

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	)	DOCKET NO. UT-031023
	)	
Verizon Northwest, Inc,	)	ORDER NO. 01
	)	
Petitioner,	)	
	)	
For an Interpretive and Policy	)	ORDER DENYING PETITION
Statement, or in the Alternative,	)	FOR INTERPRETIVE AND
Permanent Exemption of WAC 480-	)	POLICY STATEMENT AND
120-262(3), Operator Service	)	GRANTING
Providers (OSPs), Oral Disclosure of	)	TEMPORARY EXEMPTION
Rates	)	
.....	)	

**BACKGROUND**

- 1     On June 24, 2003, Verizon Northwest, Inc. (Verizon or the Company) filed a petition requesting that the Commission either issue a statement interpreting WAC 480-120-262(3) or grant the Company a permanent exemption from a specific portion of this subsection of the rule.
- 2     WAC 480-120-262(3) requires operator service providers to disclose the charges on any call from a pay phone or other aggregator location if the charges for the call would exceed a benchmark established in the rule. The benchmark is equal to \$0.50 per minute plus \$0.50 per call. Verizon’s rates for some calls exceed the benchmark.
- 3     Verizon’s petition focuses on the particular information that must be disclosed. WAC 480-120-262(3)(c) requires that the company disclose “all rates and charges that will apply if the consumer completes the call.” Verizon would like to disclose a maximum price rather than “all rates and charges” or the specific charge. Verizon asks the Commission to interpret the subsection (c) language as permitting a maximum rate quote or, in the alternative, to grant an exception to this requirement. Verizon asserts that disclosure of the actual rate would be unduly expensive or would result in an unreasonably long recorded message.

4 Verizon's proposed rate disclosure message<sup>1</sup> is:

Welcome to Verizon. The rate for this call will not exceed five dollars for the first minute plus 17 cents for each additional minute. For the exact rate, press zero. [bong] ...

5 Commission Staff reviewed the petition and recommends that the Commission not grant the interpretive statement. Staff believes the rule is not ambiguous and cannot reasonably be interpreted to permit disclosure of maximum rates rather than actual rates.

6 Staff recommends that the Commission instead grant a temporary exemption to Verizon. While a "not-to-exceed" rate quote does not comply with the rule, it may satisfy the purpose of the rule, which is to enable customers to make informed decisions about whether to complete a potentially expensive call from a pay phone. Staff recommends that the exemption be limited to two years so that the Commission can assess whether the use of a maximum rate provides sufficient information to consumers.

### FINDINGS AND CONCLUSIONS

7 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including telecommunications companies. *RCW 80.01.040; Chapter 80.04 RCW and Chapter 80.36 RCW.*

8 (2) Verizon is engaged in the business of providing telecommunications services within the state of Washington and is a public service company subject to the jurisdiction of the Commission under the provisions of Chapter 80.36 RCW.

9 (3) Verizon is subject to the provisions of WAC 480-120-262, requiring telecommunications companies to disclose rates charged for operator services from pay phones and other aggregator locations.

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<sup>1</sup> Verizon's initial proposal did not include the sentence "For the exact rate, press zero." The Company agreed to add this statement in response to concerns raised by Commission staff. Verizon will implement the change by October 1, 2003.

- 10 (4) WAC 490-09-200 provides that the Commission may issue an interpretive and policy statement when necessary to end a controversy or to remove a substantial uncertainty about the application of statutes or rules of the Commission.
- 11 (5) WAC 480-120-015 provides that the Commission may grant an exemption from the provisions of any rule in Chapter 480-120 WAC, if consistent with the public interest, the purposes underlying regulation, and applicable statutes.
- 12 (6) This matter was brought before the Commission at its regularly scheduled meeting on July 31, 2003.
- 13 (7) After review of the petition filed in Docket UT-031023 by Verizon on June 24, 2003 and giving due consideration, the Commission finds that the request for an interpretive and policy statement should not be granted, because no there is no controversy or substantial uncertainty about WAC 480-120-262. The Commission finds that an exemption is reasonable and should be granted, but it should be limited in duration.

## **ORDER**

### **THE COMMISSION ORDERS:**

- (1) The request for an interpretive and policy statement is denied.
- (2) After the effective date of this Order, Verizon Northwest, Inc., is granted an exemption from WAC 480-120-262(3)(c) until August 1, 2005. Verizon may disclose a maximum rate rather than the actual rates and charges. The disclosure message must explain the method of obtaining an actual rate quote, and the method must comply with WAC 480-120-262(3)(b). Charges to the consumer must not exceed the quoted maximum rate.
- (3) The Commission retains jurisdiction over the subject matter and Verizon Northwest, Inc., to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective this 31st day of July, 2003.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner