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1                   JUDGE MACE: We are back on the record, and  
2 Mr. Wilson has taken the witness stand. We dealt  
3 with an objection to some of his exhibits. Is there  
4 any objection to receipt of his other exhibits? I'm  
5 speaking of 202, 206, 207, 208, 209, 211 and 212.  
6 Any objection to those exhibits?

7                   MR. FFITCH: Your Honor, we had not  
8 specifically identified those by number, but just for  
9 the record, we did have a sort of general protective  
10 objection to the extent that portions of those  
11 exhibits discuss the aggregation or draw conclusions  
12 from them. Our general objection would go to that.  
13 We did attempt to identify the main exhibits where  
14 the aggregation was contained and the detailed  
15 analysis was contained, but just to note for the  
16 record that if there are portions of those other  
17 exhibits that also refer to that, we have an  
18 objection.

19                   JUDGE MACE: Ms. Singer Nelson.

20                   MS. SINGER NELSON: Your Honor, I do also  
21 have an objection to the extent that some of the  
22 exhibits, specifically Exhibit 205, were revised and  
23 distributed last Friday at the prehearing conference,  
24 we were unable to do any discovery relating to the  
25 revisions and were unable to incorporate any comments

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1 relating to those revisions in our rebuttal  
2 testimony, so I would object to the revisions.

3           However, if we are given additional time,  
4 which it sounds like we are going to have a little  
5 bit in this proceeding, then we will be able to do  
6 any kind of discovery that we would need to do on  
7 this particular exhibit and incorporate that into our  
8 cross-examination at a later date.

9           JUDGE MACE: Well, I would propose reserving  
10 ruling on the exhibits, then, perhaps until Mr.  
11 Wilson's cross-examination is complete and we can  
12 deal with everything at that point. This being an  
13 administrative hearing, you're free to cross-examine  
14 on the proposed exhibits and we can go on that basis.

15           MS. SINGER NELSON: Thank you.

16           CHAIRWOMAN SHOWALTER: Before we begin with  
17 our witnesses, an update on the possible dates. I  
18 was just trying to check my calendar, but you were  
19 given -- we stated October 20th and 21st, that's a  
20 Monday and a Tuesday, but it's -- October 21st is a  
21 Tuesday and the afternoon of the 22nd, a Wednesday,  
22 or following the opening meeting, which could  
23 actually start earlier that day. Those would be the  
24 days that we could use.

25           MR. FFITCH: That's acceptable to Public

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1 Counsel. Thank you.

2 MR. LEVIN: Your Honor, I'm scheduled to be  
3 in a hearing in New Mexico on the 22nd.

4 CHAIRWOMAN SHOWALTER: what about the --

5 MR. LEVIN: 22nd and 23rd.

6 CHAIRWOMAN SHOWALTER: Okay. But the 21st  
7 is a Tuesday, and we would have all day that day.  
8 I'm not anticipating we're going to need all day.

9 MR. LEVIN: Assuming I can get from here to  
10 New Mexico that evening, yes.

11 CHAIRWOMAN SHOWALTER: Well, that's true.  
12 Well, Ms. Anderl, do you have --

13 MS. ANDERL: I just wanted to state that I  
14 haven't had a chance to check my calendar, but I do  
15 believe that we do not have a conflict on those  
16 dates.

17 JUDGE MACE: I think the remaining -- one of  
18 the outstanding issues, though, was if we push part  
19 of the hearing to those dates, whether or not Qwest  
20 would be willing to waive the deadline to some extent  
21 to allow us time to process that information and  
22 create an order?

23 CHAIRWOMAN SHOWALTER: Not to speak of  
24 briefs on the issue.

25 JUDGE MACE: Right. No briefs.

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1           MS. ANDERL: Oral argument. What was the  
2 Commission thinking in terms of how much time it  
3 might need after the hearings to issue an order? And  
4 let me just say that my thoughts are we could do  
5 briefing on a fairly abbreviated schedule because  
6 parties should be able to start writing their briefs  
7 after this lump of hearings and only fill in what  
8 they need to fill in after the 20th and 21st. So to  
9 assume we were to submit briefs on the 28th.

10           JUDGE MACE: On the 28th of October?

11           MS. ANDERL: Yeah, yes.

12           MS. SINGER NELSON: That's very abbreviated.

13           CHAIRWOMAN SHOWALTER: Well, insofar --  
14 let's begin our outer limit. Insofar as the 20th is  
15 about a month from now, or it's a little more than a  
16 month, actually, but would a one-month extension  
17 work, because that should be -- if it was doable with  
18 this day, it ought to be doable with a one-month  
19 extension.

20           MS. ANDERL: Right.

21           CHAIRWOMAN SHOWALTER: There might be about  
22 a week loss -- a week's loss in there and we might  
23 have to shorten up the briefing schedule a little  
24 bit.

25           MS. ANDERL: I had preliminarily discussed

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1 with my client a December 1st date. I don't actually  
2 think December 1st is a weekday. I think it's a  
3 Sunday, but if --

4 CHAIRWOMAN SHOWALTER: The 2nd.

5 MS. ANDERL: The 2nd. I need to confirm it  
6 before I concede it, but I can do that by 9:00  
7 tomorrow morning. And that, certainly, if the  
8 Commission's schedule does not allow hearings other  
9 than October 1st or the 20th, that's the reality we  
10 have to face and we will, you know, try to make that  
11 work.

12 CHAIRWOMAN SHOWALTER: Yes, and there was an  
13 earlier date, but it was so close to this date it  
14 didn't work very well for Public Counsel.

15 MS. ANDERL: Right, that's what I mean.  
16 October 1st is available, I know, but it doesn't seem  
17 to give Public Counsel enough time to overcome the  
18 objection. We understand that.

19 CHAIRWOMAN SHOWALTER: And what is our  
20 current -- what is the existing deadline?

21 MS. ANDERL: The 6th or the 7th.

22 MS. WATSON: Sixth.

23 MS. ANDERL: Seventh.

24 MR. FFITCH: Of November?

25 JUDGE MACE: November, right.

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1           CHAIRWOMAN SHOWALTER: I think what we need  
2 to do, between today and tomorrow morning, is think  
3 through the briefing schedule, because that actually  
4 ends up shaving a week off two ends, I think, and I'm  
5 not certain about the -- briefing schedule, and then  
6 we have to have an order conference and things like  
7 that, so why don't we digest this information. And  
8 back on the issue of the 21st and 22nd, the 20th is  
9 something where I have a probable commitment, but  
10 it's not -- I don't absolutely know that, and another  
11 alternative is that I would not be here on the 20th  
12 if we actually need that day. Just as Commissioner  
13 Hemstad isn't here today and he's going to read the  
14 proceedings, I would do the same.

15           So I think we should play this by ear a  
16 little bit, because we don't really know if we're  
17 even going to need the days, but we would hope to  
18 accomplish what we could on that Tuesday unless you  
19 can't make that work, and then maybe the Monday, and  
20 I may or may not be able to make that work.

21           MR. LEVIN: Depending on witness scheduling,  
22 it may not be necessary for me to be here. If there  
23 are parties for whom we've got no exhibits and no  
24 cross-examination, then it may be sufficient for me  
25 to --

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1 JUDGE MACE: Probably Mr. Wilson and maybe  
2 Ms. Baldwin.

3 CHAIRWOMAN SHOWALTER: I think our goal is  
4 -- it's a goal -- is to get through everything by  
5 tomorrow night, so we should get going, and leave to  
6 the second day, if necessary, more exchange with Mr.  
7 Wilson and Ms. Baldwin. So let's just see where we  
8 go and get going.

9 JUDGE MACE: So -- and you tender Mr. Wilson  
10 for cross-examination; is that right, Mr. Thompson?

11 MR. THOMPSON: Pardon me?

12 JUDGE MACE: Mr. Wilson's tendered for  
13 cross-examination?

14 MR. THOMPSON: He is, yes. Thank you.

15 JUDGE MACE: Then Ms. Singer Nelson.

16 MS. SINGER NELSON: Your Honor, may I make a  
17 special request that Mr. Levin go before me this  
18 time?

19 JUDGE MACE: Any problem with that from any  
20 of the parties? Go ahead, then.

21 MS. SINGER NELSON: Thank you.

22 MR. LEVIN: Thank you, Your Honor.

23

24 C R O S S - E X A M I N A T I O N

25 BY MR. LEVIN:

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1 Q. Good evening, I guess it is, Mr. Wilson.

2 A. Good evening, sir.

3 Q. You would agree that a really critical  
4 aspect of this case is the definition of what the  
5 market is?

6 A. I'm just hesitating about really critical,  
7 but yes, that's a very important part of the process.

8 Q. Because if you don't know what the market  
9 is, it's very -- it's impossible to judge whether a  
10 service has effective competition because you don't  
11 know what you're looking at as competition?

12 A. Right.

13 Q. So you -- what you choose to define the  
14 market as will have a critical outcome, a critical  
15 bearing on the outcome of the case?

16 A. It very well might.

17 Q. You really -- until you've defined a market,  
18 you can't -- you can't define a market share; isn't  
19 that right?

20 A. Yes.

21 Q. Now, in a competitive market, in order to  
22 determine what competes with what, a critical measure  
23 for an economist is what's sometimes called cross  
24 elasticity of demand, isn't it?

25 A. I'm familiar with the term, yes.



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1 Q. And am I correct that that's a critical  
2 component of an analysis?

3 A. Not for me. Not in this case, no.

4 Q. Well, let's talk about what that is. In  
5 kind of general terms, cross elasticity of demand  
6 means whether, if there's a change in the price of  
7 one product that is significant, customers will  
8 choose the other product instead in significant  
9 numbers?

10 A. Right, but you've asked me to accept that  
11 this is a critical element of an analysis, and I'm  
12 assuming relative to this case. There isn't very  
13 much price changing going on in the  
14 telecommunications industry, and I don't consider  
15 cross price elasticity of demand studies to be very  
16 relevant, because there isn't very much data to  
17 analyze when you look at effects of price changes.  
18 They just don't change very much.

19 Q. Well, but there are other ways to study  
20 elasticity of demand. You can survey customers and  
21 ask them what they would do if there were a certain  
22 change, can't you?

23 A. I suppose so.

24 Q. I mean, just because it's difficult to  
25 measure doesn't mean it's not relevant?

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1           A.    Or critical, I guess, was actually where we  
2 started.

3           Q.    All right. Well, let's put it this way.  
4 Maybe we can pick a more neutral term.

5           A.    Okay.

6           Q.    Just because it's difficult to study doesn't  
7 mean it's not important to understand.

8           A.    That may be so.

9           Q.    And in fact, one of the key issues in this  
10 case under the statute is whether consumers are  
11 substituting other products for the product for which  
12 effective competitive status is sought; isn't that  
13 right?

14          A.    Yes, sir.

15          Q.    And that's another way of saying whether  
16 there is cross elasticity of demand, isn't it?

17          A.    Yes.

18          Q.    When you did your inquiry to the competitive  
19 companies, to the CLECs, you did not ask them in your  
20 data request to break out their services by digital  
21 versus analog, did you?

22          A.    I'd like to clarify that we proposed a data  
23 request that the Commission send out, and the  
24 Commission adopted one based upon what we asked for,  
25 and Order Number 06 didn't clarify whether analog or

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1 digital services were expected. There was an issue  
2 raised about that, I think by WeBTEC, and in response  
3 Staff committed then to check each response for  
4 whether it was including analog or digital data to  
5 address that point.

6 Q. By checking each response, you mean calling  
7 each responding party?

8 A. Yes.

9 Q. And to ask them?

10 A. Or e-mail or just contacting them.

11 Q. Okay.

12 A. And finding out if there was any ambiguity,  
13 as I explained in my testimony and notes. If there  
14 was any ambiguity at all, then we checked.

15 Q. And none of the CLECs responded with digital  
16 data?

17 A. Yes, there was some digital data provided,  
18 and I didn't include it in the aggregations.

19 Q. And for purposes of determining what the  
20 CLECs were doing that was digital, how did you define  
21 digital? In other words, what screen did you use in  
22 your analysis? Was it self-described by the CLECs as  
23 digital or did you say to them, Here's what I mean by  
24 digital?

25 A. Well, I looked at the services that they

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1 reported on in response to the request and if there  
2 was -- usually they designated their data as digital  
3 when they responded or they designated services as,  
4 for example, ISDN. They list -- some carriers  
5 provided data on the number of ISDN units they had  
6 sold. Others listed -- I guess ISDN's the one that  
7 comes to mind right now at this hour, but if there  
8 was anything where they said it was digital, like  
9 several carriers did, I excluded it. If there was  
10 data -- I actually tried to contact everyone and ask  
11 them, and I got responses from almost everyone that  
12 what they had sent was analog.

13 Q. Now, you're aware that most competitors that  
14 are facilities-based have installed digital switches;  
15 isn't that right?

