1 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION 2 COMMISSION 3 WASHINGTON UTILITIES AND) 4 TRANSPORTATION COMMISSION,) 5 Complainant,) б vs.) Hearing No. UT-920474 7 U. S. WEST COMMUNICATIONS,) Volume IV 8 Respondent.) Page Nos. 217 - 367 9 -----) 10 11 A hearing in the above matter was held on February 5, 1993, at 9:30 a.m., at 1300 South Evergreen 12 Park Drive S.W., Olympia, Washington, before 13 Administrative Law Judge CHRISTINE CLISHE. 14 15 The parties were present as follows: 16 MOLLY HASTINGS, Attorney at Law, whose address is 1600 Seventh Avenue, Suite 3206, Seattle, Washington 98191, telephone number 206-343-4050, on 17 behalf of U.S. WEST COMMUNICATIONS. 18 SALLY G. BROWN, Assistant Attorney General, whose address is 1400 South Evergreen Park Drive S.W., 19 Olympia, Washington 98504, telephone number 206-664-9598, on behalf of the WASHINGTON UTILITIES and 20 TRANSPORTATION COMMISSION STAFF. 21 WILLIAM GARLING, Assistant Attorney General, 22 whose address is 900 Fourth Avenue, Suite 2000, Seattle, Washington, 98164, telephone number 206-464-6308, on behalf of the PUBLIC. 23 24 Donna Davis, CSR CM 25 Court Reporter

ROBERT J. CURRAN, Attorney at Law, of the Law Firm of Ryan, Swanson and Cleveland, whose address is 1201 Third Avenue, Suite 3400, Seattle, Washington 98101, telephone number 206-654-2232, on behalf of Intervenor, VISCOUNT INDUSTRIES, LTD. JEFF KOONTZ, Attorney at Law, whose address is 13555 S.E. 36th Street, Suite 280, Bellevue, Washington 98006, telephone number 206-946-2099, on behalf of Intervenor, ADVANCED TELECOM MANAGEMENT. KAY POPE, whose address is 400 Fifteenth Street S.W., Auburn, Washington 98001, telephone number 206-931-7509, on behalf of Intervenor, GENERAL SERVICE ADMINISTRATION.

1	I N D E X					
2	WITNESS:	DIRECT	CROSS	REDIRECT	RECROSS	EXAM
3	THOMAS L.	SPINKS				
4		225	241			
5	MARY M. T	AYLOR				
6		227	320			
7	EDWARD R. TRUMBALL					
8		299				
9	ROSS WOODS					
10		302				
11	OWEN BARC	LAY				
12		333	335	355	360	
13	EMMETT R.	MOORE				
14		336	338	339	344	
15	ERIK ISAKSON					
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19						
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22						
23						

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1	PROCEEDINGS
2	JUDGE CLISHE: The hearing will come to
3	order. The Utilities and Transportation Commission has
4	set for hearing Docket No. UT-920474, the Commission's
5	complaint against U. S. West Communications.
б	The hearing is taking place on February 5,
7	1993, at Olympia before Administrative Law Judge
8	Christine Clishe at the Office of Administrative
9	Hearings.
10	The hearing today is to take testimony from
11	the witnesses from the Commission Staff and
12	Intervenors.
13	I would like to take appearances beginning
14	with U. S. West, please.
15	MS. HASTINGS: My name is Molly Hastings.
16	My address is 1600 Seventh Avenue, Room 3206, Seattle,
17	Washington 98191. Along with Ed Shaw, I represent
18	U. S. West Communications, Inc.
19	JUDGE CLISHE: We have a post office box for
20	you. Is that where you receive your mail?
21	MS. HASTINGS: It could go to the address I
22	gave the court reporter.
23	JUDGE CLISHE: Thank you.
24	MS. HASTINGS: You bet.

JUDGE CLISHE: And for Commission Staff? 25 222 1 MS. BROWN: Sally G. Brown, Assistant 2 Attorney General, 1400 South Evergreen Park Drive 3 Southwest, Olympia, Washington 98504. 4 JUDGE CLISHE: Thank you. 5 Public counsel? 6 MR. GARLING: William Garling, Jr., 7 Assistant Attorney General, representing public counsel. Our address is 900 Fourth Avenue, Suite 2000, 8 9 Seattle, Washington 98164. 10 JUDGE CLISHE: Thank you. And for Intervenors? 11 12 MR. KOONTZ: Jeff Koontz representing Advanced Telecom Management, general counsel, 13555 13 Southeast 36th Street, Suite 280, Bellevue, Washington 14 15 98006. MR. CURRAN: Robert G. Curran, 1201 Third 16 17 Avenue, Seattle Washington 98101, Ryan, Swanson and 18 Cleveland representing Viscount Industries, Ltd. JUDGE CLISHE: Is there anyone else who 19 20 needs to enter an appearance this morning? 21 Hearing no response, let me inquire if 22 anyone knows anything about Mr. Butler, who is 23 representing intervenor Tracer? Is Tracer not planning 24 to appear? Do you know?

MS. HASTINGS: Tracer is not planning to appear and Mr. Butler has authorized me to tell you 1 2 that he has approved the stipulation agreement and has 3 authorized us to sign on his behalf. 4 JUDGE CLISHE: Thank you, Miss Hastings. 5 This morning we're a little late because of б having to move from one hearing room to another. I 7 think now we're at the point of proceeding. 8 I understand and I did receive from Ms. 9 Brown yesterday afternoon a stipulated settlement. Do 10 you want to tell me about what this is? Or do you want 11 to have Miss Hastings do that, Miss Brown? 12 MS. BROWN: What I propose is to have the 13 testimony of Mr. Tom Spinks and Miss Mary Taylor marked for identification, and before we discuss the contents 14 of the proposed stipulation and settlement agreement I 15 16 would like to have their testimony admitted into 17 evidence. JUDGE CLISHE: All right. Do you have 18 copies of that? I have my copies, but I don't think 19 20 the official record needs to have my underlining and so 21 forth. 22 MS. BROWN: I do not have extra copies. 23 JUDGE CLISHE: I can use this to put in

here. If you want to give me a clean copy to take to

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25

25 the record center after we have had it included as an 224 exhibit, too. I didn't realize you didn't have extra 1 2 copies. I will mark for identification as Exhibit 7 3 4 what is specified as TLS-1, the testimony of Thomas L. 5 Spinks. б (Marked Exhibit T-7.) 7 JUDGE CLISHE: Did you want me to mark Miss Taylor's now, as well? 8 9 MS. BROWN: This is an exhibit, too. 10 JUDGE CLISHE: And I'll mark for identification as Exhibit 8 what is identified as 11 12 TLS-2, the Exhibit of Thomas L. Spinks. 13 (Marked Exhibit 8.) MR. GARLING: Pardon me, is the exhibit of 14 Tom Spinks, is that Exhibit 7 or T-7? 15 16 JUDGE CLISHE: You're right. T-7. Thank 17 you. We have got T-7 and Exhibit 8. 18 19 Did you want me to mark Miss Taylor's also? JUDGE CLISHE: All right. I'll mark for 20 21 identification as Exhibit T-9 the testimony of Mary M. Taylor, and it's indicated MMT Testimony. And I'll 22 23 mark for identification as Exhibit 10 what is 24 identified as MMT-2, the Exhibit of Mary M. Taylor.

25 (Marked Exhibits T-9 and 10.) 225 1 JUDGE CLISHE: Are we ready? 2 THOMAS L. SPINKS, 3 4 witness herein, being first duly 5 sworn, was examined and testified as follows: б 7 8 JUDGE CLISHE: Miss Brown, your witness is 9 sworn. 10 MS. BROWN: Thank you. 11 12 DIRECT EXAMINATION BY MS. BROWN: 13 Would you state your full name for the 14 Q. 15 record, spelling the last? 16 Thomas L. Spinks, S-p-i-n-k-s. Α. What's your business address? 17 ο. My business address is 1300 South Evergreen 18 Α. 19 Park Drive Southwest, Olympia, Washington 98504. 20 Q. What is your occupation and by whom are you 21 employed? 22 I'm employed by the Washington Utilities and Α. 23 Transportation Commission as a utility rate research 24 specialist.

25	Q. In preparation for your testimony here
	(SPINKS - DIRECT BY BROWN) 226
1	today, did you pre-file testimony and exhibits?
2	A. Yes, I did.
3	Q. Was that testimony prepared by you?
4	A. Yes, it was.
5	Q. Do you have your testimony before you?
6	A. Yes, I do.
7	Q. If I were to ask you the same questions that
8	are asked in this prefiled testimony, would your
9	answers be the same today as they were then?
10	A. Yes, they would.
11	MS. BROWN: Staff moves for admission of
12	Exhibits T-7 and 8.
13	JUDGE CLISHE: Is there any objection to
14	Exhibits T-7 and 8 being included in the hearing
15	record?
16	Hearing no objection, I'll admit Exhibits
17	T-7 and 8 into evidence in the hearing record.
18	(Received Exhibits T-7 and 8.)
19	MS. BROWN: The Staff now calls Miss Mary
20	Taylor.
21	
22	
23	
24	

25		MARY M. TAYLOR,	
	(SPINKS	- DIRECT BY BROWN)	227
1		witness herein, being first duly	
2		sworn, was examined and testified	
3		as follows:	
4			
5		DIRECT EXAMINATION	
6	BY MS. BRC	ми:	
7	Q.	Would you state your full name for the	
8	record, sp	elling the last?	
9	Α.	Mary M. Taylor, T-a-y-l-o-r.	
10	Q.	What's your business address?	
11	Α.	1300 South Evergreen Park Drive Southwest,	
12	Olympia, W	ashington 98504.	
13	Q.	What is your occupation and by whom are yo	u
14	employed?		
15	Α.	I'm employed by the Washington Utilities a	nd
16	Transporta	tion Commission as a utilities service	
17	examiner 3		
18	Q.	In preparation for your testimony here	
19	today, did	you pre-file direct testimony and exhibits	?
20	Α.	Yes.	
21	Q.	Was that testimony prepared by you?	
22	Α.	Yes.	
23	Q.	Do you have your testimony before you?	
24	Α.	Yes.	

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25
          Q. If I were to ask you the same questions that
       (TAYLOR - DIRECT BY BROWN)
                                                            228
 1
     are asked in that prefiled testimony, would your
 2
     answers be the same today as then?
 3
         Α.
                Yes.
                MS. BROWN: Staff moves for admission of T-9
 4
     and 10, please.
 5
 б
                JUDGE CLISHE: Are there any objections to
 7
     Exhibits T-9 and 10 being included in the hearing
 8
    record?
 9
                Hearing no objection I'll admit Exhibits T-9
10
     and 10 into the hearing record.
11
                (Received Exhibits T-9 and 10.)
12
                MS. BROWN: Staff calls Mr. Tom Spinks.
                JUDGE CLISHE: Mr. Spinks, you're still
13
    under oath from about three minutes ago.
14
15
                All right, go ahead, Miss Brown.
16
                        THOMAS L. SPINKS,
17
             witness herein, having been previously
18
             duly sworn, was examined and testified
19
                           as follows:
20
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24
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	(SPINKS - DIRECT BY BROWN) 22	9
1	DIRECT EXAMINATION	
2	(resumed)	
3	BY MS. BROWN:	
4	Q. Mr. Spinks, has the company and the Staff	
5	and some of the intervenors reached a settlement	
б	agreement in this docket?	
7	A. Yes, we have.	
8	Q. Can you summarize how the concerns raised in	
9	your prefiled direct testimony are resolved by the	
10	settlement agreement?	
11	A. Yes, I can. On Pages 1 and 2 of my	
12	testimony, I identify concerns regarding the Company's	
13	interpretation of FCC Part 68 revisions for	
14	establishing telecommunications company point of	
15	network termination for multi-tenant buildings, and I	
16	raised concerns with the cost responsibilities for	
17	facilities on customers' property and concerns with the	
18	treatment of existing regulated investment beyond the	
19	point of network termination.	
20	MR. CURRAN: Your Honor, for the record	
21	could we indicate Mr. Spinks is reading from prepared	
22	remarks in answering this?	
23	MS. BROWN: That's fine if you want the	
24	record to so reflect.	

25 JUDGE CLISHE: I didn't even notice that, (SPINKS - DIRECT BY BROWN) 230 1 Mr. Curran. But, yes, it appears that he is. 2 Go ahead. 3 THE WITNESS: Thank you. 4 As a result of these concerns, Staff 5 recommended first that the occupations posted by the б company for multi-tenant buildings built after August 7 13, 1990, be extended to all multi-tenant buildings. 8 Exhibit A to the settlement agreement contains this 9 provision. Second, Staff recommended that the Company 10 offer an optional wire inside diagnostic plan. Exhibit 11 12 B contains provisions designed to negate the need for a 13 diagnostic plan. These provisions will be explained by 14 Staff witness Mary Taylor. Third, Staff recommended that beyond the 15 16 demarcation point be amortized over an appropriate time 17 period. The settlement agreement sets forth 18 amortization provisions. 19 Fourth, we recommended that the Company 20 refrain from using claims of ownership as a basis for 21 restricting the removal, replacement, rearrangement, or 22 maintenance of any cable on the customer's side of the 23 demarcation point. Exhibit A to the settlement 24 agreement contains that provision.

25 Fifth, Staff recommended that the Company (SPINKS - DIRECT BY BROWN) 231 make available whatever records of building wire that 1 2 exist at a cost of \$5 per sheet. Exhibit A contains 3 such provision. 4 Finally, Staff recommended that the tariff 5 revisions not become effective before July 1, 1993, in б order to notify all customers of the impending changes. 7 The proposed effective date for the revised tariff 8 shown in Exhibit A is July 1, 1993. 9 In summary, Staff believes that all of the 10 major concerns raised by Staff in testimony are addressed by the proposed settlement and, therefore, 11 12 Staff recommends that the Commission adopt the 13 agreement. BY MS. BROWN: 14 Were any of your recommendations not 15 Q. 16 included in the proposed settlement agreement? 17 Α. Yes. The one recommendation regarding the 18 Company's assuming cost responsibility for facilities 19 on customer property up to the demarcation point is not 20 a part of the settlement agreement. 21 In discussing this recommendation with the 22 Company, information was provided to Staff that shows 23 that it is impractical to require the Company to be 24 responsible for those facilities because in many cases

25 the facility in question is a shared facility which (SPINKS - DIRECT BY BROWN) 232 includes gas, electric, and steam plant. 1 2 In addition, the Company has historically required customers to be responsible for these 3 4 facilities in the existing tariffs in this state as 5 well as other states. 6 For these reasons I believe the 7 recommendation should not be included in the 8 settlement. 9 Can you explain the details of the proposed Q. 10 amortization? 11 Α. Yes. The proposal is to amortize all 12 existing investment in the integral and cable plant accounts. The reason for proposing that all investment 13 be amortized is because of the difficulty and costs 14 15 involved in trying to identify investment in individual 16 buildings. 17 This investment is contained in FCC plant 18 account 2426. The amount of net investment in this account as of December 31, 1992, is approximately \$22 19 20 million. 21 The seven-year amortization period would 22 result in an amortization expense of approximately \$3.2 23 million. And the current annual depreciation expense 24 for this plant is \$2.5 million.

25 Therefore, the amortization will result in a (SPINKS - DIRECT BY BROWN) 233 net annual increase in expense of \$700,000, which would 1 2 have no appreciable effect on the Company's earnings. 3 Can you explain how the demarcation point Ο. 4 will be determined in single tenant buildings? 5 Α. Yes. The proposal would establish the б demarcation point at a minimum point of entry for all 7 single tenant buildings. Any work performed by the 8 company on the customer's side of that point would be 9 on a deregulated time and materials basis. 10 ο. How would multi-tenant buildings be treated? The multi-tenant owners will be able to 11 Α. 12 choose a point at a minimum point on the property or 13 within the building and can choose to have the company 14 terminate regulated facilities on each floor of the building or at each occupant's premise. The building 15 16 owner side of the point is on a deregulated basis. 17 ο. In your opinion, are the provisions of the 18 settlement agreement consistent with FCC decisions 19 regarding demarcation point? 20 Α. Yes, they are. 21 MS. BROWN: Your Honor, at this time I would 22 like to offer the proposed stipulation and settlement 23 agreement into the record. 24 JUDGE CLISHE: All right. I'll mark for

25 identification as Exhibit 11 a multi-page copy, the (SPINKS - DIRECT BY BROWN) 234 first page indicates Stipulated Settlement, and I 1 2 believe attached to that as Exhibit A there is it 3 appears some revised tariff sheets. 4 (Marked Exhibit 11.) 5 JUDGE CLISHE: Let's go off the record and б get these exhibits straightened out. 7 (Discussion held off the record.) JUDGE CLISHE: Let's be back on the record 8 9 after a short time to determine how to handle these 10 exhibits and also for Mr. Curran to look at what has been changed in the stipulated settlement. 11 12 I think as I was indicating I was marking 13 for identification as Exhibit 11 a copy of the stipulated settlement. And attached to that is Exhibit 14 15 Α. 16 And it appears that the Company, the Commission Staff counsel, public counsel, Tracer --17 18 Miss Hastings signed that for Tracer on approval by Mr. Butler and Mr. Koontz as counsel for ATM. 19 20 You indicated that there were some changes 21 on this. Do you want to go over those, Ms. Brown, and 22 indicate if you are in agreement with I think the 23 handwritten changes in this document? MR. CURRAN: Your Honor, maybe I could make 24

25 it clear for the record that Viscount is not a party to (SPINKS - DIRECT BY BROWN) 235 1 the stipulated settlement. JUDGE CLISHE: Yes, I understand that. 2 3 It looks like the first handwritten change 4 is on original sheet D-9.1 of Exhibit A, which is part 5 of Exhibit 11. And this is in handwriting. Are you --6 MS. BROWN: I'm confused, your Honor. I 7 have the first changes being on original sheet 9(a)-1. 8 MS. HASTINGS: There is a change in the 9 definition, Sally. 10 JUDGE CLISHE: Am I right that the first one I see is 9.1? 11 12 MS. HASTINGS: Yes. MS. BROWN: Yes. 13 JUDGE CLISHE: And this handwritten change 14 reads: "For the purposes of the intra premise network 15 16 cable and wire tariff, Schedule 9(a), premises may also 17 include space occupied by a customer or authorized 18 user, whether residential or commercial, in multiple 19 buildings." 20 Apparently you know about this change, and 21 you approve of that. Is that right, Miss Brown? 22 MS. BROWN: That's right. 23 JUDGE CLISHE: And, Mr. Garling? 24 MR. GARLING: Yes.

JUDGE CLISHE: And Mr. Koontz? 25 (SPINKS - DIRECT BY BROWN) 236 1 MR. KOONTZ: Yes. 2 JUDGE CLISHE: And Miss Hastings? 3 MS. HASTINGS: Yes. 4 JUDGE CLISHE: I understand, Mr. Curran, 5 that you are not in accord with this. б MR. CURRAN: With the settlement generally, 7 yes. 8 JUDGE CLISHE: Right. 9 Then I see on original sheet 9(a)-1 as part 10 of Exhibit 11 another handwritten change, which says: 11 "Where intra premise network cable and wire currently 12 exist." 13 I'm not sure if that's the first part of the first sentence or if it's something else. Can you 14 15 explain, Miss Hastings? 16 MS. HASTINGS: Yes, your Honor. It's the 17 introductory sentence to that. Condition 2(a) will read: "Where intra premise network cable and wire 18 currently exist, building owners can relocate 19 20 demarcation point," et cetera. 21 JUDGE CLISHE: It's my understanding, Miss 22 Brown, that you accept this handwritten portion as Miss 23 Hastings read; is that correct? 24 MS. BROWN: That's correct.

