

1                   BEFORE THE WASHINGTON UTILITIES AND  
2                   TRANSPORTATION COMMISSION

3	ARONSON-CAMPBELL INDUSTRIAL	)	
4	SUPPLY, INC.,	)	DOCKET NO. UT-030168
		)	
	Complainant,	)	Volume II
5		)	Pages 45 to 63
	vs.	)	
6		)	
7	MCI WORLDCOM COMMUNICATIONS,	)	
	INC.,	)	
		)	
8	Respondent.	)	
9	_____	)	

10                   A hearing in the above matter was held on  
11 July 22, 2003, from 9:50 a.m to 10:15 a.m., at 1300  
12 South Evergreen Park Drive Southwest, Room 108, Olympia,  
13 Washington, before Administrative Law Judge ANN RENDAHL.

14                   The parties were present as follows:  
15                   THE COMMISSION, via bridge line by SHANNON  
16 SMITH, Assistant Attorney General, 1400 South Evergreen  
17 Park Drive Southwest, Post Office Box 40128, Olympia,  
Washington 98504-0128, Telephone (360) 664-1192,  
Facsimile (360) 586-5522, E-Mail ssmith@wutc.wa.gov.

18                   WORLDCOM, INC., via bridge line by MICHEL  
19 SINGER NELSON, Attorney at Law, 707 - 17th Street, Suite  
20 4200, Denver, Colorado 80202, Telephone (303) 390-6106,  
Facsimile (303) 390-6333, E-Mail  
michel.singer nelson@wcom.com.

21                   ARONSON-CAMPBELL INDUSTRIAL SUPPLY, INC., via  
22 bridge line by DAVID W. WILEY, Attorney at Law,  
Williams, Kastner & Gibbs, PLLC, Two Union Square, 601  
23 Union Street, Suite 4100, Seattle, Washington  
98101-2380, Telephone (206) 233-2895, Facsimile (206)  
628-6611, E-Mail dwiley@wkg.com.

24                   Joan E. Kinn, CCR, RPR  
25 Court Reporter

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

2                                   JUDGE RENDAHL: Good morning, everyone.

3 Thank you for accommodating us and bearing with us  
4 through all of our technical difficulties this morning.

5                                   We're here before the Washington Utilities  
6 and Transportation Commission this morning, Tuesday,  
7 July 22nd, 2003, to hold a settlement hearing in Docket  
8 Number UT-030168, Aronson-Campbell Industrial Supply,  
9 Incorporated versus MCI WorldCom Communications,  
10 Incorporated.

11                                  The Commission scheduled this hearing by  
12 notice to the parties dated July 17, 2003. I'm Ann  
13 Rendahl, the Administrative Law Judge assigned to  
14 preside over this proceeding.

15                                  The ultimate issue before us is whether the  
16 proposed settlement filed with the Commission on June  
17 30th, 2003, is consistent with the public interest.

18                                  Before we go farther, I will take appearances  
19 from the parties at this time beginning with the  
20 Complainant, Aronson-Campbell.

21                                  MR. WILEY: Yes, Your Honor, David W. Wiley  
22 with the law firm of Williams Kastner & Gibbs, 601 Union  
23 Street, Suite 4100, Seattle, Washington 98101, appearing  
24 today on behalf of Complainant Aronson-Campbell  
25 Industrial Supply, Inc. With me is Mr. Bruce

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1 Buchberger, Vice President of the company, who will be  
2 the witness for the Complainant.

3 JUDGE RENDAHL: Thank you.

4 Ms. Nelson.

5 MS. SINGER NELSON: Michel Singer Nelson here  
6 on behalf of MCI WorldCom Communications, Inc. Judge,  
7 thank you for letting us participate by phone. I do  
8 have with me the witness for MCI WorldCom, who is  
9 Cristina Benavidez.

10 JUDGE RENDAHL: Thank you.

11 And for Commission Staff?

12 I guess Ms. Smith has not called in yet.

13 Very timely, Ms. Smith, we did start, and  
14 we're taking appearances, so would you please state your  
15 appearance at this time.