16 A. Yes, in fact, I think Qwest is 100 percent  
17 digital switches in Washington.

18 Q. And to the extent that there are competitors  
19 with switches, those tend to be digital switches, as  
20 well, because they're newer technology?

21 A. That's generally my expectation. Over the  
22 last 18 years of my experience as a staffer here in  
23 Washington, I've seen the evolution of the market  
24 where there might be some old analog switching  
25 technology out there amongst the competitive market I

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1 don't know about, but -- because they tend to be  
2 pretty lean and mean. They keep their equipment and  
3 run it as long as they can if they're making money  
4 with it.

5 Q. Now, the categories that you provided  
6 consistent with Order Number 06, and you provided  
7 these categories for the CLECs to report, you asked  
8 them for basic business, PBX and Centrex numbers for  
9 each exchange, and you asked that -- you repeated  
10 that question for facilities-based, resale-based, UNE  
11 loop-based and UNE-P-based; is that right?

12 A. I think that sounds correct, and there was  
13 also a spreadsheet made available on the Web site to  
14 fill in the data.

15 Q. Yeah, I'm asking you the question. I was  
16 looking at the spreadsheet, and those are the  
17 categories on the spreadsheet. Is that right, those  
18 were the categories on the spreadsheet?

19 A. I think so.

20 Q. So you believe that all of the PBX data that  
21 you have from the CLECs for their UNE loop-provided  
22 data are analog PBX?

23 A. Yes, I do.

24 Q. Now, if a CLEC reported that it was  
25 providing services over a DS1 or a DS3 -- or let me

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1 ask you this. Did you ask the CLECs how they were  
2 providing these services and accounts? In other  
3 words, if they said it was -- if you called and they  
4 said it was an analog service, did you ask them if  
5 they were providing it over a digital facility?

6 A. No.

7 Q. So it's possible that the PBX numbers  
8 include services provided, for example, over a DS1?

9 A. Yes, that's possible, I think.

10 CHAIRWOMAN SHOWALTER: Just a minute. I  
11 think somebody's vacuuming. It's kind of  
12 distracting. Let's just be dirty tonight.

13 Q. You've used resale and UNE-P as part of the  
14 market that you described for the CLECs as  
15 competitive services; is that right?

16 A. Yes, sir.

17 Q. And resale became available by virtue of  
18 federal law in 1996, is that right, when the Federal  
19 Telecom Act passed?

20 A. There's been Centrex resale in Washington  
21 since 1985, I think. There's also been shared tenant  
22 services, which are another form of resale,  
23 basically, since 1985 or prior to that. And I can't  
24 --

25 Q. But total service?

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1           A.    I can't name the other types of local  
2    service resale that may have been occurring before  
3    that time, but our state was one of the few in the  
4    country that was already embracing competition quite  
5    a long ways before the Telecom Act occurred.

6           Q.    So there's been resale competition in  
7    Washington since -- in some forms, at least, since  
8    1985?

9           A.    Right.  That's why, for example, the  
10   Commission classified Centrex as competitive in  
11   U-8634 in about 1987.

12          Q.    And UNE loop competition became available  
13   after the Federal Telecom Act passed?

14          A.    Yes.

15          Q.    And UNE-P competition became available after  
16   the Federal Telecom Act passed?

17          A.    That's my understanding, yes.

18          Q.    So as of 1996, a CLEC was entitled to  
19   provide local service by resale, UNE-P, or UNE loops  
20   in any Qwest exchange in Washington?

21          A.    Right, or with their own facilities.

22          Q.    So as of 1996, Qwest already had effective  
23   competition, in your view?

24          A.    I didn't study their effectiveness of their  
25   competition at that time.

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1 Q. Well, correct me if I'm wrong, but isn't it  
2 your position that the fact that the CLECs can  
3 provide service anywhere in the state, whether  
4 they're providing it or not, shows that they're  
5 effective competition?

6 A. I don't think I've said that.

7 Q. Would you please turn to your direct  
8 testimony? Let me get the exhibit number. That's  
9 201-T, I believe.

10 A. All right.

11 Q. Please look at -- my bifocals start to give  
12 out at this hour -- page four, line three.

13 A. All right.

14 Q. And the following area. You've, in this  
15 testimony, from page four, line three, and the  
16 following, you kind of are recounting the history of  
17 the way competitive access providers morphed or  
18 evolved into other kinds of competitors?

19 A. Yes, sir.

20 Q. Is that right? And you mention in that  
21 rendition the building of fiber rings in Seattle and  
22 other cities. And then you talk about competition  
23 coming to other towns throughout the state, but you  
24 don't mention resale or UNE-P. You don't mean to  
25 imply that competition came to all areas of the state



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1 through the building of these facilities, do you?

2 That is, through the building of fiber rings?

3 A. No, I don't.

4 Q. In fact, there are no CLEC rings or other  
5 facilities in the large majority of exchanges in the  
6 state?

7 A. I don't know.

8 Q. Based on the results of your survey, what  
9 percentage of exchanges had -- did CLECs report  
10 providing UNE loop facility -- UNE loop-based  
11 services in?

12 A. I haven't made that calculation. It was  
13 most of them.

14 Q. UNE loop services were provided in most  
15 exchanges?

16 A. I think so.

17 Q. Okay. We'll come back to that later. Now,  
18 you have included total service resale in your market  
19 share figures and concentration analysis; is that  
20 right?

21 A. I'm sorry, could you repeat the question?

22 Q. Yes. You've included total service resale,  
23 that is, resale by a discount from retail prices in  
24 your market share figures and concentration analysis;  
25 isn't that right?

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1 A. Yes, sir.

2 Q. And that's despite the fact that, in its  
3 previous decision in Docket UT-000883, Commission  
4 held that resale was properly excluded from Staff's  
5 market concentration analysis; is that right?

6 A. I'll accept your representation subject to  
7 check, but yes, I included resale in my calculations.  
8 I've also calculated the market share statewide  
9 without resale or UNE-P.

10 Q. Now, you would agree that the primary  
11 difference between UNE-P and resale as between the  
12 CLEC and the ILEC is how the price is set for the  
13 finished service at the wholesale level?

14 A. I'm sorry, I need to ask you to repeat the  
15 question, please.

16 Q. Sure. You would agree that the primary  
17 difference between UNE-P and resale as between the  
18 CLEC and the ILEC is how the price is set for the  
19 finished service at the wholesale level?

20 A. Yes, sir.

21 Q. We marked an exhibit, I think it's our only  
22 cross-examination exhibit for your cross. It's at  
23 Number 214.

