

1 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
2 COMMISSION

3 In the Matter of the Petition of)
4 TELEPHONE UTILITIES OF) No. UT-940700
5 WASHINGTON, INC., d/b/a PTI)
6 COMMUNICATIONS for an Order)
7 Authorizing the Purchase of)
8 Property and for Declaratory)
9 Order on Rate Base Treatment.)
-----)
10 In the Matter of the Application) No. UT-940701
11 of U S WEST Communications, Inc.) VOLUME 6
12 to Transfer Property to Telephone) Pages 223 - 257
13 Utilities of Washington, Inc.,)
14 d/b/a PTI Communications.)
15 -----)

16 A hearing in the above matter was held on
17 March 9, 1995 at 6:07 p.m., at 323 Third Street,
18 Raymond, Washington, before Commissioners WILLIAM
19 GILLIS, RICHARD HEMSTAD and Administrative Law Judge
20 ALICE HAENLE.

21 The parties were present as follows:

22 WASHINGTON UTILITIES AND TRANSPORTATION
23 COMMISSION STAFF, by GREGORY J. TRAUTMAN, Assistant
24 Attorney General, 1400 South Evergreen Park Drive
25 Southwest, Olympia, Washington 98504.

26 U S WEST COMMUNICATIONS, INC., by
27 VIC KUCERA, Director - External Affairs, 3004 Bell
28 Plaza, P.O. Box 21225, Seattle, Washington 98111.

29 FOR THE PUBLIC, ROBERT MANIFOLD, Assistant
30 Attorney General, 900 Fourth Avenue, Suite 2000,
31 Seattle, Washington 98164.

32 PTI Communications, by CALVIN SIMSHAW,
33 Attorney at Law, 805 Broadway, Vancouver, Washington
34 98668.
35 Cheryl Macdonald, Court Reporter

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1

I N D E X

	WITNESS:	DIRECT	CROSS	REDIRECT	RECROSS	EXAM
2	LABARRE	232				236
	HAMILTON	237				243
3	BAIR	244	246			
	LAPORTE	248				
4	HAMILTON	252				

5	EXHIBIT	MARKED	ADMITTED			
	507	254	254			

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

2 JUDGE HAENLE: The hearing will come to
3 order. This is a sixth day of hearing in docket No.
4 UT-940700 and 0701. That's the U S WEST/PTI petitions
5 for transfer of some properties. The hearing is
6 taking place on March 9, 1995 at Raymond, Washington
7 before the Commission. I introduced before we started
8 Commissioner Richard Hemstad and Commissioner William
9 Gillis. My name is Alice Haenle, and I'm the
10 administrative law judge assigned to conduct the
11 hearing. I introduced to you also the representatives
12 from the company and they introduced some of their
13 staff. If you want to just give your name and your
14 company name, beginning with U S WEST, please.

15 MR. KUCERA: Vic Kucera for U S WEST.

16 MR. SIMSHAW: Calvin Simshaw for PTI
17 Communications.

18 MR. TRAUTMAN: Greg Trautman for Commission
19 staff.

20 MR. MANIFOLD: Rob Manifold for public
21 counsel.

22 JUDGE HAENLE: We've asked you if you do
23 plan to give testimony that you print your name and
24 address on the sign-up sheet. There's one up by the
25 door and Mr. Manifold now has the one that's full.

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1 We'll be calling your name one at a time for you to
2 give your testimony.

3 I also told you before you started that
4 we'll give you another chance. That is, once we've
5 gone through the names that are on the sheet, we'll
6 ask if there's anybody else that wants to give
7 testimony and ask for a show of hands so we can take
8 those people as well. Mr. Manifold, do you want to
9 begin and give an overview of the case?

10 MR. MANIFOLD: Sure. Take a couple of
11 minutes and describe what's gone on up to now in this
12 case part of which is summarized on this sheet which
13 our Xerox center tells me is light cherry, in case
14 you're wondering. This case really began a couple of
15 years ago when U S WEST decided to sell several of its
16 more rural exchanges in this state, an action that
17 it's also taken in several other states where it
18 provides service. It put these exchanges out for bid.
19 The telephone company PTI was the successful bidder
20 and then both companies petitioned the Utilities
21 Commission to approve the transfer of the exchanges
22 from U S WEST to PTI. The Commission then began this
23 proceeding by sending out notices to people, allowing
24 parties to intervene; written testimony was filed;
25 discovery of each other's positions among the parties

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1 took place; and there was a settlement conference. At
2 the settlement conference the parties discovered that
3 it would be possible to negotiate and settle many, and
4 it turned out, all of the differences they had in the
5 case, and so those formal parties entered into a
6 written proposed settlement of the case which was
7 presented to the Commission on February 21st. It is
8 that proposed settlement that is in front of the
9 Commission and is one of the things that you can
10 comment upon tonight. I have attempted to summarize
11 the major terms of that on this piece of paper.

