

1 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
2 COMMISSION

3 WASHINGTON UTILITIES AND)
 TRANSPORTATION COMMISSION,)
 4)
 Complainant,) DOCKET NO. UT-941464
 5) VOLUME 13
 vs.) PAGES 2424 - 2491
 6)
 U S WEST COMMUNICATIONS, INC.,)
 7)
 Respondent.)
 8 -----)
 TCG SEATTLE and DIGITAL DIRECT OF)
 9 SEATTLE, INC.,)
)
 10 Complainant,) DOCKET NO. UT-94165
)
 11 vs.)
)
 12 U S WEST COMMUNICATIONS, INC.)
)
 13 Respondent.)
 -----)

14
 15 A hearing in the above matter was held
 16 at 10:10 a.m. on November 13, 1996 at 1300 South
 17 Evergreen Park Drive Southwest, Olympia, Washington
 18 before Chairman SHARON L. NELSON, Commissioners
 19 RICHARD HEMSTAD and WILLIAM R. GILLIS, and
 20 Administrative Law Judge JOHN PRUSIA.

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 23
 24
 25 Lisa K. Nishikawa, CSR, RPR
 Court Reporter

1 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

2 TCG SEATTLE,)

)

3 Complainant,)

)

4 vs.)

)

5 GTE NORTHWEST INCORPORATED,)

)

6 Respondent.)

-----)

7 GTE NORTHWEST INCORPORATED,) DOCKET NO. UT-950146

)

8 Third Part Complainant,)

)

9 vs.)

U S WEST COMMUNICATIONS, INC.,)

10)

Third Party Respondent.)

11 -----)

ELECTRIC LIGHTWAVE, INC.,) DOCKET NO. UT-950265

)

12 Complainant,)

)

13 vs.)

)

14 GTE NORTHWEST INCORPORATED,)

15 Respondent.)

-----)

16 WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION STAFF, by SALLY G. JOHNSTON, Assistant
17 Attorney General, 1400 South Evergreen Park Drive,
Olympia, Washington 98504 and DAVID GRIFFITH, 1300
18 South Evergreen Park Drive, Olympia, Washington 98504.

19 WASHINGTON INDEPENDENT TELEPHONE
ASSOCIATES/WASHINGTON EXCHANGE CARRIER, by RICHARD A.
20 FINNIGAN, Attorney, 2405 Evergreen Park Drive
Southwest, Suite B-1, Olympia, Washington 98502.

21 ELECTRIC LIGHTWAVE, INC., by ROB McMILLIN,
22 Director of Public Policy, and SHERMAN ACKLEY,
Director - Special Projects, 8100 Northeast Parkway
23 Drive, Suite 150, Vancouver, Washington 98662.

24 US WEST COMMUNICATIONS, INC., by THERESA A.
JENSEN, Director - Washington Regulatory Affairs,
25 and TOMMY THOMPSON, 1600 Seventh Avenue, Room 3011,
Seattle, Washington 98191.

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1 TCG and NEXTLINK, by GREGORY J. KOPTA,
2 Attorney, 2600 Century Square, 1501 Fourth Avenue,
3 Seattle, Washington 98101-1688.

4 NEXTLINK, by CHRISTINE WALKER, Manager,
5 Interconnection & CLEC Services, 155 108th Avenue
6 Northeast, #810, Bellevue, Washington 98004.

7 GTE, by BILL LUCE, Manager - Regulatory &
8 Industry Affairs, 604 Marine View, Mukilteo,
9 Washington 98275.

10 AT&T, by RON GAYMAN, Regulatory Manager,
11 2601 Fourth Avenue, Sixth Floor, Seattle, Washington
12 98121.

13 SPRINT/UNITED TELEPHONE, by GLENN HARRIS,
14 Regulatory Relations Administrator, 902 Wasco Street,
15 Hood River, Oregon 97031.

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I N D E X

2 WITNESS: PAGE

3 WALKER 2464

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9 EXHIBIT MARKED ADMITTED

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1 P R O C E E D I N G S

2 JUDGE PRUSIA: Let's be on the record. The
3 hearing will please come to order. The Washington
4 Utilities and Transportation Commission has set for
5 hearing at this time and place upon due and proper
6 notice to all interested parties a hearing in
7 consolidated numbers UT-941464, UT-941465, UT-950146,
8 and UT-950265.

9 The first docket is captioned the
10 Washington Utilities and Transportation Commission
11 versus U S WEST Communications, Inc. Today's hearing
12 is limited to the subject of number reportability and
13 to a limited number of issues related to that subject.

14 The hearing is being held at Commission
15 headquarters at Olympia, Washington on November the
16 13th, 1996. The hearing will be held before the
17 commissioners Chairman Sharon L. Nelson, Commissioner
18 Richard Hemstad, and Commissioner William Gillis. Now
19 we will discuss procedural matters before they are
20 brought into the hearing.

21 My name is John Prusia. I am an
22 administrative law judge with the Commission.

23 I'll take appearances at this time starting
24 on my left with Mr. McMillin.

25 MR. McMILLIN: Rob McMillin for Electric

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1 Lightwave.

2 MR. ACKLEY: Sherman Ackley for Electric

3 Lightwave.

4 MR. THOMPSON: Tommy Thompson, U S WEST

5 Communications.

6 MS. JENSEN: Theresa Jensen, U S WEST

7 Communications.

8 MS. WALKER: Christine Walker, Nextlink of

9 Washington.

10 MR. KOPTA: Gregory Kopta appearing on

11 behalf of Nextlink and TCG.

12 MR. WILLIAMSON: Robert Williamson

13 appearing for TCG.

14 MR. FINNIGAN: Richard Finnigan appearing

15 on behalf of the Washington Exchange Carrier

16 Association and also on behalf of the Washington

17 Independent Telephone Association.

18 MR. LUCE: I'm Bill Luce appearing on

19 behalf of GTE.

20 MR. GAYMAN: Ron Gayman appearing on behalf

21 of AT&T.

22 MR. HARRIS: Glenn Harris appearing on

23 behalf of Sprint/United Telephone.

24 MR. GRIFFITH: David Griffith appearing on

25 behalf of Commission staff.

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1 MS. JOHNSTON: Sally G. Johnston, assistant
2 attorney general, appearing also for Commission staff.

3 JUDGE PRUSIA: Is there anyone else present
4 in the room who wishes to enter an appearance in this
5 matter and has not yet had the opportunity to do that?
6 Let the record reflect there's no response.

7 Mr. Kopta, Nextlink is not a party, are
8 they?

9 MR. KOPTA: No, they are not a party in
10 this particular proceeding. They have been involved
11 in the WECA docket dealing with the implementation of
12 permanent local number reportability and they are an
13 intervenor in the appeal of the Commission's fourth
14 supplemental order in this particular proceeding.

15 JUDGE PRUSIA: And what's their status?
16 Are you seeking to intervene for some limited purpose
17 in this proceeding or --

18 MR. KOPTA: Well, we had hoped to bring the
19 concerns of Nextlink to the Commission's attention in
20 this particular docket because number reportability is
21 one of the issues that the Commission is considering.
22 If in order to do that we have to intervene, we would
23 certainly ask at this time that intervention for the
24 limited purpose of being able to address this issue in
25 this particular hearing we believe would be

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1 appropriate.

2 JUDGE PRUSIA: Would there be any objection
3 to Nextlink intervening for the limited purpose of
4 addressing this particular issue in this hearing?

5 MS. JOHNSTON: No objection.

6 JUDGE PRUSIA: That limited intervention
7 will be granted.

8 MR. KOPTA: Thank you.

9 MR. FINNIGAN: If I may, I need to point
10 out to the bench that the Washington Exchange Carrier
11 Association is not a party either, and would then
12 likewise need to seek intervention for the limited
13 purpose of presenting its report and addressing the
14 issues of number reportability as presented in the
15 WECA report.

16 JUDGE PRUSIA: Does anyone object to the
17 limited appearance of the Washington Exchange Carrier
18 Association for that purpose? That limited
19 intervention will be granted.

20 MR. FINNIGAN: Thank you.

21 JUDGE PRUSIA: We need to discuss some
22 preliminary matters. It appears to me that the
23 specific issues before the Commission this morning are
24 whether the Commission should accept the report to the
25 Commission by the network standard subcommittee of the

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1 Washington Exchange Carrier Association, filed with
2 the Commission on July 1, 1996 and modified by letter
3 filed on October 22, 1996, as constituting compliance
4 with ordering paragraph number 13 of the fourth
5 supplemental order. And that was a paragraph that
6 required US WEST, GTE, TCG, and ELI to report back to
7 the Commission.

