

COMMENT SUMMARY
U-991301
Chapter 480-80 Tariffs, Price Lists, and Contracts
Comments on October 10, 2001, Discussion Draft

Updated December 12, 2001

WAC/Issue	Interested Person	Comments	Staff Response
General Comment	Qwest (10/22/01)	Qwest continues to be concerned with the lack of parity in application of rule requirements for competitively classified services offered under price list or contract with the requirements for services offered by competitively classified companies. Under the proposed rules, services, which are competitively classified, such as intraLATA toll, are subject to different filing requirements, depending upon the status of the offering carrier. Regardless of whether the Commission has granted competitive classification to a company or not, the factual analysis and legal conclusions that the Commission must reach in granting competitive classification, either for a company under RCW 80.36.320, or a service under RCW 80.36.330, are exactly the same. There is no basis for treating competitively classified services differently based on the identity of the carrier providing the service. Qwest continues to advocate the Commission adopt rules that affect telecommunications companies in a competitively neutral manner.	The proposed treatment is based on differing legal requirements for competitive services of non-competitive companies (RCW 80.36.330) and services of competitive companies (RCW 80.36.320).
480-80-030 Definitions.			
"Price list" means a telecommunications company's standard offer to the general public or to other telecommunications companies of one or more intrastate	Verizon (10/22/01)	The proposed definition of price list appears to be part of the Staff's effort to inappropriately deprive price lists of their legal effect. The definition of price list should be the same as the definition of tariff, with the exception of making the distinction	Differences in the definition of tariffs and price lists result from differing statutory requirements for tariffed services and price-listed services.

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telecommunications services that the commission has determined to be subject to effective competition.		that price lists are used by companies or for services that have been competitively classified, as follows: <i>"Price list" is a document that sets forth terms and conditions of service for companies and services that have been classified competitive, including rates, charges, tolls, rentals, and equipment and facilities, and the manner in which rates and charges are assessed for services provided to customers, and rules and conditions associated with offering service.</i>	
480-80-103 Tariff format.			
Subsection (3)(b) All subsequent revisions must be in sequential order and indicate the cancellation of the superseded sheet as follows: On the first revision, designate the sheet as: FIRST REVISION OF SHEET	Verizon (10/22/01)	Verizon asks Staff to clarify that the language in subsection (3)(b) does not limit companies from having the option to use numeric characters for subsequent revisions (i.e., 1 st Revision, 2 nd Revision, etc.).	Staff agrees and has made the change to reflect that companies may choose either method.
480-80-112 Banded rate tariff filings.			
Subsection (1) Noncompetitive telecommunication companies. Noncompetitive telecommunications companies may file banded rate tariffs. When a noncompetitive telecommunications company files for a banded rate tariff, the filings must, at a minimum, be accompanied with the following: (b) A verifiable cost of service study supporting the contention that the minimum rate in the banded rate tariff covers the cost of the service. Costs will be determined under a long-run incremental cost analysis, including the price charged to other	Qwest (10/22/01)	Qwest continues to oppose the cost standard proposed by the Commission staff within the following proposed rule WAC 480-80-112(1)(b). This proposed rule introduces a new cost standard that requires inclusion of the price charged to other telecommunications carriers for any essential function used to provide the service, or any other commission-approved cost method. Qwest is not aware of a Commission decision specifying such a cost determination, specifically with respect to imputed cost for essential functions, and believes this matter should receive full hearing before it is codified in a rule. The Commission recently had this issue before it and chose to decline the request to impose such a cost standard. The Commission	Staff agrees that imputation requirements should vary by service. The proposed language requiring imputation of "any essential function" does not require that every function or service be imputed. It requires only functions that are essential, which could vary by service.