24 A. That's the merger guideline document?

25 Q. No, this is ATG STF's Data Request Number

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1 1-010.

2 JUDGE MACE: It turned out that that merger  
3 guideline is 224. And --

4 THE WITNESS: Oh, I'm sorry.

5 JUDGE MACE: 214 is -- I can show you 214,  
6 just so you can review it.

7 THE WITNESS: Thank you, Your Honor. All  
8 right. I have a copy of that document.

9 Q. Okay. Now, we asked you there, does Mr.  
10 Wilson believe that there is any difference under the  
11 standards applicable to this proceeding between  
12 competition and effective competition. If so, please  
13 define the terms and describe the --

14 THE REPORTER: I'm sorry. Could you slow  
15 down, please?

16 MR. LEVIN: I'm sorry. I suffer from  
17 reader's disease.

18 Q. Let me start over. Does Mr. Wilson believe  
19 that there is any difference under standards  
20 applicable to this proceeding between, quote,  
21 competition, end quote, and, quote, effective  
22 competition, end quote? If so, please define the  
23 terms and describe the difference between the two.  
24 And your response was, No. Is that correct?

25 A. Yes.

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1           Q.    And so you believe that any competition is  
2   effective competition for purposes of the standards  
3   under the statute applicable to this case; is that  
4   correct?

5           A.    No, it isn't.  My answer, in response to  
6   your data request -- originally, I wanted to say I  
7   couldn't understand it.  And in reviewing it over  
8   since then, I'm sure I didn't understand it.  I was  
9   confused by that question and the one that MCI asked  
10  me in their Data Request Number 25, which was very  
11  similar, and I gave the same sort of thought process  
12  to it.

13                   I do not believe that just because there is,  
14  say, one line being competed for in an exchange, that  
15  that makes the whole exchange competitive or the  
16  whole state competitive, if that's what you're  
17  driving at.  I understand that effective competition  
18  means no captive customers and readily available  
19  alternatives.  Analysis of market share, market  
20  power, growth, ease of entry, et cetera.  And I do  
21  realize there's a difference between just having  
22  competition present and it being effectively  
23  competitive.

24           Q.    So -- I'm sorry.

25           A.    Thank you.

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1 Q. So understanding the question as you do  
2 today, your answer would be different?

3 A. Right.

4 JUDGE MACE: Mr. Levin, do you have your  
5 microphone on?

6 MR. LEVIN: I think it's my voice I don't  
7 have on. Let me see if I can do better.

8 JUDGE MACE: I know it's late, but if you  
9 can try to speak more directly into it.

10 Q. And so you said your answer would be  
11 different, and in fact, it would be the opposite. It  
12 would say, Yes, there is a difference; is that right?

13 A. Yes, and I would explain it as I just did.

14 Q. Okay.

15 A. I apologize for not understanding the  
16 question.

17 Q. That's fine. The difference is that the  
18 statute says that the competition has to be  
19 effective, not merely competition?

20 A. Yes.

21 Q. And the statute gives you some examples of  
22 the kinds of things that you should be considering  
23 when you're trying to figure out if it's merely  
24 competition versus effective competition, and then  
25 gives you some open-endedness to add other factors;

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1 is that right?

2 A. Yes.

3 MR. LEVIN: I don't think there's much  
4 point, given the witness' testimony, moving the  
5 admission of Exhibit 214, and so we're not going to  
6 do that. I think we've got his testimony in the  
7 record as to what he really intended.

8 JUDGE MACE: Thank you.

9 MR. LEVIN: So we'll leave that alone.

10 Q. Now, you've mentioned in your testimony  
11 wireless service as evidence of effective  
12 competition; is that right?

13 A. Could you please give me a reference, sir?  
14 I'm not finding it right now.

15 Q. Let me just ask you. Do you consider  
16 wireless to be evidence of effective competition?

17 A. It's been very difficult to find actual  
18 evidence in the case, but yes, I consider wireless  
19 service to be a substitute in many cases for the  
20 services listed in the petition. I'm referring to  
21 cellular service. I think that's what you were  
22 talking about.

23 Q. Right. Yeah, we're not talking about  
24 cordless handsets for land lines; we're talking about  
25 wireless, cellular, PCS service?

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1           A.    Right, or high-speed microwave or anything  
2    else.

3           Q.    And as I understand it, the Staff's position  
4    is that wireless is effective competition because  
5    business employees are making business calls on cell  
6    phones; is that right?

7           A.    No, first of all, you're using the term  
8    effective competition, and I assume that's not  
9    necessarily in the absolute statutory sense, but just  
10   because a business makes a phone call on a cellular  
11   phone doesn't make cellular service a perfect  
12   substitute or a complete substitute in much part at  
13   all, just like when people are using cell phones in  
14   their mobile mode.  But when businesses use the cell  
15   phones, as we heard testimony tonight, as a  
16   replacement for a land line, then it begins to appear  
17   as if customers are choosing that service as an  
18   effectively competitive alternative.

19          Q.    So it's the -- it's where the customer has a  
20   choice between using a land line and a cellular phone  
21   and uses the cellular phone that it then becomes  
22   effectively competitive?

23          A.    I think that makes a lot more sense than  
24   assuming that, you know, people driving in cars using  
25   their cell phone is a competitive substitute for a

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1 wireline business line. It wouldn't be something you  
2 could do, although people probably would have made  
3 plans in their business day to be at a wireline phone  
4 if they didn't have cell phones.

5 Q. Now, if a -- then if a customer has a choice  
6 between using the cell phone and a -- let's say a  
7 coinless pay phone, is the coinless pay phone then  
8 competition for the wireless phone?

9 A. Absolutely, although pay phone line service  
10 isn't involved in this case.

11 JUDGE MACE: Mr. Wilson, can you try to  
12 avoid dropping your voice down at the end of a  
13 sentence?

14 THE WITNESS: Thank you.

15 JUDGE MACE: You occasionally do that. It  
16 helps if you speak up. People in the back need to  
17 hear what you're saying.

18 Q. But if, in fact, business people are using  
19 pay phones in lieu -- that is, coin or coinless pay  
20 phones in lieu of using land lines, making some calls  
21 on pay phones that they could otherwise make on other  
22 land lines, under your definition, shouldn't that be  
23 part of this case in terms of the market?

24 A. I'm a little bit confused. I personally  
25 have never used a pay phone in lieu of a land line



0630

1 when it was available. I don't understand the  
2 context of your question.

3 Q. Well, somebody has a cellular -- well, let  
4 me go back. If somebody has a cellular phone, they  
5 can use that in lieu of their land line or they can  
6 use the pay phone in lieu of their cellular phone.  
7 Are those all substitutable for each other?

8 A. I think you just said so.

9 Q. Well, is that right, that under some  
10 circumstances, they're substitutable for one another?

11 A. Sure.

12 Q. Now, a taxi cab and some fleet -- delivery  
13 truck fleets use commercial two-way mobile radio to  
14 keep in touch, in voice contact with their fleet  
15 drivers. In Staff's view, are these effective  
16 competition for wireline services?

17 A. To some extent, they may be.

18 Q. But that technology's been around for ages,  
19 hasn't it, one form or another?

20 A. Yes.

21 Q. Long before any competition was introduced  
22 into the state of Washington?

23 A. I guess so. I haven't really studied the  
24 radio market at all.

25 Q. Now, you've also -- you mentioned in your

0631

1 testimony that voice over IP should -- when it's  
2 provided over the Internet should be provided a  
3 substitute -- should be considered effective  
4 competition for wireline service; is that right?

5 A. I think that we've described VoIP as  
6 oftentimes an effective substitute, yes, and the  
7 other witnesses here so far have, too, I think.

8 Q. Now, you also believe, I think I understand,  
9 that some handful of customers may be substituting  
10 wireless service for all of their telephone service  
11 for their business needs and not have land lines; is  
12 that right?

13 A. I've heard that testimony.

14 Q. But the effect of the Commission's decision  
15 in this case, if it's granted, would affect all  
16 customers, not just those who have -- are using cell  
17 phones as their only business phone and not just  
18 those who may be experimenting with voice over IP; it  
19 applies to all customers, doesn't it?

20 A. I guess so, yes, I think I understand your  
21 question.

22 Q. Did you have a chance to review the Qwest  
23 petition that we submitted as an exhibit for Mr.  
24 Shooshan that was admitted earlier today that Qwest  
25 and other RBOCs and USTA filed with the court of

0632

1 appeals for the District of Columbia?

2 A. No.

3 Q. Are you aware of that petition being filed?

4 A. I'm not sure what petition you're talking  
5 about, but I don't recall looking at any exhibits  
6 from Mr. Shooshan today.

7 Q. Okay. All right. Well, let me come back to  
8 that. Let me ask you, how would it affect market  
9 shares and your HHI analysis if UNE platform, that is  
10 UNE-P, were to disappear as a result of court action?

11 A. Do you have any idea when that might happen?

12 Q. Well, I don't want to testify, but a writ is  
13 certainly a faster way of things happening than an  
14 appeal, and certainly Qwest has expressed an  
15 intention, as that exhibit shows, to move things  
16 along quickly.

17 CHAIRWOMAN SHOWALTER: Why don't you just  
18 amend your question to say what if UNE-P disappeared  
19 as of a certain date?

20 Q. Why don't we say within the next six months.  
21 Give them some time for briefing.

22 A. Well, with regard to market share, it's  
23 difficult for me to predict what would happen in even  
24 six months, although that's not too far off. Based  
25 upon the data that we were able to analyze in this

0633

1 case, including the CLEC data response data, as well  
2 as the information provided by Qwest, I calculated  
3 that, without unbundled network element platform  
4 lines, Qwest's market share -- and if you assumed  
5 that Qwest -- that if those lines just weren't  
6 included in the calculation, I don't know what  
7 happens to them. I don't give them to Qwest, I just  
8 delete them from the analysis and you get a 74  
9 percent market share for Qwest still.

10 Q. Now, if you also take total service resale  
11 out of your calculation based on the Commission's  
12 prior decision saying it doesn't constrain prices, so  
13 you take out both UNE-P and total service resale, how  
14 does that affect your market share analysis?

15 A. My calculation was that that would drive the  
16 Qwest market share up to approximately 76.8 percent.

17 Q. Now, and what HHI number does that yield for  
18 Qwest?

19 A. I don't know.

20 Q. It would be the square of 76-point whatever  
21 you said; is that right?

22 A. I haven't calculated the HHI for Qwest  
23 without UNE-P or UNE -- or resale and I think that  
24 those are actually competitive mechanisms that  
25 competitors use. Whether it constrains price or not

0634

1 is the issue you're raising.

2 Q. No, actually, I was assuming that the Qwest  
3 petition were granted and UNE-P was going to  
4 disappear.

5 A. Uh-huh.

6 Q. And I was assuming further that the  
7 Commission's prior rulings said that resale does not  
8 constrain prices, so that it's not relevant -- even  
9 if some of the UNE-P moved to resale it wouldn't be  
10 relevant?

11 A. Right, and if I didn't count resale or  
12 UNE-P, it would be about a 76.8 percent market share  
13 for Qwest.

14 Q. Now, you were here today and yesterday for  
15 the cross-examination of Mr. Reynolds and Mr.  
16 Teitzel, were you not?

17 A. Yes, I've left the room very briefly once or  
18 twice, but I've tried to be here all the time.

19 Q. And you heard the testimony that there are  
20 digital services that provide voice functionality  
21 and, in fact, are designed to be voice products,  
22 didn't you?

23 A. Yes.

24 Q. And let me go to an example that we used  
25 earlier. That's the ISDN BRS service, where it's

0635

1 provided in a 2B+D configuration that's designed to  
2 be used by voice, or 2S+D?

3 A. I was here.

4 Q. And that's a straight voice product, isn't  
5 it?

6 A. 2B+S?

7 Q. Yes.

8 A. Yes, that's my understanding. Really, if  
9 you want to get into real technical questions about  
10 analog and digital, my colleague, Mr. Williamson, is  
11 really the best witness to discuss technical matters  
12 with.

13 Q. Okay. But assuming that it is, as you say,  
14 designed as a voice product, that's something that  
15 consumers can readily substitute for business access  
16 lines from Qwest, isn't it?

17 A. It sounds like it, yes.

18 Q. For example, a -- let's say we have a small  
19 grocery store that has a single business line right  
20 now. That grocery store has a number of different  
21 ways of adding business lines and some additional  
22 digital capability, as well. One way is to go buy an  
23 ISDN BRS, and all of a sudden it has two business  
24 lines; is that right?

25 A. I'll take your word for it. I don't know

0636

1 much about 2B+S service.

2 Q. Okay. Well, it's -- we've got the tariff in  
3 evidence, so it is what it says.

4 A. All right.

5 Q. Assuming that the tariff says that they get  
6 two business lines, all of a sudden they buy -- and  
7 that's a two-wire service, so all of a sudden they  
8 still have two-wire service, it's over copper and  
9 they've got two lines plus a digital channel. So  
10 that might be readily substituted -- assuming that  
11 the service is as I describe it, that might be  
12 readily substituted for the one business line that  
13 they used to have; isn't that right?