12 Under the proposed settlement PTI would be
13 allowed to purchase the exchanges from U S WEST. I
14 should say, by the way, that the Utilities Commission
15 has to rule on this. Then the Federal Communications
16 Commission also has to rule on it. There was certain
17 conditions attached to the agreement proposed that the
18 exchanges be transferred. One is that PTI would
19 continue to offer all of the same services at exactly
20 the same prices to retail customers as are currently
21 being offered by U S WEST, and that those same prices
22 would continue for a period of two years. Secondly,
23 that PTI would invest over the next five years after
24 the sale is approved 25 million dollars in those 28
25 exchanges. There are some 10 of the exchanges that

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1 are not currently meeting Commission standards for
2 service quality, and PTI would direct its earliest
3 effort to solve those service quality problems. After
4 the two-year rate freeze, PTI would be able to
5 petition the Commission to integrate, i.e. raise, the
6 rates in the sale exchanges to rates more similar to
7 the ones in its other exchanges. In paragraph 7 on
8 there I have indicated what that would look like in
9 terms of a residential basic charge in Raymond, in the
10 Raymond exchange. PTI has agreed that for at least a
11 period of five years it would not propose any increase
12 to its current existing customers as a result of this
13 sale. And finally, U S WEST, which is making some
14 money on this sale would use some of that money to
15 upgrade its facilities in its remaining rural
16 exchanges.

17 I should note, one of the things from a
18 consumer perspective, obviously, among other things,
19 you're concerned about what the rates would be. In
20 order to give you the best possible information, I
21 thought I ought to tell you in paragraph 7 there that
22 U S WEST, as I just saw in today's paper paper here,
23 has proposed a very large increase in residential
24 rates statewide. That will be going before the
25 Commission over the next many months, probably won't

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1 wind up until the end of this year. What the result
2 of that will be is obviously unknown at this point.
3 They might get some, all or none or maybe the rates
4 would go down. It's impossible to say at this point
5 but that proposal is on the table from U S WEST.

6 Finally, because the public hearings have
7 not yet been conducted, U S WEST and PTI have pre-
8 committed to take some limited actions to resolve
9 customer service issues that were presented at the
10 hearings in which the Commission would -- if the
11 Commission saw fit to include those as part of the
12 order in this case. I want to emphasize that the
13 settlement is a proposed settlement. It's subject to
14 the approval of the commissioners, and part of their
15 decision whether to approve it or not will be the
16 public testimony and letters that they've received or
17 will receive in this hearing, and that we've been this
18 week to Ritzville and to Ashford as well. The
19 Commission has asked a representative from PTI to say
20 a few words about what specific plans they have
21 regarding this exchange and a couple of words about
22 their company.

23 MR. SMITH: Thank you. I'm Bob Smith. I
24 work for PTI. In fact I've worked for them for nearly
25 30 years, 10 of which were in Ilwaco when we had our

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1 head office down there. We still serve the Long Beach
2 peninsula. In fact, the Ilwaco Telephone Company is
3 pretty much the genesis of what is now PTI.

4 FROM THE AUDIENCE: Please speak up a
5 little bit.

6 MR. SMITH: Sorry. I don't have a command
7 voice. We've been serving rural Washington customers
8 since the early 1900's, and so we have a lot of
9 experience in providing rural service. In addition to
10 that, we've also, I think, been on the leading edge of
11 a lot of the newer technologies. For example, we were
12 the first company to offer caller ID service, if
13 you've heard of that. It's one of the newer CLASS
14 services that allows you to see the number of the
15 person who is calling you should you choose to do
16 that.