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telecommunications companies for any essential function used to provide the service, or any other commission-approved cost method;		<p>should refrain from adopting a general rule requirement that does not take service specific differences or market conditions into consideration that may drive a different conclusion. Qwest believes this decision should not be made without a thorough review of the consequences of such a decision on a service specific basis. Qwest respectfully suggests the following statement at (1)(b) be eliminated or revised as follows:</p> <p><i>Costs will be determined under a long run incremental cost analysis or any other commission-approved cost method;</i></p> <p>The Commission should address the question of cost on a service specific basis, as they have done in prior orders, as the need arises.</p>	
480-80-112 Banded rate tariff filings.			
<p>Subsection (1) Noncompetitive telecommunication companies. Noncompetitive telecommunications companies may file banded rate tariffs. When a noncompetitive telecommunications company files for a banded rate tariff, the filings must, at a minimum, be accompanied with the following:</p> <p>(c) Information detailing the revenue impact of the proposed banded rate tariff.</p>	Qwest (10/22/01)	<p>Qwest is not certain of what information is required in WAC 480-80-112(1)(c). This rule is unclear as to what revenue impact information is required. Qwest respectfully proposes the following revision to clarify the intent of the rule:</p> <p><i>(c) Information detailing the revenue impact of the proposed rate change within the banded rate tariff.</i></p>	Staff disagrees. Subsection (1)(c) is not a change within the banded rate tariff. It is the establishment of an initial banded rate. The applicant must provide information detailing the revenue impact of that proposed banded rate tariff.
480-80-133 Tariff adoption notice.			
Subsection (1) A utility must file a tariff adoption notice with the commission when either of the following changes affects an existing tariff:	Verizon (10/22/01)	The draft rule makes several assumptions about the nature of changes in ownership, control and company names that may not be accurate and may not warrant the use of an adoption notice. (1)(a) and (5) would require an adoption notice	Tariff adoption notice is required only when changes “affect” an existing tariff. Redrafting has clarified the language to address any confusion.

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<p>(a) Transfer of all or part of the operating control or ownership;</p> <p>(5) In the event of a change in control or ownership, as described above, the utility adopting the tariff must file to incorporate the adopted tariff in its own tariff within sixty days of the date of the filing of the adoption notice. In the event of a name change the time limit is one year.</p>		<p>due to a "change in control" even though there may be no change in the legal entity providing the service and no change in that entity's name. There is no purpose to be served by filing an adoption notice in that circumstance. The language that Verizon proposes avoids that result and instead covers the situations that actually warrant an adoption notice. Verizon proposes a more flexible approach (See Verizon comments (10/22/01).</p>	
<p>480-80-142 Special contracts for noncompetitive telecommunications companies.</p>			
<p>Subsection (5) Where a government agency asserts its authority to solicit a firm offer of services, and a contract subject to this section is submitted in response to that solicitation, the noncompetitive telecommunications company must file the contract with the commission no later than fifteen days after acceptance.</p> <p>(6) A telecommunications company that enters into a contract to provide service to a school, library, or RHC provider, as part of the federal universal service program, must file the contract with the commission no later than fifteen days after acceptance by the administrator of the federal universal service program.</p>	<p>Verizon (10/22/01)</p>	<p>As Verizon stated in previous comments, the filing requirements in (5) and (6) should be fifteen "business" days.</p>	<p>The 15-day provision establishes a deadline for filing certain contracts after they are executed. Verizon's proposal would lengthen the deadline by an additional week. Staff believes the current proposal of 15 days is a reasonable interval and should be retained.</p>
<p>480-80-142 Special contracts for noncompetitive telecommunications companies.</p>			
<p>Subsection (7) All other retail contracts - standard filing requirements and effective dates.</p>	<p>Qwest (10/22/01)</p>	<p>Qwest continues to oppose the cost standard proposed by the Commission staff within the following proposed rule WAC 480-80-</p>	<p>Staff agrees that imputation requirements should vary by service. The proposed language requiring</p>

