

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

VERIZON SELECT SERVICES, INC.;)	
MCIMETRO ACCESS TRANSMISSION)	DOCKET UT-081393
SERVICES, LLC; MCI COMMUNICATIONS)	
SERVICES, INC.; TELECONNECT LONG)	Comments on Settlement
DISTANCE SERVICES AND SYSTEMS CO.)	Agreement
d/b/a TELECOM USA; AND TTI)	
NATIONAL, INC.,)	
)	
Complainants,)	
)	
v.)	
)	
UNITED TELEPHONE COMPANY OF THE)	
NORTHWEST, d/b/a EMBARQ)	
)	
Respondent.)	
_____)	

I. Comments of AT&T on Settlement Agreement

1. Pursuant to the Administrative Law Judge’s ruling issued on August 13th, AT&T Communications of the Pacific Northwest, Inc., and TCG Seattle (collectively “AT&T”) file these comments on the proposed Settlement Agreement (“Settlement” or “Agreement”) filed by United Telephone Company of the Northwest d/b/a Embarq (“United”) and Verizon Select Services, Inc. et al (“Verizon”) on August 13, 2009. AT&T appreciates the opportunity to file these comments even though it is not a signatory to the Agreement.

II. Discussion

2. Although AT&T does not support the Settlement, AT&T also does not oppose the Settlement. While AT&T does not believe that the Settlement requires United's intrastate switched access rates to be reduced enough or that it is done quickly enough, AT&T believes that it is progress in the right direction. High intrastate switched access rates with implicit subsidies, such as those currently charged by United, prevent interexchange carriers like AT&T from being able to fairly compete in the marketplaces.

3. As AT&T has advocated throughout this proceeding intrastate switched access rates must be brought down to the carrier's interstate access rate level and structure as this is a reasonable proxy for the carriers cost of providing access service. The functions a local exchange carrier ("LEC") provides for intrastate and interstate switched access are materially identical in that the LEC employs the same facilities. In some aspects the Settlement is consistent with AT&T's position. For example, AT&T fully supports United's elimination of the originating intrastate carrier common line ("CCL") charge effective January 1, 2010. AT&T also supports the reduction of the originating intrastate local switching access charge to \$.0158172. However, the Settlement does not go far enough to bring United's intrastate switched access rates down to its interstate rate level and structure. For example, instead of reducing the significant Interim USF Additive ("ITAC") by 50% over a 2-year period, there should be

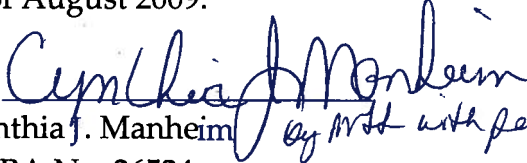
a complete elimination of the ITAC and this should occur immediately. It is for this reason that AT&T cannot fully support the Settlement; however, Commission approval of this Settlement will provide some relief of intrastate switched access rates to carriers like AT&T.

4. The Commission should not rest after approving this Settlement. AT&T strongly urges that Washington pursue comprehensive reform of intrastate access charges. The state must eliminate subsidies that are levied on one class of carriers which distort competition, create a competitive disadvantage and unfairly burden one class of customers. Further, the intrastate access system in place today is not sustainable. Access revenues are declining. Policymakers must initiate a rational transition to an explicit, stable and sustainable alternate revenue source for ILECs rather than continue to rely on access revenue streams which will continue to be reduced over time. This can be done by having more rational retail service pricing coupled, to the extent necessary, with an explicit access replacement support fund.

III. Conclusion

5. While AT&T does not support or oppose the Settlement, AT&T believes that it does represent a step in the right direction. The next step for Washington, which is critical, is comprehensive intrastate switched access reform.

Respectfully submitted this 26th day of August 2009.

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