16 MS. SMITH: Shannon Smith, Assistant Attorney  
17 General for Commission Staff.

18 JUDGE RENDAHL: Thank you.

19 I will note for the record that all parties  
20 are participating via the Commission's conference bridge  
21 line as allowed by the July 17th notice and are not  
22 present in the conference room. Given that it's  
23 sometimes difficult for the court reporter and me to  
24 hear you and your witnesses over the bridge line, please  
25 identify yourself when you wish to speak, and speak

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1 loudly and clearly.

2 Off the record I conferred with Mr. Wiley and  
3 Ms. Singer Nelson about any proposed exhibits that might  
4 be filed. No one had filed any exhibits, affidavits, or  
5 declarations by noon yesterday as required by the July  
6 17th notice. All parties intend to proceed through oral  
7 testimony of their witnesses. And I understand,  
8 Mr. Wiley and Ms. Singer Nelson, that you propose to  
9 offer the settlement agreement, the proposed settlement  
10 agreement filed with the Commission, as an exhibit; is  
11 that correct?

12 MR. WILEY: Yes, Your Honor.

13 MS. SINGER NELSON: Yes, that's correct.

14 JUDGE RENDAHL: Okay, so we'll mark that as  
15 Exhibit 1.

16 Does anybody object to admission of that  
17 document into the record?

18 Hearing nothing, it will be admitted.

19 The other issue in the July 17th notice or I  
20 guess the July 2nd notice canceling a pre-hearing  
21 conference, in that notice I requested whether any of  
22 the parties objected to waiving the entry of initial  
23 order, and based on correspondence and reply, I  
24 understand that no party objects to waiving the entry of  
25 initial order and that the Commission will enter a final

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1 order following the settlement hearing. Does any party  
2 object to that process?

3 Hearing nothing, a final order will be  
4 entered following the settlement hearing.

5 Okay, the process we will use this morning  
6 will be as follows. Mr. Wiley will present his witness,  
7 Mr. Bruce Buchberger, followed by cross-examination by  
8 any other party and any questions I might have from the  
9 Bench. And then Ms. Singer Nelson will present her  
10 witness, Ms. Cristina Benavidez, followed by  
11 cross-examination and questions from myself.

12 And I understand, Ms. Smith, you don't intend  
13 to present any witnesses at this hearing; is that  
14 correct?

15 MS. SMITH: Yes, it is.

16 JUDGE RENDAHL: Okay. Is there anything  
17 further we need to address before hearing the witnesses'  
18 testimony?

19 Okay, then let's get started. Are you ready,  
20 Mr. Wiley?

21 MR. WILEY: Yes, I would present Mr. Bruce  
22 Buchberger to testify.

23 JUDGE RENDAHL: Okay, before you go ahead, I  
24 will need to swear in the witness.

25 Mr. Buchberger, can you hear me?

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1 MR. BUCHBERGER: Yes, I can.

2 JUDGE RENDAHL: Okay, for the record for the  
3 court reporter would you please state your full name and  
4 your address, and then once you finish that I will give  
5 an oath to you, okay?

6 MR. BUCHBERGER: Okay. My name is Bruce  
7 Buchberger. The last name is spelled  
8 B-U-C-H-B-E-R-G-E-R. The address is 1700 - 136th Place  
9 Northeast, Bellevue, Washington 98005.

10 JUDGE RENDAHL: And you are the Vice  
11 President of Aronson-Campbell; is that correct?

12 MR. BUCHBERGER: Yes, I am.

13 JUDGE RENDAHL: Okay. Would you raise your  
14 right hand, please.

15 (Witness Bruce Buchberger sworn in.)

16 JUDGE RENDAHL: Okay, please go ahead.

17

18 Whereupon,

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

22

23 D I R E C T E X A M I N A T I O N

24 BY MR. WILEY:

25 Q. Mr. Buchberger, could you please tell us how



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1 long you have been employed by Aronson-Campbell  
2 Industrial Supply, Inc.