25 JUDGE CLISHE: Mr. Garling? (SPINKS - DIRECT BY BROWN) 237 1 MR. GARLING: Yes. 2 JUDGE CLISHE: Mr. Koontz? 3 MR. KOONTZ: Yes. JUDGE CLISHE: Miss Hastings? 4 5 MS. HASTINGS: Yes. б JUDGE CLISHE: I understand, Mr. Curran, you 7 do not agree with the settlement generally. 8 MS. HASTINGS: And the GSA? 9 JUDGE CLISHE: Are they here today? 10 I guess I didn't have you come up to the table. I guess you didn't enter an appearance when I 11 12 asked for appearances. I wasn't aware you were here. 13 I think we probably need to back up then quite a ways and have you enter an appearance. Let's 14 15 go off the record so we can have GSA fill out an appearance form, and then we'll have to go back over 16 17 what we have done so that I'm sure that you are in 18 accord with this. Also, who is representing you today? 19 20 (Discussion held off the record.) 21 (Recess.) JUDGE CLISHE: Let's be back on the record 22 23 for some time to get these exhibits sorted out and also 24 to get an appearance from the representative of U.S.

25 General Services Administration.

(SPINKS - DIRECT BY BROWN) 238 1 I think at this time perhaps, Miss Pope, it 2 would be appropriate for you to enter an appearance 3 since you had not done that earlier. 4 Would you like to state your name and 5 business address for the record, please. б MS. POPE: My name is Kay Pope, P-o-p-e. My 7 address is 400 Fifteenth Street Southwest, Auburn, 8 Washington 98001. 9 JUDGE CLISHE: And it's my understanding 10 you're the telecommunications manager; is that correct? MS. POPE: That's correct. 11 12 JUDGE CLISHE: Mr. Moen had advised that he was the regional counsel for GSA. Would you like to 13 14 indicate what then he has authorized you to do in this 15 proceeding? 16 It's my understanding Mr. Moen is not here 17 and that he authorized you to appear for apparently a 18 limited purpose. Would you like to explain what that 19 was? 20 MS. POPE: That's correct. Our purpose here 21 is to monitor the proceedings, note any changes to the 22 proposed stipulation, and advise counsel in terms of 23 our position telecommunications wise. 24 We have reached agreement. He saw the

25 proposed stipulation yesterday. He agreed to it. We (SPINKS - DIRECT BY BROWN) 239 will give him a new copy including the penciled-in 1 2 changes, and seek his signature, which he has assured 3 us he will give. 4 JUDGE CLISHE: It's my understanding that 5 Mr. Moen will forward the signature page either to me 6 or to the Company or Commission Staff counsel? 7 MS. POPE: Both if you desire. 8 JUDGE CLISHE: Probably both would be 9 helpful. 10 Now, I'm sorry that I was not aware that GSA was represented here. But I think you have been here 11 12 since we started. And I apologize for not noting that 13 or checking out who all these people were in the back of the room. 14 15 Did you have any questions of any of the 16 witnesses today? Do you expect to? 17 MS. POPE: No, we do not. JUDGE CLISHE: All right. And I would 18 19 assume that Mr. Moen was sent copies of what we have 20 marked as exhibits; is that correct? 21 Now, we're back to Mr. Spinks, I believe. 22 All right. Or was I still --23 I'm back to reading the third handwritten 24 change. This is on original sheet 9(a)-2, which is

25 part of Exhibit 11. And that reads after the first (SPINKS - DIRECT BY BROWN) 240 paragraph: "Subsequent building owners may" -- I'm not 1 2 sure -- I see, okay. 3 The end of the first paragraph it appears to 4 "Subsequent building owners may relocate the be: 5 demarcation point pursuant to Conditions 2(a) and 6 2(c)." 7 And then I believe this other phrase that's 8 written in there is the first part of the first 9 sentence in the second paragraph; is that right? 10 MS. HASTINGS: That is correct. JUDGE CLISHE: So, the second paragraph 11 12 begins: "Where intra premise network cable and wire currently exist," and then it goes on with current 13 14 building owners which is the type material and that. 15 Does anyone have any problem with that 16 handwritten portion of Exhibit 11 aside from Mr. 17 Curran? 18 MS. BROWN: No, your Honor. 19 MS. HASTINGS: No. 20 JUDGE CLISHE: Hearing no objection to that, 21 I'll move on to the fourth -- there are only three 22 handwritten ones. Okay. 23 Now, as corrected or with the handwritten 24 changes written in, is there any objection to Exhibit

25 11 being entered into the hearing record? Hearing no (SPINKS - DIRECT BY BROWN) 241 1 objection, I'll include Exhibit 11 into the hearing 2 record. 3 (Received Exhibit 11.) 4 JUDGE CLISHE: I understand I'll be getting 5 the signature pages from the counsel who are not here 6 today. 7 MS. POPE: Yes. 8 JUDGE CLISHE: Thank you. 9 Miss Brown, did you have anything else of 10 Mr. Spinks? 11 MS. BROWN: No, I do not. He is available 12 for cross-examination. 13 JUDGE CLISHE: Miss Hastings, did you have 14 any questions of Mr. Spinks? 15 MS. HASTINGS: Yes, your Honor. I wanted to ask Mr. Spinks if he could reread a portion of his 16 17 remarks. I wanted to make sure before it went on the record that I understood it. 18 19 CROSS-EXAMINATION 20 BY MS. HASTINGS: 21 22 Ο. Mr. Spinks, it had to do with you were asked 23 what was included in the stipulation agreement and you 24 had a comment about the proposal originally proposed by

25 Staff on the conduit.

(SPINKS - CROSS BY HASTINGS) 242 1 And I just wanted to clarify that it was not 2 the network facility, but the structure. Could you 3 reread for us your answer? I just wanted to make sure 4 I understood it correctly. It's hard to remember which question it was. 5 б Α. The response to the question was that the 7 recommendation that the Company assume cost responsibility for facilities on a customer property up 8 9 to the demarcation point is not a part of the 10 settlement agreement. I would clarify if it's not 11 clear that "facilities" means the structure. 12 So, when you use the word "facilities" there, Q. 13 you mean structure? 14 Α. Yes. 15 Q. Okay. 16 Conduit, not the Company's wire. Α. 17 MS. HASTINGS: That's what we heard. Thank 18 you very much. I have no further questions. JUDGE CLISHE: Thank you. 19 20 Mr. Curran, do you have questions of Mr. 21 Spinks? MR. CURRAN: I do, your Honor. 22 23 JUDGE CLISHE: Go ahead. 24

(SPINKS - CROSS BY CURRAN) 243 1 C R O S S - E X A M I N A T I O N BY MR. CURRAN: 2 3 Mr. Spinks, are you familiar with my ο. 4 client's principal product the Enterphone system? 5 Α. To the extent it's in the testimony, I have б read the testimony. 7 ο. Have you ever seen such a unit installed? 8 Α. No, I have not. 9 Have you had some conversations with Q. 10 Viscount representatives regarding the Enterphone? 11 Α. Yes. 12 Did you also have an opportunity to meet Q. with Mr. Emmett Moore of the Seattle Housing Authority 13 regarding the Housing Authority's interest in 14 installing an Enterphone in one of their facilities? 15 I had occasion to meet with Mr. Moore. I 16 Α. 17 went up to Seattle one day to visit with him to have him show me some of his facilities in order that I 18 19 could gain better understanding of what the problems 20 were, what the problems were that he was having with 21 the telephone company generally. 22 I wouldn't characterize it as specifically 23 regarding the inter-positioning of the Enterphone 24 system. I was interested in obtaining information of a

25 broader nature of the R. J. 66, how facilities were (SPINKS - CROSS BY CURRAN) 244 1 situated, and where the current demarcation points 2 were, et cetera. 3 ο. Was that one of the issues raised by Mr. 4 Moore when you met with him, however? And by that I 5 mean his interest in having an Enterphone system 6 installed in at least one of the buildings of the 7 Seattle Housing Authority? 8 Α. Yes. 9 MS. HASTINGS: I don't think these questions 10 are germane to the proceeding. We're talking about an 11 Enterphone, a piece of equipment which is customer 12 premises equipment. And this is a proceeding dealing 13 with where the telephone company will start and stop its network facilities. I don't see that this line of 14 questioning is relevant to this proceeding or this 15 16 docket. 17 JUDGE CLISHE: Mr. Curran, do you have any 18 response? 19 MR. CURRAN: First of all, your Honor, what 20 I have asked him is whether he is familiar with my 21 client's product. I have simply been asking him 22 questions to probe what his familiarity with that 23 product is. 24 So, I think at this point we're talking

25 about some pretty basic questions here.

(SPINKS - CROSS BY CURRAN) 245 1 In regard to my client's position in this, 2 their petition to intervene was accepted. It was 3 certainly already decided that they had an appropriate 4 interest in this matter to support a petition to 5 intervene. б And to the extent that her motion or her 7 objection goes to our petition, it is not at all 8 timely. And that's already been decided by the Court 9 or by your Honor. 10 JUDGE CLISHE: I'm going to overrule the objection and allow the questioning. I think it will 11 12 be helpful to have a little clarification perhaps or 13 whatever develops as far as Mr. Spinks' testimony. BY MR. CURRAN: 14 Mr. Spinks, is it generally your 15 Q. 16 understanding that the Enterphone system is an entry 17 control system generally installed in multi-tenant 18 residential apartment houses? 19 Α. Yes. 20 Ο. And is it your understanding that the 21 Enterphone system is designed to be connected to the 22 network through an RJ71C jack? 23 Α. Yes. 24 Q. In preparing for this hearing, have you done

25 any research regarding the RJ71C jack --(SPINKS - CROSS BY CURRAN) 246 1 MS. HASTINGS: I would like to object on 2 this point. 3 JUDGE CLISHE: Excuse me. Wait until Mr. 4 Curran has asked his question. Thank you. 5 Now that we have really thrown you off, do б you want to start at the beginning? BY MR. CURRAN: 7 8 Ο. In preparing for this hearing have you done 9 any research regarding the RJ71C jack and the tariffs 10 that pertain to it? 11 MS. HASTINGS: Your Honor, I would like to 12 object again. It is true that Viscount was given the 13 opportunity to intervene at the original hearing. But in that transcript they indicated that they would not 14 broaden the scope of the issues of this docket. 15 16 This is a document to determine where the 17 telephone company's network will stop and start. This question concerning a RJ71C jack considerably broadens 18 the scope of the docket and I object to the 19 20 questioning. 21 JUDGE CLISHE: Any response? 22 MR. CURRAN: I don't think that's the reason 23 at all. For the reasons I have set forth before, these 24 are preliminary questions to show what this witness

25 knows and what research he has done. I haven't gotten (SPINKS - CROSS BY CURRAN) 247 into any substantive questions yet. I think all of 1 these questions are premature. 2 3 JUDGE CLISHE: I'm going to allow the 4 question. And it's my understanding, Mr. Curran, that 5 you still are intending that you're not broadening the б issues; that these are simply exploring the witness's 7 knowledge; is that right? 8 MR. CURRAN: Correct, your Honor. 9 JUDGE CLISHE: Go ahead. 10 THE WITNESS: Could you repeat the question? 11 (The record was read.) 12 THE WITNESS: No. I would not characterize the request to send Mr. Spinks as I said to Mr. Curran 13 earlier this week some information regarding some 14 tariff sheets having to do with the RJ71C jack as 15 16 research. 17 I did as I do for many people, requests that 18 we get every day, look up and obtain some information for Mr. Curran and had that faxed to him. I would not 19 20 characterize that as research. And I did not do that 21 in preparation for this hearing. BY MR. CURRAN: 22 23 Q. I'm Mr. Curran. Mr. Barclay is in the back 24 of the room.

25 Α. Excuse me. (SPINKS - CROSS BY CURRAN) 248 1 You are referring to Owen Barclay, a Q. 2 representative for Viscount; is that correct? 3 Α. Yes. 4 Q. As a result of that research for whatever 5 purpose you did it, did you identify some WUTC tariffs 6 which related to the RJ71C jack? 7 Α. I would again state I cannot characterize 8 what I did as research in the sense that any study or 9 consideration was given to an issue. I looked up in 10 the tariffs some appropriate pages regarding terms and conditions as I was asked by Mr. Barclay today and sent 11 12 to him. 13 ο. Did you identify any tariffs that deal with the RJ71C jack? 14 15 Α. Yes. 16 Q. Can you identify what tariffs you identified? 17 18 Α. I believe it was in the Company's access tariff, WNU 25. 19 20 Ο. Do you have an opinion on whether that 21 tariff is available to be used to connect an 22 Enterphone to the network? 23 Α. Yes. In my -- my reading of the conditions 24 of the tariff says that it is available for use by

25 interexchange carriers generally. (SPINKS - CROSS BY CURRAN) 249 1 Would that allow for the Enterphone to be Q. 2 connected to that jack? 3 Α. No. 4 Q. Could the tariff be modified to allow for 5 the Enterphone to be connected? б Α. Well, excuse me. Let me back up. 7 The Enterphone is a piece of customer 8 premise equipment. My limited understanding of the way 9 it inter-connects is with -- to the telephone network 10 is with an RJ71C jack. But I guess -- and to that extent it could be connected physically. 11 12 But with respect to the tariff, the access tariff, the access tariff is designed for use by 13 14 interexchange carriers. I assume if an interexchange carrier desired to have such a jack installed for the 15 16 connection of equipment, it could be done. But the 17 user would have to be an interexchange carrier. 18 Does that tariff have any provision in it Ο. which would allow its modification to allow a customer 19 20 to connect through an RJ71C jack? 21 Α. I don't know. I didn't really look into the 22 tariff in any depth at all. On the surface, reading 23 over the one page which sets forth the limitations of 24 the tariff or the applicability of the tariff, excuse

25 me, it did not appear that parties other than -- that (SPINKS - CROSS BY CURRAN) 250 the tariff applied to anyone other than interexchange 1 2 carriers. 3 ο. Does Commission Staff have any position 4 regarding whether Enterphone can be inter-positioned on 5 the network through an RJ71C jack? 6 Α. No. We have not done any research or study 7 in the context of this case which would allow us to 8 make any recommendation or come to any conclusion about 9 it. 10 ο. Do you know of any bar that would prevent the connection of the Enterphone in that manner? 11 12 I am not familiar enough with the equipment Α. 13 or that area. I don't have expertise in that area. 14 So, I could not form an opinion or conclusion regarding 15 that. 16 Q. Sitting here today, you don't know of any 17 bar that would prevent the connection of the 18 Enterphones? 19 Α. Again, not having --20 MS. HASTINGS: Your Honor, excuse me. Ι 21 would like to object again. Without belaboring this, 22 we have had the opportunity to understand what Mr. 23 Spinks' understanding of the Enterphone system is. 24 We have in the context of a tariff for basic

25 exchange service explored the opportunities to modify (SPINKS - CROSS BY CURRAN) 251 the Company's access tariffs. 1 2 I believe that definitely broadens the scope 3 of the proceedings. We are now asking questions about 4 whether or not it's appropriate to put customer 5 premises equipment on telephone company facilities. I would again ask that we consider this line 6 7 of questioning to basically broaden immensely the scope 8 of this proceeding and be inappropriate. 9 MS. BROWN: I believe it's well beyond the 10 scope of Mr. Spinks' prefiled testimony in this case. JUDGE CLISHE: Any comments, Mr. Curran? 11 12 MR. CURRAN: Yes, your Honor. First of all, the same comments that I made before: 13 14 In regard to his prefiled testimony in this case, he has stated that he has researched this; that 15 16 they have done a complete review. Therefore, we 17 certainly have the opportunity to explore how complete 18 that review was. 19 Also, this stipulated settlement which has 20 been offered in and of itself expands the scope of the 21 original testimony that was put in effect. And other 22 than the relatively brief written comments which he 23 read into the record here, which I think Mr. Spinks

24 characterized as a summary of his position, we don't

25 have a very thorough examination of why it is that the (SPINKS - CROSS BY CURRAN) 252 Staff is supporting this settlement. 1 2 I don't plan to go much further in this 3 area, I will tell you. But I think we have the right 4 to explore the state of their knowledge and the basis 5 for their opinions. б JUDGE CLISHE: I'll overrule the objection. 7 Do you want the question repeated, Mr. 8 Spinks? 9 MS. BROWN: Yes. 10 (The record was read.) BY MR. CURRAN: 11 12 Sitting here today, Mr. Spinks, you're not Q. aware of any bar that prevents the connection of the 13 14 Enterphone system to the network through an RJ71C jack; is that correct? 15 16 Yes. Having done no research into the Α. 17 technical or regulatory limitations that may exist to 18 its interconnection, I wouldn't know one way or the 19 other. 20 Q. Does the Staff have any position as to 21 whether or not the proposed settlement and the tariff 22 revisions which are attached to it would in any way 23 prevent an Enterphone system from being connected on 24 the network side of a demarcation point?

25 Α. Yes. The proposed tariff revisions does not (SPINKS - CROSS BY CURRAN) 253 1 actually encompass the interconnection of equipment on 2 the Company's side of the demarcation point. The whole 3 focus of this proceeding in my view has been to 4 determine where that demarcation point should be in 5 order to resolve the problems that intervenors like б yourself and ATM had with gaining access to what are 7 now Company facilities and are now on the Company's side of the demarcation. 8 9 And the proposed stipulation agreement by 10 allowing the demarcation point to be set at a minimum point will permit intervenors like ATM and yourself to 11 12 inter-connect equipment without any restrictions by the 13 Company on the customer's side of that demarcation 14 point. Mr. Spinks, I would like you to listen 15 Q. 16 closely to my question, which I believe is: Does the 17 Staff have any position as to whether anything in this 18 proposed settlement will prevent the Enterphone system 19 from being connected on the network side of a 20 designated demarcation point? 21 Α. My answer is the same. 22 JUDGE CLISHE: Can you speak up, first, Mr. 23 Spinks? Your voice is sort of fading off. If you will 24 speak a little louder, please.

25 THE WITNESS: The answer is yes. This (SPINKS - CROSS BY CURRAN) 254 stipulation and settlement does not address and, 1 therefore, it would not permit the interconnection of 2 3 Enterphone equipment on the Company's side of the 4 network. 5 BY MR. CURRAN: 6 Q. I don't mean to be arguing with you at all. 7 But my question is really a very narrow and focused 8 one. Is there anything in this settlement that would 9 prevent that? 10 In other words, is there anything in this proposed settlement to which U. S. West could point and 11 12 say to someone who would like the Enterphone system 13 connected to the network side of the demarcation point 14 that the Company is prevented from doing that under the terms of this settlement? 15 16 The answer to that question is no. There is Α. 17 nothing in this settlement agreement which addresses 18 one way or the other the interconnection of equipment on the Company's side of the demarcation point. 19 20 Q. And that is the Staff's position? 21 Α. It's what the settlement agreement is. 22 But is that the Staff's understanding of Ο. 23 this settlement? Not simply your own personal 24 understanding.