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<p>(b) Each application filed for commission approval of a contract must:</p> <p>(iii) Demonstrate, at a minimum, that the contract charges cover the company's cost of providing the service. Costs will be determined under a long-run incremental cost analysis, including the price charged by the offering company to other telecommunications companies for any essential function used to provide the service, or any other commission-approved cost method.</p>		<p>142(7)(b)(iii). This proposed rule introduces a new cost standard that requires inclusion of the price charged to other telecommunications carriers for any essential function used to provide the service, or any other commission-approved cost method. Qwest is not aware of a Commission decision specifying such a cost determination, specifically with respect to imputed cost for essential functions, and believes this matter should receive full hearing before it is codified in a rule. The Commission recently had this issue before it and chose to decline the request to impose such a cost standard. The Commission should refrain from adopting a general rule requirement that does not take service specific differences or market conditions into consideration that may drive a different conclusion. Qwest believes this decision should not be made without a thorough review of the consequences of such a decision on a service specific basis. Qwest respectfully suggests the following statement at (7)(b)(iii) be eliminated or revised as follows:</p> <p><i>Costs will be determined under a long run incremental cost analysis or any other commission-approved cost method;</i></p> <p>The Commission should address the question of cost on a service specific basis, as they have done in prior orders, as the need arises.</p>	<p>imputation of "any essential function" does not require that every function or service be imputed. It requires only functions that are essential, which could vary by service.</p>
<p>480-80-142 Special contracts for noncompetitive telecommunications companies.</p>			
<p>Subsection (8) Confidentiality. Filings under this section may be submitted with portions designated "confidential" pursuant to WAC 480-09-015. However, any</p>	<p>Qwest (10/22/01)</p>	<p>(8)(a) should be limited to the quantity and type of service provided. Information about the nature and characteristics of the service provided may be proprietary information capable of being used by other carriers as competitive intelligence and</p>	<p>Disagree. A complete description of the service is necessary to understand what is covered by the contract. There is no evidence that disclosing the nature of the service</p>

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<p>filing that designates as "confidential" the essential terms and conditions will be rejected by the commission as not in compliance with the public inspection requirement of RCW 80.36.150(1). Essential terms and conditions are: (a) Nature, characteristics, and quantity of the service provided;</p>		<p>therefore should not be made public. A Company should be allowed to protect this information. Qwest respectfully requests subsection (8)(a) be modified as follows: <i>(a) The quantity and type of service provided;</i></p>	<p>itself causes any competitive harm.</p>
480-80-201 Use of price lists.			
<p>Subsection (2) A telecommunications company authorized to file a price list may file a tariff for a service. If a company elects to offer a competitive service by tariff, the company and the service will be subject to all rules and laws applicable to fully regulated services, and any waivers of rule or law otherwise applicable to competitive services or competitive companies will not apply.</p>	<p>Verizon (10/22/01)</p>	<p>In a previous workshop, Staff agreed to add language that would clarify that if a company offers a competitive service by tariff, the company will be subject to all rules and laws applicable to fully regulated services for that tariffed service. The Staff agreed to make that clarification, but it does not appear in the latest draft of (2).</p>	<p>Staff agrees that the entire company would not be subject to full regulation if it files a tariff for a competitive service. Any other service classified as competitive could still be filed as a price list, and all rules applicable to price lists would apply to that particular service. However, any waivers granted pursuant to RCW 80.36.320(2) would no longer apply, because those waivers were based on the company having no tariffed services.</p>
480-80-202 Interpretation and application of price lists.			
<p>Subsection (1) A price list is not a tariff and is not reviewed or approved by the commission at the time of filing. The commission will, when appropriate, investigate a price list or complain against a price list.</p>	<p>Qwest (10/22/01)</p>	<p>If the Commission does not wish to view the price list as a document or filing with legal effect, as implied in (1), then the Commission should refrain from involvement in disputes after the price list has become effective. The Commission should either regulate price lists or refrain from regulating any aspect of a price list other than as specified in RCW 80.36.330(4). The proposed language suggests to consumers that a formal complaint is not required for price list disputes. This is misleading since the Commission cannot resolve a formal customer dispute without a full</p>	<p>Disagree. There are other grounds for potential investigation of a price list. It is unclear what is meant by a "full hearing," but the use of this term could preclude the use of other dispute resolution processes that would otherwise be available to the WUTC and customers.</p>