8 Another issue is whether the Commission
9 should take specific actions requested in the WECA
10 report: One, should the Commission approve the
11 selection of AT&T's location number reporting LRN --
12 location routing number, LRN, solution as a starting
13 point for implementation of local number reportability
14 within the state of Washington; second, should the
15 Commission ratify WECA's formation of several working
16 teams described in the report as the mechanism to
17 develop the detailed implementation and deployment of
18 local number reportability; third, should the
19 Commission encourage companies operating in Washington
20 to consider membership in the Western Region Telephone
21 Number Reportability LLC under the Colorado Public
22 Utilities Commission initiative.

23 Since the report was filed, the
24 Commission has requested and received comments from a
25 number of parties concerning the recommendations in

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1 the report. And commenting on the reports, several
2 parties have raised additional issues that the
3 Commission might address today for the purpose of
4 giving guidance to the industry. Some of these issues
5 are, should the Commission open its own docket to
6 address cost recovery, and if so, when; can and should
7 the Commission order a more aggressive or less
8 aggressive implementation schedule than the FCC has
9 mandated, and should the Commission require a
10 verification testing process in Washington before
11 implementation occurs to ensure network reliability and
12 quality; should the Commission explore the extent to
13 which competitive services will be provisioned on a
14 resold basis as opposed to a facility-based approach
15 before reaching any decisions on the implementation
16 needs and schedules; and should the Commission
17 authorize companies to establish memorandum accounts to
18 track their implementation costs.

19 Does that fairly summarize the issues that
20 have been raised? Does anyone have anything to add
21 to --

22 MS. JENSEN: This is Theresa Jensen with US
23 WEST. Could you please repeat the fourth item, and
24 has this been issued in writing? I'm not aware of
25 some of these initial issues.

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1 JUDGE PRUSIA: Of the issues? We haven't
2 sent anything out in writing in terms of the issues.

3 The fourth one was my summary of what I
4 appear to be an issue raised by GTE and in its, I
5 believe, its most recent comments.

6 MS. JENSEN: Could you repeat that, please.

7 JUDGE PRUSIA: My wording of it was, should
8 the Commission explore the extent to which competitive
9 services will be provisioned on a resold basis as
10 opposed to a facility-based approach before reaching
11 any decisions on the implementation needs and
12 schedules.

13 If anyone has GTE's comments, they can read
14 through that and get their own impression of what it
15 means.

16 We also have some procedural matters to
17 resolve this morning that I discussed off the record
18 briefly with Mr. Finnigan. The Commission has
19 required to base any findings of facts exclusively on
20 the evidence of record and on matters officially
21 noticed. There is no evidence of record on the
22 questions before the Commission today. No testimony
23 has been heard and no exhibits related to the subject
24 have been placed into the record. Therefore, at the
25 outset we need to determine what documents, such as

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1 the Telecommunications Act of 1996 and the FCC report
2 and order and further notice of proposed rule making
3 need to be made part of the record, which need to be
4 made exhibits, and which should we just take official
5 notice of.

6 And I would propose that the Commission
7 take official notice of the Telecommunications Act of
8 1996 and we could also take official notice of the FCC
9 order and further notice, or if the parties feel it's
10 more convenient, we might make that an exhibit so we
11 would have it before us.

12 Secondly, the question is how do we get the
13 factual allegations that are contained in the parties'
14 comments into the record. And at this point I would
15 like to -- I would like to open it up to suggestions
16 from the parties on how we might do that.

17 MR. FINNIGAN: If I might, this is Rick
18 Finnigan speaking. Before the hearing started we had
19 a discussion of how we might address that. I think
20 everyone is comfortable with the Commission taking
21 official notice of the Act and the FCC order and then
22 stipulating to admission of the WECA report of July 1
23 as an exhibit as supplemented by letters from me dated
24 September 3 and the other letter that you referred to
25 in your comments, October --

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1 JUDGE PRUSIA: 22nd.

2 MR. FINNIGAN: -- 22nd. Thank you. And
3 then the comments of the parties that have been
4 submitted in response to the WECA report and the
5 Commission's notice of this hearing would all come in
6 as stipulated exhibits. If other folks have comments.

7 MS. JENSEN: Your Honor, this is Theresa
8 Jensen with US WEST. I have some concern about the
9 process here this morning. We understood the process
10 as articulated at page 4 of the notice to deal with
11 the questions raised by the Commission, and I believe
12 what you have stated this morning goes beyond that,
13 and there is some question from our legal counsel on
14 what authority the Commission is moving forward under
15 and some question to that. And I do believe that
16 legal counsel may need to be represented before we go
17 any further than what was noticed out in this
18 document, and I also have concern that there are
19 additional parties that would need to be present with
20 respect to going further with this issue than what is
21 documented here.

22 JUDGE PRUSIA: Which particular issue do
23 you feel goes beyond the scope of the notice?

24 MS. JENSEN: Anything that is not included
25 in this notice as intended to address this morning.

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1 JUDGE PRUSIA: I believe the notice did
2 indicate that we would be addressing the question of
3 whether to take the actions requested in the WECA
4 report.

5 MS. JENSEN: I agree. But with respect to
6 the introduction of additional documents and how those
7 would be introduced and so forth, I did not see that
8 in this request and I would like to consult with legal
9 counsel on those issues.

10 JUDGE PRUSIA: Is legal counsel present?

11 MS. JENSEN: No, they are not. It was our
12 understanding that these questions were the focus of
13 this morning's hearing as well as the submission of
14 the WECA report and supplemental proposal and we are
15 prepared to address those.

16 JUDGE PRUSIA: All right. Would you have
17 any problem with the Commission taking official notice
18 of the Act and the FCC order and notice of proposed
19 rule making and will you have any objection to
20 admission of the WECA report?

21 MS. JENSEN: I have no objection to the
22 admission of the WECA report and the supplemental
23 comments.

24 JUDGE PRUSIA: Is your concern with the
25 comments that were filed by the other parties?

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1 MS. JENSEN: No, it is not. My concern is
2 with the formality of this process and how it might
3 move forward and what documents are entered within it
4 and under what context they are entered within this
5 proceeding. Specifically, I think there is a question
6 on our part under what authorities is this Commission
7 moving forward other than to adopt the WECA report,
8 which is still a fairly informal process. It is some
9 recommendations; it is not decisions with respect to
10 the issues themselves.

11 JUDGE PRUSIA: Right. My understanding of
12 what we have been requested to do is to approve the
13 report as sort of a starting point or basically so the
14 Commission says the direction they are going appears
15 to be okay and that WECA is not asking for anything
16 beyond that this morning. Some of the comments do
17 appear to ask for something beyond that.

18 MS. JENSEN: Okay. And we have no problem
19 with the formal recognition of that report and the
20 supplemental recommendation. I have no problem with
21 the introduction of the Act or the FCC order, but I
22 would not want that to preclude further suggestions by
23 our legal counsel with respect to those documents.

24 JUDGE PRUSIA: Mr. Finnigan, do you have
25 any response or does any other attorney have?

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1 MS. JOHNSTON: Excuse me. This is Sally
2 Johnston. I just have a question. Do you anticipate
3 that your legal counsel will want to file additional
4 exhibits or are you wishing that your declaration
5 contained different things in it now? Or I guess I'm
6 not really clear on what it is you envision happening
7 in the future.

8 MS. JENSEN: Our declaration addresses the
9 questions raised by the notice; that the introduction
10 of additional supporting material was not raised in
11 the Commission's notice.

12 MS. JOHNSTON: But I understood you to say
13 a moment ago that you did not object to the Commission
14 taking official notice of the WECA report, for
15 example, but that you did not want to be barred from
16 filing, what, further comments regarding the report?
17 Or --

18 MS. JENSEN: We don't view the report as a
19 formal process in this state. I mean, the report is a
20 report of the progress this team is making. There are
21 no binding decisions with respect to that report.
22 There are some recommendations, there are some
23 direction with respect to where the team is going and
24 so forth, and we have no problem with that issue. We
25 have a large question before this Commission as to

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1 what they would expect to do around this issue and
2 under what authority they would be proceeding, and we
3 don't view that report as giving this Commission the
4 authority to make decisions around the number
5 reportability issue, if that clarifies it.

6 And I apologize. We would have had legal
7 counsel here if we had understood that you intended to
8 go beyond this notice.

9 JUDGE PRUSIA: I don't believe we are going
10 beyond the notice in that in any proceeding we have to
11 somehow get these documents into evidence.

12 MS. JENSEN: I don't object to that.

13 JUDGE PRUSIA: That's a real question. If
14 your concern is about stipulating to the admission of
15 the declarations of the other parties, perhaps we can
16 get around that by testimony today.

17 MS. JENSEN: I'm not concerned -- your
18 Honor, I'm sorry if I'm not being very clear. I'm not
19 concerned about the introduction of the other
20 parties' views on this position. I -- my concerns are
21 with the process that this Commission intends to
22 pursue around this issue. And the introduction of
23 those additional comments that have been filed by
24 other parties, including those filed by US WEST, I'm
25 not objecting to at all. I am objecting to the course

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1 that we would follow as a result of those documents.

2 MR. FINNIGAN: May I ask a question?

3 JUDGE PRUSIA: Sure.

4 MR. FINNIGAN: Is your concern that the
5 Commission in your view does not have jurisdiction to
6 issue a final decision based on this proceeding on
7 such things as whether or not to order an
8 implementation schedule different than what the FCC
9 has ordered? Is that the essence of what your
10 objection is?

11 MS. JENSEN: My objection, Rick, is that we
12 came prepared to address what's in this notice and
13 that only, and not to go beyond providing this
14 additional information to the Commission.

15 MR. FINNIGAN: I guess that's what is
16 confusing me. Because even the one issue that GTE
17 raises I view as within the, at least in my view, is
18 within the scope of the notice, in that it addresses
19 their concerns on the issue related to the
20 implementation schedule that's set forth in the
21 notice, that they have got some concerns about the
22 implementation schedule for the reasons they have set
23 forth in their notice. I mean, that's how I am
24 interpreting it. Maybe I am wrong. But I did not hear
25 an issue raised that was not within the scope of the

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1 questions raised in the notice.

2 MS. JENSEN: I guess some of the additional
3 issues -- and, your Honor, you qualified them as
4 additional issues -- dealing with the verification
5 testing process, the issue around competitive services
6 on a resale or facility based, the memorandum of
7 accounts, you know, should the Commission initiate its
8 own docket. You know, some of those are additional
9 questions that were not a part of the notice, and then
10 there are other issues that were included in the
11 notice. And if this Commission is getting ready to --
12 you know, if this hearing's intention is to go with a
13 more formal process around these issues, then I think
14 legal counsel would need to be represented on behalf of
15 US WEST. And we understood this as an
16 information-gathering session with respect to the
17 parties' positions on the questions here.

18 JUDGE PRUSIA: Would there be a problem,
19 then, with limiting today's hearing to the first three
20 issues that I -- or actually four issues? One is
21 whether we should accept the report as compliance with
22 the fourth supplemental order. The others were should
23 we approve the selection of LRN as a starting point,
24 should the Commission ratify the formation of the
25 working teams, and should the Commission encourage

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1 companies to consider membership in the Western Region
2 Telephone Number Reportability.

3 And then simply take comments on the other
4 questions that have been raised without -- make it
5 clear that the Commission will not take action on
6 those recommendations at this time.

7 Would that --

8 MR. FINNIGAN: I think that -- I am
9 speaking for my clients -- that would be acceptable.
10 I do know that there is an outstanding issue that's
11 going to need to be resolved at some point in time,
12 and that's an implementation schedule and the extent
13 of that schedule, and it may be appropriate to set up
14 a process to address that at -- but I know it's a
15 question you folks want answered one way or the other,
16 and if there's some way to address that, then that's
17 fine.

18 JUDGE PRUSIA: All right. Cost recovery is
19 another issue.

20 MR. FINNIGAN: Yes.

21 JUDGE PRUSIA: Some parties question
22 whether the Commission has any authority at all in
23 those areas and there may then also -- I guess those
24 are issues in this -- seem to be issues today in part
25 because the Commission is being asked to ratify the

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1 formation of the working teams and there's some
2 question of just what those teams will be doing and
3 what the Commission would be approving.

4 MR. FINNIGAN: They don't -- they are not
5 writing a blank check, if I can respond to that.
6 Anything those teams come up with as a final sort of
7 plan for the state of Washington or as recommended is
8 simply a recommendation that would have to be brought
9 back before this Commission. The Commission would
10 then, you know, take comment from any other party that
11 felt there was something wrong with that
12 recommendation, and then it's up to the Commission to
13 make the final determination. None of these teams
14 make a final decision. Everything they do is in the
15 form of a recommendation that comes back before the
16 Commission ultimately.

17 JUDGE PRUSIA: Well, Ms. Jensen, would you
18 have a problem if we limited -- clearly limited
19 today's proceeding to those first issues that I --

20 MS. JENSEN: No. I would appreciate that.
21 Thank you.

22 JUDGE PRUSIA: And then take comment -- if
23 people want to make comments on the other issues, they
24 can, but the Commissioners will make it clear they will
25 not be making a decision as a result of today's

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1 hearing on those other questions.

2 MS. JENSEN: Yes. Thank you. That would
3 be great.

4 MS. JOHNSTON: I would like to go on record
5 as stating I don't believe it's necessary to defer any
6 of these issues. I think the notice is sufficiently
7 broad that all of the issues raised by your Honor this
8 morning and raised in the order are appropriate for
9 decision today. I don't think it's necessary to defer
10 them at all.

11 Some of the authority questions that Ms.
12 Jensen is apparently concerned about were clearly
13 raised in the notice. Questions such as in
14 subparagraph 3, Should the Commission immediately
15 commence its own proceeding to resolve the cost
16 recovery issues. That implies a docket to me.
17 Questions such as, Can and should the Commission order
18 a more aggressive implementation schedule. That raises
19 the authority question too.

20 I just think it's incumbent upon the company
21 to have legal counsel present here this morning.

22 MR. KOPTA: I would join in that. That's
23 certainly what Nextlink anticipated being raised in
24 this. It's issue number 7. Our comments are directed
25 toward that. And our understanding is if the

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1 Commission is going to raise that as an issue, that
2 there's going to be some resolution of it as a result
3 of this. And certainly we would strongly urge the
4 Commission to make a decision now because the clock is
5 ticking, there's not that much time, and we need some
6 direction at this point. That's why we're all here.
7 And certainly at a minimum, if the Commission is not
8 going to make a decision based on that, then we would
9 urge the Commission to set a more formal hearing, if
10 that's the problem, to resolve this issue as
11 expeditiously as possible.

12 JUDGE PRUSIA: I don't completely disagree
13 with you, but the original purpose of this hearing was
14 -- or we wanted to have some sort of hearing to
15 consider the WECA report and whether we would accept
16 its recommendations. And as I understand it, there's
17 a time limit for that being accomplished. They need a
18 Commission decision before the end of the month. And
19 my concern is if we go beyond those limited issues and
20 actually try to make a decision based on this hearing
21 on other issues, that then we may run into problems
22 from US WEST or perhaps GTE on any action that we take
23 concerning the WECA report. So perhaps a better
24 process would be to limit the decisions to those
25 issues today. We could take some comment on other

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1 questions and then hold some sort of prehearing
2 conference to discuss how we're going to proceed to
3 address the bigger issues.

4 MR. KOPTA: I understand your concerns, and
5 as I say, if that's the process that you and the
6 Commission feel is appropriate, then we would
7 certainly urge that these other issues be addressed as
8 quickly as possible, because, again, we are dealing with
9 shortened time frames and we would like to be able to
10 move forward as quickly as possible to implement not
11 only the FCC order, but some other concerns that other
12 companies have as far as making sure that number
13 reportability is as broadly available as possible in
14 the state of Washington. We believe that that's
15 something that this Commission has the authority to do
16 and we urge them to do that and to consider whether
17 they are going to do that at the earliest opportunity.

18 JUDGE PRUSIA: All right. And you can
19 certainly repeat those remarks when the commissioners
20 come. Would that be an acceptable procedure, then, to
21 everyone if we limit today's -- the decisions that
22 will be made today as a result of today's hearing to
23 the first four issues that I went through?

24 MS. JOHNSTON: That would be fine. I've
25 made our record.

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1 MR. FINNIGAN: Yes.

2 JUDGE PRUSIA: Very well then. Let's be
3 off the record. I'll go down and get the
4 commissioners and have them come in.

5 (Recess.)

6 JUDGE PRUSIA: Let's be back on the record.
7 While we were off the record, the commissioners
8 entered the room. They are Chairman Sharon L. Nelson,
9 Commissioner Richard Hemstad, and Commissioner William
10 Gillis.

11 When we were on the record earlier, I
12 discussed with the parties the procedure that we would
13 follow in this morning's hearing and the decisions
14 that will result from or the issues that will be
15 addressed in a Commission decision as a result of this
16 morning's hearing, and it was determined that the
17 issues will be limited to whether the Commission
18 should accept the report to the Commission by the
19 network standard subcommittee of the Washington
20 Exchange Carriers Association, filed with the
21 Commission on July 1, 1996 and modified by letters
22 dated September 3 and October 22, 1996, as
23 constituting compliance with ordering paragraph number
24 13 of the fourth supplemental order; and whether the
25 Commission should take three specific actions

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1 requested in that report: First, should the
2 Commission approve the selection of AT&T's location
3 routing number, LRN, solution as a starting point for
4 implementation of local number reportability within the
5 state of Washington; should the Commission ratify
6 WECA's formation of several working teams described in
7 the report as a mechanism to develop the detailed
8 implementation and the deployment of local number
9 reportability; should the Commission encourage
10 companies operating in Washington to consider
11 membership in the Western Region Telephone Number
12 Reportability LLC under the Colorado Public Utilities
13 Commission initiative.

14 The parties in their comments will address
15 other issues that were raised in the comments, but the
16 Commission will not be making decisions on those other
17 issues.

18 Among the issues that may be commented upon
19 are, should the Commission open its own docket to
20 address cost recovery, and if so, when; can and should
21 the Commission order a more aggressive or less
22 aggressive implementation schedule than the FCC has
23 mandated; can and should the Commission require a
24 verification testing process in Washington before
25 implementation occurs to ensure network reliability and

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1 quality; should the Commission explore the extent to
2 which competitive services will be provisioned on a
3 resold basis as opposed to a facility-based approach
4 before reaching any decisions on the implementation
5 needs and schedules; and should the Commission
6 authorize companies to establish memorandum accounts to
7 track their implementation costs.

8 These matters go beyond the WECA report and
9 the Commission will at some point in the future hold a
10 prehearing conference to determine the procedure we're
11 going to use to address those issues.

12 It was agreed also that the Commission
13 would take official notice of the Telecommunications
14 Act of 1996 and would take official notice of the
15 first report and order and further notice of proposed
16 rule making in CC Docket Number 95-116 released July 2,
17 1996. That's the FCC report.

18 And Mr. Finnigan will be sponsoring as an
19 exhibit the report of the WECA subcommittee that was
20 submitted to the Commission, together with letters
21 modifying that report that were filed on September 3
22 and October 22.

23 And then the parties will be making
24 presentations. We do need to get some of the basic
25 facts into the record concerning LRN and what the

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1 working teams are and what the regional database
2 approach is.

3 So first would you like to offer your
4 exhibit?

5 MR. FINNIGAN: Thank you. Yes, I would
6 like to offer as an exhibit the report from the
7 network standard subcommittee dated July 1, 1996 as
8 supplemented by letters of September 3 and October 22.

9 JUDGE PRUSIA: Are there any objections to
10 the admission of that exhibit? I believe the next
11 exhibit in line is number 161 and that report and the
12 two letters modifying it will be admitted as Exhibit
13 Number 161.

14 (Marked and Admitted Exhibit No. 161.)

15 JUDGE PRUSIA: And first I would ask Mr.
16 Finnigan on behalf of WECA to make a presentation.

17 MR. FINNIGAN: Thank you. What I'll
18 briefly do is describe the issues that we were asking
19 the Commission to address today. I believe that the
20 comments that I'll be making do have general agreement
21 among the parties that are here today.

22 Some of the supplemental issues that were
23 addressed -- that were identified, I think there is a
24 divergence of views on those issues and there may be
25 comments offered on those, but I'll certainly go

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1 forward to address the core issues that are before the
2 Commission today, and then if anybody has something
3 they would like to add to it, we could go from there.
4 Thank you.

5 We certainly believe that the WECA report
6 as supplemented by the two referenced letters should
7 be accepted by the Commission and should be accepted
8 as compliance with ordering paragraph 13 of the fourth
9 supplemental order. It represents an outgrowth of a
10 nearly a year's work among the parties to try and move
11 forward on resolving the numbers surrounding local
12 number reportability.

13 Next, the parties are in general agreement
14 that the location routing number, known as LRN,
15 solution is the appropriate starting point for
16 implementation of local number reportability in the
17 state of Washington. Having said that, all parties
18 recognize that there may be modifications to LRN as it
19 exists today, as working teams review and explore
20 mechanisms to achieve cost savings in the
21 implementation of local number reportability and the
22 deployment of LRN.

23 Third, we would ask the Commission to
24 approve the formation of working teams that are
25 described in the WECA report. Those teams are, a core

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1 team that is to address policy issues; a systems
2 management -- service management systems team which
3 looks at the database issues; an operations and
4 implementation team which, as its name suggests, deals
5 with issues of implementation; and a requirements
6 team. Those teams have been meeting through the
7 summer and fall and are now beginning to meet on a
8 regional basis.

9 As supplemented by our letters and based in
10 part upon the FCC's order in the matter of the
11 telephone number reportability in CC Docket 95-116,
12 the parties believe that a pursuit of a regional
13 database solution offers advantages. We are asking
14 that the Commission approve participation of carriers
15 that are operating in the state of Washington to join
16 in the limited liability company that has been
17 established under the auspices of the Colorado Public
18 Utilities Commission. I believe the name is the
19 Western States Limited Liability Company.

20 MS. WALKER: Western Region.

21 MR. FINNIGAN: Western Region Limited
22 Liability Company. That limited liability company has
23 issued a request for proposal and is in the process of
24 evaluating the responses from vendors. Under its
25 operating rules, for a company to vote in the

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1 selection process, they must be a member of the
2 limited liability company prior to December 1 of this
3 year.

4 This authorization from the Commission will
5 allow carriers to participate in that process and vote
6 as a full member of the limited liability company.

7 All parties do recognize that this is an
8 initial recommendation. The issue of whether to
9 actually participate in a particular regional database
10 or any regional database will be brought before this
11 Commission at the time the costs and benefits of
12 participating in a particular region database are more
13 fully known.

14 That's an important caveat, is in that the
15 work of all of these teams that I have been describing,
16 the work that grows out of the regional review and
17 selection process under the WECA docket process must
18 come back before you in the form of a recommendation
19 and you have the final authority to approve or reject
20 that recommendation. So what we're doing here is in
21 essence authorizing a course of direction that would be
22 subject to the Commission's final review at a date in
23 the future.

24 That in brief summary is what we're asking
25 you to do. Be happy to respond to any questions and

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1 maybe the other parties here might have some comments.

2 As I did indicate, on the other issues that
3 were set forth in notice, I do think the parties do
4 want to comment on issues -- the appropriate vehicle
5 for cost recovery and -- excuse me -- appropriate
6 vehicle to address cost recovery and appropriate
7 vehicle to address implementation schedule decisions.

8 JUDGE PRUSIA: Thank you, Mr. Finnigan.

9 Is there any disagreement with the facts
10 that Mr. Finnigan stated in his report?

11 MS. JENSEN: Theresa Jensen, US WEST. Just
12 a comment. For the most part, US WEST agrees with the
13 facts presented. We did file written comments this
14 morning with a declaration. Where we differ is the
15 formation of the specific working team described in
16 the report on cost recovery, and it is US WEST's
17 position that this issue should be placed on hold
18 since the FCC is currently considering it and will
19 issue an order we believe before year-end that should
20 include how -- a definition of how costs associated
21 with the implementation of number reportability will be
22 recovered. I understand there is not consensus around
23 the extent that the FCC will address it, but it is our
24 position that the FCC does intend to address that issue
25 and has been directed to do so by the federal act.

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1 COMMISSIONER HEMSTAD: Ms. Jensen, when you
2 say cost recovery, is that the operations and the
3 implementation group?

4 MS. JENSEN: Specifically as I understand
5 it, it is who is going to pay for the cost associated.

6 CHAIRMAN NELSON: Mr. Finnigan called it
7 requirement. Is that the team you object to?

8 MR. FINNIGAN: Let me -- if I might help
9 clarify.

10 CHAIRMAN NELSON: So we get the name
11 straight, which team does US WEST object to?

12 MS. JENSEN: It is at page 22, noticed as
13 the core team cost recovery, statement 6.1.

14 MR. FINNIGAN: That is one of the issues in
15 the report that was identified would be subject to
16 core team consideration, one of several issues that
17 that team would address.

18 MS. JENSEN: And the other issues we do not
19 object to.

20 CHAIRMAN NELSON: In your oral rendition
21 you named four working teams, so is there a fifth team
22 called core?

23 MR. FINNIGAN: I'm sorry. That was one of
24 the four teams.

25 CHAIRMAN NELSON: Policy. Okay. Okay.

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1 COMMISSIONER HEMSTAD: But the core team
2 would be taking up issues in addition to cost
3 recovery?

4 MR. FINNIGAN: Yes. The way it's
5 structured is the other three teams actually report to
6 the core team, and so policy issues that are developed
7 out of the issues that they consider at that time,
8 more technical issues that they consider, are then
9 referred to the core team for resolution. So there
10 are a whole array of issues that that team deals with
11 in addition to the others.

12 COMMISSIONER HEMSTAD: Would it be the
13 expectation that if the working teams as contemplated
14 proceed, that in light of the FCC's order, that it
15 would be the expectation it would take up cost
16 recovery?