25 Α. Yes. (SPINKS - CROSS BY CURRAN) 255 1 Do you know whether U. S. West shares that Q. 2 understanding or not? 3 Α. No, I don't. 4 Q. Could you refer to original sheet 9(a)-5 in 5 the proposed revisions which are a part of Exhibit 11. б Α. I have that sheet before me. 7 ο. Okay. And towards the top before me in what I think is designated Paragraph II E 2(d), it states: 8 9 "Access to the Company's facilities on the Company side 10 of the demarcation point is prohibited." 11 And if you would like you can take a moment 12 to read the rest of that paragraph. 13 My question is: Do you recall this particular language? 14 15 Α. No. JUDGE CLISHE: I'm sorry. I didn't 16 17 understand your answer if you answered that. THE WITNESS: I haven't answered it. 18 JUDGE CLISHE: Thanks. 19 20 THE WITNESS: I'm reading the options. 21 (Reading.) 22 I have now read this. 23 BY MR. CURRAN: 24 ο. First of all, I don't think I have a

25 question on the record yet.

(SPINKS - CROSS BY CURRAN) 2.
1 You have had an opportunity to read this
2 section and familiarize yourself with it once again; is
3 that correct?

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4 A. Yes, yes.

5 Ο. Does this particular sentence in your mind б indicate that the issue of whether a device such as 7 Enterphone could be inter-positioned on the network 8 side of the demarcation point is, in fact, prohibited? 9 Α. Indirectly. What the language is that we're 10 looking at, for the record, is a sentence that says, "Access to the Company's facilities on the Company's 11 12 side of the demarcation point is prohibited."

To the extent access would be required to connect any kind of jack or equipment on the Company's side, it would apply. That is, an RJ71C, the access to install that would be prohibited by this tariff.

17 Ο. Can you explain that? Are you saying that 18 any kind of access, even regulated access, for example, where requested, made to U. S. West to install an RJ71C 19 20 jack is also prohibited? Is that your understanding? 21 Α. My understanding of the language has to do 22 with problems that the Company has had with vendors 23 accessing facilities on the Company's side of the 24 network to do work, for instance, in installing PBXs.

25 And that had caused problems for the Company and other (SPINKS - CROSS BY CURRAN) 257 customers losing service in multi kind of buildings 1 2 when vendors were permitted to access, without the 3 Company's permission, access the facilities on the 4 Company's side for their own purposes. 5 Hence, my understanding of this language: б It goes to prohibit such access in order to protect the 7 Company's network and quality of service that it 8 provides to other customers in the multi-tenant 9 building. 10 ο. Let's take this in short steps: Is it your understanding that this sentence 11 12 prohibits any kind of access to the network side of the 13 facilities to install a device like an RJ71C jack? 14 Α. Well, no. It says, "Access to the Company's facilities on the Company's side of the demarcation 15 16 point is prohibited." And it says, "Access to the 17 Company equipment that serves a common demarcation 18 point for the other inside wire providers shall be 19 permitted once the following conditions are met." 20 There are three conditions. They involve 21 the vendor obtaining written permission of the building 22 and property owner; the building property owner 23 providing the necessary conduit structure; and a 24 company representative is notified or present or the

25 building owner shall be responsible for Company costs (SPINKS - CROSS BY CURRAN) 258 associated with disruption of service. 1 2 So, those conditions would have to be met in 3 order for access to be permitted. 4 Is it your testimony, then, sir, that the Q. 5 first sentence of Paragraph (d) there is simply 6 redundant and it has been restated more specifically in 7 the second sentence and the specific conditions where 8 access would be allowed or spelled out? 9 Α. That's how it appears to me, yes. 10 ο. Then couldn't that sentence, "Access to company's facilities on the company side of the 11 12 demarcation point is prohibited, " simply be deleted 13 without changing the meaning of this section? Α. 14 I guess the meaning of the section is access is prohibited unless or until these conditions are met. 15 16 I would not think that you could take that out, that 17 first sentence, delete that, and not change the meaning 18 of the application of Option 2(d) for multi-tenant 19 buildings. 20 Ο. What I'm trying to understand is there is 21 just a very broad statement in here that access to the 22 Company's facilities on the Company's side of the 23 demarcation point is prohibited. That is an extremely

24 broad statement.

Then the second sentence says that access (SPINKS - CROSS BY CURRAN) 259 will be allowed to Company equipment that serves as a 1 2 common demarcation point. So, that is a more limited 3 statement certainly. And then it spells out certain 4 conditions. 5 If you're saying that those two things are б simply redundant, then the very broad statement that's 7 been put in here, which is certainly open to 8 misinterpretation, could be stricken. Isn't that the 9 case? 10 Α. I guess I don't really have an opinion on that. Tariffs are rather complex documents. As we 11 12 have tried to fashion this agreement, we found more 13 than once that when we would change one word to address 14 a concern we found that it changed other things in the tariff, and then we have got to go back and change 15 16 other wording. And because we changed that other 17 wording we had to modify yet other wording. 18 So --19 Q. All right, sir, I'm simply talking about 20 Subparagraph (d). 21 Α. I'm trying to explain generally that, if you 22 were to suggest to me that you should pull this out and

23 it won't change the meaning, I'm trying to say to you 24 that from the very recent experience of fashioning this

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25 stipulation agreement that we found more than once that (SPINKS - CROSS BY CURRAN) 260 as you changed wording, while you initially may not 1 think that it changes the meaning of the tariff, you 2 have other parties who say, well, wait a minute, yes, 3 4 it does. And that has happened to us several times in 5 the development of this tariff language. б So --7 ο. Well, sir, what I'm trying to explore is 8 your earlier testimony that it was the Staff's position 9 that nothing in this proposed tariff prevented or even 10 addressed Enterphone's ability to be inter-positioned 11 on the network side of the demarcation point. 12 Now, here is a sentence which seems to say 13 that access to Company's facilities on their side of 14 the demarcation point is prohibited. That statement 15 appears to be directly contrary to your earlier 16 testimony. 17 What I would like to know is whether this 18 statement is here in error or whether, in fact, your 19 earlier testimony was in error and this tariff can be 20 used or could be used if it is accepted by the 21 Commission as authority for prohibiting the 22 inter-position of Enterphone on the network side of a 23 demarcation point? 24 Α. Okay. In my first response to your

25 question, to your earlier question, regarding whether (SPINKS - CROSS BY CURRAN) 261 1 this tariff specifically prohibited Enterphone, I responded no. I was looking at your question very 2 3 narrowly. 4 There is nothing in this tariff that says 5 Enterphone equipment can or cannot be connected. And б it was in that sense that I responded to the earlier question. Okay? 7 8 When you pointed this language out to me, 9 this broader language, regarding access to the general 10 matter, access to Company facilities being prohibited, I believe I responded that it could mean, yes, that 11 12 Enterphone equipment, for instance, may not be 13 permitted to be placed on the Company's side of the 14 demarcation point to the extent it says that access is prohibited. It doesn't say an RJ71C jack is 15 16 prohibited. 17 I hope that helps clarify. 18 ο. If I understand your testimony, then, what 19 you're saying is, in fact, this bar inter-positioning 20 is much broader than addressing the RJ71C jack but 21 wouldn't allow access through any kind of regulated or 22 accepted mode of connection under Part 68. Is that 23 right? 24 Α. You referred to this language as a bar to

25 inter-positioning. I look at the language as what it (SPINKS - CROSS BY CURRAN) 262 says: It says access is prohibited. Access to the 1 2 Company's facilities is prohibited. 3 Is access a defined term under this tariff? ο. 4 Α. I do not see in the definition sheets a definition for the term "access." 5 б What's your understanding of how access is Q. 7 used in this sentence and the way in which it is limited, if at all? 8 9 Well, I guess by access I would think that Α. 10 it means physical access to physically connect wires, if you will, to the Company's facilities. 11 12 Okay. You said you would think it would Ο. mean. Is there an official --13 14 Α. By access --15 Q. You have to let me finish my question, sir. 16 Thank you. 17 Is there an official Staff position on what 18 access means as used in this subparagraph(d)? 19 Α. No. Staff doesn't take official positions 20 on the meaning of language per se. Access may be 21 defined in other places in the Company's tariffs. I'm 22 not certain. I have not looked at that. 23 Q. In stipulating to this proposed settlement, 24 did the Staff intend to take any position one way or

25 the other on whether customer-provided equipment could (SPINKS - CROSS BY CURRAN) 263 be connected to the network through approved jacks such 1 2 as the RJ71C on the network side of the demarcation 3 point? 4 Α. No. If the Staff did not intend to take a 5 Ο. б position on that one way or the other, is it 7 appropriate that this kind of statement be included in 8 the proposed tariff then? 9 I don't understand what you're asking me Α. 10 within the context of your question. It is appropriate to have this statement in the tariff because access to 11 12 Company's facilities, unauthorized access to Company's 13 facilities, has been a problem for the Company in the 14 past. So, this tariff, I think, properly should --15 16 I don't have a problem with that language. Q. 17 But you just said "unauthorized access." 18 Α. Yes. And this sets forth the conditions for authorized access. 19 20 ο. So, access is at least limited in your mind 21 to the extent that you're only talking about 22 unauthorized access; is that correct? 23 Α. Yes. 24 ο. In your mind, does this preclude the

25 connection of a device like the Enterphone, using an (SPINKS - CROSS BY CURRAN) 264 RJ71C jack to the network side of the demarcation point 1 2 if that RJ71C jack is installed by the Company? 3 Α. I'm not certain. I couldn't answer you with 4 certainty one way or the other. 5 Q. Is it fair to say, sir, that that just 6 wasn't a question that was focused on by the Staff when 7 it negotiated this proposed settlement? 8 Α. That was a question we did not focus on. 9 But the second part of your question, when we 10 negotiated this settlement, I wouldn't limit it to that. It was not focused on in my direct testimony, 11 12 either. 13 It's simply not an issue that was really Ο. addressed by the Staff in regard to this proceeding? 14 No. That's correct. At the outset of these 15 Α. 16 hearings, we provided at the law judge's request a 17 statement of the issues as we saw them. And this was 18 not included as one of those issues. 19 Ο. In your direct testimony you spent some time 20 discussing FCC Part 68 policies and I believe the FCC's 21 order in Docket 88-57. Do you recall that testimony, 22 sir? 23 Α. Yes. 24 Q. Is it your understanding that U. S. West's

25 intent in offering these tariff revisions was to bring (SPINKS - CROSS BY CURRAN) 265 1 their practices in compliance with Docket 88-57? 2 Α. Yes. 3 And you are, in fact, familiar with that Ο. 4 order, are you not, sir? 5 Α. There is two or three orders in that docket 6 that I was familiar with at least at the time I wrote 7 the testimony. I have those, some of those, with me 8 today. 9 Q. And you're familiar with the FCC policies 10 which underlie those orders, are you not? 11 Α. Yes. 12 And I think you just testified again that Q. the proposed settlement meets those policies and the 13 14 requirements of 88-57; is that right? What I testified to is that it is my belief 15 Α. 16 that this proposed agreement is consistent with the 17 requirements of -- FCC requirements in Docket 88-57. 18 Does the Commission Staff have any position Ο. 19 on whether this area is preempted by the FCC decisions? 20 Α. What do you mean by "this area"? 21 Q. The issues that are addressed in the 22 proposed tariff. 23 MS. BROWN: I'm going to object to this 24 question. It calls for a legal conclusion.

25 MR. CURRAN: I'm not asking for a legal (SPINKS - CROSS BY CURRAN) 266 conclusion. I'm asking if the Staff has any position 1 2 on that based upon which they are going to make 3 recommendations to the Commission. 4 JUDGE CLISHE: I'll overrule the objection. 5 (The record was read.) б THE WITNESS: I think I indicated in my 7 testimony on Page 15 that I had reviewed the question 8 of preempting of state actions insofar as it pertained 9 to investment remaining on the regulated books, and 10 this going to the question of the treatment of the 11 amortization expense. 12 That's the extent to which I examined the 13 question of preemption. BY MR. CURRAN: 14 And my question I guess correctly you're 15 Q. 16 perceiving is a broader one. Beyond that limited area 17 where you testified you examined the preemption issue, 18 did you examine it in regard to any of the other issues 19 in this case: demarcation points, access to intra 20 building wire, inside wire, any of those issues? 21 Α. Well, I don't know if you could say -- well, I guess I would say, yes, I examined the 22 23 recommendations that I was making in the context of the 24 FCC's requirements under Part 88-57, having in mind

25 that recommendations or requirements that would be (SPINKS - CROSS BY CURRAN) 267 inconsistent with the FCC's proclamations, if you will, 1 2 in 88-57, would likely result in preemption. 3 That is, if we did not establish a 4 demarcation point at all or we attempted to establish 5 one that was inconsistent with FCC orders, that we б would be preempted or it would be likely that we would 7 be. 8 Q. And without asking you for a legal 9 conclusion, it was your working understanding as you 10 have prepared for this hearing and as you reviewed certainly the proposed settlement that the preemption 11 12 issue would come up if any policies were implemented or agreed to which would negate or work to defeat the FCC 13 policies as set forth in 88-57 and the related orders? 14 I'm sorry, but I wasn't able to follow you 15 Α. 16 through that question. Could you try it again? 17 Ο. Sure. MS. BROWN: I would object. I think the 18 19 witness has already answered the question, and your 20 characterization of his testimony is incorrect. 21 JUDGE CLISHE: Any comments, Mr. Curran? 22 MR. CURRAN: I'm just trying to clarify,

23 your Honor, what their working criteria was in regard24 to 88-57, which he has testified to at some length in

25 his direct testimony.

(SPINKS - CROSS BY CURRAN) 268 JUDGE CLISHE: I'll overrule the objection. 1 2 Perhaps you could repeat the question, 3 please. Thanks. 4 BY MR. CURRAN: 5 Ο. I will try and make it more easily б understood, Mr. Spinks. I'm simply trying to determine 7 what your working understanding was of the 8 requirements, the Federal requirements, that you need 9 to work under. 10 Is it correct that it was your understanding that the WUTC could not promulgate any policies 11 12 accepting tariffs that would defeat the FCC 13 requirements set out in 88-57? 14 Α. Yes. Was it also your understanding that the WUTC 15 Q. 16 could, in fact, give broader or more liberal access to 17 the wiring within a building than required by the FCC? (Reading.) I recall in one of the FCC 18 Α. 19 dockets -- I have been looking through my testimony to 20 see if I could find any specific docket. I'm not sure 21 if I had this in my testimony or not -- there was some 22 indication by the FCC that state commissions were not 23 precluded from adopting I believe your wording was more 24 liberal access.

25 However, as to whether that extended into (SPINKS - CROSS BY CURRAN) 269 the Company's facilities or to the Company's side of 1 2 the protector, I don't believe it did. But I can't 3 find the specific language at this moment. 4 Q. Are you aware of anything in the FCC, any of 5 the FCC decisions, which would prevent the Washington б Utilities Commission from granting access to the 7 network side of the demarcation point? 8 Α. I have done no research to know one way or 9 the other with regard to what that situation may be as 10 it pertains to looking at a number of questions regarding, first, you would have to research Part 68 11 12 and Commission orders to see what restrictions. 13 I do recall reading in one of the FCC 14 dockets some language regarding where the Commission 15 denied access to the Company protector itself, for 16 instance. 17 However, I'm not sure as to the extent, the 18 scope, or the applicability of that restriction, 19 whether it was narrow or whether it was broad, for 20 instance. 21 Those things would all have to be 22 researched. We would likely have to have a couple 23 discussions with the FCC Staff if there were points 24 that required clarification, et cetera, before one

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could -- before I could determine that.

(SPINKS - CROSS BY CURRAN)

Q. I really don't mean to make my question so
 difficult. I'm just trying to find out what the
 working criteria were that the Staff was going forward
 under whether it evaluated this application and then
 this settlement.

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6 Was it your understanding that the 7 Commission or the Staff could only review this 8 application to see if it was in compliance with FCC 9 standards or whether, in fact, the Commission had some 10 latitude to go beyond that and to grant more liberal 11 access as I used that term rather loosely before? 12 A. My approach to this case was that what we

13 needed to do was determine where the demarcation point14 should be located for single and multi-tenant15 buildings.

16 This is not a new issue. As I pointed out 17 in my testimony, the Company had in 1986 filed a tariff 18 with regard to the establishment of point of entry or 19 point of presence.

20 Q. Sir, I don't mean to interrupt you, but my 21 question really was did the Commission Staff recognize 22 that it could grant more liberal access to the network 23 than simply required by the FCC decisions? 24 MS. HASTINGS: Objection, your Honor. I

25 think that's been asked and answered. And I think that (SPINKS - CROSS BY CURRAN) 271 what Mr. Spinks has attempted to say on several 1 2 occasions was they focused on completely different issues because this was a completely different subject. 3 4 I think we can all draw the logical 5 conclusion from his answers was, no, they didn't focus б -- that was beyond the scope of what they were asked to 7 focus on by the Company in this instance. 8 JUDGE CLISHE: Mr. Curran? 9 MR. CURRAN: I'm asking for Mr. Spinks' 10 answers to what happened and not for counsel's argument and not leading suggestions as to what he might say. 11 12 I think my questions are directly on point 13 as to what their working criteria were and whether or 14 not the Commission's hands are tied by the FCC's decisions or whether it granted more liberal access. 15 16 The nature of his entire testimony is a 17 recommendation to the Commission as to what they should do in this regard. Certainly the Commission is 18 19 entitled to know what the working standards are that 20 they were operating under. 21 JUDGE CLISHE: I'll overrule the objection 22 and have Mr. Spinks answer the question. I also am 23 occasionally having difficulty understanding if he is 24 responding to the question or not. So, you can --

25 Do you want to repeat your question, Mr. (SPINKS - CROSS BY CURRAN) 272 1 Curran? 2 (The record was read.) 3 THE WITNESS: No, I did not explicitly 4 consider that issue. 5 BY MR. CURRAN: б Q. So, was it your intent, then, simply to see 7 that this proposal was in compliance with the FCC 8 decisions and not see what could be done beyond that? 9 Is that a fair statement, sir? 10 Α. Yes. I think the June order in 88-57 in the 11 Ο. 12 summary discusses the demarcation point as generally 13 being the point for bifurcating carrier and non-carrier 14 responsibilities. I think you used that word generally in your 15 16 direct testimony, as well, when you summarized that 17 decision. 18 Do you recall that testimony, sir? 19 Α. Yes. 20 Ο. Doesn't the use of the word "generally" 21 indicate that the FCC would allow for more latitude in this area than simply a bright line standard drawn at a 22 23 demarcation point that split carrier and non-carrier 24 responsibilities?