17 We are also the first company on the West
18 Coast if not west of the Mississippi to deploy the
19 state-of-the-art fully broadcast quality interactive
20 distance learning network on San Juan Islands. This
21 connects the San Juan School District and the Orcas
22 Island School District to the Skagit Valley College.
23 It's really something to watch. Kids who used to have
24 to board out can now take a French class from a
25 college instructor in their schools. The sheriff's

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1 department plans to start utilizing it for arraignment
2 and that sort of thing. It's a safer method. Some of
3 the things that we planned and in case you haven't had
4 an opportunity to read all the materials, we plan to
5 permanently station 11 employees here, and I believe
6 there's currently two one of which is here with us
7 tonight. Are they both here tonight? I heard one was
8 just about ready to retire.

9 FROM THE AUDIENCE: Not me.

10 MR. SMITH: What we plan to do is upgrade
11 the generic to the latest generic in the central
12 office, the digital switches, and I think it's
13 appropriate to tell you that we plan to put a standby
14 power system on that central office. I think -- I
15 used to live here and I know that power outages are
16 not uncommon, so we'll do that. Going to add to the
17 buildings to empanel our employees. We will replace
18 the older cables. I understand there's still some
19 lead cable and what have you in the area, replace
20 that. Replace the analog carrier systems with
21 digital. As you can see, there's roughly \$4 million
22 that we've budgeted to invest in your community.
23 We'll stick around after the meeting if you want to
24 talk about some specific things that we plan to do or
25 just have some questions that you're not comfortable

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1 asking or that are technical in nature. We have our
2 head engineer as well as the people that are
3 responsible for customer service in actually running
4 our Washington operations.

5 FROM THE AUDIENCE: I'm from the PL
6 exchange which you're also purchasing. That's part of
7 it.

8 MR. SMITH: Right. I believe that's
9 included in the \$4 million.

10 FROM THE AUDIENCE: That's outside of that.

11 MR. SMITH: Do you have that number? We do
12 have that. If you want that number we can give it to
13 you now or do it later.

14 JUDGE HAENLE: Perhaps you can do it later.

15 MR. SMITH: Mr. Manifold has asked that I
16 be brief and I've already violated that.

17 JUDGE HAENLE: Mr. Manifold, do you want to
18 begin with the names?

19 MR. MANIFOLD: Yes. John LaBarre.

20 Whereupon,

21 JOHN LABARRE,
22 having been first duly sworn, was called as a witness
23 herein and was examined and testified as follows:

24

25 DIRECT EXAMINATION

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1 BY MR. MANIFOLD:

2 Q. Would you please state your name and spell
3 your last name.

4 A. Name is John LaBarre, L A B A R R E.

5 Q. Your address?

6 A. 113 LaBarre Road. Same spelling. That's
7 Chehalis, Washington.

8 Q. Are you speaking -- are you a residential
9 customer of U S WEST?

10 A. I'm a residential customer, yes.

11 Q. Are you speaking for anyone other than
12 yourself tonight?

13 A. My wife.

14 Q. You have authority to do that?

15 A. I don't remember it in the marriage
16 ceremony, but that's been 55 years ago, so I think I
17 have.

18 This may not be according to all the rules
19 of your testimony, but it's the best I could do
20 writing it down. I'm just an old busted up logger.
21 In 1946, we moved down to an area that was served by a
22 haywire telephone company from PL. Shortly after
23 that, AT&T, later U S WEST, took over a number of
24 small exchanges supposedly to better serve them. They
25 did improve the equipment and the service. I'm not

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1 sure how this sale to PTI is going to improve our
2 service. We will have to pick out a long distance
3 carrier and
4 U S WEST has already caused a big headache by
5 unilaterally changing the area code in west Washington
6 except for the metropolitan area around Puget Sound.
7 U S WEST is willing at this time to extend some local
8 calling areas at local rates instead of long distance
9 that we have been paying, sort of the gift of peanuts
10 to make us think we were getting something for
11 nothing.

12 U S WEST says that by selling these
13 exchanges it can concentrate on the rest of their
14 business. If they would stop spending millions of
15 dollars on advertising and more on converting to --
16 and more money on converting to the big Internet they
17 could take care of the rural exchanges. The Internet
18 -- this is an opinion -- the Internet is a great
19 advance for the big businesses that use fax machines
20 and computers but not much use for most of the rural
21 customers. It used to be that occasionally some
22 community would be subject to crank and obscene calls
23 from local persons. Now, if some creep from New
24 Jersey -- don't anybody get mad if I mention your
25 state. I don't mean everybody, but now if some creep

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1 from New Jersey or red neck from Arkansas has access
2 to a computer he can put it on the Internet where it
3 can invade any place hooked up to the system. Also
4 any hacker can just in infect the whole system and
5 cause millions of dollars of damages. That's about
6 the most I can say.