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		<p>hearing as provided for in RCW 80.04.110. Modify (1) as follows: <i>A price list is not a tariff and is not reviewed or approved by the commission at the time of filing. The commission will, when appropriate, investigate a price list or complain against a price list, in accordance with RCW 80.36.330(4).</i></p>	
480-80-202 Interpretation and application of price lists.			
<p>Subsection (1) A price list is not a tariff and is not reviewed or approved by the commission at the time of filing. The commission will, when appropriate, investigate a price list or complain against a price list.</p>	<p>Verizon (10/22/01)</p>	<p>This proposed rule should be dropped. It inappropriately attempts to deprive price lists of their legal effect and to decide disputes in advance. (1) of the proposed rule does not (and cannot) change Washington law, which requires telecommunications companies to charge “scheduled” rates and which recognizes the filed rate doctrine. Enacting this subsection would, at best, create confusion. It should not be adopted.</p>	<p>Disagree. The proposed rule does not render the price list meaningless. It is a binding offer by the company to provide service at the prices, terms, and conditions stated in the price list. Staff disagrees with the assertion that Washington law recognizes that the filed rate doctrine applies to price lists and believes that it is important to recognize fundamental differences in tariffs and price lists under Washington law.</p>
480-80-202 Interpretation and application of price lists.			
<p>Subsection (2) If the commission determines that a telecommunications company’s price list or other offer of service is ambiguous or conflicts with other offers, it will construe the conflict or ambiguity in favor of the customer.</p>	<p>Qwest (10/22/01)</p>	<p>(2) continues to imply the Commission will review the price list to determine if the provisions are conflicting or ambiguous. Omit (2). The Commission should refrain from taking a hard-and-fast position as part of its rules. Such a position does not allow for those circumstances where the Commission may choose to rule differently than the manner specified in the proposed rule. Nor is it necessary for the Commission to include this result as part of its rules. The Commission will rule as it deems appropriate and does not require a rule to enable such a disposition. Should the Commission decide to retain the proposed language, modify (2) as follows: <i>(2) Upon investigation and a determination that</i></p>	<p>The proposed language reflects a basic policy that the Commission would follow, but it does not control the Commission's decision in any particular dispute. It recognizes the need to determine whether an ambiguity or conflict exists in any particular circumstance. Establishing this policy eliminates uncertainty for regulated companies and provides incentives to avoid ambiguous or conflicting offers or price list terms. The specific reference to a full hearing and RCW 80.04.110 should not be used, since it inaccurately implies that the Commission is allowed to act only</p>

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		<i>provisions of a price list are conflicting or ambiguous, after full hearing in accordance with RWC 80.04.110, the Commission may construe the conflict or ambiguity in favor of the customer.</i>	through a formal complaint and after a full hearing. Omitting the suggested language does not deprive any company of due process rights to which it would otherwise be entitled.
480-80-202 Interpretation and application of price lists.			
Subsection (2) If the commission determines that a telecommunications company's price list or other offer of service is ambiguous or conflicts with other offers, it will construe the conflict or ambiguity in favor of the customer.	Public Counsel (10/22/01) WashPIRG (10/19/01)	Public Counsel strongly supports the provision of this rule which interprets ambiguities or conflicts in favor of the customer. Informing our position on this issue is the fact that the terms and conditions governing the company's provision of a price listed service are rarely, if ever, subject to negotiation between the customer and the company. Further, many price listed services are marketed to customers via telemarketing where there is a limited opportunity for the customer to gain a complete understanding of the terms and conditions that the company is imposing. WashPIRG strongly supports the provision of this rule which interprets ambiguities or conflicts in favor of the customer because the terms and conditions governing the company's provision of a price listed service are rarely, if ever, subject to negotiation between the customer and the company. Further, many price listed services are marketed to customers via telemarketing where there is a limited opportunity for the customer to gain a complete understanding of the terms and conditions that the company is imposing.	
480-80-202 Interpretation and application of price lists.			
Subsection (2) If the commission determines that a telecommunications company's price list or other offer of service is ambiguous or conflicts with other	Verizon (10/22/01)	(2) should be eliminated. Whether a price list is "ambiguous" or "conflicts" with a contract or some other arrangement depends, in large measure, on the facts of a particular case. The Commission should not adopt a rule to govern	The language has been revised to address in part Qwest's concern. Instead of automatically construing any conflict or ambiguity in the customer's favor, the revised

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offers, it will construe the conflict or ambiguity in favor of the customer.	WorldCom (10/23/01)	<p>every instance regardless of the underlying facts. Moreover, this subsection would resolve all “conflicts” in favor of the customer. This rule of construction is inappropriate. Conflicts should be resolved through a review of the documents and other relevant evidence; the Commission should not prejudge the resolution of any conflict with an arbitrary rule.</p> <p>WorldCom objects to (2) regarding the outcome of disputes when ambiguity is found in the price lists. This statement is unfair to carriers and not necessary. The Commission already has rules covering customer disputes, and ANY dispute regardless of whether there is a perceived ambiguity in the price list should be handled fairly by weighing all the facts and the situation at hand.</p> <p>(2) is a matter of customer service, which is a major factor in a competitive company’s market strategy. Customer service plays a major role in how a competitive company chooses to handle all of its customer concerns, including alleged ambiguities in its price list. The level of customer service delivered directly affects a strong customer base; (2) is not necessary and should be deleted.</p>	language creates a rebuttable presumption in the customer's favor. With this revision, the proposed language reflects a basic policy that the commission would follow but does not control its decision in any particular dispute. It recognizes the need to determine whether an ambiguity or conflict exists and provides the company an opportunity to rebut the presumption that this customer should receive the benefit of the doubt. Establishing this policy reduces uncertainty for regulated companies and provides incentive to avoid ambiguous or conflicting offers or price list terms. The specific references to a full hearing and RCW 80.04.110 are inappropriate, because they inaccurately imply that the commission may act only through a formal complaint and after a full hearing. Omitting the suggested language does not deprive any company of due process rights to which it would otherwise be entitled.
480-80-204 Price lists format and content.			
General Comment.	Qwest (10/22/01)	Qwest objects to the disparate treatment proposed in this rule section concerning the filing requirements for price lists. It is unclear why the Commission staff would propose detailed tariff format and content requirements for non-competitive companies in proposed WACs 480-80-105 <i>Tariff filing instructions</i> , 480-80-102 <i>Tariff content</i> , 480-80-103 <i>Tariff format</i> , 480-80-111	The proposed treatment is based on differing legal requirements for competitive services of non-competitive companies (RCW 80.36.330) and services of competitive companies (RCW 80.36.320).