3 A. 20 years.

4 Q. Okay. And what, as Vice President of the  
5 company, could you tell us what your job description  
6 basically is and also how you deal with outside vendors.

7 A. My job for the company is Chief Operation  
8 Officer. I deal with all our vendors, both from the  
9 product standpoint and all the other services that we  
10 use at their corporation.

11 Q. And in that capacity, do you deal with  
12 vendors such as telephone supply companies?

13 A. I deal with all vendors, particularly the  
14 telephone vendors.

15 Q. Did you on behalf of the company cause a  
16 complaint to be filed with the Washington Utilities and  
17 Transportation Commission on or about February 6, 2003,  
18 alleging various unfair practices under Washington law  
19 and Commission rule?

20 A. Yes, I did.

21 Q. Why did you file the complaint?

22 A. The internal resolution at the WUTC had  
23 gotten us nowhere due to the significant turnover and  
24 lack of followthrough by MCI due to its Chapter 11  
25 status and its other internal problems.

0054

1 Q. Are you authorized today to appear on behalf  
2 of the Complainant in support of dismissal of the  
3 complaint?

4 A. Yes.

5 Q. And can you tell us what your purpose is in  
6 appearing on behalf of the company?

7 A. As Vice President of the company, it is my  
8 position in this proceeding to explain and support the  
9 proposed settlement in this matter. As the proposed  
10 settlement filed with the Commission indicates, from the  
11 Complainant's standpoint all issues have been fully  
12 resolved. We have received our original telephone  
13 numbers back from MCI and have tendered a check to MCI  
14 which we believe represents a full and fair negotiated  
15 final payment for services to us through this  
16 outstanding issue with MCI. As a part of the return of  
17 our phone numbers through the hot cut process, we have  
18 retained those phone numbers that are now being served  
19 by our chosen vendor, Electric Lightwave.

20 From our vantage point, no other issues  
21 remain, and we wish to be done with this matter once and  
22 for all through the dismissal of this complaint. We  
23 believe as a member and segment of the rate paying  
24 public we are fully satisfied with the resolution of  
25 this matter and thus ask in the public interest that our

0055

1 complaint be dismissed.

2 MR. WILEY: No further questions at this  
3 point, Your Honor.

4 JUDGE RENDAHL: Mr. Buchberger, actually I  
5 have a question, but before I go forward, Ms. Singer  
6 Nelson, do you have any questions for Mr. Buchberger?

7 MS. SINGER NELSON: No, Your Honor, I have no  
8 cross-examination.

9

10 E X A M I N A T I O N

11 BY JUDGE RENDAHL:

12 Q. Mr. Buchberger, I understand you state that  
13 you have received your telephone numbers back from MCI  
14 and now are being served by ELI and that the billing  
15 dispute has been resolved. Is there any remaining  
16 business relationship at this point between MCI and  
17 Aronson-Campbell?

18 A. No, all our phone numbers and data lines have  
19 been returned to us, and all our business is being  
20 served by another vendor.

21 Q. And have you terminated your contract with  
22 MCI?

23 A. Yes, we have. We have sent them a final  
24 letter, a letter and a final check for their services.

25 JUDGE RENDAHL: Okay, that's all that I have,

0056

1 Mr. Buchberger.

2 Ms. Singer Nelson, are you prepared to go  
3 forward?

4 MS. SINGER NELSON: I am, Judge, thank you.  
5 Cristina Benavidez is the witness on behalf of MCI.

6 JUDGE RENDAHL: Okay, Ms. Benavidez, would  
7 you please state your name and address and spell any  
8 words or names that may not be common.

9 MS. BENAVIDEZ: Okay, Cristina, last name is  
10 Benavidez. My address is at 20855 Stone Oak Parkway.

11 JUDGE RENDAHL: Could you repeat that, Stone?

12 MS. BENAVIDEZ: Stone as the rock stone, Oak  
13 as the oak tree, Parkway.

14 JUDGE RENDAHL: Thank you.

15 MS. BENAVIDEZ: In San Antonio, Texas 78258.  
16 I've been with the company five years.

17 JUDGE RENDAHL: Okay, before you go forward  
18 with any further information, I think Ms. Singer Nelson  
19 will ask you some questions.

