

August 21, 2002

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VIA FACSIMILE, E-MAIL & U.S. MAIL

Marjorie Schaer
Administrative Law Judge
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

**Re: AT&T Communications of the Pacific Northwest, Inc. v.
Verizon Northwest Inc.
WUTC Docket No. UT-020406**

Dear Judge Schaer:

Verizon Northwest Inc. (“Verizon”) vehemently opposes the request of AT&T Communications of the Pacific Northwest (“AT&T”) to undo the agreed upon procedural schedule at the prehearing conference on August 13, 2002, in favor of a significantly shortened schedule.

First, AT&T did agree to the schedule proposed at the prehearing conference. Counsel for AT&T and its Assistant Vice President for Government Affairs Pacific Northwest Region were both present and had initially proposed their filing date of October 16, 2002 as a starting point for developing the schedule. Furthermore, counsel for AT&T represented that AT&T recognized a case of this nature would take some time and that the ten-month period for resolution of complaints set forth in RCW 80.04.110 could be extended. Therefore it is completely surprising and unacceptable for AT&T to do an about-face exactly a week later for no articulated reason. AT&T’s letter does not indicate how it would be harmed by conducting the proceeding along the schedule agreed upon last week.¹ Second, AT&T’s request is nothing but an effort to limit Verizon’s ability to present its defense to the complaint and evidence of the impact on Verizon, were the Commission to grant the relief requested by AT&T in its complaint. Under RCW 80.04.120, Verizon “shall be entitled to be heard and introduce such evidence as he

¹ RCW 80.04.110 allows the Commission to extend the ten-month period for “cause.” Verizon has articulated the “cause” for more time to present its response to the complaint, which AT&T did not object to last week. It should be estopped from now protesting that very schedule.

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or it may desire.” By denying Verizon’s motion to dismiss, this Commission implicitly recognized that this case involves more than “single issue rate making.” Therefore, Verizon should be allowed to present evidence of the impact on any access charge reduction on its overall rate structure. Even the Commission Staff recognized this in its Answer in Opposition to Verizon Northwest’s Motion to Dismiss, file May 20, 2002. There, the Commission Staff acknowledged

Verizon’s case could include not just a stand-alone justification of its access charges but also an explanation of why it believes that any decrease in access charges must be offset by increases elsewhere. This defense might well include evidence of Verizon’s overall profit levels on a Washington intrastate investment and services, if Verizon believes that offsets are necessary to preserve its opportunity to earn a reasonable return.”

In order to present this evidence, and evidence to rebut the specific charges leveled by AT&T, Verizon may need to prepare testimony for seven witnesses in the areas of policy, costs studies, financial presentation, general forecast, pricing rate design, depreciation and imputation. The preparation of such a case could not be completed until early 2003, at the very least.

Forcing Verizon to present its case on the shortened schedule proposed by AT&T would violate RCW 80.04.120 and result in a significant deprivation of due process. Accordingly, there is no need for a further telephone conference. The schedule as proposed at the August 13, 2002 prehearing conference should be adopted.

Very truly yours,

GRAHAM & DUNN PC

Judith A. Endejan

JAE/ned

cc: Gregory J. Kopta
Service List
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