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		<p><i>Substitute tariff filings, 480-80-112 Banded rate tariff filings, 480-80-131 Withdrawing a tariff filing and 480-80-134 Discontinuing a service or services</i> and find that customers of service from competitive companies would not require a comparable structure for price lists. While Qwest supports the general nature of the price list format and content requirements proposed in this rule section, it cannot support the more burdensome requirements imposed on companies who must file tariffs. The requirements specific to tariff format and content create costs that are not required of competitive providers. This results in disparate regulation. Qwest objects to this disparate treatment. Regulated companies should be given the same latitude in tariff format and content as competitive providers are given in filing price lists.</p>	
480-80-204 Price lists format and content.			
<p>Subsection (3) A price list of a competitive telecommunications company may state the rates, charges, or prices as maximum amounts rather than as specific prices.</p> <p>(4) A price list of a noncompetitive telecommunications company offering a service classified as competitive under RCW 80.36.330 may state the rates, charges, or prices as maximum and minimum amounts rather than as specific prices. The minimum price must comply with the cost requirement in subsection (6).</p>	<p>Qwest (10/22/01)</p>	<p>(3) and (4) should be modified to clearly state that the rate for the service must be publicly available. The rule does not require the rate charged to be published, available on a web site or disclosed to the customer. Qwest understood the Commission staff to require such based on a discussion at the June 12, 2001 workshop. The rule as currently drafted only requires the price list to include either the maximum amount or the minimum and maximum amount; it does not require the applicable amount to be price listed.</p>	<p>This requirement is covered under WAC 480-80-206 Price list availability.</p>
480-80-204 Price lists format and content.			

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<p>Subsection (6) The rates, charges, and prices of services classified as competitive under RCW 80.36.330 must cover the cost of providing the service. Costs must be determined using a long-run incremental cost analysis, including the price charged by the offering company to other telecommunications companies for any essential function used to provide the service, or any other commission-approved cost method.</p>	<p>Qwest (10/22/01)</p>	<p>Qwest continues to oppose the cost standard proposed by the Commission staff within the following proposed rule 480-80-204(6). This proposed rule introduces a new cost standard that requires inclusion of the price charged to other telecommunications carriers for any essential function used to provide the service, or any other commission-approved cost method. Qwest is not aware of a Commission decision specifying such a cost determination, specifically with respect to imputed cost for essential functions, and believes this matter should receive full hearing before it is codified in a rule. The Commission recently had this issue before it and chose to decline the request to impose such a cost standard. The Commission should refrain from adopting a general rule requirement that does not take service specific differences or market conditions into consideration that may drive a different conclusion. Qwest believes this decision should not be made without a thorough review of the consequences of such a decision on a service specific basis. Qwest respectfully suggests the following statement at (6) be eliminated or revised as follows:</p> <p><i>Costs will be determined under a long run incremental cost analysis or any other commission-approved cost method;</i></p> <p>The Commission should address the question of cost on a service specific basis, as they have done in prior orders, as the need arises.</p>	<p>Staff agrees that imputation requirements should vary by service. The proposed language requiring imputation of "any essential function" does not require that every function or service be imputed. It requires only functions that are essential, which could vary by service.</p>
<p>480-80-206 Price list availability to customers.</p>			
<p>Subsection (1) Each telecommunications company offering service under a price list</p>	<p>WorldCom (10/23/01)</p>	<p>WorldCom maintains its objection to (1) and states that this provision to post price lists on a web site should be voluntary for competitive</p>	<p>The ready availability of information is crucial to the successful operation of a competitive market, since customers</p>

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<p>must maintain a complete copy of the price list on a web site accessible to the public using standard web browser software.</p>		<p>companies. However, if the Commission decides to include this new requirement, carriers should be given adequate time to develop a working web site for this purpose. WorldCom requests that carriers should be allowed at least one (1) year from the date of the adoption of such a rule to make necessary arrangements.</p>	<p>cannot make good choices if they do not have good information. Posting of price lists on web sites is a highly efficient method of making information available to customers. It is much less burdensome on companies than requiring companies provide the price list to each customer.</p>
<p>480-80-206 Price list availability to customers.</p>			
<p>Subsection (2) Each telecommunications company offering service under a price list must provide to any customer making a written or oral request a copy of the price list sheets applicable to that customer's service. The telecommunications company must provide the price list at no charge to the customer. This subsection does not apply if the telecommunications company makes available for public inspection, at a location within the customer's exchange, a complete copy of the price list.</p>	<p>Public Counsel (10/22/01)</p> <p>WashPIRG (10/19/01)</p>	<p>Public Counsel supports the provisions of this rule making price lists available to customers purchasing price listed services. We note the importance of having an ability to obtain a copy of the price list at no charge to the customer through a means other than the internet, given that roughly half of WA citizens still do not have internet access at home. While the internet should be a very efficient tool for the companies to communicate with their customers it is appropriate for the Commission to continue to require the companies to make information available to customers upon request when that customer does not have access to the internet.</p> <p>WashPIRG supports the provisions of this rule making price lists available to customers purchasing price listed services as it is important for customers to be able to get a copy of free price lists if they don't have internet access. While the internet should be a very efficient tool for the companies to communicate with their customers, it is appropriate for the Commission to continue to require the companies to make information available to customers upon request when that customer does not have access to the internet.</p>	
<p>480-80-241 Filing contracts for services classified as competitive.</p>			

