

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of)	
)	
BELL ATLANTIC COMMUNICATIONS, INC.)	DOCKET NO. UT-961500
)	
)	ORDER GRANTING PETITION
for Classification as a Competitive)	
Telecommunications Company.)	
.....)	

By petition filed November 26, 1996, Bell Atlantic Communications, Inc., seeks classification in Docket No. UT- 961500 as a competitive telecommunications company pursuant to RCW 80.36.320 and WAC 480-120-023. Bell Atlantic Communications, Inc. is registered with the Commission as a telecommunications company to provide outbound switched access toll service on a presubscribed basis to business and residential customers. Operator services will also be available to presubscribed business and residential customers. Bell Atlantic Communications, Inc. will also offer optional calling plans, 800 and travel card services. Service is to be provided through underlying carrier(s) who have been selected for the best combination of quality and price. Each customer will be presubscribed to Bell Atlantic Communications, Inc.'s CIC code. Presubscribed customer traffic will be routed to Bell Atlantic Communications, Inc. underlying carrier's network. In turn, the underlying carrier will identify the ANI of the Bell Atlantic Communications, Inc. customer and periodically send the call detail to Bell Atlantic Communications, Inc. for billing. Bell Atlantic Communications, Inc.'s name and toll free number appear on customer bills. In support of its petition, Bell Atlantic Communications, Inc., alleges inter alia that its services compete with other interexchange carriers' telecommunication services. The company filed written testimony in support of competitive classification, which accompanied its petition.

Bell Atlantic Communications, Inc. intends to offer Alternate Operator Services as described in WAC 480-120-021 throughout the state to residential and business customers in those areas where equal access is offered by the local exchange carrier. To the extent that a presubscribed customer is also an aggregator, Bell Atlantic Communications, Inc. could provide service to "captive" consumers at aggregator locations. However, Bell Atlantic Communications, Inc. does not intend to directly market to aggregators locations and does not intend at this time to offer commissions or other incentives for operator assisted traffic. As a result, it is unlikely that Bell Atlantic Communications, Inc. will derive much, if any, traffic from transient end users. In all cases, Bell Atlantic Communications, Inc. will comply with all applicable state and federal rules and policies for the handling of this traffic, including access, branding, posting, billing and rate quotes.

Bell Atlantic Communications, Inc. stipulates in the petition to various pricing limitations related to its provisions of AOS. The conditions stipulated in the petition are the following:

- a. "When providing alternative operator services, Bell Atlantic Communications, Inc. shall not impose any location surcharges on the user of such services."

b. "The rates to be charges by Bell Atlantic Communications, Inc. In the provision of its operator service shall not exceed the "prevailing operator service charge" in relevant market as that term is defined in WAC 480-120-141."

c. "In the provision of operator services, Bell Atlantic Communications, Inc. will not file rates which vary at the option of the customer as that term is defined in WAC 480-120-141(10)(b)."

d. "Bell Atlantic Communications, Inc. will not circumvent the conditions set forth in paragraphs (a) through (c) above by the filing of price lists inconsistent with those conditions."

e. "Should Bell Atlantic Communications, Inc. intentionally file price lists or take any other action which would have the effect of imposing rates or surcharges in violation of the conditions set forth in paragraphs (a) through (c) above, and refuses to withdraw such price lists or other action upon notification by the Commission, than any order classifying Bell Atlantic Communications, Inc. as a competitive telecommunications company shall thereafter be null and void without further action by the Commission."

f. "Bell Atlantic Communications, Inc. retains the right on the filing of a petition before the Commission, to seek to amend this document and the conditions set forth above, by seeking a reconsideration of its competitive classification."

In conjunction with classification, the company is seeking waiver of the requirements of various provisions of chapter 80.36 RCW (Telecommunications) and chapter 480-120 WAC.

The company is seeking waiver of:

RCW 80.04.300	Budgets to be filed by companies-- supplementary budgets
RCW 80.04.320	Budget rules
RCW 80.36.100	Tariff schedules to be filed and open to public
RCW 80.36.110	Tariff changes--Statutory notice--Exception
RCW 80.36.150	Contracts
Chapter 80.08 RCW	Securities (except 80.08.140. state not obligated)
Chapter 80.12 RCW	Transfers of property
Chapter 80.16 RCW	Affiliated interests
Chapter 480-80 WAC	Tariffs
WAC 480-120-026	Tariffs
WAC 480-120-032	Accounting--Political information and political education activities
WAC 480-120-036	Finance--Securities, affiliated interest, transfer of property
WAC 480-120-046	Services offered

WAC 480-120-131	Reports of accidents
Chapter 480-140 WAC	Budgets
Chapter 480-143 WAC	Transfers of Property
Chapter 480-146 WAC	Securities and Affiliated Interests

In addition, the Commission on its own motion will consider waiver of:

RCW 80.04.310	Commission's control over expenditures
RCW 80.04.330	Effect of unauthorized expenditure-- emergencies
RCW 80.04.360	Earnings in excess of reasonable rate-- consideration in fixing rates
RCW 80.04.460	Investigation of accidents
RCW 80.04.520	Lease of utility facilities
WAC 480-120-031	Accounting

On its own motion, the Commission determined that on the face of the petition no substantial issues of controversy were presented, and invoked the provisions of WAC 480-09-520, Formal investigation and fact-finding. A Notice of Formal Investigation and Fact-Finding was issued on November 14, 1997. In that notice the Commission directed interested persons seeking to intervene to file a written petition to intervene not later than December 8, 1997. All interested persons were advised that, pursuant to WAC 480-09-520, no hearing was contemplated other than possible hearings for public testimony. No petitions for intervention were filed and no public hearings were necessary to develop the facts relevant to the proceeding.