14 A. Yes.

15 Q. And did you also hear the -- I'm not sure  
16 the -- it's the shared pay phone line testimony,  
17 where the --

18 A. Oh, the semi-public line?

19 Q. Yes.

20 A. Yes.

21 Q. Where the business can actually put that --  
22 by buying the service plus an extension, it can put  
23 that pay phone into its own business calling array  
24 and add lines that way?

25 A. I think so.

0637

1 Q. And that is not included in the market share  
2 analysis, even though that's a substitute for a  
3 second business line; is that right?

4 A. That's my understanding, yes.

5 Q. And you didn't include -- I may have missed  
6 a question here. You didn't include the ISDN BRS and  
7 its voice application in your market share analysis  
8 either, did you?

9 A. No, I did not.

10 Q. And we also heard testimony earlier today  
11 from the Qwest witnesses that you can substitute --  
12 that there's very little difference between analog  
13 PBX and digital PBX. Digital just gives you more  
14 features. And so a customer might choose to purchase  
15 digital PBX trunks in lieu of analog trunks, assuming  
16 they had the equipment that allowed them to use it;  
17 is that right?

18 MR. THOMPSON: I'm going to interpose an  
19 objection here. It's getting to the point this is  
20 beyond Mr. Wilson's technical knowledge, and also Mr.  
21 Levin's questions are getting to be more in the  
22 nature of testimony.

23 MR. LEVIN: I think I'm allowed to lead on  
24 cross.

25 JUDGE MACE: Well, you're allowed to lead on



0638

1 cross, but bear in mind the witness' technical  
2 expertise. I'll allow this answer, but see where you  
3 go with it. You know, asking him questions that he  
4 can't answer are not helpful. You can ask Mr.  
5 Williamson.

6 MR. LEVIN: Yes, and I intend to ask Mr.  
7 Williamson. My only problem is I need to ask Mr.  
8 Wilson, who did the market share analysis, what he  
9 included and excluded. So this is the only way that  
10 I can do that.

11 JUDGE MACE: Proceed.

12 Q. Okay. Where were we? Oh, we were talking  
13 about digital PBX and analog PBX. Those are very  
14 similar services, just more features on the digital;  
15 is that right?

16 A. I don't know very much about digital PBX.

17 Q. Okay. Make that assumption with me. And  
18 then, would you agree, assuming that's true, that  
19 they might be substituted if the customer had the  
20 associated equipment that could use the -- either an  
21 analog or a digital PBX trunk; is that right?  
22 Functionally, they might substitute?

23 A. Okay.

24 CHAIRWOMAN SHOWALTER: I'm just going to  
25 make a suggestion. You can ask this witness did you

0639

1 or didn't you include ISDN, et cetera, in your  
2 calculations. You can ask Mr. Williamson what the  
3 different capabilities are. I recognize that  
4 requires you to have to put the two together, but you  
5 may be able to get further with each witness breaking  
6 it apart like that.

7 MR. LEVIN: Thank you. I think that's a  
8 very useful suggestion. Regret I didn't think of it.

9 Q. So you did not include the digital PBX  
10 numbers in your analysis of market share or HHI, did  
11 you?

12 A. No, I don't think I did.

13 Q. And you didn't include digital Centrex  
14 either?

15 A. No, sir.

16 Q. Did you -- and I'm talking now about Staff.  
17 I don't mean you personally. Did Staff go through  
18 the Qwest tariffs as part of analyzing Qwest's case  
19 here and look to see, without regard for digital or  
20 analog, which services might be substituted for other  
21 services as part of its analysis of Qwest's case?

22 A. No.

23 Q. So you accepted Qwest's characterization of  
24 a limited set of its services as being a market,  
25 didn't you?

0640

1 A. That's what they petitioned for.

2 Q. But the fact that they petitioned for it, as  
3 an economist, doesn't satisfy the test of whether it  
4 is a market, does it?

5 A. Not necessarily.

6 Q. You need to do analysis on your own to  
7 determine whether it's a market or not?

8 A. Right.

9 Q. But you didn't do that?

10 A. I didn't go through the Qwest tariff. I  
11 looked at the list that they filed and I began to  
12 analyze that relevant market.

13 Q. What tests did you perform to determine  
14 whether the three services that they identified or  
15 the three types of services they identified  
16 constituted a market?

17 A. None other than applying my years of  
18 experience and knowledge in this work, I guess.

19 Q. But you've told us that you don't have the  
20 requisite technical knowledge to decide what a  
21 substitute is. Did you ask Mr. Williamson to do that  
22 work, since that's not in your competence?

23 A. I think we'd have to check the transcript,  
24 but I don't think I said that.

25 Q. Well, if you wanted --

0641

1           A.    I don't understand the technical details to  
2    make a analysis in that fashion, as you were asking  
3    me to do, but as an economist, I felt that I could  
4    provide that testimony.

5           Q.    But in order to do that, don't you have to  
6    look at the technical details to find out what is  
7    technically substitutable Qwest service for other  
8    services to decide whether, in fact, Qwest has  
9    defined a market or merely defined a few services?

10          A.    Well, I've tried to look at that from the  
11    economist's standpoint, yes.

12          Q.    And so did you have Mr. Williamson go  
13    through the tariffs to see what was substitutable and  
14    what wasn't?

15          A.    I think I already responded that Staff did  
16    not go through the tariffs.

17          Q.    So did you rely on Mr. Williamson to tell  
18    you, then, which services were technically  
19    substitutable and which were not?

20          A.    No, I looked at the services listed in the  
21    petition and judged for myself that they all fall  
22    within that basic exchange local service market for  
23    analog services.

24          Q.    Okay.  So you assumed that there was a  
25    market called analog services and you examined the

0642

1 Qwest list to see if it fit within it; is that right?

2 A. Very briefly, yes.

3 Q. What work did you do to establish that there  
4 is such a thing as an analog services market?

5 A. I just assumed there was, I guess. And I  
6 began working with the data that Qwest filed in its  
7 petition and case that we collected, as described in  
8 my testimony.

9 Q. Would you please turn to page 17 of your  
10 direct testimony?

11 A. All right.

12 Q. And at lines -- the sentence that runs from  
13 lines 11 to 13, the complete sentence, you say that,  
14 However, business customers simply choose the  
15 functionality they need often with little regard to  
16 how the service was provided.