25 Α. Yes. (SPINKS - CROSS BY CURRAN) 273 1 Is that latitude reflected in any way in the Q. 2 U. S. West's proposed tariff and the proposed 3 settlement that's before the Commission? 4 Α. Yes. 5 Ο. How so? 6 Α. (Reading.) I'm having a little trouble 7 locating the specific provision. On Sheet 9A-3, 8 condition under two conditions E-4, this provision 9 permits in cases where the wire was installed before the effective date of the tariff for the protector in 10 cases where the protector is not located at a minimum 11 12 point, that it may remain at this not minimum point for 13 the -- or the Company to provide service at regulated 14 expense for existing access to an established demarcation point within twelve inches of the existing 15 16 protector. And that existing protector may not be at a 17 minimum. 18 So, that is a case where we are not -- where 19 we are -- it's an exception to the generally slightly 20 more liberal term. 21 ο. Doesn't that go to the location of the demarcation point, though, rather than a bifurcation of 22 23 responsibilities? 24 Α. The demarcation is the point -- point is the

25 point generally for bifurcating responsibilities. The (SPINKS - CROSS BY CURRAN) 274 FCC has said that generally that would be at a minimum 1 2 point of entry. And that's where generally the 3 bifurcation would be. 4 What D-4 does is it says the bifurcation of 5 this responsibility in certain cases will be farther in 6 the building. 7 Ο. But, again, my question is: Doesn't that 8 deal with the location of the demarcation point and not 9 whether the demarcation point, wherever located, will 10 generally serve as a point for bifurcating carrier and 11 non-carrier responsibilities? 12 Yes, it deals with the location. But the Α. location, wherever it may be, is the point for the 13 14 bifurcating of responsibility. Doesn't 88-57 say that the demarcation point 15 Q. 16 generally serves as the point for bifurcating? In 17 other words, it allows some latitude for that to occur 18 somewhere else other than a demarcation point. Isn't 19 that how you interpret that language? 20 MS. HASTINGS: Your Honor, I object to the 21 extent that it requires Mr. Spinks to draw a legal 22 conclusion. If it could be phrased so that he is asked 23 for his opinion as a Staff member, that would be fine. 24 MR. CURRAN: Your Honor, I would just say

25 generally I am never going to ask Mr. Spinks for a (SPINKS - CROSS BY CURRAN) 275 legal conclusion in any of my questions. 1 JUDGE CLISHE: All right. I'll overrule the 2 3 objection. 4 THE WITNESS: Could we read the question 5 back, please? 6 (The record was read.) 7 THE WITNESS: Well, I guess it's been my 8 understanding that the demarcation point is the point 9 for the bifurcation of that responsibility generally. 10 Can that occur somewhere else? If that's the question, I would say -- well, 11 12 without reviewing the FCC orders, again, I'm not sure. But it would seem to me when I review the Company's 13 language that it be within twelve inches of the 14 protector at that point, that was consistent with the 15 16 FCC's definition. 17 I did not explore whether other points would 18 or wouldn't be consistent with the FCC. BY MR. CURRAN: 19 20 Q. Let me give you a specific example: 21 Let's take a multi-tenant apartment 22 building. The existing demarcation point is -- where 23 it's been for some time according to U. S. West, it's 24 within twelve inches of entry into the individual

25 tenant's units, dwellings.

(SPINKS - CROSS BY CURRAN) 1 Under that circumstance -- I'm just talking 2 about demarcation point, not the other 3 inter-positioning points we talked about earlier. But 4 if you assume that an RJ71C jack is installed close to 5 the minimum point of entry, is it your understanding б that under this proposed tariff a demarcation point 7 could be set where the Enterphone plugs into the RJ71C 8 jack -- so, everything from the plug up to the 9 Enterphone would be deregulated -- but that there would 10 still be another demarcation point in each of the individual tenant's dwelling so that you wouldn't 11 12 simply have a one spot, one time cut-off of Company responsibilities. But you would still have a clear 13 14 definition of what was regulated and what not? Yes. I think that the tariff does provide 15 Α. 16 for a situation where the Company can have a 17 demarcation to a particular unit for a customer who 18 wants service directly from the Company, for instance, 19 and not through a shared tenant service provider. 20 And other units or the remainder of the 21 circuits would have a demarcation point at a minimum 22 point. 23 Q. But my example, though, is your typical

24 apartment house. You have got an owner who doesn't 276

25 want to move the demarcation points down to the (SPINKS - CROSS BY CURRAN) 277 basement, doesn't want to take on the maintenance 1 responsibility and all of that. He wants to keep them 2 3 in the individual units, but wants to put in an 4 Enterphone system. Under this proposal, could there be multiple 5 б demarcation points with one of those demarcation points 7 being at the point where the Enterphone connects into the RJ71C jack? 8 9 If I understand your question correctly, the Α. 10 answer would be no. At least I do not envision the application of the tariff in that manner. 11 12 The manner in which I envision the application of the tariff is a demarcation point must 13 14 first be designated before equipment could be, like an RJ71 jack could be installed and the installation of 15 16 that would be on the customer side of the demarcation 17 point. 18 Just so we understand my example, I said it Ο. 19 a couple times. Under this scenario essentially the 20 RJ71C jack itself would be installed by the carrier and 21 would be part of their regulated line. It's only at 22 the connection point where the Enterphone would plug in 23 that there would be a demarcation. And everything from 24 the plug out to the Enterphone would be deregulated.

25 But the Company would maintain a regulated wire right (SPINKS - CROSS BY CURRAN) 278 1 up to within twelve inches of the point of entry into 2 the individual dwellers' units. 3 Α. I understand your question now. 4 I have not thought about or considered 5 whether or not that could be the case. So, I guess my 6 answer is I don't know. 7 ο. I understand you haven't researched or 8 thought about this particular scenario apparently, but 9 sitting here today, do you know of anything in the FCC decisions which would prevent such a treatment of 10 demarcation points? 11 12 No. I don't know of anything one way or the Α. 13 other, again, having not done any research to determine 14 such. 15 Q. Okay. Would the proposed settlement prevent 16 a designation of demarcation points under that kind of 17 scenario? 18 I think that it would, yes. Α. 19 Q. And why do you think it would prevent that? 20 Α. Well, besides the fact there is no specific 21 provision to allow it -- I guess that would be the main 22 point. There is no specific provision to allow it. 23 Q. Maybe we can shorten it up. If there is no 24 provision to allow it and there are constant references

25 throughout the proposed tariffs to the demarcation (SPINKS - CROSS BY CURRAN) 279 point --1 2 Α. Correct. Which was the focus of this 3 proceeding. 4 Q. And so based upon those kinds of 5 characteristics of the proposed proceeding, somebody б could point to this tariff and say this kind of 7 scenario is not authorized; is that right? 8 Α. Yes. 9 Could you see some benefits to the consumer, Q. 10 the telephone user, the tenants in these buildings, to allowing this kind of system of demarcation points that 11 12 I have described to you to exist? 13 Α. I don't know that the tenants, customers, would be aware of or that they would have benefit from 14 the system of demarcation points that you described per 15 16 se. 17 I understand that the Enterphone system as a 18 security entry device provides security to the tenants, 19 controlled access. And I would consider that to be of 20 benefit to the tenants of the building. 21 ο. Isn't it, in fact, the case that the basic 22 scenario that's set forth in this settlement is one 23 that allows the building owner or premises owner to 24 make certain choices regarding the demarcation point?

25 Α. Yes.

(SPINKS - CROSS BY CURRAN) 1 Those choices aren't being made in the main Q. 2 by the telephone customer. They are being made by a 3 building owner? 4 Α. That's correct. And isn't it true, then, that that building 5 Ο. б owner essentially serves as a gate keeper under this 7 scenario based upon the decisions that he/she/it will make to determine what kinds of communications 8 9 technologies, what kind of services are available to 10 the tenant or telephone user? 11 Α. Yes. 12 And certainly one of these scenarios is the Q. building owner can move the demarcation point down to 13 the minimum point of entry. Everything beyond that 14 will be deregulated and in theory the telephone user in 15 that instance would have complete access to all of the 16 17 services that might be connected to the deregulation 18 portion of the wire? 19 Α. That's correct. 20 Q. So, that's not a problem scenario here? 21 Α. That's correct. 22 Ο. In fact, that kind of situation quite 23 definitely complies with the FCC's policies as set out 24 in 88-57 for opening up access to inside wire and

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25	promoting more competitive, a greater variety of
	(SPINKS - CROSS BY CURRAN) 281
1	services for the provision of customer provided
2	equipment and wire inside buildings?
3	A. That's correct.
4	Q. But another one of these scenarios is that
5	the demarcation point will either be placed or will
6	remain at a point twelve inches inside each of the
7	tenants' units; is that correct?
8	A. That's correct.
9	Q. And under that scenario, the tenant would
10	not have access to any of the communications
11	technologies which would require connection at some
12	point prior to the entry into his unit?
13	A. That's correct.
14	Q. And that decision as to whether the
15	demarcation point is going to be in the basement or the
16	tenant's unit is not going to be made by the tenant;
17	it's going to be made by the building owner?
18	A. That's correct.
19	Q. And one of the concerns that building owners
20	have, is it not, that under these options, if they
21	moved the demarcation point to the basement, they would
22	be required to take over the maintenance responsibility
23	for the wire and equipment in their building beyond the
24	demarcation point?

25

19

available later.

Yes. (SPINKS - CROSS BY CURRAN)

Α.

1 And, in fact, is that a concern that the Q. 2 Commission Staff is aware of that building owners have? 3 Yes. That was a concern that was raised in Α. 4 the earlier filing of this docket some years ago that 5 was raised by some of the parties to that case. We б have not heard from intervenors in this case, though, 7 that that is a concern. That is, in fact, a concern that's set out 8 Ο. 9 in Mr. Moore's testimony, isn't it? Mr. Moore is not 10 representing an intervenor, but has filed prefiled testimony on behalf of Viscount? 11 12 I don't recall reading in his testimony --Α. maybe I just missed it -- that he had a concern with if 13 14 he had to choose the demarcation point and minimum point that the maintenance expense would be a concern 15 16 for him or problem for him. 17 ο. We can leave Mr. Moore's testimony. His 18 written testimony is what it is and he will be

20 Just assuming in the instance that I'm 21 laying out to you that a tenant is living in a building 22 owned by a person who is very concerned about taking on 23 the maintenance responsibility and, therefore, elects 24 to stay with the status quo of demarcation points in

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25 the tenants' units, that tenant is not going to have (SPINKS - CROSS BY CURRAN) 283 access to the technologies that require connection at 1 2 some point before entering into his unit such as the Enterphone; is that correct? 3 4 If the building owner chooses to keep his Α. 5 demarc at the unit, yes. б Q. Therefore, wouldn't a system such as we were 7 discussing earlier of allowing there to be several 8 demarcation points, certainly one demarcation point at 9 the plug-in to a device such as an RJ71C jack, wouldn't 10 that kind of a system allow the tenant or the telephone user to have access to communications technologies that 11 12 would otherwise be denied to him if his landlord was 13 unwilling to move the demarcation points down to the 14 basement and accept maintenance responsibilities? 15 MS. HASTINGS: Your Honor, I object. I 16 don't know that we have demonstrated on the record that 17 Mr. Spinks is an expert in telecommunications matters 18 and can really determine from a technology perspective 19 whether or not the relocation as Mr. Curran describes 20 it is technologically advantageous to the consumer. MR. CURRAN: Your Honor, he is in here 21 22 recommending to the Commission what these various 23 options should be and whether or not they will be in 24 compliance with FCC requirements that there be access

25 to these kind of communications technologies and what (SPINKS - CROSS BY CURRAN) 284 1 not. 2 I think the comments aren't particularly 3 obscure. They are pretty well focused on the 4 Enterphone. But I would like to point out that we are 5 not the only providers of these kind of services. б So, I think it's a fair question. 7 JUDGE CLISHE: Any other comments? 8 I'm going to overrule the objection. 9 Mr. Spinks, you can answer the question, 10 please. THE WITNESS: I'll need to hear it again. 11 12 (The record was read.) THE WITNESS: The answer is yes and no to 13 14 that question. The yes part of the answer is, if you could 15 16 do that, would it provide benefits? And the answer to 17 that is yes. 18 The no part of the answer is -- goes back to 19 needing to clarify an earlier statement I made to an 20 earlier question regarding these multiple demarcs. If 21 you were to inter-connect an RJ71 on a customer's line 22 in the basement and call that the demarc on that single 23 circuit and suggest that you would have another demarc 24 up at the terminating within twelve inches of the

25 customer's unit and call that Demarc 2 on the same (SPINKS - CROSS BY CURRAN) 285 circuit, I don't believe that that is prohibited. 1 And 2 that was not what I intended by my previous answer. 3 In my previous answer, my example was some 4 circuits may run directly across the RJ66 and into the 5 apartment, and that entire circuit, the demarcation б point for the entire circuit is in the apartment. 7 Other circuits may terminate on the RJ66 and from there 8 go to a PBX or other equipment and for those circuits 9 the demarcation point would be at the board. 10 That was the kind of flexibility in having different demarcation points that I was referring to, 11 12 not that you could have on one circuit a demarcation 13 point in the basement and another in the apartment. BY MR. CURRAN: 14 15 Q. I think you lost me there. 16 Isn't it your understanding that the RJ71C 17 where it's installed in conjunction with an Enterphone 18 is going to be connected basically to all of the lines 19 running up to the tenants' units? 20 Α. Yes. 21 Q. So --22 Α. It connects into the line. 23 Q. Unless somebody wanted a computer or second 24 line or something, you're not going to have a case

25 where lines are running up to the tenants' unit that (SPINKS - CROSS BY CURRAN) 286 don't run through that jack? 1 2 From my limited understanding of how the Α. 3 equipment works, I would say yes. 4 So, I guess focusing on the RJ71C jack and Q. 5 its connection with Enterphone, as I understand your б earlier testimony, you're saying that this proposed 7 settlement would not allow for one demarcation point to 8 be at the plug-in spot where the Enterphone is hooked 9 up to the RJ71C and then to have other multiple 10 demarcation points inside the tenants' units? Is that still your testimony? 11 12 On the same circuit, yes. Α. So that under this proposal, that kind of 13 Ο. 14 system of having multiple demarcation points on the same line would not be allowed; correct? 15 16 Correct. Α. 17 Ο. Although that kind of system would allow for 18 rather clear identification of where the customer or 19 the carrier and the non-carrier responsibilities were, wouldn't it? 20 21 Α. No, I don't understand how. 22 Ο. If you had a demarcation point at the 23 plug-in to the RJ71C jack, wouldn't it be clear that 24 everything from the plug-in out to the Enterphone was

25 customer provided equipment and would be a non-carrier (SPINKS - CROSS BY CURRAN) 287 provided responsibility? That everything on the 1 carrier side of the plug-in which would include the 2 RJ71C jack itself and on out would be the carrier's 3 4 responsibilities? That would be pretty clear, would it 5 not? 6 Α. I'm not sure that I understand your 7 question, and I'm trying to be responsive. 8 Again, I have a limited understanding of the 9 technical specifications or work regarding that kind of 10 equipment. My understanding of clarifying the division 11 of responsibility with demarc point is you have to have 12 one point where that is established. 13 On the customer side of that point, you 14 would be permitted to inter-connect that equipment, however it works. But if what you're suggesting -- and 15 16 this is where I'm a little confused -- is down in the 17 basement where you hook this -- wired this jack up to 18 the circuits, that you would have a demarcation point 19 there, and you would also retain for customers' 20 purposes a demarcation point up at the apartment, I 21 don't think that that is feasible because if in 22 connecting the -- because then the responsibility for 23 the maintenance or repair of the circuit would not be 24 clear.

25 That is, either the Viscount or Enterphone (SPINKS - CROSS BY CURRAN) 288 may say, well, U. S. West is responsible for this 1 damage, this broken circuit, because the demarc is 2 3 between the -- because the demarcation point is in the 4 apartment. 5 And the Company would say Enterphone is б responsible for the maintenance of that circuit because 7 it's occurring where their wire connects to the circuit 8 at demarcation point one, if you will, or two. 9 So, to have multiple demarcation points 10 which involve just a single circuit or single circuits I don't think would be feasible because you couldn't 11 12 clarify responsibility. 13 Ο. Isn't it your understanding that, in fact, 14 if you put an RJ71C jack in and you simply put in I guess what I'll call a blank plug, but it's essentially 15 16 just a plug to connect the circuit and not hook it up 17 to anything, that you will, in fact, have a straight 18 line running all the way through? Isn't that the case? 19 Α. I have never seen one hooked up. So, I 20 really can't agree or disagree. 21 ο. I would like you to assume the correctness 22 of my statement here, which is that the RJ71C would 23 have a plug running out to the Enterphone. You could 24 unplug the Enterphone, put in another plug, which would

25 simply complete the connection, and completely bypass, (SPINKS - CROSS BY CURRAN) 289 1 disconnect, the Enterphone system. 2 If that was the case, it wouldn't be very 3 difficult to tell whether the problem was with the 4 Enterphone or with the system line itself, would it? 5 Α. No, I guess it wouldn't be. б Q. Are you aware whether there are any other 7 states that, in fact, adopt this kind of a system? 8 Α. No. 9 Kind of going back to clarify your Q. 10 testimony: As I understand it, you believe there 11 would be some advantages to the customer or the 12 telephone user because it would give them access to 13 products such as Enterphone even though their landlord was not in a position or did not choose to move the 14 15 minimum point of entry or the demarcation point down to 16 the minimum point of entry? Is that still your 17 testimony? 18 I believe in the question that you had asked Α. 19 me that it was in two parts, and the part to which I 20 answered yes having to do with customer benefits had to 21 do with the notion that services like alarm line 22 services and security entry systems services provide a 23 benefit to tenants of buildings, a clear benefit.

24 ο. And the benefits of those kinds of products

25 are not going to be available unless the building owner (SPINKS - CROSS BY CURRAN) 290 is in a position to move that demarcation point down to 1 the basement. Isn't that correct? 2 3 As I understand this tariff, the building Α. 4 owner would have to choose a demarcation point at a 5 location so as to meet the technical interconnection б requirements that that type of equipment would require, 7 which essentially would be the basement. 8 Ο. But those customers won't have access to 9 that kind of communications technology unless they have 10 a building owner willing to do that under this proposed settlement; correct? 11 12 Yes. Α. Is it your understanding that U. S. West 13 Ο. believes that the majority of existing multi-tenant 14 buildings will, in fact, continue with their 15 16 demarcation points in the tenants' units themselves? 17 Α. No. I have no information on that. 18 Does the Commission Staff have any Ο. 19 recommendation as to whether or not these demarcation 20 points will be moved down to the basement or whether 21 they will remain in the dwelling units, which is the 22 common location now? 23 Α. Well, as I stated earlier in my opening 24 remarks, for single tenant buildings, the demarcation

25 will be at the minimum point of entry, either at the (SPINKS - CROSS BY CURRAN) 291 building or the property. 1 2 For multi-tenant buildings, the building owners will have choices as to where they want to 3 4 locate the demarcation point for the bifurcation of the 5 responsibility. 6 Surely some will choose the minimum point in 7 the building, a minimum point on the property, the 8 floor of each building or the unit in some cases. 9 But I have no knowledge as to what it is 10 they will choose, in fact, once this tariff would become effective. 11 12 Am I correct, then, sir, that the Commission Q. Staff has no information as to what the end result of 13 14 this system of options will be? You can't advise the Commission whether or not this is going to result in 15 16 the majority of the demarcation points being moved down 17 to the minimum point of entry or not? 18 For multi-tenant building situations, no, we Α. 19 don't know what the building owners will choose. 20 Ο. Don't the orders in 88-57 state that it is 21 contemplated that the majority of the demarcation 22 points in multi-tenant structures would be moved down 23 to the minimum point of entry under that decision? 24 Α. I'm not familiar with that decision. If you

25 could point me to that.

(SPINKS - CROSS BY CURRAN) 292 1 I won't take time doing that now. I'll do Q. 2 that after we take a break. 3 But if you will assume for a moment that 4 that is an accurate statement, can you say whether or 5 not the majority of the demarcation points will be б moved to a minimum point of entry under this scenario? 7 Α. By "scenario" --8 Ο. By "this scenario," I mean the proposed 9 settlement. 10 Α. All single tenant building demarcation points will move to a minimum point. For multi-tenant 11 12 buildings where choices are provided to the tenants, we 13 don't know -- I don't know what choices they will make. However, if the case is that most buildings 14 are single tenant buildings, for instance, then I would 15 16 conclude that, yes, most -- for most buildings the 17 demarcation point will be at minimum point. 18 What about for multi-tenant units? Do you Ο. 19 have any empirical information upon which to base any 20 kind of opinion that you can express to the Commission 21 as to where the majority of demarcation points will be 22 after this system of options is put into place? 23 Α. No.