7 JUDGE HAENLE: Are you taking a position
8 one way or the other?

9 THE WITNESS: Against it. I have some
10 information there about the rate but everybody has it
11 so it wouldn't do me any good for me to tell it.

12 Q. You mentioned something about your long
13 distance carrier. Have you currently chosen a long
14 distance carrier?

15 A. No, because U S WEST is my phone company
16 and I just call long distance.

17 Q. Do you ever call outside of the old 206
18 area?

19 A. Pardon?

20 Q. Do you ever make calls to Spokane or
21 Portland or outside of the state?

22 A. Walla Walla once in a while.

23 Q. Who handles those calls for you?

24 A. I suppose U S WEST because I just call it
25 in over my phone and somebody answers and asks me

00236

1 where I'm calling from.

2 Q. Well, you might want to talk to either the
3 U S WEST or PTI people, but you can choose what
4 carrier you want both now and after if there is a
5 sale. That situation would not change. But you are
6 opposed to the sale?

7 A. Yes, sir.

8 JUDGE HAENLE: Counsel, questions?

9 Commissioners, questions.

10

11 EXAMINATION

12 BY COMMISSIONER HEMSTAD:

13 Q. You said you live in Chehalis?

14 A. No, that's a Chehalis address but it's a PL
15 phone number and when they first took over the
16 business they let us call Chehalis free, no long
17 distance, but Centralia, which is just across the
18 street, we had to pay a long distance call for that,
19 and now they're suggesting that they have asked the
20 Commission to let them include that in our local
21 calls.

22 JUDGE HAENLE: Commissioners, anything
23 else?

24 COMMISSIONER GILLIS: No.

25 JUDGE HAENLE: Thank you for your

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1 testimony, sir. You may step down.

2 MR. MANIFOLD: Pat Hamilton.

3 Whereupon,

4 PAT HAMILTON,

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

6 herein and was examined and testified as follows:

7

8 DIRECT EXAMINATION

9 BY MR. MANIFOLD:

10 Q. Please state your name.

11 A. Pat Hamilton, H A M I L T O N. I represent
12 Pacific County. I am the chairman of the board of the
13 county commissioners here.

14 Q. Your business address, please.

15 A. Post Office Box 187, South Bend, 98586.

16 Q. You're here to speak on behalf of the
17 county commissioners?

18 A. Here as as chairman of the board, yes, sir.

19 This is a little confusing so I'm going to read
20 right through it so I don't make a mistake. The
21 uniqueness of our county system -- we installed a
22 microwave system in 1985 -- is the fact that it
23 crosses Western Washington/Oregon LATA lines, which
24 happens to split the county's population areas. This
25 means that any communications links, switched phone

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1 call to a permanent data link, must be handled by a
2 long distance carrier, which in some cases can cause a
3 five or sixfold cost of service increase. For this
4 reason the county installed the LATA crossing
5 microwave system in late 1985. The independent
6 companies, PTI and Wahkiakum West, charge an access
7 tariff on any of their lines that cross the
8 LATA boundaries, such as our 642 and 484 prefixes --
9 the 642 services the Long Beach peninsula; the 484 is
10 our Naselle area -- toll free public business and
11 emergency lines.

12 A lot of these, just to give you an idea
13 what the whole system services besides those, we have
14 the courthouse with their subsequent buildings. We
15 have the mental health annex; the Willapa Harbor
16 Hospital; South Bend City Hall police and fire;
17 Department of Social and Health Services; Raymond
18 Washington State Patrol Office; the EDC office in
19 Raymond; Valley High School. Raymond sites will be
20 their Department of Public Works; the PUD; the
21 Department of Transportation; Timberlin Regional
22 Library; City of Raymond fire and police. We also
23 service the Naselle Youth Camp, Timberlin Regional
24 Library down there and the DPW shop, as well as the
25 PUD in the Ilwaco site; South District Court Ocean

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1 Beach Hospital; Long Beach sites with its health
2 department, its annex and its DSHS building and all
3 the county communications sites. So it's a very
4 involved long process.

5 U S WEST did not recognize the fact that
6 the county's PBX system crosses the LATA boundary.
7 Therefore, our 875 and 942 exchange rates remain the
8 same at the normal business level. There is no doubt
9 under PTI ownership the rates will increase. There
10 have been estimates between 15 and 58 percent
11 depending on the type of service that's subscribed to.