17 A. I'm sorry, we must have different  
18 pagination. Did you say page 17 of my direct?

19 A. Yes.

20 CHAIRWOMAN SHOWALTER: Line 11.

21 THE WITNESS: My copy puts me in a quote  
22 from the December '99 order at that point. Would you  
23 say the --

24 Q. Sure, this is right above the question,  
25 Please give some examples of alternatives customers

0643

1 may choose from the relevant market --

2 THE REPORTER: I'm sorry, could you slow  
3 down, please?

4 MR. LEVIN: I'm sorry.

5 THE WITNESS: All right. And then it says,  
6 However, business customers?

7 Q. Yes.

8 A. All right. Thank you. Could you reask the  
9 question?

10 Q. Yes. You state in your testimony, However,  
11 business customers simply choose the functionality  
12 they need, often with little regard to how the  
13 service was provided?

14 A. Yes, I think that's very true, that to the  
15 consumer, oftentimes, whether it came to them over an  
16 analog or a digital medium, wireless, wire, you name  
17 it, they don't care. They just want to talk to the  
18 other party.

19 Q. Okay.

20 A. You know, I mean, if the functional  
21 equivalency is there, that's the main thing to them.  
22 They're like me. They're not interested in the  
23 technical stuff too much, maybe.

24 Q. On page -- also on -- what I've got on page  
25 17, it's the next question after the one I just asked

0644

1 you about.

2 A. Yes.

3 Q. You give some Web site identifications?

4 A. Yes.

5 Q. And you checked the services offered by

6 those sites?

7 A. Yes.

8 Q. Or advertised by those sites, I should say.

9 A. Yes.

10 Q. And did you notice that Pocketinet, I guess

11 that's how you pronounce it --

12 A. Pocketinet.

13 Q. Pocketinet says that it's using 2.4

14 gigahertz transmission?

15 A. Yes.

16 Q. Are you aware that that's the same spectrum

17 used by many cordless handsets, garage door openers,

18 and wireless headsets?

19 A. No.

20 Q. Are you aware whether it's licensed or

21 unlicensed spectrum?

22 A. I'm aware that it's unlicensed.

23 Q. So there are no data -- and Pocketinet

24 didn't mention any security guarantees, data security

25 guarantees?

0645

1           A.    Well, actually, when I was working for  
2   Washington State University, I was working with a man  
3   at Pocketinet over in Walla Walla and Dayton, and he  
4   showed me how the service worked at his house, where  
5   he had it installed, of course, and he did not  
6   mention security concerns to me.  And I forget what  
7   the other item was.

8           Q.    The Web site itself doesn't mention that  
9   they have any particular level of data security, do  
10  they?

11          A.    Not that I recall.

12          Q.    Well, I'm going to have to -- since we have  
13  different pagination, let me see if I can turn to the  
14  page and then tell you what the question is.

15                JUDGE MACE:  I think he has a copy that has  
16  your pagination.

17                MR. LEVIN:  Oh, okay, good.

18                THE WITNESS:  Thank you, Your Honor.

19          Q.    On page 23 of your direct testimony, at  
20  lines -- the sentence at lines two to five, you  
21  state, In the overall statewide market for services  
22  listed in this case --

23          A.    Okay.

24          Q.    -- Qwest has an estimated 75 percent market  
25  share in its operating territory, including tens of



0646

1 thousands of facilities-based lines?

2 A. I'm sorry, sir. Page 23?

3 CHAIRWOMAN SHOWALTER: You've lost us now,  
4 because I believe that you're -- in our page, it's  
5 page 23, line eight. And it says revised on my page,  
6 so there must have been a revised page.

7 JUDGE MACE: Maybe you don't have the  
8 revised page.

9 MR. LEVIN: Maybe that's what I don't have.  
10 Well, maybe the simplest thing to do is just identify  
11 the question and then take him to it.

12 THE WITNESS: Sure.

13 Q. Have you found that?

14 A. Could you just ask which question?

15 Q. Yes. This is under the question that  
16 begins, What is Staff's analysis of other indicators  
17 of market power which may include market share, et  
18 cetera?

19 A. Yes, sir. And then, at line eight, it says,  
20 In the overall statewide market. Is that where you  
21 were? Okay. I'm on that question and answer.

22 Q. Okay.

23 CHAIRWOMAN SHOWALTER: But before you ask  
24 your question, you should know that that's the  
25 sentence that has a revision in the revised page.

0647

1 Instead of the number 75, the number is 69.26.

2 Q. Okay. Let me read it with the -- somehow it  
3 didn't get into my volume here, so let me read it  
4 with the revised. In the overall statewide market  
5 for services listed in this case, Qwest has an  
6 estimated 69.26 market share in its operating  
7 territory including tens of thousands of  
8 facilities-based lines in almost every region of the  
9 state?

10 A. Yes.

11 Q. Isn't the total number of facilities-based  
12 lines that you found something around 50,000 all  
13 together? That is, CLEC facilities-based lines?

14 A. I think I provided that figure in my  
15 testimony. Or rather, it's in my rebuttal, I think.  
16 Let me just check, sir. The number of facility-based  
17 lines?

18 Q. Yes.

19 A. I'm getting tired, too. Let's see.

20 JUDGE MACE: I don't know if it's helpful,  
21 but on Exhibit 205-C --

22 THE WITNESS: Right.

23 JUDGE MACE: -- page one, you have a column  
24 that's entitled --

25 THE WITNESS: Okay. In that exhibit, that's

0648

1 basic business only, and I show a number there for  
2 basic business. And then I think in 104 --

3 CHAIRWOMAN SHOWALTER: Just before you leave  
4 that, I don't know where -- if you're talking about a  
5 column in Exhibit 205-C --

6 THE WITNESS: Yes.

7 CHAIRWOMAN SHOWALTER: -- can you tell us  
8 what column and what row?

9 THE WITNESS: Yes, please. It's in Column  
10 I.

11 CHAIRWOMAN SHOWALTER: Okay.

12 THE WITNESS: At Row 43, so it's cell number  
13 I-43 is a number of CLEC lines via owned loops in the  
14 basic business market. And then, in my Exhibit 104,  
15 Confidential Exhibit 104, at page three of four --

16 CHAIRWOMAN SHOWALTER: Just a second.

17 JUDGE MACE: You don't actually have an  
18 Exhibit 104. Do you happen to know --

19 THE WITNESS: 204.

20 JUDGE MACE: 204, thank you.

21 THE WITNESS: I apologize. I couldn't find  
22 a set of tabs in the 200s, so I was using the 100  
23 tabs. Then for -- on page three of four of Exhibit  
24 204 at Column D -- excuse me, I guess I didn't total  
25 that one up. It seems like I had a place in my

0649

1 testimony where I provided the sum total of owned  
2 lines, but to save time, let me accept, subject to  
3 check, it's pretty close to 50,000, if that will  
4 help.