24 Q. Is it, in fact, your understanding that the

25 majority of the demarcation points that exist today in (SPINKS - CROSS BY CURRAN) 293 older structures -- I might just say pre-1990 1 structures because that's the date that's been used in 2 this proceeding before -- are within the dwelling units 3 4 themselves for multiple tenant situations? 5 Α. I think you would have to go back to б pre-1986 buildings for that conclusion. I would say in 7 pre-1986 buildings, probably the vast majority, the 8 demarcation point is currently located at the unit. 9 After '86, though, many of the units that 10 were constructed, at least my understanding, may not 11 have a demarcation point at the unit. 12 If the majority of the owners of those Q. 13 pre-1986 buildings simply opt to stay with the status 14 quo and leave the demarcation points where they are in the dwelling units, would that create the kind of open 15 16 marketplace situation, the competitive environment, 17 that the FCC policy requires for wire inside a 18 multi-tenant structure? No. I think that the FCC in allowing these 19 Α. 20 choices recognized that perhaps -- perhaps recognized 21 that that policy needed to be tempered, if you will, 22 for other considerations. 23 For instance, many multi-tenant building 24 owners have argued that they didn't want to have

25 responsibility for this wire. I'm not sure what all (SPINKS - CROSS BY CURRAN) 294 the arguments were provided to the FCC. But if their 1 2 release in 1990 -- the 88-57 order released in 1990, 3 they did conclude that choices ought to be permitted 4 for the location of the demarcation point in 5 multi-tenant units. 6 What we're doing in this agreement is 7 permitting those choices to be made. 8 Q. Where did they state that they assume the 9 majority of them will be moved to the basement? I'm 10 not sure you have answered my question: 11 If the majority of these pre-1986 buildings 12 just elect to stay with the status quo and so you have the majority of these demarcation points in the 13 14 dwelling unit, that will not create the kind of competitive environment for inside wire, intra building 15 16 wire -- and I'm not using the defined term right now --17 but within the building that the FCC requires. Isn't 18 that the case? 19 MS. HASTINGS: Your Honor, I object to that 20 line of questioning. The Building Owners' Association 21 had the opportunity to intervene in this proceeding and 22 to state their position. They did not intervene. 23 As a company we have spoken with them 24 throughout the proceedings, however, regarding this.

25 It's my judgment that Mr. Curran is asking Mr. Spinks (SPINKS - CROSS BY CURRAN) 295 to try to determine what the position of the Building 1 Owners would be in this proceeding, and I'm not sure in 2 his position as the Staff telecommunication policy 3 4 analyst he is really in a position to tell us what the 5 Building Owners' position is. They could be here 6 themselves; they are not. 7 JUDGE CLISHE: Any comments, Mr. Curran? 8 MR. CURRAN: That's not what I'm asking at 9 all, your Honor. I'm asking what the effect of these 10 three options will be. And in particular, if the end result is that the majority of the building owners out 11 12 there are just going to elect to stay with the status 13 quo, whether or not the end result of that will be in 14 compliance with the FCC order or not, which I think is primary to what the Commission is looking at here. 15 16 I'm not asking him what the building owners 17 would do or what they would think or what their 18 position might be here. 19 I'm simply asking whether that will create 20 the kind of competitive environment for these services 21 which was contemplated by the FCC decision and which 22 was also the policy of this State as set out in RCW 80-36-300. 23 24 JUDGE CLISHE: It sounds like the question

25 is more in the nature of a hypothetical rather than (SPINKS - CROSS BY CURRAN) 296 having you answer on behalf or speculate about what the 1 building owners will do. 2 3 I'll overrule the objection and you can 4 answer the question, Mr. Spinks. 5 Do you remember what it is? Or do you need 6 to have it repeated? 7 THE WITNESS: Yes, I think I remember. 8 The FCC has a stated -- has a stated policy 9 objective of introducing or permitting competition in 10 the provision of intra building cable as well as a goal of permitting access to that cable. 11 12 In their -- the 1986 release of Docket 13 88-57, they required a minimum point of entry to be established without allowing any options. Or I should 14 say they permitted it without permitting any other 15 16 intermediate types of choices like they now do in the 17 1990 release. 18 I think how I answered your question earlier 19 was that there would be a lesser degree of competition 20 or there appears to be -- the focus is not in the 1990 21 release now entirely on competition in introducing 22 competition into the provision of inside wire and 23 cable. 24 There appears to be, rather, a tempering of

25 that policy based on considerations of giving willing (SPINKS - CROSS BY CURRAN) 297 1 owners choices now in how or where they establish the 2 minimum point of entry. 3 So, the answer to your question is, yes, as 4 a result of having given building owners choices, there 5 will be a lesser competitive market than what would б otherwise be. BY MR. CURRAN: 7 8 Ο. You mentioned the competitive environment 9 regarding the provision of inside wiring. But also I 10 think at least from the summary comments to 88-57 on Page 8 it also mentions creating an unregulated 11 12 marketplace environment for the development of 13 communications. So, broader simply than providing inside wire; correct? 14 15 Α. Yes. 16 JUDGE CLISHE: How much more do you have, 17 Mr. Curran? Is this a good time for a break since 18 we're nearly at lunch anyway? MR. CURRAN: I think it is, your Honor. I 19 20 think we can finish with Mr. Spinks really quickly 21 then. 22 MR. KOONTZ: Judge? 23 JUDGE CLISHE: Yes. 24 MR. KOONTZ: If we're going to go on break,

25 I understand nobody has any cross of the witnesses I (SPINKS - CROSS BY CURRAN) 298 have. 1 2 JUDGE CLISHE: If we can interrupt Mr. 3 Spinks' testimony and Mr. Koontz can do the exhibits or 4 the testimony from his witnesses for Mr. Woods and Mr. 5 Trumball. And then it's my understanding they can be б excused. I don't think they indicated that there was 7 any question. 8 MR. KOONTZ: If people have questions, they 9 will stay the afternoon. But my understanding is they 10 will not. 11 JUDGE CLISHE: Let's be off the record and 12 we'll discuss the scheduling for a moment. 13 (Discussion held off the record.) JUDGE CLISHE: Let's be back on the record 14 after a short break to discuss the scheduling. And we 15 16 are reserving Mr. Spinks until after lunch and will now 17 get on Mr. Koontz's witnesses from ATM. 18 EDWARD R. TRUMBALL, JR. 19 20 witness herein, being first duly 21 sworn, was examined and testified 22 as follows: 23 24 JUDGE CLISHE: Mr. Koontz, would you like me

25 to mark Mr. Trumball's testimony? WITNESS: EDWARD R. TRUMBALL, JR. - 2/5/93 299 MR. KOONTZ: Yes, your Honor. 1 JUDGE CLISHE: Are there any exhibits in the 2 3 back? I can't recall. MR. KOONTZ: There are. 4 5 JUDGE CLISHE: I will mark for б identification as Exhibit 12 the prefiled testimony of 7 Mr. Edward Trumball. That is sixteen pages. And I will mark that as T-12. I'll mark for identification 8 9 as Exhibit 13 what is specified as Exhibit ERT-1, and I 10 will mark for identification as Exhibit 14 what is identified as Exhibit ERT-2. 11 12 (Marked Exhibits T-12, 13 and 14.) JUDGE CLISHE: Mr. Koontz, do you want to go 13 14 ahead? 15 MR. KOONTZ: I believe there is ERT-3 and 4. JUDGE CLISHE: I'll mark as Exhibit 15 16 Exhibit ERT No. 3. And I'll marked for identification 17 as Exhibit 16 Exhibit ERT-4. 18 (Marked Exhibits 15 and 16.) 19 20 MR. KOONTZ: All right, your Honor? JUDGE CLISHE: Yes. 21 22 23 DIRECT EXAMINATION 24 BY MR. KOONTZ:

25 Q. Can you please state your name and address WITNESS: EDWARD TRUMBALL (Direct by Koontz) 2/5/93 300 1 for the record. 2 Α. Edward R. Trumball, Jr. 3 ο. Your address? 4 Α. 16440 241st Avenue Southeast, Issaquah, Washington 98027. 5 6 Q. And can you state who you are currently 7 employed by? Primarily by West Management Group. 8 Α. 9 In preparation for your testimony today, did Q. 10 you pre-file testimony and exhibits? 11 Yes, I did. Α. 12 Was the testimony prepared by you? Q. Yes, it was. 13 Α. Is the testimony before you now? 14 Q. Yes, it is. 15 Α. And the Judge just identified that testimony 16 Q. as Exhibits T-12 through 16? 17 18 Α. Yes. If I were to ask you the same questions as 19 Q. set forth in the prefiled testimony today, would your 20 21 answers be the same? 22 Α. They would. 23 MR. KOONTZ: I have no further questions for 24 this witness.

25 JUDGE CLISHE: Thank you. WITNESS: EDWARD TRUMBALL (Direct by Koontz) 2/5/93 301 1 Are there any questions anyone has of Mr. 2 Trumball? 3 MS. HASTINGS: I have none, your Honor. 4 JUDGE CLISHE: Do you want to offer the 5 exhibits? б MR. KOONTZ: I do. I would like to offer 7 Exhibits T-12 and T-13 through T-16 into the record, 8 sir. 9 JUDGE CLISHE: I think the testimony is T-12 10 and the exhibits I just indicated are Exhibits 13 11 through 16. 12 Are there any objections to those exhibits 13 being included in the hearing recovered? MS. BROWN: No objection. 14 MR. GARLING: No. 15 JUDGE CLISHE: Hearing no objection I'll 16 17 admit Exhibits T-12 and 13 through 16 into the hearing 18 record. (Received Exhibits T-12, 13, 14, 15 and 16.) 19 20 JUDGE CLISHE: Thank you, Mr. Trumball. 21 No questions? Thank you. MR. KOONTZ: Your Honor, I would next like 22 23 to ask Mr. Woods to take the stand. 24 JUDGE CLISHE: Okay.

	WITNESS: ROSS WOODS - 2/5/93	302	
1			
2	ROSS WOODS,		
3	witness herein, being first duly		
4	sworn, was examined and testified		
5	as follows:		
6			
7	JUDGE CLISHE: Would you like me to mark for		
8	identification as Exhibit 17 what is identified as the		
9	direct testimony of Mr. Ross Woods?		
10	MR. KOONTZ: Yes, your Honor. And there are		
11	no exhibits.		
12	(Marked Exhibit T-17.)		
13			
14	DIRECT EXAMINATION		
15	BY MR. KOONTZ:		
16	Q. Mr. Woods, could you state your name and		
17	business address for the record.		
18	A. Ross Woods, 320 Andover Park East, Suite		
19	235, Seattle, Washington 98188.		
20	Q. Who you are employed by?		
21	A. Triad Development, Incorporated.		
22	Q. In preparation for your testimony today, did		
23	you pre-file testimony?		
24	A. I did.		

25	Q.	Was the testimony prepared by you?
	WITNESS	: ROSS WOODS (Direct by Koontz) 2/5/93 303
1	Α.	Yes.
2	Q.	Is the testimony before you now?
3	Α.	It is.
4	Q.	If I were to ask you the same questions that
5	are set fo	rth in your prefiled testimony today, would
6	your answe	rs be the same?
7	Α.	Yes.
8		MR. KOONTZ: I have no further questions,
9	your Honor	•
10		JUDGE CLISHE: Are there any questions of
11	Mr. Woods?	
12		MS. HASTINGS: I have none.
13		JUDGE CLISHE: All right. Did you wish to
14	offer this	Exhibit T-17, Mr. Koontz?
15		MR. KOONTZ: I do.
16		JUDGE CLISHE: Are there any objections to
17	Exhibit T-	17 being included in the hearing record?
18		MS. BROWN: No objection.
19		MR. GARLING: None.
20		JUDGE CLISHE: Hearing no objection, I'll
21	admit Exhi	bit T-17 into the record.
22		(Received Exhibit T-17.)
23		JUDGE CLISHE: Thank you, Mr. Woods, for
24	your testi	mony.

25	Is there anything else before we break for
	WITNESS: ROSS WOODS (Direct by Koontz) 2/5/93 304
1	lunch and then come back and have Mr. Spinks testify?
2	JUDGE CLISHE: Let's be off the record.
3	(At 11:55 a.m. the above cause was recessed
4	until 1:15 p.m.)
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WITNESS: ROSS WOODS (Direct by Koontz) 2/5/93 305 OLYMPIA, WASHINGTON; FRIDAY, FEBRUARY 5, 1993 1 2 1:15 P.M. 3 --00000--4 THOMAS L. SPINKS, 5 б witness herein, having been previously 7 duly sworn, was examined and testified further as follows: 8 9 10 JUDGE CLISHE: Back on the record after our 11 lunch break. At this time, Mr. Curran, would you like 12 to continue with your questioning of Mr. Spinks? MR. CURRAN: Thank you, your Honor. 13 14 15 C R O S S - E X A M I N A T I O N 16 (resumed) BY MR. CURRAN: 17 18 Isn't one of the questions of whether or not Q. something is connected to the network is whether or not 19 20 it might cause harm to the network? 21 Α. The question of whether equipment might 22 cause harm to the network or not was considered by the FCC in some of their dockets. 23 24 But as to the standards that were

25 promulgated in Part 68 I'm not sure how they address WITNESS: THOMAS L. SPINKS (Cross by Curran) 2/5/93 306 that other than -- I recall some language indicating 1 2 that the Company could disconnect equipment in the 3 event network harm would occur, does occur, or where it 4 was believed that imminent harm would occur. 5 Ο. Are you aware of any complaints that the 6 Commission has received from the operation of any 7 Enterphone systems in this state? 8 Α. No. But I don't work in complaints. So, I 9 wouldn't have knowledge of that, at any rate. 10 ο. I take it you're not aware of any complaints 11 regarding harm to the system from the installation of 12 an RJ71C jack; is that correct? 13 Α. No. Who would be the knowledgeable person 14 ο. 15 regarding such complaints? 16 You could try Mary Taylor. She works in the Α. 17 section where those complaints are lodged. 18 I believe in your direct testimony you Ο. mentioned that the Commission Staff had wanted time or 19 20 it suggested that in times past before this tariff was 21 revised to resolve some issue outside of the tariff. 22 That was on Page 17 of your testimony. I think you 23 mentioned --Yes. The time wasn't to resolve issues, but 24 Α.

25 to I would characterize it tie up the loose ends WITNESS: THOMAS L. SPINKS (Cross by Curran) 2/5/93 307 regarding the customer notification, notification 1 2 materials, et cetera. 3 I'm looking at Page 17 of your testimony Ο. 4 starting on Line 11: "Since the changes being proposed 5 by the company to establish a demarcation policy are 6 both sweeping and substantial, Staff recommends that 7 the tariff revisions and other actions not become 8 effective until at least July 1, 1993." 9 And then you state: "This would provide 10 time for the company and notify all customers of impending changes and their responsibility for wiring, 11 12 make proposed tariff revisions, develop a wire 13 maintenance plan for tenants, and submit investment and reserve data to Staff in order to set up the 14 amortization." 15 16 Do you recall that testimony? 17 Α. That's correct. 18 What were you referring to there by "develop Ο. 19 a wire maintenance plan for tenants"? 20 Α. That's the inside -- that's the wire 21 diagnostic plan which is the subject of Mary Taylor's 22 testimony. 23 Q. Okay. So, you weren't referring to a wire 24 maintenance plan that went beyond the scope of the

25 diagnostics plan that's already been addressed in Miss WITNESS: THOMAS L. SPINKS (Cross by Curran) 2/5/93 308 Taylor's direct; is that right? 1 2 Α. That's correct. I was referring to the wire 3 diagnostic plan which she was sponsoring. 4 Q. Did the Commission Staff consider whether 5 some kind of actual wire maintenance plan, in other б words, a maintenance plan that goes beyond diagnostics, 7 might be required, not just for tenants, but for 8 premises owners, as well? 9 Α. I think you would have to direct that 10 question to Miss Taylor. To your knowledge, was such a wire 11 Q. 12 maintenance plan for buildings considered at all as to whether that might be a necessary aspect of these 13 tariff revisions? 14 We may have discussed how we should 15 Α. 16 implement the plan, and that may have been included in 17 the scope of the discussions. 18 But Ms. Taylor would be the appropriate Ο. person to direct those issues to? 19 20 Α. Yes. 21 ο. Did the Commission Staff conduct or review 22 any studies to determine what the dollar value of these 23 maintenance responsibilities were that were being 24 shifted from the Company to the building owners under

25 this proposal?

WITNESS: THOMAS L. SPINKS (Cross by Curran) 2/5/93 309 1 Α. No. 2 Do you have any empirical basis for Ο. 3 estimating what the costs would be for any particular 4 building or class of building? 5 Α. Well, they are required to keep accounting б records on expenses by accounts that are well enough 7 defined that one ought to be able to discern the amount 8 of expense that the Company incurs in the operation and 9 maintenance of the inter-building network cable. 10 ο. And that information is available for each individual building? 11 12 No, no, I don't believe it would be. Α. Is there any hard information available that 13 Ο. would allow a building owner to simply accurately 14 predict what the costs, maintenance costs, might be 15 that they are being asked to undertake under certain of 16 17 your options in this revised tariff? 18 Α. Not to my knowledge. 19 Ο. When you visited the Seattle Housing 20 Authority and had your conversations with Mr. Moore and 21 reviewed or visited some of the apartments, I think, 22 that they owned --23 Is that correct? Do you recall where the 24 facilities were at?

25 Α. We went out and looked at two of the WITNESS: THOMAS L. SPINKS (Cross by Curran) 2/5/93 310 buildings that the Seattle Housing Authority operates. 1 We didn't visit any of the apartments. We went to the 2 3 locations where the telephone company's facilities are 4 -- come into the board. I believe it's an RJ66. And 5 looked at those. б Q. Do you recall which facilities you visited? 7 Α. The name of one was Jefferson Terrace. The 8 name of the other escapes me. 9 Roxbury House? Q. 10 Α. Yes. And is Roxbury House a high rise? 11 Q. Yes. 12 Α. And did you look at the panel in that 13 Q. facility as well? Or just in the Jefferson House? 14 No. In both facilities. 15 Α. 16 Q. Based upon your inspection, were you able to 17 come to any opinion as to what the future maintenance 18 costs might be for the wire in either one of those facilities? 19 20 Α. Oh, no, no. I would have no way of knowing. 21 I would venture that wiring between walls seldom if ever is disturbed. It would seem to me that 22 23 maintenance costs as a general matter from year to year 24 could be nothing for years and then you may have

25 something go wrong with the wiring and then in one year WITNESS: THOMAS L. SPINKS (Cross by Curran) 2/5/93 311 you might have to incur a lot of expense, and operate 1 2 for years and years with no expense at all, similar to 3 inside wire in residential houses, single residences. 4 We did examine that when -- at the time we 5 established the demarcation point for single-family б residences and were evaluating inside wire maintenance 7 plans. And the incidence of repair for inside wire was 8 very long. I think the probability of requiring a 9 repair was something like once every eighteen years or 10 something to that effect. That's for single family homes; is that 11 Q. 12 correct? 13 Α. Yes. But you didn't do any similar type of study 14 Q. regarding multiple-family residences? 15 16 No, we did not. Α. 17 Ο. I take it there would be a great deal of 18 variation between maintaining existing facilities 19 depending on age, location, a number of different 20 factors? 21 Α. It could be, yes. 22 Ο. Is any allocation made here to compensate 23 for the cost savings to U. S. West from shifting this 24 maintenance responsibility over to building owners?