12 The real concern is the potential for PTI
13 to assess access tariffs on the service we now
14 purchase from U S WEST. Such a situation would
15 significantly impact the costs of telephone service to
16 the county and all of the other users of this system.
17 We would recommend that the WUTC be urged to prohibit
18 such action on the part of PTI should the acquisition
19 be approved.

20 At this point with the two lines that have
21 been charged access charges it's been running about
22 \$100 a month and that was to the 642 and the 484
23 prefixes. However, if that were to be extended to all
24 of the users on the other side, up here, the north
25 end, it would certainly be something that we would be

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1 willing to challenge. Before it was only \$100 a month
2 and we could swing it but we would really prefer that
3 this body would prohibit such action on the use of PTI
4 should they acquire the system, and as far as whether
5 or not they should buy the system, we've taken a
6 neutral position on that.

7 Q. I will just say I, quite frankly, didn't
8 understand some of the technical things you said.
9 I'll start with that caveat.

10 A. We have two prefixes, the 642, which is the
11 Long Beach peninsula, and the 484, which is Naselle,
12 that cross over the LATA line in the middle of our
13 county. Whenever you cross over a LATA line you use a
14 long distance carrier. In the south end of the county
15 PTI and Wahkiakum West phone companies charge access
16 to those lines, in other words, long distance charges,
17 and it runs us roughly \$100 a month for those two.
18 It's not been a bone of contention at this point
19 because it was not a significant amount to take it to
20 court and to challenge it. However, if we go to a
21 system where PTI services the whole county, all of the
22 users on the north end of the county, if the same
23 practice were to be maintained, would be subject to
24 those same access charges, and that long list of
25 people that I said had used it, would create a big

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1 amount of money going out that the county quite
2 frankly can't afford, and a lot of these people came
3 on to our system because every time they crossed the
4 LATA line it was so expensive for them to run their
5 phone system. By coming on to our microwave system it
6 was much cheaper for them to do this, so we were able
7 to avert some of those charges. U S WEST has not
8 charged us those fees in North Pacific County and we
9 are concerned that if PTI uses the same format that
10 they're using in the south county to the north end of
11 the county we would run into some very large cost
12 barriers that need to be addressed.

13 Q. So you would like -- if the sale were to go
14 through you would like PTI to charge the same amount
15 that U S WEST is currently charging on the north
16 side --

17 A. Well, U S WEST does not charge on the north
18 side.

19 Q. -- which is zero?

20 A. That would be wonderful, and as from the
21 list of people that I listed off, those are all people
22 that use this system, so it would greatly affect a
23 great deal of your emergency services, your
24 municipalities and all of those other things that I
25 mentioned.

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1 In some cases when it bounces back and
2 forth it could be charged up to five or sixfold costs
3 of the services now being given, and I have copies of
4 this letter. It directly comes from John Dunsmoor,
5 our telecommunications engineer, and it goes through a
6 little more clearly. On the back there's a chart that
7 shows the different systems and how they're being
8 done. The commissioners will be sending their own
9 letter. I can give you this letter so you can be
10 looking at it and we will submit another letter from
11 the body of the board of county commissioners.

12 JUDGE HAENLE: We've set a deadline for
13 submissions to the record of March 13 to be sure that
14 we know what has come in.

15 THE WITNESS: It's in draft form and ready
16 to be faxed or mailed within a day or two.

17 JUDGE HAENLE: That's terrific.

18 THE WITNESS: If you want me to just --

19 JUDGE HAENLE: One could go to the court
20 reporter, one to to Mr. Manifold and one to the
21 commissioners. Did you gentlemen want one too, Mr.
22 Simshaw?

23 MR. SIMSHAW: Yes.

24 MR. MANIFOLD: The lady in the blue jacket,
25 could you get her fax number to send your letter to,

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1 either to hers or to mine and I will give you mine.

2 THE WITNESS: Be happy to.

3 JUDGE HAENLE: I don't know if there are
4 other questions. You can give her the fax number as
5 soon as we're finished up. Did you have other
6 questions, Mr. Manifold?

7 MR. MANIFOLD: No, I do not.

8 JUDGE HAENLE: Counsel, questions?

9 MR. SIMSHAW: Not really in the form of a
10 question, but I would encourage the witness or an
11 appropriate representative of the county to visit with
12 PTI representatives to ascertain what if any impact
13 there would be on these telecommunications services
14 after the sale.