5 Q. So in any event, when you say tens of  
6 thousands of facilities-based lines in almost every  
7 region of the state --

8 A. Oh.

9 Q. -- tens of thousands means more than one  
10 10,000, right? It means 20,000 or more. So in fact,  
11 you can't have tens of thousands in more than a  
12 handful of exchanges in this state?

13 A. What I was trying to say in a public format,  
14 dealing with a lot of very confidential information,  
15 and I think this number has come out in the hearing  
16 now, is that there's over 230,000 competitive lines  
17 all together in the state, and that does add up to  
18 tens of thousands, and when I break it out across the  
19 state and look at it at the level that we are able to  
20 share, it does add up to tens of thousands in every  
21 region of the state.

22 Q. But here you're talking about  
23 facilities-based lines, not lines?

24 A. Okay. And on my rebuttal testimony, I hope  
25 the pagination is the same. At about page 10 of my

0650

1 rebuttal, Exhibit 210, it's in the confidential  
2 section, there's a table right after the question  
3 with regard to concerns that UNE-P's availability is  
4 crucial to competition. Is this a concern that is  
5 relevant to all of the listed services? And you can  
6 see the actual number that I calculated. It's on my  
7 page 10, line five, for owned lines by the CLECs.

8           And I was basically thinking of regions of  
9 the state essentially in quadrants, and I felt that,  
10 having eyeballed the data, I felt that it was safe to  
11 say that there were tens of thousands of these lines  
12 in every region.

13       Q.    So you don't mean to suggest that -- by  
14 region, you don't mean to suggest exchange. You're  
15 talking about a much larger region than an exchange?

16       A.    Right, like quadrants, perhaps.

17       Q.    And there are 80-some exchanges in Qwest's  
18 territory in the state?

19       A.    Approximately, yes.

20       Q.    So dividing it into quadrants, that's more  
21 than 20 exchanges in each quadrant?

22       A.    I don't know how they break out --

23       Q.    On average?

24       A.    -- by quadrant. In our state, we tend to  
25 think of our state as eastern and western, or Seattle

0651

1 and everything else, but we have evolved a little  
2 bit. And I was thinking about the Seattle Metro area  
3 or the Northwest as a region, the Peninsula as a  
4 region, the Southwest as a region, the Northeast as a  
5 region, the Southeast as a region, and the Central  
6 part of the state as a region, and generally I may be  
7 wrong about tens of thousands in every region, but  
8 those lines are spread out all over across the state.

9 Q. Now, you could get that effect on quadrants  
10 by having four major cities, each of which had a CLEC  
11 that had been successful in the city, isn't that  
12 right?

13 A. Yes.

14 Q. And still not have facilities-based  
15 competition elsewhere?

16 A. That could happen. However, the data showed  
17 that there was a rich level of facilities-based  
18 competition, UNE-P competition, resale and unbundled  
19 loop competition in very surprisingly remote,  
20 insular, sparsely populated areas of the state.

21 Q. Could you make the same statement if you  
22 eliminated the UNE-P and resale? Would you say that  
23 same statement you just made the same way?

24 A. I don't know. I haven't analyzed that.

25 Q. Now, you mentioned voice over IP, and you've

0652

1 talked about providers like Vonage, if I'm  
2 pronouncing that right, as voice over IP providers  
3 that are offering functionally interchangeable  
4 services with the Qwest service. It's my  
5 understanding that the Commission had a rulemaking a  
6 while back that had to do with E911 service; is that  
7 right?

8 A. Yes.

9 Q. And that's, in part, because there were  
10 three Washington statutes that have specific  
11 requirements for certain kinds of applications for  
12 E911 service that, in effect, say that the service --  
13 that it is not lawful to install a PBX or phone  
14 service that doesn't have automatic line  
15 identification; isn't that right?

16 A. I don't know.

17 Q. You weren't involved in that proceeding?

18 A. No.

19 Q. Was Mr. Williamson?

20 A. I don't know.

21 MR. LEVIN: I would simply ask the  
22 Commission to take record notice of RCW 28A-335-320,  
23 RCW 80-36-555, and RCW 80-36-560.

24 JUDGE MACE: Well, Counsel, if you want to  
25 make some presentation in your brief about those

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1 statutory provisions, you can do that.

2 MR. LEVIN: Okay.

3 Q. Let me ask you this. If there -- assume,  
4 for the sake of my next question, that there are  
5 statutes that require automatic line identification  
6 as a condition of certain entities in the state,  
7 certain businesses and governmental agencies  
8 providing services, that they require automatic line  
9 identification before that telephone service can be  
10 provided through a PBX or phone system. Are you  
11 following me so far?

12 A. I think so.

13 Q. And if it should turn out, then, that  
14 Vonage, Packet 8, or any of those other companies  
15 can't provide automatic line identification,  
16 necessarily you'd have a problem, as a consumer  
17 buying those services, wouldn't you, consistent with  
18 Washington law?

19 A. I'm not an attorney, but that sounds like it  
20 to me.

21 Q. Okay.

22 A. I'd also like to add that when I worked on  
23 registering new competitive local exchange companies,  
24 the policy that the Staff had was that we would not  
25 recommend approval if we could help it. We worked



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1 with the company if they didn't have proper emergency  
2 handling procedures in place. So that's been our  
3 policy at the Staff level for a long time.

4 Q. Staff regards E911 service to be an  
5 important public policy of the state?

6 A. Yes, essentially, we have always held that  
7 just because there's competition and just because a  
8 customer is served by a competitor, they shouldn't be  
9 made worse off, and the rest of the state shouldn't  
10 be made worse off, either.

11 Q. We've identified, as an exhibit for  
12 cross-examination for Mr. Williamson, the Vonage  
13 terms of service for small business because I assumed  
14 that he would be the person to talk about an  
15 automatic line identification; is that right?

16 A. That would probably be better. I have a  
17 layman's understanding of some of these issues as an  
18 economist.

19 Q. Okay.

20 A. But technical matters are best addressed to  
21 him.

22 MR. LEVIN: Thank you. I have no further  
23 questions.

24 JUDGE MACE: We'll resume tomorrow at 9:30.  
25 Thank you.

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(Proceedings adjourned at 8:12 p.m.)

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