17 MR. FINNIGAN: That is an issue that we had
18 scheduled to discuss at our next meeting which is
19 going to be in a week, whether or not it was
20 appropriate for the core team to continue to indicate
21 that it was even going to address that issue, and if it
22 is, what the schedule -- when it's appropriate, when
23 will it be appropriate to address it. There is some
24 concern that the core team may not be equipped to
25 resolve that type -- that level of issue as opposed to

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1 some of the more technical issues surrounding number
2 reportability, so whether the core team would come back
3 with a recommendation to this Commission saying, We
4 don't believe that we're able to address cost recovery
5 issues, is something that we're going to be discussing
6 in future meetings. But at this stage we had not had
7 -- we had not got into that point on the agenda.

8 COMMISSIONER HEMSTAD: Is that kind of
9 temporary arrangement acceptable to US WEST?

10 MS. JENSEN: Yes, it is.

11 JUDGE PRUSIA: Like I said, I had some
12 concern about exactly what you are asking the
13 Commission to approve in ratifying the formation of
14 these teams. Is there some implication there that if
15 the Commission says yes, it ratifies the formation of
16 them, that the Commission is then saying that it will
17 not address the issues that the teams are addressing
18 and will wait for a recommendation? Just what are --

19 MR. FINNIGAN: No. We're not seeking a
20 limitation on the Commission's authority. What we are
21 doing is seeking an authorization for the docket
22 process to move ahead in the direction it's described.
23 Certainly anything that grows out of that docket
24 process would come back before the Commission for
25 decision. If the Commission believes it's appropriate

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1 to identify -- to address any of the issues that WECA
2 is addressing in another forum, the Commission is free
3 to do that within the bounds of its authority. We're
4 not asking by this process that the Commission
5 restrain itself in any way.

6 JUDGE PRUSIA: Are there other comments?

7 On those issues that are before us, there
8 are some facts that we may need to get into the record
9 in terms of having actual sworn evidence. The
10 Commission staff has filed a statement of -- a summary
11 of the facts and a sworn declaration has been filed
12 accompanying those. Would it be acceptable to
13 stipulate to the admission of those facts or is there a
14 dispute as to the facts set out in that declaration?

15 MR. FINNIGAN: Based on the discussion
16 among the various parties that occurred off the
17 record, it's my understanding that there's an
18 agreement that these matters may be entered into the
19 record for the purpose of addressing the four issues
20 that are before the Commission for discussion -- for
21 decision, but not as to the supplemental issues that
22 have been identified.

23 JUDGE PRUSIA: Is that everyone's
24 agreement?

25 MS. JENSEN: I understood, yes, the

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1 information, your Honor, could be introduced, but that
2 there would be no decision on it. We have not
3 received a copy of what staff has filed in response to
4 these questions and so I would like to see it before
5 going any further with that on a formal basis.

6 US WEST also filed official responses to
7 those questions this morning that I don't believe
8 staff or the other parties have had an opportunity to
9 look at.

10 So for discussion purposes, we don't
11 object, but we would like to limit it to that at this
12 process, as you stated earlier.

13 JUDGE PRUSIA: My concern is just having
14 some essential facts in the record in order for the
15 Commission to base a decision on evidence rather than
16 comments.

17 How about if some of you are placed under
18 oath and address some of the factual questions related
19 to these issues?

20 MS. JOHNSTON: Excuse me, your Honor, I
21 would propose that Ms. Jensen have -- maybe actually
22 back up and inquire as to whether or not the other
23 parties in fact received staff's comments and answers
24 to the questions posed.

25 MS. FINNIGAN: Yes, I did.

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1 MR. LUCE: I haven't.

2 MS. JOHNSTON: The notice says the comments
3 will be accepted through November 8. Our comments
4 were filed on the 8th and I'm certain that US WEST was
5 mailed a copy of the comments. It's true that US WEST
6 comments we just received shortly before this hearing.
7 We have not had an opportunity to review those yet.
8 But my recommendation would be that perhaps we could
9 take a break and Ms. Jensen could review our comments,
10 and maybe that would be a more efficient way to put the
11 basic facts in the record than putting Mr. Griffith on
12 this morning and having him plow through several pages
13 here. That would be my proposal if that's acceptable
14 to US WEST.

15 JUDGE PRUSIA: Is that acceptable to the
16 other parties?

17 MS. JENSEN: Your Honor, I'm not an
18 attorney. I'm a little confused. I understood we
19 were going to limit the decisions today to the four
20 items that you identified and these particular issues
21 we are prepared to address, but I don't understand
22 that there is any decision of those four that you
23 mentioned that would be affected by these issues.

24 CHAIRMAN NELSON: Why don't we have a
25 little conference.

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1 JUDGE PRUSIA: Let's be off the record.
2 I'll confer with the Commission just briefly and then
3 we'll come back, and perhaps the parties could be
4 discussing it also.

5 (Recess.)

6 JUDGE PRUSIA: Let's be back on the record.
7 We were briefly off the record so the commissioners
8 and I could discuss how we wish to proceed and also
9 the parties could discuss among themselves any
10 resolution of the factual question.

11 As I understand it from the session that we
12 had earlier, there's no party who disagrees with the
13 statements, the factual statements, that Mr. Finnigan
14 made in his presentation, is that correct?

15 CHAIRMAN NELSON: Everyone agrees that LRN
16 is the appropriate starting point, is that correct?
17 Everyone is nodding their head yes.

18 JUDGE PRUSIA: Everyone agrees that the
19 Commission should ratify the working teams described
20 in the report, is that correct?

21 MR. KOPTA: Correct.

22 MS. JENSEN: US WEST had the one
23 qualification with respect to the cost recovery
24 statement, but does not object to a core team being
25 formed.

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1 JUDGE PRUSIA: And the parties agree to the
2 Commission encouraging companies in Washington to join
3 the Colorado initiative? Very well.

4 And no one objects to the Commission
5 accepting the WECA report as compliance with the
6 fourth supplemental order's requirement?

7 And I understand the parties have discussed
8 stipulating to the admission of the previously filed
9 comments and declarations to the extent that they
10 address the issues, the issues that we're addressing
11 this morning, the core issues, is that correct?

12 MS. JENSEN: Yes.

13 MR. FINNIGAN: Yes.

14 JUDGE PRUSIA: Does anyone object to the
15 admission of those as exhibits? Very well, those will
16 be admitted as exhibits. I'll send out a list with
17 the numbers on the exhibits subsequent to the hearing.

18 Then we can move on this morning to
19 allowing -- giving the parties the opportunity to
20 address some of the other issues that are not being
21 decided at this point and that may or may not be
22 addressed by the Commission in a future -- in some
23 point in the future in this docket or in another
24 docket. And it's possible that we will be having a
25 prehearing conference to discuss the process that

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1 we'll use to do that. So who else has comments that
2 they wish to make on any of the questions that were
3 raised in the notice that went out? Mr. Kopta?

4 MR. KOPTA: Thank you. On behalf of
5 Nextlink, we filed comments and the declaration of
6 Christine Walker to deal with the seventh issue that
7 was listed in the notice, which is the implementation
8 schedule of permanent local number reportability, and
9 at this time I would ask Ms. Walker to discuss that
10 issue from a factual standpoint so that you can have
11 the Commission understand what the factual issues are
12 from Nextlink's perspective.

13 CHAIRMAN NELSON: Want to swear her in?
14 Should we swear her in?

15 MR. KOPTA: Yes.

16 JUDGE PRUSIA: Please stand and raise your
17 right hand.

18 Whereupon,

19 CHRISTINE WALKER,
20 having been first duly sworn, was called as a witness
21 herein and was examined and testified as follows:

22 JUDGE PRUSIA: Please be seated.

23 MS. WALKER: Thank you. As Greg said, my
24 name is Christine Walker. I'm with Nextlink of
25 Washington, a competitive local exchange carrier that

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1 provides services in the state of Washington and
2 Spokane. Nextlink also provides services nationally,
3 but we are organized and our corporate headquarters is
4 in the state of Washington as well.

5 We chose Spokane as our first location in
6 which to operate in the state of Washington because
7 it's an extremely important economy in the state and
8 vital and growing, and we have indeed invested quite
9 literally several millions of dollars in providing
10 telecommunications services there. We have put in a
11 stretch of DMS 500. We have built out and are
12 continuing to build out facilities in the city of
13 Spokane, metropolitan Spokane, and it is of visceral
14 importance to us that local number reportability be
15 implemented, be deployed in the city of Spokane.

16 We have been participating in the WECA
17 network planning subcommittee and the WECA activities,
18 and one of our goals through that participation is to
19 find a way to influence other carriers to implement
20 long-term number reportability in Spokane as
21 expeditiously as possible.

22 In May and June of this year the carriers,
23 once having arrived at a conclusion in the committee
24 that long-term number reportability should be
25 implemented in the state of Washington beginning I

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1 think the recommendation at that point was July of
2 1997, should be implemented, we had chosen a call
3 model, we the committee, the core team, then addressed
4 the issue of how should we go about implementing --
5 what area should we choose to implement first.

6 And so the committee proceeded to canvas
7 competitive LECs in the state of Washington to find out
8 what their top 20 -- excuse me -- top 30 priority hit
9 list of switches were across the entire state, those
10 switches in which they wanted the incumbent LEC to
11 implement local number reportability first, and it was
12 believed that as we proceeded across the period of
13 deployment which we in the committee then expected to
14 be five years, that each -- for each quarter of
15 implementation, the competitive LECs would be canvassed
16 again and the next 20 hit list would be determined and
17 the hit list after that, et cetera.

18 So we went through a polling process and we
19 determined that we should choose switches in each of
20 the three area codes in the state of Washington, 206,
21 360, and 509, and that because 206 was the most
22 densely populated, we would choose the most number of
23 switches there, 20, and then 5 in 360 and 5 in 509.

24 Then the FCC order came out in the middle
25 of the year and the world changed, in essence, and

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1 amongst that top 30 list there were eight switches the
2 competitive LECs had chosen through the WECA process
3 that were excluded for implementation of number
4 reportability in the FCC order. Four of those
5 switches were in Spokane -- or are in Spokane, one in
6 Olympia, one in Yakima, and -- excuse me -- two in
7 Olympia, one in Bellingham, and one in Yakima.

8 While Nextlink is a carrier participating
9 in this process, our anticipation was -- when we
10 originally participated with the rest of the WECA
11 participants, our anticipation was that we would first
12 be able to get four switches implemented early, that
13 is, at the beginning of the WECA recommended schedule,
14 for a number reportability, and then later and not too
15 much later we would be able to get the rest of
16 metropolitan Spokane implemented. And metropolitan
17 Spokane is comprised of about seven high LEC switches,
18 so for Nextlink we are extremely interested in seeing
19 all of metropolitan Spokane implemented for
20 reportability as soon as possible.

21 After the FCC order came out and the world
22 changed, we were then trying to find some way along
23 with the other carriers in the WECA process to find a
24 way to do a swap. Maybe there were -- if the FCC had
25 excluded Spokane and other areas outside of the

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1 Western Washington MSAs, maybe there was some -- we
2 could find some way as a committee to relieve US WEST
3 of some burden within the Western Washington MSAs that
4 would allow them, if they believed they were burdened
5 and they said that they were, that would allow them to
6 implement some areas in Eastern Washington in less
7 densely populated areas of the state.

8 So the carriers were canvassed again to
9 find out if there were any switches in the three
10 Western Washington MSAs that were included in the FCC
11 order and which there was little or no competitive
12 interest, and indeed through that canvassing process we
13 came up with six switches that I think 70 percent or
14 more of the carriers that were canvassed identified the
15 switches in which they had no competitive interest.
16 Included amongst those, for example, is a switch on the
17 top of Crystal Mountain, where it's unlikely that it
18 will become a hotbed for competition anytime now or in
19 the foreseeable future. And there were six such
20 switches.

21 So the next recommendation of the WECA
22 committee attempting to achieve a consensus process,
23 was that we approach US WEST and ask US WEST to make a
24 six-for-eight swap. In other words, there's six
25 switches that we as competitors don't believe that you

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1 need to implement number reportability within the FCC
2 schedule period in the three Western Washington MSAs,
3 and if we give you those, then can you implement these
4 eight switches on the competitors' hit list.

5 Where we left this process was that WECA
6 was going to I think make a formal request of US WEST
7 to find out whether or not they could accommodate this
8 request of WECA. I have not heard whether that formal
9 request has been made or whether an answer has been
10 received. US WEST's position on this issue, however,
11 in committees both at the core team level and at the
12 operations and implementation team level has been that
13 they are not willing to implement -- to vary from the
14 FCC schedule. So while I'm not a pessimist, my
15 anticipation is that US WEST's response to the WECA
16 request will be that again that they can't vary from
17 the schedule.

18 In anticipation of that, Nextlink has filed
19 comments and is pleased to have the opportunity to
20 make comments to support the argument that there is a
21 need for competition elsewhere in the state of
22 Washington, a strong need for competition elsewhere in
23 the state of Washington outside those top three MSAs.
24 That was the purpose for my declaration.

25 JUDGE PRUSIA: Thank you, Ms. Walker. Are

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1 there any other statements, any other declarations?

2 MR. McMILLIN: ELI also filed comments
3 regarding this subject.

4 JUDGE PRUSIA: I'll swear you in also.
5 Please stand and raise your right hand.

6 Whereupon,

7 ROB McMILLIN,

8 having been first duly sworn, was called as a witness
9 herein and was examined and testified as follows:

10 JUDGE PRUSIA: Please be seated. Proceed.

11 MR. McMILLIN: This is Rob McMillin for
12 Electric Lightwave. ELI's comments also addressed
13 this issue and in not as great a detail, but we concur
14 in Nextlink's proposal and the WECA request to swap
15 switches to implement number reportability in those
16 areas where competition is likely to occur but was
17 excluded from the FCC implementation list.

18 It appears to us that it would be consistent
19 with the intent of the FCC in their paragraph 82 of CC
20 Docket 95-116, I believe, where they talk about the
21 phased implementation schedule was developed to try to
22 implement number reportability where local competition
23 will occur or is likely to occur. And you can assume
24 that they thought that the hundred MSAs would be those
25 locations, however, states vary and competition does

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1 develop in different places at different times, and so
2 we think that the swap of these exchanges is highly
3 appropriate for implementing number reportability.

4 ELI also did address two other questions
5 that were raised by the Commission in their notice.
6 One of them was just on the actual cost of
7 implementing this and the impact on the residential
8 phone bills, where we concluded that that was still an
9 unknown at this time and would be impossible to have a
10 definitive answer on.

11 The third issue that we addressed was with
12 regard to the Commission asking to ratify the WECA
13 working team to develop a position on cost recovery.
14 We are somewhat, I guess, in agreement with US WEST
15 regarding that the cost recovery issue should be -- we
16 think will be addressed by the FCC. However, we are
17 not opposed to the staff recommendation that a docket
18 be implemented regarding cost recovery. However, we
19 think that any requirements or requests for comments
20 or testimony in that docket should await until the FCC
21 order has been published.

22 CHAIRMAN NELSON: When is that expected?

23 MR. McMILLIN: Our best guess is towards
24 the end of this year.

25 JUDGE PRUSIA: Did any other parties have

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1 comments to make in --

2 MR. GRIFFITH: I do.

3 JUDGE PRUSIA: Please raise your right
4 hand.

5 Whereupon,

6 DAVID GRIFFITH,

7 having been first duly sworn, was called as a witness
8 herein and was examined and testified as follows:

9 JUDGE PRUSIA: Please proceed and please
10 state your name again.

11 MR. GRIFFITH: My name is David Griffith.
12 I'm with Commission staff. Commission staff filed
13 comments on the questions that were posed in the
14 notice of this meeting. I would like to respond to
15 the questions that are in addition to the four main
16 topics that we've already said we are in agreement on
17 in this meeting.

18 One of these questions had to do with the
19 implementation schedule. It is staff's position that
20 we would like to see more aggressive implementation
21 schedule of number reportability in Washington. As
22 mentioned earlier, the core team discussed eight
23 additional switches outside the three MSAs that were
24 mentioned in the FCC order as a possibility for
25 including number reportability. Commission staff

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1 would like to see the competitors in this state to not
2 be impeded in their efforts to bring service into the
3 state and, therefore, supports number reportability
4 being implemented in these eight additional switches.
5 Four of these switches were in Spokane, one in Lacey,
6 one in Olympia, one in Bellingham, and another one in
7 Yakima.

8 The Commission staff is not taking a
9 position at this time on whether those switches should
10 be traded off. My personal opinion is we probably
11 would like to do that, but I think from a
12 jurisdictional question, we may not have the authority
13 to order those switches to be taken off the list. I
14 think we need some legal opinion as to whether we can
15 do that or not. The FCC order simply stated that
16 every switch within an MSA should be converted, so we
17 may need to have some lawyers take a look at just how
18 far we can go with that.

19 Another question was regarding cost of
20 implementing number reportability. I submitted kind
21 of a range of cost depending on whether they were
22 coming from a vendor or from a local exchange carrier
23 that was interested in implementing number
24 reportability. On the low end of the scale seems to
25 be about 25 to 30 cents per line per month, and the

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1 high end of the scale is approaching about \$1 per
2 month.

3 Another question had to do with the
4 degradation of service. With number reportability,
5 each call will be accessing a database. There will be
6 a certain amount of time for a query to go out to that
7 database. Both the requirements team and the core team
8 have been -- excuse me, not the core team, but the
9 implementation and operations team have been trying to
10 address this issue on a state level and realize that
11 the standards haven't quite been set yet. This is
12 being escalated to a national level to try to resolve
13 it.