15 JUDGE HAENLE: Thank you. Commissioners,
16 questions?

17

18 EXAMINATION

19 BY COMMISSIONER HEMSTAD:

20 Q. I didn't understand when you described the
21 system. Is that county emergency system that you're
22 talking about?

23 A. It's a microwave system that goes across
24 the LATA lines and, yes, it is part of our county
25 emergency system. All of our county offices are

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1 run off of it as well as several others. If you will
2 turn to the back page of the handout there, as you can
3 see, on the right-hand side you can see those are
4 people that are using our system right now.

5 Q. Can they use the system for their plain old
6 telephone service?

7 A. Everything from emergency service to
8 regular day-to-day operations.

9 JUDGE HAENLE: There seems to be a color
10 key on that back page. Could I trade you for the
11 official copy for the one that --

12 THE WITNESS: I have scribbled notes but --

13 JUDGE HAENLE: Thank you. That's very
14 kind. The Xeroxes won't show the colors. If anyone
15 wants to refer to this copy, they're welcome.

16 commissioners, other questions?

17 Thank you for your testimony. You may step
18 down. Please give your fax number to Ms. Stanton.

19 Whereupon,

20 STEVE BAIR,

21 having been first duly sworn, was called as a witness
22 herein and was examined and testified as follows:

23

24 DIRECT EXAMINATION

25 BY MR. MANIFOLD:

00245

1 Q. Please state your name and spell your last
2 name.

3 A. Steve Bair, B A I R.

4 Q. Your address?

5 A. 726 May Street in Raymond.

6 Q. You're a U S WEST customer now?

7 A. Yes.

8 Q. Is it residential or business?

9 A. Residential.

10 Q. Are you speaking for anyone other than
11 yourself tonight?

12 A. Just basically myself and Kim.

13 Q. Please go ahead.

14 A. The main reason I wanted to speak out on
15 this is in the business that I am in I've had an
16 opportunity, quite a few chances, to use the PTI
17 system in Montesano, Elma and McCleary, and my concern
18 is the type of service, lack of quality of service
19 that I have found in using PTI. I have just used
20 mainly telephone booth phones but I've also used
21 private phones in those areas also, and I've also
22 questioned people that I know in those areas how they
23 felt about the service that they received. Of the six
24 or seven people that I questioned a little bit
25 thoroughly about it, most people weren't extremely

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1 happy with the service that they received from PTI
2 because of lack of good service in taking care of
3 phone problems, having phone outages for maybe a day
4 or two at a time. Lack of courtesy of operators in
5 using long distance.

6 I have found problems in using calling
7 cards many times by trying to dial direct through and
8 use my calling card. Most of the time seems like I
9 end up having to go through a PTI operator to finally
10 get my calls through. So I just want to voice my
11 concern of the quality of service from PTI.

12 Q. And so you're opposing the transfer?

13 A. Yes, I am.

14 JUDGE HAENLE: Mr. Manifold?

15 MR. MANIFOLD: No other questions.

16 JUDGE HAENLE: Counsel, questions?

17 MR. SIMSHAW: Yes, please.

18

19 CROSS-EXAMINATION

20 BY MR. SIMSHAW:

21 Q. Mr. Bair, could you give us some idea of
22 roughly the time frame you were making these
23 observations in the Montesano, Elma and McCleary
24 areas?

25 A. Probably over the last four years that I've

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1 really paid attention.

2 Q. And I believe you stated that most of your
3 personal experience has been with pay phones; is that
4 right?

5 A. Most of it, yes, although some of it has
6 been through business phones and private phones.

7 Q. Did you take note when you were using the
8 pay phones whether they were PTI pay phones or the pay
9 phones of a competitor?

10 A. I had assumed that they were PTI pay phones
11 mainly because of the fact that I use them mostly for
12 long distance calls from that area and PTI operator
13 would be the operator that I would get.

14 Q. Do you know whether PTI has operators under
15 its employ?

16 A. I don't know personally, no. I just know
17 that when they come on the line the response is
18 something -- that they're saying PTI.

19 Q. And when you make -- have occasion to make
20 those long distance calls, can you tell us roughly
21 where geographically you --

22 A. Most of them in the Western Washington
23 area.

24 MR. SIMSHAW: Thank you.

25 JUDGE HAENLE: Commissioners, questions?

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1 COMMISSIONER HEMSTAD: No, I don't.

