which is somewhat more
16 delayed.

17 MS. McCLELLAN: GTE also strongly prefers
18 the split schedule, based on the status quo that we
19 do not currently have OSS cost recovery. We also do
20 have certain terms and conditions, issues dealing
21 with collocation, but to the extent our collocation
22 tariff becomes an issue in this cost proceeding, we
23 would like to have resolved as quickly as possible,
24 and we see no reason to delay that resolution until
25 the end of a protracted proceeding.

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1 And we also would prefer a filing date for
2 the UNE remand issues of late July to accommodate the
3 -- or late July or early August to accommodate the
4 constraints on GTE's costing group.

5 JUDGE WALLIS: If I recall correctly, the
6 parties estimated that the second phase of a split
7 hearing could take as much as two weeks in hearing,
8 and a combined hearing could take three weeks. Is
9 that -- is my recollection accurate?

10 MS. ANDERL: I don't recall actually
11 discussing it in that way. That doesn't seem
12 unreasonable, although I'm not sure that the UNE
13 remand by itself would take a full two weeks.

14 MR. HARLOW: Yeah, I think that's basically
15 how I'd put it.

16 MR. KOPTA: Yeah, we would agree with that,
17 and obviously we've stated our position earlier in
18 terms of which option we prefer, so I won't repeat
19 it, but --

20 JUDGE WALLIS: Your preference is for a
21 single hearing; is that correct?

22 MR. KOPTA: That's correct, along the lines
23 that we had discussed earlier, as far as everyone has
24 their own interests that they want to see pursued
25 more quickly than the other parties' interests, and

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1 this is the best way to make sure that everyone is in
2 the same boat.

3 JUDGE WALLIS: Is there anyone who would
4 like to make an additional comment?

5 MS. PROCTOR: Judge Wallis.

6 JUDGE WALLIS: Yes

7 MS. PROCTOR: This is Susan Proctor, for
8 AT&T. Although you were talking in terms of Mr.
9 Kopta's and Mr. Harlow's clients, and for this
10 purpose, Mr. Kopta is not representing AT&T, we would
11 concur in their position that they have expressed on
12 the record.

13 JUDGE WALLIS: Thank you. The final matter
14 that I would like to inquire into is occasioned by
15 Ms. Anderl's and Ms. McClellan's reference to status
16 quo and change in views that the existence of interim
17 rates would make for their clients' proposals.

18 It's my understanding that the filings that
19 the companies made in response to the Commission's
20 order in 960369 contain a provision for interim
21 rates; is that correct? I believe GTE stated that.

22 MS. McCLELLAN: Yes, the pricing matrix
23 that we filed with that compliance filing does
24 include recovery of OSS costs through its
25 nonrecurring charges.

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1 JUDGE WALLIS: And what's the status with
2 US West?

3 MS. ANDERL: Us West, on November 15th,
4 1999, filed a compliance filing which included
5 interim rates for OSS cost recovery, which is pending
6 Commission approval.

7 JUDGE WALLIS: And let me inquire whether
8 the parties will be able to or intend to engage in
9 negotiations either as to those rates or any other
10 rates pending the resolution of the issues in this
11 docket, and whether that would affect views on
12 scheduling?

13 MS. ANDERL: I don't know how appropriate
14 it would be for the parties to engage in negotiations
15 on rates filed in a compliance filing that is kind of
16 pending approval. Maybe there would be nothing wrong
17 with that. We were hopeful to find out whether or
18 not the Commission believed our filing to be in
19 compliance with its order, and that would, I think,
20 give everyone a lot better direction.

21 As to other rates and whether parties can
22 attempt to negotiate certain rates on an interim
23 basis, I don't think that there's anything other than
24 time constraints preventing us from trying to do
25 that.

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1 MR. HARLOW: Well, I know we're always open
2 to attempting to resolve things through negotiations,
3 and that's about as far as I can go at this stage.

4 MR. KOPTA: That would be our position, as
5 well.

6 JUDGE WALLIS: Very well.

7 MS. RENDAHL: Your Honor, this is Ann
8 Rendahl, I haven't discussed this option with Staff
9 --

10 JUDGE WALLIS: Ms. Rendahl, you're hard to
11 hear.

12 MS. RENDAHL: I haven't discussed this
13 option with Staff, but I would concur with Mr. Harlow
14 and Mr. Kopta's comments. And I need to talk to
15 Staff before I could --

16 JUDGE WALLIS: Very well.

17 MS. RENDAHL: -- respond.

18 JUDGE WALLIS: If the parties perceive the
19 possibility of any kind of a breakthrough that would
20 lead to a greater degree of agreement on scheduling,
21 I would ask that the parties advise the Commission of
22 that as soon as that information becomes available.
23 Is there anything else to come before the Commission
24 at this time? Ms. McClellan.

25 MS. McCLELLAN: Yes, sir. We were going to

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1 address whether the protective order that was
2 currently in place for UT-960369 would carry forward
3 into this new docket or whether we would need a new
4 protective order.

5 JUDGE WALLIS: Thank you. And discovery
6 issues, as well. Do parties request the invocation
7 of the discovery rule?

8 MS. ANDERL: Yes.

9 MR. HARLOW: Yes.

10 MR. KOPTA: Yes.

11 MS. McCLELLAN: Yes.

12 JUDGE WALLIS: Very well. An order will be
13 entered to that effect. As to a protective order, do
14 the parties agree that a protective order is
15 necessary?

16 MS. ANDERL: Yes.

17 MS. PROCTOR: Yes.

18 MR. HARLOW: Yes.

19 MR. KOPTA: Yes.

20 MS. McCLELLAN: Yes.

21 JUDGE WALLIS: The model of a protective
22 order has changed somewhat since the order was
23 entered in this docket, and it would make sense, from
24 I believe the Commission's standpoint, to enter a new
25 protective order. What procedural mechanism can we

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1 use to simplify the compliance with such an order by
2 incorporating prior agreements to be bound?

3 MS. ANDERL: Your Honor, I have a -- there
4 are a couple of issues with regard to a new
5 protective order. One, I think it's probably not a
6 bad idea to just have a new one with a new docket
7 number and have anybody who wants to play in this
8 part of the docket sign it, so that we have a clean
9 record of who's accessing what confidential
10 information.

11 In conversations with Ms. Hopfenbeck
12 earlier this week, though, she expressed a concern
13 that we ought to be able to use confidential
14 information from 960369 in this proceeding, and I
15 believe that this protective order in that old docket
16 would prohibit that, and I think there ought to be
17 some sort of a modification or amendment to that old
18 protective order which would allow the parties to
19 carry forward any confidential information from that
20 proceeding into this docket, if that were necessary.
21 That's all.

22 JUDGE WALLIS: What are the parties' views?

23 MR. HARLOW: For once, I find myself
24 agreeing with Lisa.

25 MR. KOPTA: As do we.

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1 MS. McCLELLAN: As do GTE.

2 MS. RENDAHL: Staff is in agreement, as
3 well.

4 JUDGE WALLIS: Is there any disagreement?
5 Very well. We'll do what we can to implement the
6 parties' agreement. Is there anything else that we
7 need to do before we complete this conference? It
8 appears that there's not. Thank you all very much.
9 Let's be off the record.

10 (Proceedings adjourned at 1:29 p.m.)

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