20 MS. BENAVIDEZ: Okay.

21 JUDGE RENDAHL: But I need to have you give  
22 an oath, please, if you would raise your right hand.

23 (Witness Cristina Benavidez sworn in.)

24 JUDGE RENDAHL: Okay, Ms. Singer Nelson and  
25 Ms. Benavidez, please go forward.

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2 Whereupon,

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CRISTINA BENAVIDEZ,

4 having been first duly sworn, was called as a witness

5 herein and was examined and testified as follows:

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D I R E C T E X A M I N A T I O N

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BY MS. SINGER NELSON:

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Q. Ms. Benavidez, are you employed by --

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MR. WILEY: She's really breaking up now.

11

JUDGE RENDAHL: Ms. Singer Nelson, can you

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repeat your question.

13

Q. Are you employed by MCI?

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A. Yes, I am.

15

Q. What is your title?

16

A. Receivables management.

17

Q. Will you briefly state your job

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responsibilities.

19

A. I work with the receivable department on the

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collections, well, actually collections.

21

I work in the collections department, which

22

we --

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JUDGE RENDAHL: Hello?

24

A. I'm here. I work in the collections

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department, which we assign accounts to bring, you know,

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1 to make sure that they're maintained at the proper  
2 level.

3 Q. Ms. Benavidez, are you familiar with the  
4 complaint filed by --

5 JUDGE RENDAHL: Ms. Singer Nelson, you might  
6 be too close to your handset at this point. It kind of  
7 breaks up at the tail end.

8 MS. SINGER NELSON: I will start over again.  
9 Is this better?

10 JUDGE RENDAHL: That's better.

11 BY MS. SINGER NELSON:

12 Q. Are you familiar with the complaint filed  
13 against MCI WorldCom by Aronson-Campbell Industrial  
14 Supply, Inc. at the Washington Utilities and  
15 Transportation Commission?

16 A. Yes.

17 Q. Are you also familiar with a billing dispute  
18 between MCI WorldCom and Aronson-Campbell?

19 A. Yes.

20 Q. Did you represent MCI WorldCom in settlement  
21 discussions with representatives of Aronson-Campbell to  
22 attempt to settle the billing dispute and the complaint?

23 A. Yes.

24 Q. Did you successfully settle the complaint?

25 A. Yes.

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1 Q. Exhibit 1, first of all, do you have Exhibit  
2 1 in front of you, which is the document entitled  
3 Proposed Settlement of Complaint Case that was filed  
4 with the Washington Utilities and Transportation  
5 Commission?

6 A. Yes, I do.

7 Q. Does Exhibit 1 or that document accurately  
8 reflect the proposed settlement of both the complaint  
9 and the billing dispute?

10 A. I'm sorry, I didn't hear you.

11 Q. Does the proposed settlement of complaint  
12 case or Exhibit 1 accurately reflect the settlement that  
13 was reached between Aronson-Campbell and MCI WorldCom  
14 concerning the billing dispute and the complaint?

15 A. Yes.

16 Q. Do you have authority on behalf of MCI  
17 WorldCom to settle the complaint under those terms?

18 A. Yes, I do.

19 Q. Do you believe those terms to be reasonable?

20 A. Yes, I do.

21 Q. Do you believe the settlement to be in the  
22 public interest?

23 A. Yes.

24 Q. And why do you believe that the settlement's  
25 in the public interest?

0060

1           A.     It saves our public resource, reduce our  
2 staffing time spent on the dispute and then based --

3           THE REPORTER:  I'm sorry, Ms. Benavidez, if  
4 you could start over, please, you're breaking up.

5           MR. WILEY:  I couldn't hear any of Cristina's  
6 testimony there.

7           A.     It's based on public resources, it reduces  
8 our staff expense in time expended on the dispute and  
9 also --