Rules invoked include those within chapter 480-09 WAC, specifically WAC 480-09-520 and WAC 480-120-022, WAC 480-120-023, WAC 480-120-024, and WAC 480-120-025. Statutes invoked include RCW 80.36.145 and 80.36.320. The ultimate issues are whether Bell Atlantic Communications, Inc. should be classified as a competitive telecommunications company, and the extent to which it should be relieved of regulatory requirements to which it would otherwise be subject.

Based upon the entire record and the file in this matter, the Commission makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

1. Petitioner Bell Atlantic Communications, Inc. is registered with the Commission as a telecommunications company to provide outbound switched access toll service on a presubscribed basis to business and residential customers. Operator services will also be available to presubscribed business and residential customers. Bell Atlantic Communications, Inc. will also offer optional calling plans, 800 and travel card services. Service is to be provided through underlying carrier(s) who have been selected for the best combination of quality and price. Each customer will be

presubscribed to Bell Atlantic Communications, Inc.'s CIC code. Presubscribed customer traffic will be routed to Bell Atlantic Communications, Inc. underlying carrier's network. In turn, the underlying carrier will identify the ANI of the Bell Atlantic Communications, Inc. customer and periodically send the call detail to Bell Atlantic Communications, Inc. for billing. Bell Atlantic Communications, Inc.'s name and toll free number appear on customer bills.

2. Alternative providers of service to that of Bell Atlantic Communications, Inc. include AT&T Communications, Inc., U S WEST Communications, Inc., MCI Communications Corp., and Sprint Communications Company. All services are fully available from alternative providers in the relevant market.

3. The relevant market is the state of Washington.

4. Bell Atlantic Communications, Inc. has no captive customer base.

5. The services offered are subject to effective competition.

6. Bell Atlantic Communications, Inc. should be permitted to provide services under a price list.

7. Bell Atlantic Communications, Inc. requested waivers of certain laws and rules relating to telecommunications services. The laws and rules for which waivers should be granted are listed on Appendix A, attached to this order and incorporated by this reference, made a part of this order.

CONCLUSIONS OF LAW

1. The Washington Utilities and Transportation Commission has jurisdiction over the subject matter of this classification proceeding and the parties.

2. Bell Atlantic Communications, Inc. should be classified as a competitive telecommunications company pursuant to RCW 80.36.320 (1).

3. Bell Atlantic Communications, Inc. will be permitted to provide services under price lists pursuant to RCW 80.36.320 (2), the format of which will be subject to prior approval by the Commission.

4. Bell Atlantic Communications, Inc. should be granted waiver of the laws and rules listed in Appendix A. Waiver of laws and rules requested that are not included in Appendix A are denied.

ORDER

THE COMMISSION ORDERS:

- 1. The petition of Bell Atlantic Communications, Inc. for classification as a competitive telecommunications company, is granted.
- 2. Waiver is granted of the laws and rules listed in Appendix A.
- 3. Bell Atlantic Communications, Inc. is authorized to offer services under price lists, the format of which will be subject to prior approval by the Commission, with price lists effective after 10 days notice to the Commission and to customers. In the event of a price reduction or a change in terms or conditions which do not have rate impact, personal notice to customers will not be required. Although the Commission does not have authority to waive the notice requirement, Bell Atlantic Communications, Inc. will have the option to publish notice of price reductions by a display advertisement in such newspaper or newspapers as are geographically situated so as to be circulated over the company's service area.
- 4. The services offered by Bell Atlantic Communications, Inc. will include alternate operator services as defined in WAC 480-120-141.
- 5. The Commission retains jurisdiction over the subject matter and the parties to effectuate the terms of this Order.

DATED at Olympia, Washington, and effective this 31st day of December 1997.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



ANNE LEVINSON, Chair



RICHARD HEMSTAD, Commissioner



WILLIAM R. GILLIS, Commissioner

APPENDIX A

RCW 80.04.300	Budgets to be filed by companies--Supplementary budgets
RCW 80.04.310	Commission's control over expenditures
RCW 80.04.320	Budget rules
RCW 80.04.330	Effect of unauthorized expenditure--Emergencies
RCW 80.04.360	Earnings in excess of reasonable rate--Consideration in fixing rates
RCW 80.04.460	Investigation of accidents
RCW 80.04.520	Lease of utility facilities
RCW 80.36.100	Tariff schedules to be filed and open to public
RCW 80.36.110	Tariff changes--Statutory notice--Exception
Chapter 80.08 RCW	Securities (except RCW 80.08.140, State not obligated)
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Chapter 480-140 WAC	Budgets
Chapter 480-143 WAC	Transfers of Property
Chapter 480-146 WAC	Securities and affiliated interests
WAC 480-120-026	Tariffs
WAC 480-120-031	Accounting
WAC 480-120-032	Accounting--Political information and political education activities
WAC 480-120-036	Finance--Securities, affiliated interest, transfer of property
WAC 480-120-046	Services offered
WAC 480-120-131	Reports of accidents