

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AT&T COMMUNICATIONS OF THE
PACIFIC NORTHWEST, INC.,

Complainant,

vs.

VERIZON NORTHWEST INC.,

Respondent.

) Docket No. UT-020406

)
) REPLY TO ANSWER OF INTERVENOR
) WORLDCOM IN OPPOSITION TO
) VERIZON'S MOTION TO DISMISS

Verizon Northwest Inc. ("Verizon") hereby replies to WorldCom's "Answer in Opposition to Verizon's Motion to Dismiss."

As Verizon explained in its motion, the Commission should dismiss AT&T's complaint because it calls for single-issue ratemaking, a process the Commission expressly rejected in *MCI Telecommunications Corp. v. GTE Northwest*, Docket No. UT-970653, 1997 Wash. UTC LEXIS 68 (October 22, 1997). WorldCom attempts to distinguish *MCI* on the ground that the *MCI* complaint, unlike the AT&T complaint in this case, did not include a "price squeeze" claim. This distinction, however, is irrelevant. The fundamental point is that here, as in *MCI*, the complaint asks for single-issue ratemaking. In both cases, AT&T and WorldCom claim that Verizon's switched access rates, as approved by this Commission, are unfair, unjust, unreasonable, inefficient and unjustly discriminatory to competitors in violation of RCW 80.04.110. Indeed, this statute is cited as authority to support the allegations in each case. Also,

the relief sought in both cases is identical: a multi-million reduction in switched access charges. While AT&T asserts other theories in this docket, such as violation of federal law, its fundamental challenge is to Verizon's current levels of access charges, which is the identical issue presented in *MCI*.

Furthermore, WorldCom claims that the Commission should not dismiss this case based on *Northwest Payphone Association, et al. v. U.S. West Communications, Inc.*, Docket No. 920174, where the Commission did not dismiss a claim that alleged a price squeeze. That case, however, is distinguishable on several grounds. First, that case did not involve access charges but instead concerned the development of an imputation standard for U S WEST's payphone operation. Second, the Commission was first presented with U S WEST's argument that the Commission cannot lower rates in complaint proceeding when U S WEST filed its Petition for Reconsideration, and therefore the issue of single issue ratemaking was not squarely before it, unlike in this case where Verizon raises this issue in an initial motion to dismiss. Third, U S WEST failed to explain the effect of reducing certain rates connected with payphone service on its overall earnings. Fourth, even if we assume the *Northwest Payphone* case is relevant, it was decided before the *MCI* case, where, as we have discussed, the Commission confirmed its policy against single-issue ratemaking. Finally, the Commission rendered its decision in *Northwest Payphone* at the same time a general U S WEST rate case was pending in Docket No.UT-950200, and therefore the Commission had before it a vehicle within which to examine any harmful impact of its decision in Docket No.UT-920174 on U S WEST's earnings. In sum, *Northwest Payphone* is inapposite. WorldCom's Answer provides no additional relevant authority to defeat Verizon's Motion to Dismiss.

RESPECTFULLY SUBMITTED this _____ day of June, 2002.

GRAHAM & DUNN PC

By _____
Judith A. Endejan
WSBA# 11016
Attorneys for Verizon Northwest Inc.