25 If you're asking if there is any provision Α. WITNESS: THOMAS L. SPINKS (Cross by Curran) 2/5/93 312 within the context of the stipulated settlement, the 1 2 answer is no. 3 Within the settlement or not, is there any Ο. 4 provision to allow some kind of cost break to the 5 telephone user to result in the cost savings which the 6 Company will benefit from? 7 Α. Only indirectly through the Company's 8 current incentive regulation plan where excess revenues 9 are shared with the ratepayers. 10 If you assume that next year, if no other 11 costs or revenues would change this year, ceterus 12 paribus condition, whatever the decrease in expense was 13 associated with the maintenance of those facilities 14 would result in higher earnings, and those higher earnings are shared back with the rate payer. 15 16 Have you looked at any other states to see Ο. 17 whether they have attempted to compensate for the 18 savings to the telephone carrier when their maintenance 19 responsibilities have shifted? 20 Α. The only state I'm aware of is I read a 21 California order, and I'm not sure whether this was a 22 final order that became effective or not. But in that 23 order the California Commission ordered that a 24 sur-credit would be applied to customers' bills to act

25 for the decrease in expense which the Company would WITNESS: THOMAS L. SPINKS (Cross by Curran) 2/5/93 313 experience from a demarcation point and also ordered 1 2 that a sur-credit would be imposed upon those customers 3 for the amortization it cost of the wire that they were 4 now responsible for and would have access to. 5 Ο. Did California also make provisions for a б maintenance program that building owners or tenants can 7 take advantage of to -- not compensate them -- to 8 assist them with carrying out their maintenance 9 responsibilities? 10 Α. I really don't recall whether that was included in the California plan or not. 11 12 A building owner --Are you aware within Washington state of 13 Q. 14 anyone who offers building maintenance programs for the owners who like to move their demarcs down to the 15 16 basement? 17 Α. No. MR. CURRAN: I have no further questions, 18 19 your Honor. 20 JUDGE CLISHE: All right. 21 Do you have any questions of Mr. Spinks? 22 MS. HASTINGS: I have a couple, your Honor. 23 24

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WITNESS: THOMAS SPINKS (Cross by Hastings) 2/5/93 314 1 C R O S S - E X A M I N A T I O N BY MS. HASTINGS: 2 3 Mr. Spinks, does the Washington Utilities ο. 4 and Transportation Commission currently require the telephone company to wire telephone facilities to the 5 6 tenants' individual units? 7 Α. I'm not certain whether the Commission 8 requires it or whether the Company has a tariff on file 9 which requires it. 10 ο. You think there is a tariff on file that 11 covers that? 12 Α. Yes. 13 Is it your testimony today that the Q. stipulated settlement complies with the FCC's 14 requirements regarding placement of the demarcation 15 16 points and the establishment of the telephone network? 17 Α. Yes. 18 In your judgment does the tariff that is Ο. 19 approved today or will be approved as a part of the 20 stipulated settlement prevent a tenant or telephone 21 subscriber from obtaining non-telephone services such as security, alarm, or cable services? 22 23 Α. Is the question would this proposed tariff 24 prevent --

25 -- a tenant from obtaining Q. WITNESS: THOMAS SPINKS (Cross by Hastings) 2/5/93 315 1 non-telecommunications services such as security 2 services or alarm services? 3 Α. Generally, no. 4 Q. In a multi-tenant situation, does the Staff 5 believe it's appropriate for the building owner and not 6 the tenant to determine where the telephone company's 7 telecommunications responsibilities and maintenance 8 responsibilities end? 9 I'm sorry. Could you repeat that? Α. 10 ο. In a multi-tenant situation, does the Staff believe it is appropriate for the building owner and 11 12 not the tenant to determine where the telephone 13 company's facilities and maintenance responsibilities for those facilities end? 14 I believe that under this proposal the 15 Α. 16 telephone company or the building owner -- and I 17 believe appropriately so -- has the choice to determine 18 where the point of demarcation point will be. 19 Tenants -- I note, however, that we have a 20 statute which requires the Company to provide service 21 on demand which allows tenants to receive their service 22 directly from the telephone company if they choose. 23 MS. HASTINGS: Your Honor, I would like to 24 make judicial notice of Provision 47 CFR, specifically

25 Section 68.213. And if it's permissible I would like WITNESS: THOMAS SPINKS (Cross by Hastings) 2/5/93 316 to read a brief section from that rule. 1 2 "The customer or the premises owner may not 3 access carrier wiring and facilities on the carrier's 4 side of the demarcation point." 5 And I would just like to ask, having taken б judicial notice of that, ask Mr. Spinks: 7 BY MS. HASTINGS: 8 Q. Are you aware of the existence of that rule? 9 Α. Yes. 10 MR. CURRAN: First, I object to taking judicial notice of one thing being taken out of 11 12 context. They have an opportunity to brief their case. They can cite anything that they would like for your 13 benefit. But I don't think it's appropriate to take 14 judicial notice of one line read out of the entire 15 16 CFRs. 17 MS. BROWN: I think at the last or I should 18 say the first round of hearings, I don't believe 19 Viscount participated in the examination of the 20 company's witnesses. I remember questioning them 21 extensively about the FCC dockets as well as Part 68. 22 MS. HASTINGS: I could read the whole 23 section. 24 MR. CURRAN: My only point is it's

25 appropriate for briefing. If she wants to get into WITNESS: THOMAS SPINKS (Cross by Hastings) 2/5/93 317 briefing and oral argument I think it's a waste of 1 2 time. 3 JUDGE CLISHE: If you could make a copy so 4 that I don't have to go and find one somewhere. 5 Probably not just of that one section unless that's 6 quite small. But what about all of 68? How long is 7 that? 8 MS. HASTINGS: Quite a few pages. 9 JUDGE CLISHE: That's quite a few pages? 10 MS. HASTINGS: What I would be happy to do is get you that or get you a copy of the order, 88-57, 11 12 which I think has been supplied as a part of the record 13 earlier. That's actually in the order. So, it's not 14 anything new. 15 JUDGE CLISHE: Okay, Mr. Curran. 16 MR. CURRAN: If I may just state my 17 objection: I believe that statement has been read out 18 of context. I have no problem with them bringing that up or cross-examining Mr. Spinks. I do have a problem 19 20 with them asking you to take judicial notice of one 21 sentence read out of context. JUDGE CLISHE: That's why I would like to 22 23 have as much of it as seems fit regarding that so it 24 doesn't appear that it's one thing which may or may not

25 be pertinent to this issue here.

WITNESS: THOMAS SPINKS (Cross by Hastings) 2/5/93 318 1 Whatever pages. I don't think it has to be 2 millions of pages. But --3 MS. HASTINGS: We will be happy to furnish a 4 copy of the entire rule. I would be happy to read the entire rule right now, although I don't think everyone 5 6 would be happy if I did that. 7 And actually asking Mr. Spinks if he is 8 familiar with the rule concludes our questions. 9 JUDGE CLISHE: Okay. So, I'm going to take 10 official notice of this. 11 If you want to provide a copy of whatever 12 seems like it will be in the context. 13 MS. HASTINGS: It's already there, but we will. 14 JUDGE CLISHE: That will take care of any 15 16 difficulties. 17 Did you have questions of Mr. Spinks? MS. BROWN: I have no redirect. 18 JUDGE CLISHE: Mr. Garling? 19 MR. GARLING: Yes. 20 21 22 C R O S S - E X A M I N A T I O N 23 BY MR. GARLING: 24 ο. Mr. Spinks, you were asked a good number of

25 questions by Mr. Curran. From public counsel's point WITNESS: THOMAS SPINKS (Cross by Garling) 2/5/93 319 of view I would like to have you give an opinion 1 2 regarding the effect in terms of convenience or costs 3 of the stipulated settlement agreement on residential 4 customers and also on small business customers, if you 5 can. б Α. Well, it doesn't seem to me that -- when you 7 say "residential customers," I assume you're talking about tenants of multi-tenant buildings? 8 9 Q. Yes. 10 Α. We have done no specific study, as such. However, we did have concerns with respect to how 11 12 tenants would know who was responsible for wire or for 13 their telephone not working under this new arrangement. 14 And that's the subject of the materials developed in Exhibit B to this agreement, which Staff witness Mary 15 16 Taylor can probably give some better idea of what we 17 intend to do to deal with the new environment with 18 respect to multi-tenant residential subscribers. 19 MR. GARLING: Nothing further. 20 JUDGE CLISHE: All right. 21 Did you have any recross? 22 MR. CURRAN: No, your Honor. 23 JUDGE CLISHE: Everybody through with Mr. 24 Spinks?

25 MS. BROWN: If you are. WITNESS: THOMAS SPINKS (Cross by Garling) 2/5/93 320 JUDGE CLISHE: I am. 1 Okay. Thank you, Mr. Spinks, for your 2 3 testimony. 4 THE WITNESS: You're welcome, your Honor. 5 JUDGE CLISHE: All right. Now, are we going б to hear from Miss Taylor? 7 MS. BROWN: Yes. And she has already been 8 sworn. 9 10 MARY M. TAYLOR, witness herein, having been previously 11 12 duly sworn, was examined and testified further as follows: 13 14 15 JUDGE CLISHE: Miss Taylor, you were sworn earlier this morning and are still under oath. And, 16 17 Mr. Curran, do you have questions of Miss Taylor? 18 MR. CURRAN: I do. Just a few. 19 C R O S S - E X A M I N A T I O N 20 BY MR. CURRAN: 21 Miss Taylor, I understand from Mr. Spinks' 22 Ο. 23 prior testimony that you're the most knowledgeable 24 person regarding consumer complaints received by the

25 Commission; is that correct?

WITNESS: MARY M. TAYLOR (Cross by Curran) 2/5/93 321 1 Between the two of us, yes, I would say Α. 2 that's correct. 3 Let's take a swing at it. ο. 4 Are you aware of any complaints that the 5 Commission has received regarding Enterphone systems 6 that are operating within this state? 7 Α. Typically, first of all, I'll say I'm not 8 aware of any. But the normal complaints that we 9 receive are against regulated utilities. Since 10 Enterphone is not a regulated company, normally we're not going to receive a complaint against that piece of 11 12 equipment or vendor. 13 I'll represent to you the Enterphone product Ο. has been around for 25 years. So, it pre-dates any 14 talk of deregulating the system. You don't have to 15 16 accept or reject that fact. 17 Assuming that's true, is it still the case 18 that you personally do not know of any complaints 19 regarding the use of an Enterphone or possible harm to 20 the network by an Enterphone within Washington State? 21 Α. Again, personally I have not handled any 22 complaints regarding the Enterphone system. But again 23

24 utility, typically we would not receive a complaint of

I need to clarify that because it's not a regulated

25 that nature.

WITNESS: MARY M. TAYLOR (Cross by Curran) 2/5/93 322 1 To expand, if there was a complaint as a 2 result of harm to the network, normally the complaint 3 or the complainant in that case, what I would envision 4 would be the company that was harmed, would be the 5 carrier, not the vendor in that particular situation, 6 Enterphone. 7 Ο. Okay. Then your direct testimony dealt I 8 think principally with the diagnostics program that you 9 propose be entered and also the customer education 10 program; is that correct? 11 Α. Right. 12 Is the customer education program the same Ο. as the notification program that Mr. Spinks referenced 13 14 in his testimony? Or are they separate? It's encompassed in the education program. 15 Α. 16 The education program that we have included in the 17 stipulated agreement is broader than that. 18 Why is it necessary that the customers be Ο. 19 educated regarding this change? 20 Α. Predivestiture, we still have people who --21 single residence customers who are confused about 22 responsibility for maintenance of inside wire. And 23 that was some time ago. It's just another step as you 24 change it and as the system changes, there is still a

25 large base of customers that believe, whenever you WITNESS: MARY M. TAYLOR (Cross by Curran) 2/5/93 323 1 experience a problem with telephone service, you call 2 the telephone company. 3 And in today's environment, that's not 4 always necessarily the truth. 5 Q. Specifically in regard to this proposal and б I guess with regard to what's now the stipulated 7 settlement, what is it that you believe requires that 8 the customer, telephone customers out there, undergo an 9 educational process to know about? 10 Α. With the changes that are proposed in the stipulated agreement, there is different scenarios as 11 12 to who would be responsible for maintenance or getting 13 service to an individual tenant, particularly in a multi-tenant situation. 14 And ultimately, if a vendor's equipment 15 16 fails or its cabling fails and creates a problem, if 17 the phone company were to dispatch on that as a result 18 of a customer's call that they are out of phone 19 service, ultimately they would be responsible for 20 paying the Company's costs for going out and diagnosing 21 the problem. 22 Ο. In a multi-tenant situation and let's just 23 assume a high rise apartment building, who will your

24 educational program be directed to? The premises owner

25 or the customers who live there?

WITNESS: MARY M. TAYLOR (Cross by Curran) 2/5/93 324 1 We're actually proposing two as far as Α. 2 written notification. There will be notification to 3 the tenants themselves explaining that there may be a 4 third party involved in this now. 5 As well we're proposing notice to go to the б building owners to explain the tariff that's approved 7 and their options. So, there is two separate written 8 notices that we have discussed and that are included. 9 Q. Do you expect a fair amount of confusion 10 regarding this system of three options that's being 11 proposed? 12 Α. Currently there are buildings that are served in this manner right now. I can tell you any 13 14 time you make a change to an existing policy, there is 15 confusion. 16 However, I think the steps that we proposed 17 will eliminate that or help reduce it. You'll never 18 eliminate it completely. Won't the confusion exist not only over 19 Ο. 20 options but over what the actual status of any 21 particular building might be? 22 Α. When you say "confusion," who are we talking 23 about? The building owner? Or are we talking about

24 the tenant?

Q. Either one. Right now under this proposal, WITNESS: MARY M. TAYLOR (Cross by Curran) 2/5/93 325
you can have buildings with demarcation points in the
basement, within the dwelling units, on various floors,
at the property line. I would certainly think from the
tenants' point of view that it would be a confusing
situation to know where it is.

б Actually, again, in a couple of different Α. 7 arenas or different approaches, we have recommended written notifications. Also, there are different 8 9 methods that a tenant when they establish service in a 10 multi-tenant building, if it's a minimal point of 11 presence building, the Company is going or has agreed 12 to through the education package, they have the capability of seeing on their screen whether there is 13 service directed to that individual unit or if it's 14 15 something other.

16 That's another means for education verbally. 17 Beyond that is a new tenant. In that 18 situation they will also be including a brochure that 19 goes out to the new customer that outlines multi-tenant 20 buildings and responsibility.

Q. Isn't one of the advantages of having a universal MPOE policy that it clears up a lot of this confusion?

24 A. Are we talking all basement?

Q. All basement.

WITNESS: MARY M. TAYLOR (Cross by Curran) 2/5/93 326 1 It can certainly make the options clearer, Α. 2 although that I don't know that that's always the best. 3 If a building owner is not interested in maintaining, 4 the MPOE policy may not be to the benefit of the 5 tenant. б ο. If the willing owner is not interested in 7 maintaining under the options you have, the demarcation 8 point is going to remain in the dwelling anyway; right? 9 That's what I'm saying, yes. Α. 10 ο. That's not going to open up any possibilities for the tenant right there. 11 12 Your question was do I believe that an MPOE Α. policy is best for the tenants as far as confusion. I 13 14 believe that was your question, was it not? I didn't say for the tenants. I asked isn't 15 Q. 16 one of the benefits of a universal MPOE policy that it 17 clears up a lot of the confusion that can exist when 18 you have so many different buildings that have 19 exercised different options. 20 Α. Actually it's a more straightforward 21 proposal when you're talking about confusion. However, 22 I don't know that it's the best policy. 23 Q. What would be the detriment to a telephone 24 customer, the tenant sitting in his dwelling unit, of

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25 having a universal MPOE policy?

WITNESS: MARY M. TAYLOR (Cross by Curran) 2/5/93 327 1 The detriment as I mentioned is under what's Α. 2 proposed, if a landlord doesn't want to take over the 3 responsibility of maintenance, the telephone company 4 can still serve to that individual unit. 5 My concern with an MPOE policy would be that, if you had a landlord who wasn't interested in б 7 maintaining the individual customers, service could suffer because of that. 8 9 Q. I asked Mr. Spinks if he knew of any 10 programs in existence in Washington State today that a building owner could take advantage of to contract with 11 12 somebody to take care of their maintenance needs. He 13 wasn't aware of any. 14 Are you? Not by name. I know that there are 15 Α. electrical contractors or I have been advised through 16 17 contacts that I have had with consultants that there are people out there that do it. But I can't give you 18 19 a name specifically. 20 Q. In Washington State? 21 Α. Yes. 22 Ο. Are you aware of anybody who has a specific 23 program that can be contracted with for a regular

24 monthly payment such as you're proposing for your

25 diagnostic plan, as opposed to simply calling an WITNESS: MARY M. TAYLOR (Cross by Curran) 2/5/93 328 1 electrician and saying, "Come out, I have got a 2 problem"? 3 Α. I don't know of any specifically. I also 4 don't know that they don't exist. Has the Commission Staff made any kind of a 5 Ο. б study to see what's out there or whether anybody might 7 be interested in instituting that kind of a problem? 8 Α. No. 9 Q. Have you had any discussions with U. S. West 10 on whether they would start such a program? 11 Α. U. S. West currently will do work on a 12 deregulated time and materials basis. 13 But the question was whether anybody would Ο. have a standard contractual arrangement where a 14 building owner could pay so much per month to take care 15 16 of their maintenance. 17 Α. I haven't discussed that specifically with 18 U. S. West, no. MR. CURRAN: I have no further questions. 19 20 JUDGE CLISHE: All right. 21 Did you have anything to ask of Miss Taylor. MS. HASTINGS: Just a couple. 22 23 24

25

WITNESS: MARY M. TAYLOR (Cross by Hastings) 2/5/93 329 1 C R O S S - E X A M I N A T I O N BY MS. HASTINGS: 2 3 Miss Taylor, to your knowledge, does the Ο. 4 placement of equipment such as the Viscount equipment 5 that we talked about today improve the quality of basic 6 telephone service? 7 Α. Improve the quality of basic telephone 8 service? I'm not familiar enough with the services 9 that they offer to be able to comment on that. 10 ο. Could you offer an opinion as to why it is important or what benefit a non-telecommunications 11 12 company such as Viscount would get if it were able to 13 place their CPE on the telephone company's facilities? 14 Α. Can you restate the question? I lost you. You bet. A lot of the discussion this 15 Q. 16 morning between Mr. Curran and Mr. Spinks dealt with 17 the fact that the Enterphone will work best if it's 18 placed on telephone company facilities. 19 I'm just trying to determine if you have an 20 opinion as to what benefit there is to a company like 21 Viscount to be able to place their equipment on those 22 telephone company facilities. 23 MR. CURRAN: Your Honor, I'm going to object 24 to the form of the question. I think there is a lack

25 of foundation here. She is not here as an expert WITNESS: MARY M. TAYLOR (Cross by Hastings) 2/5/93 330 witness. She is here as a member of the Staff. And I 1 2 think that is beyond the scope of anything we discussed 3 in her direct. 4 MS. HASTINGS: It's very possible it was not 5 discussed in her direct. I'm asking her opinion about б some testimony that she did hear this morning, some 7 elaborate and extensive testimony which existed between 8 yourself and Mr. Spinks which I believe is on the 9 record. I'm asking her with respect to that testimony 10 which is on the record, does she have an opinion? 11 JUDGE CLISHE: I'm going to overrule the 12 objection. 13 Do you remember the question? THE WITNESS: Why don't you repeat it for 14 15 me. 16 MS. HASTINGS: I'll try it once more. BY MS. HASTINGS: 17 18 ο. The question is can you offer an opinion --19 there was a lot of discussion between Mr. Curran and 20 Mr. Spinks about the necessity or the need for the 21 Enterphone to be placed on the telephone company's side 22 of the demarc in order for it to work properly. That's 23 how I understood the discussion this morning. 24 What I'm asking you in your position as a

25 person who handles telephone service complaints, could WITNESS: MARY M. TAYLOR (Cross by Hastings) 2/5/93 331 you offer an opinion as to why it would be and what 1 benefit a non-telecommunications company such as 2 Viscount would get if it were able to place that CPE on 3 4 the telephone company's facilities on the telephone 5 company's side of that demarcation point? 6 MR. CURRAN: Object. Mischaracterizes the 7 previous testimony. JUDGE CLISHE: I'll overrule the objection. 8 9 If you want to consider that a hypothetical, you can go 10 ahead. I think you heard the testimony this morning, but given the set of circumstances that Miss Hastings 11 12 described. 13 THE WITNESS: What I understood, again, the 14 hypothetical situation that was explained this morning as I understand it was that they were talking about 15 16 establishing two separate demarcs on a particular 17 circuit or a number of circuits. As I understood it, what they talked about 18 was using -- and I don't remember the exact jack that 19 20 they used -- a regulated systems jack is one demarc 21 point and continuing onto the individual units is a 22 second demarc point. 23 I think the advantage in my opinion if that

24 situation were allowed, that ultimately you would be

25 able to -- a vendor would be able to connect equipment WITNESS: MARY M. TAYLOR (Cross by Hastings) 2/5/93 332 1 on the network and ultimately U.S. West would still be 2 responsible for the maintenance of that cable. 3 So, if it created a problem where not -- if 4 a piece of equipment is added beyond the Company's 5 network facilities. There is a problem beyond that. б U. S. West does not have to bear the responsibilities 7 for the maintenance, where in the other system U. S. 8 West would be absorbing those costs or those rate 9 payers. 10 MS. HASTINGS: That's all I have. JUDGE CLISHE: Mr. Koontz, I suspect that 11 12 you don't have any? 13 MR. KOONTZ: I don't. JUDGE CLISHE: Mr. Garling? 14 Miss Brown? 15 16 Thank you, Miss Taylor, for your testimony. 17 JUDGE CLISHE: It's my understanding then 18 that the two or three witnesses for Viscount will be heard from. Is that right? 19 20 MR. CURRAN: Correct. 21 JUDGE CLISHE: Would you like to call your 22 first witness, Mr. Curran. 23 MR. CURRAN: I would call Owen Barclay. 24 (Discussion held off the record.)