2 COMMISSIONER GILLIS: No questions.

3 MR. MANIFOLD: There were a couple of
4 people who were uncertain when they signed up if they
5 intended to speak or not so I will give you a chance
6 now. Sidney LaPorte. Would you like to speak? It's
7 pretty easy.

8 MR. LAPORTE: Just a comment.

9 Whereupon,

10 SIDNEY LAPORTE,
11 having been first duly sworn, was called as a witness
12 herein and was examined and testified as follows:

13

14 DIRECT EXAMINATION

15 BY MR. MANIFOLD:

16 Q. Would you please state your name and spell
17 your last name.

18 A. My name is Sidney LaPorte, L A P O R T E.

19 Q. And your address, sir?

20 A. Is 751 Chandler Road, Chehalis, Washington
21 98532 and I'm in the PL exchange.

22 Q. See, you anticipate my next question.

23 You're a residential customer?

24 A. Yes, I am.

25 Q. And you're speaking on behalf of --

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1 A. Of myself and also an employee of U S WEST
2 working out of Centralia. I really have no problems
3 with the sale because some of the same things that are
4 coming up as far as rate increases are going to be
5 coming up with U S WEST as well as PTI, so that part
6 does not bother me. I don't know about the quality of
7 service. I do know as an employee, and I don't know
8 where -- if I start saying something that I shouldn't
9 be saying, let me know. As an employee I get a lot of
10 things on the inside that aren't known on the outside
11 and I do know -- I won't say who, how, when or where,
12 but I do know that I have been given the information
13 that there will be no money spent in these areas
14 because of the competition that U S WEST is facing
15 right now, that their money is going to be spent in
16 the urban areas such as Seattle and Tacoma, and a
17 little bit in Olympia. And in Centralia/Chehalis
18 they're not going to be spending any money more than
19 they absolutely have to to provide the basic level of
20 service.

21 This is what we've been told because we've
22 asked, because we see we have a problem with plant. I
23 mean, I'm a splicer, and I get -- take and put 25
24 pairs into an area that's in need of them, and when I
25 get through there's still a need for pairs, and I

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1 barely just got those in because we pick them up here
2 and there and everywhere trying to get them in, and
3 it's that way all over. So I'm hoping that like in PL
4 -- I don't know if they will say so now. I have heard
5 that they are planning on a fiber between PL and
6 Curtis. I don't know what they're planning between
7 Curtis and Chehalis.

8 MR. KUCERA: I would hope it would be
9 fiber.

10 JUDGE HAENLE: You might want to talk to
11 the representatives after the hearing. Mr. Smith in
12 particular is nodding his head.

13 THE WITNESS: I have questioned some of
14 this LATA and interLATA, this LATA point down here.
15 This is on the subject that she was talking about that
16 why would they ever in the world ever divide an
17 exchange by a LATA line. I would think that the
18 commissioners would have it in their power to be able
19 to say no to that and to change that. That is the one
20 thing that I really wanted to say when I was listening
21 to her, because that is the stupidest idiotic thing
22 that I've ever heard of to divide an exchange by a
23 LATA line.

24 FROM THE AUDIENCE: Superior court judge.

25 THE WITNESS: LATA lines should be along

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1 the lines that define an exchange, not anything else.

2 That's about all I have to say.

3 JUDGE HAENLE: Mr. Manifold.

4 BY MR. MANIFOLD:

5 Q. I'm sorry. Mr. Shaw, U S WEST's lawyer,
6 isn't here. He tells me he's the one who draws up
7 those lines. I'll get that one down for him. I don't
8 know under whose direction he was doing that. He may
9 have just been the scrivener but they were approved by
10 a federal judge in the divestiture and to my knowledge
11 the Commission has no authority to alter those lines.

12 A. Well, perhaps the FCC does.

13 Q. I think it's the court. Or Congress.

14 JUDGE HAENLE: Counsel, other questions?

15 MR. KUCERA: No.

16 JUDGE HAENLE: Commissioners, questions?

17 Thank you for your testimony.

18 MR. MANIFOLD: Joan Little.

19 MS. LITTLE: Pass.

20 MR. MANIFOLD: That's all the people who
21 had signed up and indicated they wished to speak. Is
22 there anyone else in the audience who now would like
23 to speak? If you could raise your hand.

