

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of:

VERIZON NORTHWEST INC.

For Minimal Regulation of
Bundled Telecommunications Services

Docket No. UT-

PETITION OF VERIZON NORTHWEST
INC. FOR MINIMAL REGULATION OF
BUNDLED TELECOMMUNICATIONS
SERVICES

1. This petition is brought by Verizon Northwest Inc. (“Verizon”), 1800 41st Street, Everett, Washington 98201. Verizon is represented in this matter by:

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2. Verizon requests the Commission to subject its current and future packaged and bundled intrastate telecommunications services to minimal regulation pursuant to Chapter 26, Laws 2007, Section 2(1) (“the law”).
3. Verizon is a telecommunications company registered with the Commission but is not classified as a competitive telecommunications company. Verizon is thus a “noncompetitive telecommunications company” under the law.

APPLICATION OF THE LAW

4. The law applies to non-competitively classified telecommunications companies and provides that

(a) the non-competitively classified service components of packages and bundles subject to minimal regulation shall remain available on a stand-alone basis under tariff, (b) the price of such packages and bundles must not be less than the cost of the tariffed components plus the cost of any competitively classified components, and (c) the availability and prices of the stand-alone non-competitively classified components be displayed in the company's tariff and on its web site.

5. The law also states that "minimal regulation" has the same meaning as under RCW 80.36.330. The meaning of minimal regulation is described in RCW 80.36.330(2), which requires companies at a minimum to (a) keep their accounts according to Commission rules, (b) file financial reports as required by the Commission, and (c) cooperate with Commission investigations of customer complaints. This subsection previously also provided that minimal regulation included the use of price lists rather than tariffs, but 2006 legislation required the withdrawal of price lists and precludes the filing of new price lists, with the result that services subject to minimal regulation are detariffed.¹
6. For purposes of RCW 19.86.170, actions or transactions associated with Verizon's bundles and packages that are not governed by RCW and WAC provisions administered by the Commission shall not be deemed otherwise permitted, prohibited, or regulated by the Commission.

VERIZON'S PACKAGES AND BUNDLES

7. Verizon requests minimal regulation of the following categories of packages and bundles:

¹ RCW 80.36.333. The Commission has revised its rules accordingly. General Order R-540 (March 30, 2007; revised April 20, 2007), Docket No. UT-060676.

Bundle	Description	Examples
Tariffed service(s) ²	Two or more tariffed services.	Custom calling features; or access line plus custom calling features
Tariffed service(s) + competitive service(s) ³	Two or more services, with a minimum of one tariffed service and one competitive service.	Access line plus long distance service
Tariffed + competitive + non-regulated service(s) ⁴	Three or more services, with a minimum of one tariffed service, one competitive service and one non-regulated service.	Access line, long distance and inside wire maintenance and/or Internet service
Tariffed + non-regulated service	Two or more services, with a minimum of one tariffed service and one non-regulated service.	Access line and inside wire maintenance and wireless service and/or video service

Examples of Verizon bundles and packages that are currently – or in the future may be – offered in Washington include, but are not limited to, for residential customers: “Freedom Essentials” (unlimited local, regional and long distance calling in the U.S., Canada and Puerto Rico plus three calling features); “Verizon Double Freedom” (Freedom Essentials plus high speed Internet or DirecTV or Verizon Wireless One-Bill); “Verizon Triple Freedom” (Freedom Essentials plus high speed Internet plus DirecTV or Verizon Wireless One-Bill); and “Verizon Ultimate Freedom” (Freedom Essentials plus high speed Internet plus DirecTV plus Verizon Wireless One-Bill). An example of a Verizon bundle or package for business customers is the “Unlimited DialTone Basic Package,” which includes unlimited local and regional calling, with a choice of one or more of the following features: call waiting, 3-way calling, call forwarding, caller ID, and voice messaging.

² “Tariffed service” means an intrastate telecommunications service subject to the Commission’s jurisdiction which has not been classified as competitive under RCW 80.36.330.

³ “Competitive service” means a service provided by Verizon that the Commission has classified as competitive under RCW 80.36.330 and/or a service provided by a company classified as competitive under RCW 80.36.320.

⁴ “Non-regulated services” includes services provided by Verizon that are not within the Commission’s jurisdiction and services provided by other companies (Verizon affiliates and non affiliates) that are not subject to Commission regulation.

REQUEST FOR MINIMAL REGULATION

8. Verizon requests that its bundles and packages of telecommunications services be subject to minimal regulation as described in the law. The law recognizes the distinction between packages and bundles on the one hand and the noncompetitive, regulated service components of such packages and bundles when offered on a stand-alone basis on the other. The package or bundle is a service offering in its own right and will be provided pursuant to non-tariffed rates, terms and conditions, with consumers having the option to instead acquire the noncompetitive, regulated service components of such bundles and packages on a stand-alone basis pursuant to tariff and full regulation under the Commission's rules. The pricing of packages and bundles shall be governed exclusively by Chapter 26, Laws 2007, Section 2(1). Accordingly, RCW and WAC provisions that are incompatible with the concepts of packages and bundles as service offerings and of minimal regulation will not apply to Verizon's bundles and packages that include telecommunications services that, on a stand-alone basis, are tariffed and fully regulated. Verizon requests that the Commission specify that the following do not apply to Verizon's packages and bundles under minimal regulation:

- a. RCW 80.36.100,
- b. RCW 80.36.110,
- c. WAC 480-80,
- d. WAC 480-120-103(1)(a),
- e. RCW 80.36.150, and
- f. WAC 480-120-161.

9. Verizon requests that the Commission's order granting this petition be effective upon issuance. Verizon will treat any new packages and bundles introduced thereafter as being subject to

minimal regulation, and it will withdraw current packages and bundles from its tariffs, at which time they will become subject to minimal regulation.

CONCLUSION

10. Verizon requests that the Commission issue an order subjecting Verizon's current and future bundles and packages to minimal regulation as described in this petition.

DATED this 23rd day of July, 2007.

VERIZON NORTHWEST INC.



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