25

WITNESS: OWEN BARCLAY - 2/5/93 333 1 OWEN BARCLAY, 2 witness herein, being first duly 3 sworn, was examined and testified 4 as follows: 5 б DIRECT EXAMINATION BY MR. CURRAN: 7 8 Mr. Barclay, would you state your full name Q. 9 and business address for the record, please. 10 Α. Owen Barclay, employed by Viscount 11 Industries. 105 East 69th Avenue, Vancouver, British 12 Columbia. Postal code V5X2W9. 13 Q. Did you prepare written testimony which was prefiled in this matter? 14 15 A. Yes, I did. 16 Q. Was that filed on behalf of Viscount Industries? 17 Yes, it was. 18 Α. You were authorized to file that testimony 19 Ο. on its behalf? 20 21 Α. Yes. Is that the testimony that's been marked for 22 Ο. 23 identification as ORB testimony? 24 A. Yes, that's correct.

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25
         Q. Would you repeat and reaffirm each and every
        WITNESS: OWEN BARCLAY (Direct by Curran) 2/5/93 334
    statement that's made therein if you were asked that
 1
 2
    under oath today?
 3
         Α.
              Yes, I would.
 4
               MR. CURRAN: Your Honor, we would offer Mr.
    Barclay's testimony into the record.
 5
 б
               JUDGE CLISHE: I'll mark for identification
 7
    as Exhibit T-18 what's identified as ORB testimony.
 8
                (Marked Exhibit T-18.)
 9
               JUDGE CLISHE: Are there any objections to
10
    this being included in the record?
               Hearing no objections I'll admit Exhibit
11
12
    T-18 into the hearing record.
13
               (Received Exhibit T-18.)
               MR. CURRAN: We would offer Mr. Barclay for
14
     cross-examination.
15
               JUDGE CLISHE: All right.
16
17
               Miss Hastings, do you have questions for Mr.
18
    Barclay?
19
               MS. HASTINGS: No.
20
               JUDGE CLISHE: Mr. Koontz?
               MR. KOONTZ: No.
21
22
               JUDGE CLISHE: Mr. Garling?
23
               MR. GARLING: No.
24
               JUDGE CLISHE: Miss Brown?
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25 MS. BROWN: Yes. WITNESS: OWEN BARCLAY (Direct by Curran) 2/5/93 335 1 C R O S S - E X A M I N A T I O N BY MS. BROWN: 2 3 Mr. Barclay, if your Enterphone equipment is Ο. 4 attached beyond the demarcation point, will it function 5 properly? 6 Α. It will function properly as long as it's 7 connected at a point where all of the cable or all of 8 the individual lines for all the tenants are in one 9 place. 10 ο. By that you mean that with the minimum point of presence it will work? 11 12 Α. I'm not sure what you mean by "minimum point 13 of presence." 14 ο. Basement demarc. If there was a universal methodology of 15 Α. 16 establishing the demarcation point in every building, 17 whether commercial or multi-tenant, at the minimum 18 point of entry for the building, then, yes, it would 19 work. 20 MS. BROWN: Thank you. I have nothing 21 further. 22 JUDGE CLISHE: Mr. Curran, did you have any 23 questions, redirect, of Mr. Barclay? 24 MR. CURRAN: No, your Honor.

JUDGE CLISHE: Okay. Thank you, Mr. 25 WITNESS: OWEN BARCLAY (Cross by Brown) 2/5/93 336 Barclay, for your testimony. 1 2 Would you like to call your next witness, 3 please? 4 MR. CURRAN: Emmett Moore, your Honor. 5 6 EMMETT R. MOORE, 7 witness herein, being first duly 8 sworn, was examined and testified 9 as follows: 10 11 DIRECT EXAMINATION 12 BY MR. CURRAN: Mr. Moore, could you please state your full 13 Ο. name and business address. 14 15 Emmett R. Moore. The company I work for is Α. Seattle Housing Authority, business address of 120 16 6th Avenue North, Seattle, Washington 98109. 17 What's the business of the Seattle Housing 18 ο. Authority? 19 20 Α. It's to provide safe affordable housing for 21 low and moderate income people. 22 Q. Is that a public entity? 23 Α. Yes. 24 Q. What's your position?

25 Α. Construction project manager. WITNESS: EMMETT R. MOORE (Direct by Curran) 2/5/93 337 1 Did you prepare prefiled testimony which was Q. 2 filed in written form in this matter? 3 Α. Yes, I did. 4 Q. And is that the testimony that's been marked for identification as ERM testimony? 5 б Α. Yes, it is. 7 ο. And would you repeat and reaffirm each and 8 every statement made herein if you were asked here 9 today under oath? 10 Α. Yes, I would. And are you authorized to testify here today 11 Q. 12 by the Seattle Housing Authority? 13 Α. Yes, I am. MR CURRAN: Your Honor, I would offer Mr. 14 Moore's prefiled testimony into evidence. 15 JUDGE CLISHE: All right. I have marked for 16 17 identification as Exhibit T-19 what's been identified as ERM testimony, which consists of seventeen pages. 18 (Marked Exhibit T-19.) 19 JUDGE CLISHE: Is there any objection to 20 21 that being included in the hearing record? Hearing no objection, I'll admit Exhibit 22 23 T-19 into the hearing record. 24 (Received Exhibit T-19.)

MR. CURRAN: Your Honor, I would offer Mr. 25 WITNESS: EMMETT R. MOORE (Direct by Curran) 2/5/93 338 Moore for cross-examination. 1 2 JUDGE CLISHE: Do you have any questions of 3 Mr. Moore, Miss Hastings? 4 MS. HASTINGS: Just a couple, please. 5 6 C R O S S - E X A M I N A T I O N 7 BY MS. HASTINGS: 8 Ο. Mr. Moore, you're familiar with the terms of 9 the stipulated settlement that was entered into the 10 record this morning? 11 Α. Yes, I am. 12 ο. Do the terms of the stipulated settlement 13 meet your needs and needs of the Seattle Housing Authority? 14 15 Not entirely. Α. In your judgment, does the tariff that's 16 Q. 17 been offered prevent a tenant or telephone subscribers 18 from obtaining non-telecommunications services such as 19 security alarm or cable? 20 Α. It doesn't prevent them, but it restricts 21 them. Thank you. Do you provide tenants in your 22 Ο. 23 buildings today with non-telecommunications services 24 such as alarm, security, or cable under the existing

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    policy where the demarcation point is in the individual
       WITNESS: EMMETT MOORE (Cross by Hastings) 2/5/93 339
 1
    tenant units?
 2
         Α.
               To a degree, yes.
 3
               MS. HASTINGS: Thank you. That's all I
 4
    have.
 5
               JUDGE CLISHE: All right.
 б
               Miss Brown, do you have any questions of Mr.
 7
    Moore?
 8
               MS. BROWN: No, your Honor.
 9
               JUDGE CLISHE: Mr. Koontz or Mr. Garling,
10
    anything of Mr. Moore?
11
               MR. GARLING: No.
12
               MR. KOONTZ: No, your Honor.
               JUDGE CLISHE: Thank you.
13
               MR. CURRAN: Your Honor, I do.
14
               JUDGE CLISHE: Mr. Curran, sorry.
15
16
            REDIRECT EXAMINATION
17
    BY MR. CURRAN:
18
               In regard to the questions that were asked
19
         Q.
20
    you by Miss Hastings, she asked if this stipulated
21
    settlement met all of your needs, and you said not all.
    What are the needs that the stipulated settlement does
22
23
    not meet for the Seattle Housing Authority?
24
         Α.
               It does not address the issues of -- moving
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25 the demarcation point is fine. Okay? But this

WITNESS: EMMETT MOORE (Redirect by Curran) 2/5/93 340 particular issue does not address the fact that by moving the demarcation point building owners such as myself are going to have to incur increased operating costs in terms of the maintenance of the cable and subsequently the replacement of the cable as technologies change.

7 We have no means or capacity to judge what 8 those costs are going to be or when we'll incur them. 9 Agencies such as the Housing Authority are fixed budget 10 agencies. We have no means or capacity to pass on 11 costs, increased costs, to our client base. If I incur 12 an increase in costs, I ultimately have to take it out 13 of my cash reserves. When the cash reserves are gone, 14 they are gone.

I can go back to the Federal Government and 15 16 say, "Could I please have more money?" But in today's 17 climate, I don't think they are going to give it to us. 18 She also asked you if the stipulated Ο. 19 settlement prevented you from having access to 20 technologies such as Enterphone, and I believe your 21 answer was it restricts your access. That's 22 paraphrasing the question and the answer. 23 In what ways does it restrict your access to

24 these technologies in your mind?

25 The Housing Authority has not yet determined Α. WITNESS: EMMETT MOORE (Redirect by Curran) 2/5/93 341 on a corporate basis whether or not we will move the 1 demarcation points to the minimum point of entry. If 2 3 we do not move the demarcation point, I cannot utilize 4 equipment such as the Enterphone system. 5 Ο. Is there other equipment or other б technologies that you're looking at beyond simply 7 Enterphone which it also restricts? Yes, there are. There is data 8 Α. 9 communications. We're in the process now of expanding 10 our data communications network. There is certain security issues that we're trying to accomplish which 11 12 would utilize twisted pair technology which is 13 telephone wire, which would be restricted -- we would 14 not have access to. 15 Miss Hastings also asked you if you do Ο. 16 provide your clients or tenants with entry control 17 systems at the present time. I think your answer was 18 that you have installed an entry control system. I believe your direct testimony was that you had 19 20 installed an entry control system at Roxbury House. 21 You have to answer audibly for the court 22 reporter. Yes, it was. 23 Α.

24 Q. And is that the facility in which you

25 considered putting in an Enterphone? WITNESS: EMMETT MOORE (Redirect by Curran) 2/5/93 342 1 Α. Yes, it was. 2 What kind of equipment did you eventually Ο. 3 put in there for an entry control system? 4 Α. A conventional hard wired intercom system. 5 Q. In your mind, was that equivalent to the б Enterphone? 7 Α. Not at all. 8 Q. In which way was it not equivalent? 9 It restricted the flexibility of use for the Α. 10 residents or by the residents. It reduced my ability to monitor activities generated through the access 11 12 system. In other words, who is coming? Who is going? 13 From where to where? Existing technologies such as what I 14 installed did not have the capabilities that the 15 16 Enterphone type systems have. 17 ο. Can you give us a little more detail, what 18 kinds of restrictions you're talking about? Some specifics? 19 20 Α. Existing intercom systems are not readily 21 used by elderly people because of their design. The 22 designs are pretty much rubber stamped from something 23 that was created back in the '50s and '60s. 24 The Enterphone type systems on the other

25 hand because they are a telephone based type system WITNESS: EMMETT MOORE (Redirect by Curran) 2/5/93 343 allow greater ease of use for people with disabilities. 1 2 By law I'm required to comply with certain 3 requirements for compliance with the American 4 Disabilities Act, things of this nature. The 5 Enterphone type system, if I could install it, would 6 allow me to use certain pieces of equipment that are 7 easier to use by people with disabilities. 8 0. Is there any way that your clients or your 9 tenants can choose to have access to the technologies 10 like Enterphone unless you make the decisions which allow it to be installed within your building? 11 12 Α. That's correct. I cannot prevent them from 13 demanding U. S. West's service. But with the way leases are written and enforced, it would be very 14 difficult on their part. 15 16 Just so I understand your answer correctly, Ο. 17 is it the case, sir, that you have to be in a position 18 to move the demarc to install an Enterphone system 19 before your tenants can have the benefits of that kind 20 of an entry system; is that right? 21 Α. That's correct. 22 Ο. As it presently sits under this proposed 23 settlement, do you believe you would be in a position 24 to do that?

25 Α. I would be in a position to move the demarc WITNESS: EMMETT MOORE (Redirect by Curran) 2/5/93 344 1 point, yes. But would I then incur increasing costs? 2 Yes again. 3 It's not necessarily the best thing for my 4 company. In your mind, is that a significant cost to 5 Q. 6 take on the responsibility for maintaining the wiring 7 in your facility? No one knows. We can estimate. But at 8 Α. 9 best, since I have no information available to me, --10 ο. If you were going to add that as a budget item in your request to the Housing Authority, would 11 12 you have any hard information to back that up on? 13 Α. No. If you did not put it in there as a budget 14 ο. item, would you have any funds available to use for 15 16 repair? 17 Α. No. MR. CURRAN: I have no further questions. 18 JUDGE CLISHE: All right. Any --19 20 MS. HASTINGS: Yes, I have a question. 21 22 RECROSS-EXAMINATION BY MS. HASTINGS: 23 24 ο. Mr. Moore, is it your testimony, then, that

25 in your judgment it should be the responsibility of the WITNESS: EMMETT MOORE (Recross by Hastings) 2/5/93 345 rate payer to fund the deployment of 1 2 non-telecommunications services? 3 Α. Clarify, please. 4 I'm just trying to understand your Q. 5 testimony. Is it your testimony that it should be the б responsibility of the person that pays for telephone 7 service, the rate payer, to fund the deployment of 8 non-telecommunications services such as the Enterphone? 9 MR. CURRAN: Your Honor, I'm going to object 10 to the form of the question, which is argumentative. It asks for a legal conclusion. Again, there is no 11 12 foundation. 13 JUDGE CLISHE: Any comment, Miss Hastings? 14 MS. HASTINGS: Mr. Moore has just advised us that it will be very expensive for the Seattle Housing 15 16 Authority to pay for the wire if they make the decision 17 to move the telephone network facilities back to the 18 minimum point of entry. 19 I'm trying to understand if he doesn't have 20 the money if it's his understanding or his 21 recommendation or he has -- it's his testimony that he 22 believes that the rate payers should pay for the costs 23 of maintaining and providing that wire. 24 JUDGE CLISHE: I'm going to overrule the

25 objection, but perhaps you can explain. I'm not sure WITNESS: EMMETT MOORE (Recross by Hastings) 2/5/93 346 that Mr. Moore knows and I'm not sure I know or at 1 2 least if you clarify it, I think it will be easier to 3 respond to. The rate payer you're referring to is the 4 current U. S. West rate payer? 5 MS. HASTINGS: Yes. б JUDGE CLISHE: Does that make it clearer for 7 you? 8 THE WITNESS: Yes. 9 JUDGE CLISHE: Okay. 10 THE WITNESS: The resident or the rate payer as you put it is not obligated or should not be to pay 11 12 or support the cost if the demarcation point is moved 13 to the minimum point of entry. BY MS. HASTINGS: 14 Let me ask it differently. Really what we 15 Q. 16 have here is the situation where the telephone wires 17 would be put in place by someone and paid for by 18 someone. And that someone may be the telephone 19 company, who charges its costs to the rate payer, or it 20 may be by a building owner. 21 Once those wires are placed in the building, 22 I'm understanding that it would be advantageous for the 23 Seattle Housing Authority to run over those wires for 24 free services of non-telecommunications companies.

I'm just trying to understand if it's your 25 WITNESS: EMMETT MOORE (Recross by Hastings) 2/5/93 347 1 testimony that you think it would be a good idea for 2 those companies to use those wires that were placed by 3 some other entity for free by Viscount? 4 Α. I'm not saying that it should be used by any other entity necessarily for free. What I'm saying is 5 б the Housing Authority would like to see a policy of 7 co-existence. 8 Q. Thank you. 9 MS. HASTINGS: I have no further questions. 10 JUDGE CLISHE: Any other questions? MS. BROWN: No questions. 11 12 MR. CURRAN: Nothing. JUDGE CLISHE: Thank you very much, Mr. 13 Moore, for your testimony. 14 15 MR. CURRAN: Call Erik Isakson. 16 17 ERIK ISAKSON, witness herein, being first duly 18 sworn, was examined and testified 19 20 as follows: 21 22 JUDGE CLISHE: Would you like to have a 23 seat. 24

	WITNESS	: ERIK ISAKSON (Direct by Curran) 2/5/93 348
1	DIRECT EXAMINATION	
2	BY MR. CURRAN:	
3	Q.	Could you state your name and address, sir.
4	Α.	Erik Isakson, 1743 First Avenue south,
5	Seattle 98134.	
6	Q.	Who do you work for?
7	Α.	Guardian Security Systems, Incorporated.
8	Q.	What's the business of Guardian?
9	Α.	To install, monitor, and maintain burglar,
10	fire alarms for low voltage.	
11	Q.	Is the Enterphone systems one of the systems
12	that you market and install?	
13	Α.	That is correct.
14	Q.	And have you prepared prefiled testimony in
15	this matter?	
16	Α.	Yes, sir.
17	Q.	Is that the testimony that has been marked
18	for identification as EI testimony?	
19	Α.	Yes.
20	Q.	Would you repeat and reaffirm each and every
21	statement you have made here herein if you were asked	
22	these same questions under oath today?	
23	Α.	That is correct.
24	Q.	And are you authorized to testify on behalf

25 of Guardian?