14 It appears that that time may run anywhere
15 from maybe a half second to two or three seconds,
16 depending on how the technology is implemented. I
17 would say there are some legitimate concerns as to what
18 actually occurs under a heavy load and queries as to
19 that database have to sit in queue, and I don't think
20 even with the testing in Illinois we might have the
21 final answer on that, so it's something to at least
22 keep an eye on.

23 I think the other question was pursuit of a
24 single solution in this state, and staff would support
25 going with the single solution for number

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1 reportability rather than trying to do a number of
2 them simultaneously. It would be more cost-effective
3 to stay with one.

4 COMMISSIONER GILLIS: I had a question. Is
5 it important that the standards be the same
6 broadly across a region?

7 MR. GRIFFITH: Well, not only do they need
8 to be standardized broadly across the region, it
9 should also be standardized nationally. The
10 requirements team is looking at issues that come up on
11 the state level, and if they can't be resolved, are
12 being escalated to the national level. There may be
13 some intricacies between one state and another just on
14 the way some of the networks are set up where there
15 may be some differences there, but in general, it
16 should be national.

17 COMMISSIONER GILLIS: Another question I
18 had. Does the technology add value to the network as
19 a whole?

20 MR. GRIFFITH: To some extent the fact that
21 there is a database that's being accessed for number
22 reportability, that database can be used for other
23 services. I don't know as to it's clear at this time
24 what those other services might be, but it could be
25 looked at as a way of possibly reducing the total cost

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1 of the number reportability implementation in that the
2 database could be used for other things.

3 COMMISSIONER GILLIS: Thank you.

4 JUDGE PRUSIA: Mr. Griffith, I had a
5 question on implementation. I realize there's some
6 legal issues involved in it, but also, has there been
7 any discussion of the LECs' capability of implementing
8 number reportability in additional areas?

9 MR. GRIFFITH: One of the problems we are
10 going to get into is the fact that there's a very
11 aggressive schedule that both vendors and the
12 companies that are implementing number reportability
13 may have some tight resources not only dollarwise, but
14 also personnelwise, and there could be a scheduling
15 problem that might delay having too many extra
16 switches across the country being implemented at the
17 same time. So in one way it makes sense to trade
18 maybe six switches for eight in that the personnel and
19 the cost associated with that type of approach would
20 tend to be more compatible with an aggressive
21 implementation schedule that the FCC has already set
22 forth for us.

23 JUDGE PRUSIA: Thank you.

24 MR. McMILLIN: If I may add to staff's
25 concern regarding the -- Rob McMillin from ELI --

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1 regarding the jurisdictional issue. The FCC order in
2 paragraph 85 talks about filing of a waiver in case
3 the company cannot meet the implementation schedule,
4 so I believe it would be wholly consistent with the
5 order if the Commission did request a swap of the
6 exchanges and that those six exchanges could be filed
7 -- a waiver could be filed in order to delay
8 implementation on those. And I still believe that
9 that would be consistent with the FCC order.

10 JUDGE PRUSIA: Do you think the Commission
11 would need to make that request or that the industry
12 would -- the companies would make the request?

13 MR. McMILLIN: It's the carrier that needs
14 to make the request to the FCC for the waiver, I
15 believe. However, I think if the carrier has all the
16 industry participants and the state commission
17 agreeing with it, I don't think that there would be
18 much difficulty in getting a waiver.

19 MS. WALKER: If I could comment that
20 Nextlink --

21 JUDGE PRUSIA: Ms. Walker.

22 MS. WALKER: -- yes, Christine Walker --
23 has done a similar analysis and come to a similar
24 conclusion as has Electric Lightwave. And in
25 addition, we about a month ago met with the FCC on

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1 this topic and discussed this sort of solution and
2 they did not seem to indicate that they would not be
3 disposed toward rejecting such a solution, as was just
4 discussed by Mr. McMillin.

5 JUDGE PRUSIA: Ms. Jensen? Have you been
6 sworn in yet?

7 MS. JENSEN: No, I have not.

8 JUDGE PRUSIA: Raise your right hand.

9 Whereupon,

10 THERESA A. JENSEN,
11 having been first duly sworn, was called as a witness
12 herein and was examined and testified as follows:

13 JUDGE PRUSIA: Please proceed.

14 MS. JENSEN: Theresa Jensen with US WEST.
15 I would like to comment on a couple of issues, but I
16 think this implementation issue is a very important
17 one. US WEST has filed comments with respect to this
18 issue, and I'm not going to argue the legal arguments,
19 I'll let my attorneys make those arguments, but I
20 think there are some very practical issues around
21 implementation that need to be considered.

22 US WEST's position is that the Commission
23 should not order a more aggressive implementation
24 schedule than the FCC mandated. We believe it's
25 questionable if the FCC schedule can be met without

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1 extraordinary effort. The current schedule is already
2 placing a strain on our resources and we do have some
3 very significant concerns about network reliability
4 during the implementation process.

5 The FCC has developed a phased
6 implementation schedule considering both vendor and
7 LEC resources, and something that I would stress is
8 that this is something that is not entirely within
9 control of the local operating company. We are tied
10 to the vendors' schedules and their ability to meet
11 our requirements as well. Something that I would like
12 the Commission to consider is that for US WEST
13 specifically, we have eight states that are involved in
14 the FCC schedule, which includes 10 MSAs.

15 We would like to provide some additional
16 comment with respect to the cost issue for US WEST.
17 The cost associated with implementing those 10 MSAs
18 right now is about \$365 million. That's on a current
19 estimate that we received within the last week from the
20 vendor and I will share with you that that estimate is
21 changing consistently. As we go through this trial in
22 Illinois there will be new information gained, the
23 vendor may have to make modifications, the industry may
24 request modifications, and so that number is
25 continually evolving and could be as much as \$3 or more

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1 per end user to equip all offices. That's just the 10
2 MSAs. I will come back to the cost issue later because
3 I would like to make some remarks on it.

4 With respect to the implementation, I'm
5 sure this Commission can appreciate that each state
6 also has its list of switches that it would like to
7 address that may differ from the FCC's schedule, and
8 so it's not a matter of just Washington. It would be
9 nice if it was just Washington and the carriers within
10 this state, but what we are literally dealing with is
11 a multistate environment where each state is going to
12 look through the FCC's list of offices and have their
13 own preferred list of offices, and so it's a matter of
14 our resourceability as well as our ability to work with
15 our vendor to meet a defined schedule.

16 The company is working with the committee
17 and we will continue to assess our total region
18 responsibility. I don't want to imply that we're
19 precluding those discussions; we are not. But it's
20 not a simple matter of moving these six switches out
21 for these other eight. And those switches, by the
22 way, are not excluded. They are simply delayed in
23 terms of the schedule. So there is a process that the
24 FCC has defined with respect to offices outside of
25 their initial schedule and how that would be

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1 accommodated.

2 The other point I would like to make is
3 while this process has been a good process and the
4 committees have worked very hard and worked well on
5 these issues, we have a number of new entrants in this
6 state, and just in the last 30 days there are two more
7 new local exchange providers that have registered to
8 provide service in this state, and perhaps their
9 market territory is different than these eight
10 switches that the committee who has been together for
11 over a year has been looking at. I think that we need
12 to consider that there are going to be many carriers
13 in this state who have not yet announced their plans,
14 nor have they specified where they want to serve, and
15 we're going to continually face that in terms of who
16 gets number reportability first and where.

17 With respect to the cost issue, I would
18 like to come back to that for a moment. We are very
19 concerned. This is one of many cost issues that we
20 are facing as an industry and the Commission is
21 facing. We have the universal service docket and the
22 huge bill associated with that and who is going to pay
23 for it, and now we have number reportability and we
24 have a lot of work proceeding on number reportability,
25 but the issue around what it's going to cost is not

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1 yet defined and will not be defined for probably
2 another six months or so. We do have estimates. We
3 have a rough idea of what it's going to cost. We also
4 don't -- have an issue of how that cost is going to be
5 recovered. There's no assurance that that cost will
6 be recovered. There's some principles that have been
7 established that the cost will be incurred on a
8 competitive parity basis. However, as with some of
9 these other proceedings, there are a lot of undefined
10 items around that, and so we do have a great concern
11 when we are looking at a total cost of more than a half
12 a billion to implement number reportability.

13 We would also profess that there are some
14 differences in our view and that of the staff report as
15 it relates to query on release. And we believe there
16 may be some network efficiencies, there may be some
17 cost efficiencies associated with that, and so while we
18 do support LRN as a starting point, we think that there
19 continues to need to be technical work done to look at
20 the most cost-effective approach for the network and
21 one that will ensure the greatest network reliability.
22 So while we do need to move forward on these issues, I
23 would just caution you in that there are still a lot of
24 unknowns. We have no experience in this arena, the
25 industry has no experience in this arena, and I think

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1 we do have an unusual challenge before us to ensure
2 that our customers are not affected by this in their
3 day-to-day calling.