10          JUDGE RENDAHL:  Ms. Benavidez, I'm sorry to  
11 interrupt you, are you speaking on a headset again?

12          THE WITNESS:  Yes, I am.

13          JUDGE RENDAHL:  Can you transfer to a  
14 straight telephone receiver?

15          THE WITNESS:  I don't have one, and I'm going  
16 to apologize for that.

17          JUDGE RENDAHL:  Okay, because each word that  
18 you speak it kind of breaks up at the end.

19          THE WITNESS:  Does this sound better?

20          JUDGE RENDAHL:  Well, we'll try.  And if you  
21 can speak slowly and give space between the words it  
22 might actually work.  I know it might be kind of  
23 awkward, but that might be the best way to proceed.

24          THE WITNESS:  Okay, I lowered my head phone,  
25 see if this sounds a little bit better, does this sound



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1 a little bit better?

2 JUDGE RENDAHL: A little bit, it's a little  
3 bit better, and if you speak slowly, then we'll try  
4 that.

5 Okay, go ahead with your answer. Do you need  
6 Ms. Singer Nelson to repeat her question?

7 THE WITNESS: No, thank you.

8 A. It saves public resource, reduces staff and  
9 Commission time spent on the dispute.

10 JUDGE RENDAHL: I'm going to go off the  
11 record here.

12 (Discussion off the record.)

13 JUDGE RENDAHL: Do you have any further  
14 questions, Ms. Singer Nelson?

15 MS. SINGER NELSON: I think she's still in  
16 the middle of answering the question.

17 BY MS. SINGER NELSON:

18 Q. Ms. Benavidez, have you fully answered?

19 A. No, I haven't.

20 Based on private resource, reduce company  
21 personnel time spent on the dispute, our company can  
22 focus on matters related to their business. Also saves  
23 overhead cost --

24 JUDGE RENDAHL: I didn't catch anything after  
25 overhead cost, Ms. Benavidez, I'm sorry.

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1 THE WITNESS: That's all right.

2 BY MS. SINGER NELSON:

3 Q. Cristina, is that everything that you meant  
4 to say?

5 A. Yes.

6 MR. WILEY: Your Honor, could we have  
7 Ms. Singer Nelson just sort of summarize that, because I  
8 missed all the parts at the end. I would accept her  
9 summary if you would.

10 JUDGE RENDAHL: That's acceptable to me.

11 MS. SINGER NELSON: Ms. Benavidez stated that  
12 the settlement is in the public interest because it  
13 saves on public resources in that it reduces the staff  
14 and the Commission time spent on the dispute. It also  
15 saves private resources in that it reduces the company  
16 personnel's time spent on the dispute. And then finally  
17 it saves on overhead costs for the company, which  
18 ultimately helps to keep the rates to consumers lower  
19 than what they otherwise would be.

20 JUDGE RENDAHL: Thank you. I will note for  
21 the record we don't normally allow attorneys to testify,  
22 but in this circumstance of technical difficulties, we  
23 will accept the testimony as offered by Ms. Singer  
24 Nelson.

25 MS. SINGER NELSON: Thank you, Your Honor.

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1 JUDGE RENDAHL: Is there anything further for  
2 Ms. Benavidez?

3 MS. SINGER NELSON: NO, Your Honor, thank  
4 you.

5 JUDGE RENDAHL: And I don't have any  
6 questions either.

7 Mr. Wiley, do you have any questions for the  
8 witness?

9 MR. WILEY: No questions, Your Honor.

10 JUDGE RENDAHL: Ms. Smith, I neglected to ask  
11 you if you had any questions. I apologize for that  
12 oversight. Do you have any questions for either of  
13 these witnesses?

14 MS. SMITH: No, thank you, Your Honor, and if  
15 I did, I would have jumped in.

16 JUDGE RENDAHL: Okay, thank you, I'm glad you  
17 would have done that.

18 Is there anything further we need to address  
19 here this morning?

20 Hearing nothing, we will be off the record,  
21 and the hearing will be adjourned.

22 (Hearing adjourned at 10:15 a.m.)

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