WITNESS: ERIK ISAKSON (Direct by Curran) 2/5/93 349 1 Α. Yes. MR. CURRAN: Your Honor, I would offer Mr. 2 3 Isakson's testimony into evidence. 4 JUDGE CLISHE: All right. I have marked for identification as Exhibit T-20 the testimony of Mr. 5 б Isakson, which consists of testimony on six pages. 7 (Marked Exhibit T-20.) JUDGE CLISHE: Is there any objection to Mr. 8 9 Isakson's testimony being included in the hearing 10 record? 11 MS. BROWN: No objection. 12 MS. HASTINGS: No. JUDGE CLISHE: I'll admit Exhibit T-20 into 13 the hearing record. 14 15 (Received Exhibit T-20.) 16 MR. CURRAN: We would offer Mr. Isakson for 17 cross-examination. MS. HASTINGS: We have no questions. 18 JUDGE CLISHE: Does Staff have any questions 19 of Mr. Isakson? 20 21 MS. BROWN: No. 22 JUDGE CLISHE: All right. 23 Mr. Garling? 24 MR. GARLING: No.

25 MR. KOONTZ: I have no questions from ATM. WITNESS: ERIK ISAKSON (Direct by Curran) 2/5/93 350 1 MR. CURRAN: Your Honor, I have a few. BY MR. CURRAN: 2 3 Mr. Isakson, have you had an opportunity to Ο. 4 review the proposed settlement that was put into the 5 record today? б Α. Yes, I have. 7 ο. Does that settlement change in any way the 8 concerns that you laid out in your prefiled testimony? 9 To a degree, yes. It has given an Α. 10 opportunity for the owner to move the point of demarcation. From that standpoint that changes one of 11 12 our concerns. 13 Do you have remaining concerns that have not Ο. been addressed or allayed by this proposed settlement? 14 We do, yes. 15 Α. 16 Q. What are those? 17 Α. From a marketing standpoint of marketing 18 this particular product, we now are not only trying to 19 promote a product but we also have to try to convince a 20 user or educate a user as to what kind of ramifications 21 he will now have with maintenance. 22 And to this point no one has any information 23 where we can find or can pass that along to the owner 24 to be able to make that decision.

25 By "maintenance," you're referring to the Q. WITNESS: ERIK ISAKSON (Direct by Curran) 2/5/93 351 1 maintenance responsibilities an owner would have to 2 take on if the demarc was moved? 3 Α. Put the cable inside the building. That is 4 correct. Do you believe that is a significant 5 Ο. б detriment to your ability to market the Enterphone 7 system in Washington State? It could be. It depends on the education 8 Α. 9 and the knowledge of the owner we're dealing with. It 10 certainly could be. Is the Enterphone system particularly well 11 Q. 12 suited for installation in existing buildings or older 13 buildings? Yes, it is. 14 Α. Why is that? 15 Q. 16 The main advantage that the Enterphone Α. 17 system has is that it will save the owner of the 18 building in ongoing recurring charges in telephone 19 costs for entry. 20 Currently today with exclusion of unit to 21 unit hard wired intercoms, front door security stations right now require -- most of them require a telephone 22 23 line to access the individual units. 24 Enterphone's products with the 71C jack does

25 not. So, they will be able to save money every single WITNESS: ERIK ISAKSON (Direct by Curran) 2/5/93 352 month as long as they own the building. 1 2 Q. Your company also installs hard wired 3 intercoms, does it not? 4 Α. That's correct. 5 MS. HASTINGS: Your Honor, I would like to б object. I don't have a problem if he asks questions 7 about the testimony heard today or the testimony that 8 was prefiled. But I think we have new testimony going 9 on here. I would like to keep our questions focused on 10 why we came here. 11 JUDGE CLISHE: Any comments? 12 MR. CURRAN: Your Honor, I don't think that's the case. What I'm simply trying to address is 13 whether or not the concerns that he laid out in his 14 prefiled testimony have been erased or whether they 15 16 still exist as a result of this proposed settlement, 17 which does somewhat -- it changes the issues that are 18 before the Commission essentially from when his 19 prefiled testimony was originally filed. 20 MS. HASTINGS: If Mr. Curran would like to 21 phrase his questions in such a way that says, you know, 22 go through the questions and ask how he would change 23 these answers with respect to the prefiled testimony, I 24 wouldn't object to that. But I was not hearing the

25 questions being phrased that way.

WITNESS: ERIK ISAKSON (Direct by Curran) 2/5/93 353 1 JUDGE CLISHE: Any comments? 2 MR. CURRAN: Yes, your Honor. I don't think 3 there is any requirement that I simply ask him are 4 there any changes in your prefiled testimony, period? 5 I think I have the right to lead this witness through 6 any areas that might be changed so that there is a 7 clear record before the Commission. I'm not planning 8 to take a long time on this. 9 JUDGE CLISHE: All right. I'll overrule the 10 objection. I think since Mr. Isakson has been here today and obviously heard the testimony regarding the 11 12 settlement as well as other testimony, I think it's 13 appropriate for him to respond to questions about how that might have a bearing on what he had earlier filed 14 15 as his testimony. 16 MR. CURRAN: Thank you.

17 BY MR. CURRAN:

18 Q. Mr. Isakson, I believe my question was your 19 company also installs and markets hard wired intercom 20 systems which act as entry control systems as well; is 21 that correct?

22 A. Yes.

Q. In regard to these older buildings, is therea significant advantage to installing the Enterphone as

WITNESS: ERIK ISAKSON (Direct by Curran) 2/5/93
A. Yes. Incredible difference.
Q. And in those older buildings, is maintenance
of the wire within the building more of a concern to
the owner than in newer buildings?
A. I would think so.

opposed to hard wiring an intercom?

6 Q. Do you have any hard information that you 7 can provide to the owner of that older building when 8 you're trying to sell them an Enterphone to assure them 9 what the costs might be? Or do you have any idea what 10 the maintenance costs might be?

354

11 A. I have none.

25

12 Q. Are you aware of any maintenance programs to 13 which you can refer that might give them a set cost per 14 month to maintain the wire in their buildings?

15 A. I'm not.

16 MR. CURRAN: I have no further questions. JUDGE CLISHE: All right. Anything else of 17 Mr. Isakson? 18 MS. HASTINGS: I don't have any more. 19 20 JUDGE CLISHE: Okay. Thank you, Mr. 21 Isakson, for your testimony. MR. CURRAN: Your Honor, if I may, I would 22 23 like to recall Mr. Barclay briefly if I could.

24 JUDGE CLISHE: Okay. What would you be

25 having him testify about?

WITNESS: ERIK ISAKSON (Direct by Curran) 2/5/93 355 1 MR. CURRAN: I simply want to ask him the 2 same questions that I just asked Mr. Isakson, which is 3 does this -- just the gist of the questions would be 4 does this proposed settlement change in any way the views that he expressed in his prefiled testimony? 5 б JUDGE CLISHE: All right. 7 Mr. Barclay, would you like to return up here? And you're still under oath from earlier. 8 9 10 OWEN BARCLAY, witness herein, having been previously 11 12 duly sworn, was examined and testified further as follows: 13 14 REDIRECT EXAMINATION 15 BY MR. CURRAN: 16 17 ο. Mr. Barclay, you have had an opportunity to 18 review the proposed settlement, have you not? 19 Α. Yes, I have. 20 Q. Does the proposed settlement meet all of the 21 concerns which Viscount expressed in your earlier 22 testimony? 23 Α. No, it does not. 24 Q. What concerns remain?

25 When I prefiled my testimony, I requested Α. WITNESS: OWEN BARCLAY (Redirect by Curran) 2/5/93 356 that either Enterphone be allowed to be 1 2 inter-positioned in the network or, alternatively, 3 universal MPOE be developed. 4 The reason we asked that was because we are 5 concerned about adding pressures on to a building owner б in terms of making a decision. We had a case somewhat 7 recently in New Jersey whereby a building owner was 8 going to have to be required to sign an agreement to 9 connect Enterphone. And we got a lot of opinion back 10 from building owners where they simply would not sign 11 the agreement. 12 So, it was very apparent to us that taking 13 on such responsibilities was not going to be in the building owners' best interests. 14 A universal MPOE policy allows us to freely 15 16 market the product without putting the additional 17 burden on a building owner. 18 Do you believe that that detriment is Ο. 19 significant enough to prevent the viable marketing of 20 this product in Washington State? 21 Α. We don't know for sure. We have no evidence 22 to base it on other than our experience in other states 23 and dealing in Canada. But it's our opinion and 24 certainly the Company's position, not just mine, that

25 it will be extremely difficult to pursue the market WITNESS: OWEN BARCLAY (Redirect by Curran) 2/5/93 357

1 under the proposed settlement.

2 Q. What do you mean by "pursue the market"? 3 A. Well, there is considerable investment in 4 time and effort on behalf of our Staff to go out and 5 find dealers. And that is one of the things we would 6 have to do such as finding a dealer such as Guardian 7 Security that Mr. Isakson works for.

8 We're a quality company and we want to tell 9 them what they are up against before they even begin to 10 approach the market and to sell the Enterphone is a 11 long sales process in a lot of instances.

12 If such companies as Mr. Isakson's are 13 concerned about approaching building owners and 14 convincing them that they should take on the maintenance with no information base whatsoever to 15 16 convince them, then they are not likely to take on the 17 product. There are lots of other things that they can 18 do in their businesses without having that concern to 19 go market with.

20 Q. Could this problem of having to convince 21 building owners that they have to move the demarc down 22 to the basement be significant enough that it might 23 result in your withdrawing the product in Washington 24 State? 25 MR. GARLING: Objection. Speculative. WITNESS: OWEN BARCLAY (Redirect by Curran) 2/5/93 358 1 MR. CURRAN: We have had a fair amount of 2 opinion testimony. 3 MR. GARLING: This is clearly --4 MR. CURRAN: I have a right to respond to 5 your objection, sir. б JUDGE CLISHE: Talk one at a time. 7 Mr. Garling --MR. GARLING: I think it's very speculative. 8 9 He is asking him to just off the top of his head 10 speculate about things that -- I just feel it's speculative and it's getting late. 11 12 If it's good opinion testimony, if it's 13 based on something that's in the record, something that he knows about, something from his experience, then I 14 think that's proper opinion. 15 But what you, at least from the question I 16 17 heard, you weren't asking for proper opinion. You were 18 asking for a speculation. 19 JUDGE CLISHE: Any comments? 20 MR. CURRAN: I don't believe that's the case 21 at all, your Honor. He has testified already as to the 22 feedback that they had from building owners in New 23 Jersey and what not. 24 In his direct testimony they have already

25 stated that at this present point they believe that the WITNESS: OWEN BARCLAY (Redirect by Curran) 2/5/93 359 Enterphone system is not a viable product in Washington 1 2 State. 3 And the question that I am posing to him is, 4 you know, does he believe that under this proposed 5 settlement that there still may be enough of a б detriment to try to successfully market it here, that 7 it could result in the product being withdrawn from the 8 state. 9 JUDGE CLISHE: I'm going to overrule the 10 objection and allow Mr. Barclay to answer the question. 11 Do you want it repeated? 12 THE WITNESS: No. I have it, thank you. We certainly wouldn't withdraw from the 13 market. However, we would completely change our 14 15 philosophy in dealing with the market in that we would 16 take whatever came our way. 17 If a building owner through a reference in 18 California or wherever came to us and said we want an 19 Enterphone system, we would obviously try and have a 20 dealer there to deal with that person. And we would 21 try and have those pieces in place and we would sell them the equipment. We wouldn't have any concern about 22 23 that. 24 But we wouldn't go after the market nearly

25 as aggressively as we otherwise would. Seattle and WITNESS: OWEN BARCLAY (Redirect by Curran) 2/5/93 360 surrounds we consider to be very similar to Vancouver 1 and surrounds in terms of the population, the 2 3 densities. And so we see a significant marketing 4 community here. 5 MR. CURRAN: I have no further questions. б 7 CROSS-EXAMINATION 8 BY MS. HASTINGS: 9 Q. Mr. Barclay, how old is the Enterphone 10 technology that you are marketing in Washington State? The particular model that we have or --11 Α. 12 The technology itself, the way that Enterphone works, is approximately 28 years old. 13 And 14 it began as a very simple and straightforward mechanical relay type of system and it progressed to 15 16 electronic relays with a mechanical processing and now 17 it's evolved to a fully, completely microprocessor 18 based almost like a computer system. 19 Ο. Thank you. So, I'm trying to understand 20 exactly the issue with the tariff. And what I'm 21 thinking I'm understanding -- I would just like for you 22 to correct my understanding if it's not correct -- is 23 that this technology was great when the telephone 24 company was ubiquitous, and that the creation of a

25 telephone network that is no longer ubiquitous and is WITNESS: OWEN BARCLAY (Cross by Hastings) 2/5/93 361 1 open to competition makes it difficult for your 2 technology to work. 3 Do I understand that correctly? 4 MR. CURRAN: Your Honor, I'm going to object 5 to the form of the question which again I think is б argumentative and is better placed in briefs than put 7 to any of the witnesses as a question. 8 But there is also no foundation for this. 9 JUDGE CLISHE: Any comments, Miss Hastings? 10 MS. HASTINGS: We have heard a lot today about how important it is for Viscount to place their 11 12 technology in the Seattle market. And I am trying to 13 understand how old that technology is and how valuable it would be for the Seattle market to have that 14 15 technology. 16 So, I did want to know how old it was and I 17 did want to understand why the change in this tariff as 18 it relates to the age of the technology was important. 19 I'm just trying to understand that for my own purposes. 20 MR. CURRAN: Your Honor, if she wants to ask 21 how it is that the Seattle market would benefit from 22 the Enterphone, she can ask that question, but that is 23 not what she asked before. 24 MS. HASTINGS: I don't want to ask that

25 question.

WITNESS: OWEN BARCLAY (Cross by Hastings) 2/5/93 362 JUDGE CLISHE: In any event, I'm overruling 1 2 the objection, and Mr. Barclay can answer the question. 3 Or if you need to have it repeated? 4 THE WITNESS: Or give me a new one. 5 BY MS. HASTINGS: б Q. The question I'm asking is I'm just trying 7 to understand the problem that might be occurring here 8 is that the technology 28 years ago was good when there 9 was no demarcation point and the telephone company had 10 a ubiquitous network that stopped and started nowhere. Now that there is an FCC order out that says 11 12 the network stops and starts at a certain point in time, that has a result on your technology. Do I 13 14 understand? If I can broaden that a little bit, and I 15 Α. 16 heard something earlier which made me think of this. 17 It's not essential that Enterphone is installed on the 18 network. Okay? Like ahead or on the Company's side of 19 the demarcation point. That doesn't create the 20 function. There is nothing special about that 21 configuration. 22 Enterphone only needs to connect where all 23 the cable for the building is in one location. That's

24 the way the equipment is designed and the functionality

25 of the jack under which we're permitted by the FCC to WITNESS: OWEN BARCLAY (Cross by Hastings) 2/5/93 363 connect with. That whole scenario provides for our 1 2 need to connect at that point. 3 The system itself, the technology, still 4 provides significant benefits to end users, 5 subscribers, and building owners regardless of whether 6 it's ahead of the MPOE or behind it. 7 Does that answer the question? 8 Q. Yes. So, do I properly understand your 9 position to be, then, that you need or prefer to be 10 able to place your equipment where all of these cables 11 come together so that the telephone company and its 12 subscribers will be responsible for the necessary costs 13 to maintain the wires that are needed to run your 14 equipment? I'm sorry. Could you repeat that? 15 Α. 16 What I'm understanding you to say is it's Q. 17 necessary for you to have your equipment at some point in time where all of the telephone wires come to a 18 19 central point and meet. 20 Α. Yes. 21 Q. And it is important for you because, if that 22 occurs, what you basically have is the telephone 23 company and subscribers paying for the maintenance cost 24 for the wires that your equipment then uses to get to

25 the individual units?

WITNESS: OWEN BARCLAY (Cross by Hastings) 2/5/93 364 1 Α. Yes. There is a truth that the subscribers 2 and the telephone company are paying for that wire. 3 But the company is also earning revenue from the 4 provision of that wire as well. 5 Enterphone only uses the wire when there is б not a telephone call in process. So, we view that as 7 being a limited or a vacant opportunity in which to use 8 the equipment in the lines. 9 Q. Would Viscount think it appropriate to use 10 telephone company trucks in the evening when they are not being used to do maintenance work? 11 12 MR. CURRAN: Your Honor, I'm going to 13 That's blatantly argumentative. object. MS. HASTINGS: Just trying to understand 14 what part of the telephone business that is not being 15 16 used in the daytime is necessary to be used at night. 17 MR. CURRAN: I think it goes way beyond that 18 quite obviously. JUDGE CLISHE: In spite of the fact that it 19 20 might have had a little edge on that question, I'm 21 going to allow it, although you're not going to go 22 through every little piece of stuff that the phone 23 company uses?

24

MS. HASTINGS: No. I'm just curious so I

25 can warn the folks.

WITNESS: OWEN BARCLAY (Cross by Hastings) 2/5/93 365 1 MR. CURRAN: I'm going to restate the 2 objection because I think that's completely improper. 3 JUDGE CLISHE: I understand. I have 4 overruled it. 5 Go ahead, Mr. Barclay. 6 THE WITNESS: I would suspect that if a 7 building owner allowed you to park their vehicles in 8 the building overnight for free in order to provide 9 service then that might be a requirement that we might 10 ask you if we could use those trucks. 11 MS. HASTINGS: No other questions. 12 JUDGE CLISHE: Any other questions of Mr. 13 Barclay? Thank you, Mr. Barclay, for your testimony. 14 It's my understanding that we have come to 15 the last of the witnesses; is that right. 16 17 MR. CURRAN: For us that's true. JUDGE CLISHE: I have some things I need to 18 19 discuss with you about how we're going to handle some 20 of these matters. So, let's be off the record for a 21 few minutes, and we'll figure out what we're doing with 22 this. And then --23 MR. CURRAN: Your Honor, can the witnesses 24 be excused who have been sitting here patiently.

25 (Discussion held off the record.) WITNESS: OWEN BARCLAY (Cross by Hastings) 2/5/93 366 1 JUDGE CLISHE: Back on the record. I will 2 mark for identification as Exhibit 21 the letter of 3 November 13, 1992, from Stephen Holmes of U. S. West, 4 three-page letter, with two attachments. 5 Attachment A is a summary of changes. б Attachment B is, I believe, the proposed tariff. The 7 letter concerns the changes that Mr. Williams would 8 have made or corrections to his testimony, which is 9 Exhibit T-1. 10 (Marked Exhibit 21.) JUDGE CLISHE: Is there any objection to the 11 letter and the attachments being included? 12 Hearing no objection I will admit Exhibit 21 13 14 into the hearing record. (Received Exhibit 21.) 15 16 JUDGE CLISHE: And we also spoke about the 17 remaining schedule, and I need to do some checking into 18 what pieces of the remaining schedule we need to keep. 19 And, Miss Brown, you were checking on what? 20 MS. BROWN: Public hearing. 21 MS. HASTINGS: Your Honor, I will send you a letter to the effect that U. S. West will not waive its 22 23 time for the hearings to be suspended pending the 24 approval of the order by the Commission.

JUDGE CLISHE: Anything else that we need to WITNESS: OWEN BARCLAY (Cross by Hastings) 2/5/93 cover? MR. CURRAN: Your Honor, other than I guess we request that a formal briefing date be set. JUDGE CLISHE: All right. Since that was one of the things we were announcing later, I will look б into what would be an appropriate time, and I guess I need to look at my calendar and what else I might have to consider with that. So, I will announce either by letter or whatever to the parties. Okay, anything else? All right, we'll be adjourned for now. (At 3:00 p.m. this segment of the hearing was concluded.)