4 Thank you. I do have a technical expert
5 with me as well if you have some additional questions.

6 JUDGE PRUSIA: Do the Commissioners have
7 any questions for either Ms. Jensen or her expert?

8 CHAIRMAN NELSON: No.

9 JUDGE PRUSIA: Are there any other
10 comments? Mr. Luce, is it?

11 MR. LUCE: Yes, Bill Luce.

12 JUDGE PRUSIA: Please raise your right
13 hand.

14 Whereupon,

15 BILL LUCE,

16 having been first duly sworn, was called as a witness
17 herein and was examined and testified as follows:

18 JUDGE PRUSIA: Please proceed.

19 MR. LUCE: Since we did file comments, I
20 thought I would briefly go through some of the high
21 points of them, not to have to repeat too many things.

22 We also noted that the starting point of
23 LRN would include variations on LRN which we consider
24 this query on release to be. It's compatible
25 technology. And it could be a good starting

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1 alternative in that it limits the amount of queries
2 that actually go out onto the network, and that is one
3 of the reliability concerns at least early on while
4 we're shaking down this new technology.

5 We do support the formation of the regional
6 LLC and have been actively involved in that. I should
7 back up and mention that the docket that we're working
8 on here actually was -- it was GTE who proposed to
9 WECA to have this docket established, and we've been
10 very active in the working teams and in the docket.
11 We've had technical experts on all of the teams and I
12 myself am on the core team, have been involved in that
13 area.

14 No one yet has mentioned the role of the
15 North American Numbering Council, that's NANC, which
16 has just been established by the FCC, who has some
17 role as yet undefined, in working on these regional or
18 even state-specific databases, and so there's some
19 potential transfer of responsibilities or oversight
20 that needs to be clarified by NANC.

21 We do support the opening of a cost
22 recovery docket -- actually, we had those comments in
23 several times earlier and repeat that -- the reason
24 being that we see that it's likely that the FCC will
25 issue a report much like some of the other orders they

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1 have come out with. They should and probably will
2 defer much of the responsibility and authority to the
3 state Commission to make it specific, particularly in
4 terms of if there's end user charge involved, that
5 involves, you know, each consumer in the state. That
6 is one of the options that's being proposed.

7 We tried to make a back-of-the-envelope
8 estimate as to what it would cost and we came in at
9 about the same range. Just using what was estimated
10 by the committee, we got at about 80 cents a line, but
11 recognize that that's extremely low, and the costs are
12 already -- estimates are already beginning to
13 escalate. Also, we have not yet taken into account
14 operational support systems which could probably add
15 significant cost to it.

16 We're concerned about service degradation
17 and that's one of the reasons that, again, that we
18 proposed the query on release as an alternative, at
19 least initially, to overcome some of those potential
20 risks and service impacts.

21 Again, we see that this query on release,
22 QOR, is compatible and not different technology but is
23 a same as LRN variation that could be implemented
24 within the state at the same time as LRN is brought in
25 place, particularly within the intracarrier traffic,

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1 simply the traffic that GTE would be carrying for its
2 own customers. It wouldn't be in GTE's network.

3 On the issue of a more or less aggressive
4 schedule, I should mention that of the six switches,
5 four of them that are being proposed for exclusion,
6 four of them are GTE. We have our own --

7 MR. FINNIGAN: No.

8 MR. LUCE: Am I off on that?

9 MR. FINNIGAN: Right.

10 MR. LUCE: Let me back up. It was my
11 understanding that there were several GTE exchanges,
12 so there are six others. Is that right? I'll just
13 talk about the GTE ones which is all I know. Those are
14 Stevens Pass and Skykomish, our own ski resort, along
15 with Crystal Mountain and Washougal and Washougal River
16 down in the Portland MSA.

17 It was our intent to bring forward these
18 outlier exchanges, although we had a much longer list
19 in mind, something like 20 exchanges, things like, for
20 example, Gold Bar, you know, other small exchanges,
21 that are in the MSA for implementation, but there
22 doesn't seem to be any competitive -- there are no
23 NXXs being filed in those exchanges. There's no intent
24 that we know of for competitors to serve those
25 exchanges. And it was whittled down to just, for GTE

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1 at least, just these four out of the longer list.

2 Our intent was to, through the waiver
3 process with concurrence of the industry and this
4 Commission, to make a request to the FCC to delay
5 implementation of those exchanges until the FCC process
6 which is a bona fide request would take place I believe
7 in -- after first quarter of 1999. So that was the
8 process as we saw it.

9 Finally, we seem to be the one who raised a
10 new issue in this docket, and it is simply for -- to
11 get it into the record for consideration, and that is,
12 it's our understanding that a resold service would
13 include the number. In other words, if you buy a
14 resold service, the number comes with it. That raises
15 the issue of what percentage of the services will be
16 resold, therefore, not needing number reportability
17 versus facility based or some other approach that will
18 need a number reportability. That affects the
19 forecast, if you will, of the need for number
20 reportability, and we thought that was one set of --
21 we don't have information on that, but it was an
22 information void that we thought would be of interest
23 to be taken into account. I believe that's all I
24 have.

25 CHAIRMAN NELSON: So is it all right with

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1 the rest of you that as far as GTE's understanding it,
2 LRN and QOR are the same thing?

3 MR. FINNIGAN: They are not the same thing.
4 They are technologies that can work together. They
5 are not the same technologies.

6 CHAIRMAN NELSON: What you all stipulated
7 to an hour and a half ago, is there agreement or not
8 that LRN is the starting point?

9 MR. FINNIGAN: Yes. And part of the
10 presentation -- part of the presentation was that as
11 we go forward and look at implementation of LRN, the
12 teams will consider these other ways of perhaps making
13 it more efficient or less costly to implement, and GTE
14 is advocating the query on release is one of those
15 things that should be looked at in that process.

16 MR. LUCE: That's correct.

17 CHAIRMAN NELSON: So when Mr. Griffith says
18 he doesn't want more than one thing to happen, this
19 still is compatibility, because you see sometime in
20 the future the technologies may become more compatible
21 than they appear to be now?

22 MS. JENSEN: Chairman Nelson, you can think
23 of it as an overlay and it would be compatible. It
24 would be an extension of LRN. And US WEST also
25 supports consideration of that, would urge the

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1 Commission to look at it as well from a cost
2 perspective.

3 CHAIRMAN NELSON: So it's not a digital
4 decision yea or nay? Okay.

5 MR. FINNIGAN: One of the things that if
6 the Commission at some time is interested in a
7 presentation on how number reportability would work in
8 a technical sense, we could certainly be willing to
9 bring the people in. I'm hoping to give you a
10 presentation on how it actually works and what is
11 involved when we talk about databases and dips and
12 things like that.

13 CHAIRMAN NELSON: Be my guest.

14 COMMISSIONER HEMSTAD: I think that would be
15 useful at some point.

16 MR. GRIFFITH: One of the nice features
17 about query on release is that it doesn't require
18 accessing the database on every call, but one of the
19 problems with that is it's not compatible with the
20 -- all the criteria in the FCC order which states that
21 both ported numbers and non-porting numbers should be
22 treated the same. So if the query on release is taking
23 advantage of the numbers that aren't being ported and
24 creating some deficiencies.

25 JUDGE PRUSIA: Are there any additional

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1 comments?

2 MR. KOPTA: Not so much a comment
3 substantively, but more procedurally. One of the
4 things we discussed here is that these -- what we've
5 just been discussing are issues that we're raising to
6 the Commission, but obviously is not something that is
7 being decided right now, which leaves open the
8 question of when will it be decided. And we would
9 certainly urge the Commission to establish a hearing
10 to resolve these issues because certainly from the
11 point of view of the last issue, which is
12 implementation, that's something that needs to be
13 decided sooner rather than later because of the time
14 frames that are involved and the planning that has to
15 go into that, and so we would certainly urge that
16 there be a hearing established at which the Commission
17 can and will render a decision on the other issues
18 that have been discussed today but are not set for
19 resolution today.

20 JUDGE PRUSIA: The Commission will be
21 deciding in the future how to proceed on these other
22 issues. This did begin as a request by WECA for the
23 Commission to approve the recommendation and --
24 recommendations in its report, and then it became sort
25 of like a Christmas tree where everyone said there are

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1 all of these issues out there that need to be decided
2 and would you please decide them now, and we're not
3 going to decide them at this point. We will decide
4 how to address them.

5 All right. If there's nothing further to
6 come before us this morning, then we will adjourn the
7 hearing. Thank you.

8 (Hearing concluded at 12:00 p.m.)

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