

Agenda Date: May 30, 2001
Item No.: **2D**

Docket: **UT-990401**
Company Name: Verizon Northwest Inc.

Staff: Vicki Elliott, Assistant Director, Consumer Affairs
Carlene Hughes, Program Coordinator
Mark Halliday, Compliance Manager
Dennis Shutler, Compliance Specialist
Bob Johnston, Compliance Specialist
Leon Macomber, Investigator
Alan Dickson, Investigator
Foster Hernandez, Investigator
Carolyn Caruso, Data Compiler

Recommendation:

Issue a Complaint against Verizon Northwest Inc. Accept the proposed Agreement to Penalties to resolve the Complaint.

Discussion:

The proposed Complaint and Agreement to Penalties in this matter comes from a Staff investigation into the operator services practices of Verizon Northwest Inc. (Verizon). The investigation was initiated by the Commission through its Order in UT-990401 dated August 11, 2000. Within this Order, which granted a temporary waiver of the verbal disclosure requirements of WAC 480-120-141(2)(b), the Commission directed Staff to investigate the operator services practices of Verizon after September 1, 2000.

Staff began its investigation in September 2000, by requesting a list of pay phone locations from Verizon. On November 3, 2000, and November 7, 2000, Staff conducted test calls from thirty-two pay phones where Verizon is the operator services provider. During the ensuing investigation, Staff found that Verizon did not meet the requirements for verbal disclosure of rates as contained in WAC 480-120-141(2)(b). RCW 80.36.520 directs the Commission to adopt rules to assure appropriate disclosure to consumers of the rates, charges, and fees for services provided by an operator services provider. The Commission adopted such rules in WAC 480-120-141(2) on December 29, 1998. During its investigation, Staff found nineteen instances where the operators did not properly offer a rate quote to pay phone consumers.

In January 2001, Staff notified Verizon of its findings and invited the Company to enter into discussions to resolve these issues. Over the next several weeks, Commission Staff and Verizon shared information and discussed a possible resolution. These discussions resulted in the proposed Agreement to Penalties presented today.

Briefly, in the Agreement, Verizon has admitted to violation of Commission rules and has agreed to pay the Commission \$14,000 in penalties, with an additional \$5,000 in penalties suspended on

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condition there is no evidence of violations of WAC 480-120-141(2)(b) for six months. In addition, Verizon has agreed to immediate and continued compliance with all state laws and rules.

Recommendation

Staff recommends the Commission issue a Complaint against Verizon Northwest Inc., and accept the proposed Agreement to Penalties to resolve the Complaint.