24 MS. HAMPTOM: I changed my mind.

25 Whereupon,

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1 report to her the fact that the phone didn't work.
2 She didn't even want the location. She didn't care.
3 She put my phone call through and I was cut off, so I
4 called her back and she was really nasty. She just
5 gave me a short, curt answer and hung up on me. So I
6 called again and that time I reached a different
7 operator who put my call through, but it was a really
8 frustrating experience and I found other phone booths
9 in the Elma area to be the same way. Not lit, not out
10 in the open.

11 JUDGE HAENLE: What do you mean by unlit
12 and out in the open? You mean they're not enclosed?

13 THE WITNESS: They're not nice U S WEST
14 phone booths. They're just hanging on a pole
15 somewhere.

16 Q. May I ask what kind of calling card you
17 were using?

18 A. A U S WEST card.

19 MR. MANIFOLD: I have no other questions.

20 JUDGE HAENLE: Questions, Counsel?

21 MR. SIMSHAW: Just one.

22 Are you aware whether PTI Communications
23 employs operators?

24 THE WITNESS: All I can say is when the
25 woman answered the phone she said hello, PTI. Whether

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1 or not she was an employee or not, I have no idea.

2 MR. SIMSHAW: Thank you.

3 JUDGE HAENLE: Commissioners, questions?

4 Thank you for your testimony.

5 Is there anyone else who wants to give
6 testimony? This will be your last chance. Raise your
7 hand.

8 I have the one statement then. I have Mr.
9 Manifold's update dated March 9, and I have the PTI
10 two-sided green sheet with the information on Raymond
11 on it. I will make these documents Exhibit 507 if
12 that's all right with counsel. If anyone has an
13 objection you need to say. I will enter 507 into the
14 record.

15 (Marked and admitted Exhibit 507.)

16 JUDGE HAENLE: Once again, we appreciate
17 all of you coming out on this awful night. I'm not
18 sure what the next step will be. The commissioners
19 may decide that they feel one more day of hearing is
20 necessary depending on their evaluation of all the
21 comments that have been brought in at the public
22 hearing, but in any case the commissioners will be
23 ruling on the settlement before too long, so I will
24 adjourn the hearing then and -- I will not adjourn the
25 hearing. The problem with questions is I can answer

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1 some questions and some are better directed to the
2 company. Does it have to do with the hearing?

3 FROM THE AUDIENCE: You say that you have
4 our address, name and address for the Commission to
5 write to us. Will we get the results of the
6 Commission ruling?

7 MR. MANIFOLD: I'm not sure what the
8 Commission's intent is on that. I think that if they
9 issue a press release they do normally send that to
10 people.

11 JUDGE HAENLE: I can tell you who to ask
12 that question of in just a minute. Will that be all
13 right?

14 MR. MANIFOLD: I had a procedural question.
15 In the proposed settlement we left open the
16 possibility of U S WEST or PTI taking some other
17 actions and we need some time to think about whether
18 or not we want to request them to do that so I'm not
19 sure when the Commission was going to take its next
20 action, but we would like a little time to think about
21 what action we would like to suggest.

22 COMMISSIONER HEMSTAD: I don't know what
23 the timetable is at this point.

24 JUDGE HAENLE: We would need a week or two,
25 I guess to have the Commission a chance to get

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1 together and talk about it. Do you want to set a
2 deadline for your requests, if any, for an additional
3 level and then the Commission will try to meet the
4 same? Do you want to say like a week?

5 MR. MANIFOLD: Can we wait to see what that
6 huddle comes up with?

7 Are you guys addressing this question?

8 MR. BUDSBERG: We're discussing it but go
9 ahead. I'm sorry, we didn't hear you.

10 MR. MANIFOLD: I was waiting to find out
11 how much time you guys need.

12 JUDGE HAENLE: Let's go off the record to
13 discuss this and go back on the record to set this up.

14 MR. MANIFOLD: We can just communicate by
15 letter afterwards.

16 JUDGE HAENLE: But I would like that to
17 come in within a certain length of time.

18 (Discussion off the record.)

19 JUDGE HAENLE: Let's be back on the record.
20 During the time we were off the record we discussed
21 the procedure. We agreed that counsel, the parties
22 will let the Commission know in writing within a week
23 if they feel an additional procedural step is
24 necessary. I indicated the commissioners will also
25 talk about it. They will let the parties know as soon

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1 as possible whether another step is necessary. I will
2 then recess the hearing and the commissioners will be
3 considering the settlement soon. Thank you all for
4 coming out tonight.

5 (Hearing adjourned at 6:50 p.m.)

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