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<p>Subsection (6) A telecommunications company filing a contract for a service classified as competitive under RCW 80.36.330 must provide information demonstrating that the contract prices comply with the cost requirement in WAC 480-80-204(6).</p>	<p>Qwest (10/22/01)</p>	<p>Qwest continues to oppose the cost standard proposed by the Commission staff within the following proposed rule WAC 480-80-241(6). This proposed rule introduces a new cost standard that requires inclusion of the price charged to other telecommunications carriers for any essential function used to provide the service, or any other commission-approved cost method. Qwest is not aware of a Commission decision specifying such a cost determination, specifically with respect to imputed cost for essential functions, and believes this matter should receive full hearing before it is codified in a rule. The Commission recently had this issue before it and chose to decline the request to impose such a cost standard. The Commission should refrain from adopting a general rule requirement that does not take service specific differences or market conditions into consideration that may drive a different conclusion. Qwest believes this decision should not be made without a thorough review of the consequences of such a decision on a service specific basis. Qwest respectfully suggests the following statement at (6) be eliminated or revised as follows:</p> <p><i>Costs will be determined under a long run incremental cost analysis or any other commission-approved cost method;</i></p> <p>The Commission should address the question of cost on a service specific basis, as they have done in prior orders, as the need arises.</p>	<p>Staff agrees that imputation requirements should vary by service. The proposed language requiring imputation of "any essential function" does not require that every function or service be imputed. It requires only functions that are essential, which could vary by service.</p>
<p>480-80-242 Using contracts for services classified as competitive.</p>			
<p>Subsection (4) Any contract for a service classified as competitive</p>	<p>Qwest (10/22/01)</p>	<p>Qwest continues to oppose the cost standard proposed by the Commission staff within the</p>	<p>Staff agrees that imputation requirements should vary by service.</p>

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<p>under RCW 80.36.330 must comply with the cost requirement in WAC 480-80-204(6).</p>		<p>following proposed rule WAC 480-80-242(4). This proposed rule introduces a new cost standard that requires inclusion of the price charged to other telecommunications carriers for any essential function used to provide the service, or any other commission-approved cost method. Qwest is not aware of a Commission decision specifying such a cost determination, specifically with respect to imputed cost for essential functions, and believes this matter should receive full hearing before it is codified in a rule. The Commission recently had this issue before it and chose to decline the request to impose such a cost standard. The Commission should refrain from adopting a general rule requirement that does not take service specific differences or market conditions into consideration that may drive a different conclusion. Qwest believes this decision should not be made without a thorough review of the consequences of such a decision on a service specific basis. Qwest respectfully suggests the following statement at (4) be eliminated or revised as follows:</p> <p><i>Costs will be determined under a long run incremental cost analysis or any other commission-approved cost method;</i></p> <p>The Commission should address the question of cost on a service specific basis, as they have done in prior orders, as the need arises.</p>	<p>The proposed language requiring imputation of "any essential function" does not require that every function or service be imputed. It requires only functions that are essential, which could vary by service.</p>