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November 14, 2006

Via Electronic Mail

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

**Re: Docket No. UT-060676 – Rulemaking to Consider Price List
Elimination - Verizon’s Comments on Revised Proposed Rules issued
October 16, 2006**

Dear Ms. Washburn:

Verizon Northwest Inc., Verizon Enterprise Solutions, Verizon Long Distance, Verizon Select Services Inc., MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services, MCI Communications Services, Inc. d/b/a Verizon Business Services, TTI National Inc. and Teleconnect Long Distance Services and Systems Company d/b/a Telecom*USA (collectively, “Verizon”) submit the following comments on the revised proposed rules distributed with the Commission’s Notice issued October 16, 2006. Verizon incorporates by reference its comments submitted June 30, 2006 and August 23, 2006 (hereafter “August comments”), as if fully stated here.

General Comment: Need to Accommodate the Transition Period

In its August comments, Verizon explained that there would be a transition period until all price lists are withdrawn as required by the statute, and that problems could be created by deleting all rule references to “price lists” before the end of that period. Verizon suggested rule language to accommodate this transition period issue. The revised proposed rules, however, do not address this problem. Verizon requests the Commission consider the company’s recommendations, as set forth in pages 1 and 2 of its August comments.

Specifically, Verizon recommends that the Commission not delete the words “price lists” at this time from the relevant rules and that it wait until all price lists currently on file with the Commission are withdrawn. In addition, Verizon recommends that until all price lists are withdrawn that the following introductory language be inserted in Sections WAC 480-80-0010, 480-120-011 and 480-121-011:

Any reference to “price lists” in this chapter refers to price lists that were in effect on June 8, 2006 and that remain in effect pursuant to Chap. 80.36 RCW.

Once all price lists are withdrawn, the Commission could make the appropriate housekeeping changes at that time. It appears that Verizon’s proposal on this point was not adopted because of language in the statute stating that “[t]he price list is subject to the statutes and rules in effect immediately before the effective date of this act.” Reliance on this statutory provision, however, could create administrative burdens on companies as they attempt to determine what rules were in effect immediately before the effective date of the statutory changes. Verizon’s proposal would avoid this uncertainty by leaving the rules in place until all price lists are withdrawn. At a minimum, the Commission should undertake some action to memorialize the rules that were in effect immediately before the effective date of the statutory changes.

Discussion of Specific Proposed Rules

CHAPTER 480-80

WAC 480-80-030 Definitions.

In its August comments, Verizon identified its concerns with the use of the term “contract” in Sections WAC 480-120-010 and WAC 480-120-031. The revised proposed rules, however, do not address Verizon’s concern. Verizon requests the Commission consider this issue and the company’s recommendations, as stated on pages 2 and 3 of its August comments.

Specifically, Verizon recommends that the following provision be added to Section 480-80-010 as subsection (6) to address the problem:

- (6) As used in this chapter, the term “contract” does not include any contracts for companies or services that are classified as competitive under RCW 80.36.320 or 80.36.330.

CHAPTER 480-120

General Comment: Definition of and use term “competitive contract”

Throughout this chapter, Verizon recommended in its August comments that the term “competitive contract” be defined and subsequently be used in various rules where appropriate. Specifically, Verizon recommended and continues to suggest the addition of a definition of the term “competitive contract” as follows:

“Competitive contract” means the rates, terms and conditions of companies or services classified as competitive under RCW 80.36.320 or

80.36.330, including any preconditions for the provision of future services.

In the specific comments to follow addressing rules in this chapter, Verizon has inserted the phrases “competitive contracts” and “price lists” where appropriate.

WAC 480-120-021 Definitions.

In its August comments, Verizon again identified problems with the use of “contract” and recommended a resolution by the addition of a definition of a “competitive contract”. The revised proposed rules, however, do not add or use such a definition.

Consistent with the general comments explained above, Verizon also described a problem created by the proposed deletion of “price lists” from the definition of “Order date” and recommended a solution. The revised proposed rules do not address this problem. The revised proposed rules also do not address the problem Verizon explained in its August comments that a clarification is required to ensure that the definition of “Order date” is not read to deprive competitive service providers of the benefit of preconditions to providing service. A similar issue raised by Verizon with regard to rule 480-120-061 prompted a change in the proposed rules, and one is required here as well. Accordingly, Verizon requests the Commission to consider this issue and the company’s recommendations, as set forth on page 3 of its prior comments. If Verizon’s recommendations are accepted, the first sentence of the definition of “Order date” should be modified as follows:

“**Order date**” means the date when an applicant requests service unless a company identifies specific actions a customer must first take in order to be in compliance with tariffs, price lists, competitive contracts, or commission rules.

WAC 480-120-061 Refusing service.

Although this revised proposed rule does not adopt Verizon’s recommended approach (which would also resolve other problems), the revised draft rules do address the concern stated by Verizon in its August comments (at page 3) regarding a company’s ability to refuse to provide service if an applicant does not meet service conditions for the provision of a competitive service. Nevertheless, for purposes of clarity, Verizon recommends that the Commission adopt its definition of “competitive contract” stated previously and then use that phrase as Verizon proposed in its August comments on page 3.

Specifically, Verizon recommends that subsection (c) of this rule state as follows:

When the applicant has not complied with the commission rules, company tariff, price list, or competitive contract, ~~or rates, terms and conditions~~

~~pursuant to competitive classification~~ and state, county, or municipal codes concerning the provision of telecommunications service such as building and electrical codes.

WAC 480-120-103 Application for service.

For the same reasons stated with regard to WAC 480-120-061, subsection (a) of this rule should be modified to read:

Accept and process applications when an applicant for service for a particular location has met all tariff, price list, or competitive contract requirements and applicable commission rules;

WAC 480-120-104 Information to consumers.

Although the revised proposed rule does not adopt Verizon's recommended approach (which would also resolve other problems), the revised draft rules address the general concern described by Verizon in its August comments (pp. 3 - 4). Verizon's primary concern with the original proposal was that it would have had the unintended consequence of removing an exemption that exists for competitive services provided under contract from the "information to customer" requirements set forth in WAC 480-120-104. Although this general concern has been addressed, Verizon recommends that, for purposes of clarity, the Commission adopt its proposal stated in its August comments.

Specifically, Verizon recommends the following changes to the introductory clauses in Rule WAC 480-120-104 (1) and (2):

(1) Except for services provided under a competitive contract, written contract pursuant to ((WAC 480-80-241 (Filing contracts for services classified as competitive),)) competitive classification, each company must provide an applicant for initial service . . .

* * *

(2) Except for services provided under a competitive contract, written contract pursuant to ((WAC 480-80-241 (Filing contracts for services classified as competitive),)) competitive classification, each company must provide each customer . . .

WAC 480-120-122 Establishing Credit – Residential services.

Verizon's recommended approach for this section from its August comments would again use the newly created phrase "competitive contract." Specifically, Verizon again

recommends the following changes to the introductory clauses in Rule WAC 480-120-104 (2) and (3):¹

(2) A LEC may, if provided for in the its tariff, price list, or competitive contract, rates, terms and conditions of services provided pursuant to competitive classification, require an applicant or customer of ancillary services to . . .

(3) An interexchange company may, if provided for in the its tariff, price list, or competitive contract, rates, terms and conditions of services provided pursuant to competitive classification, require an applicant or customer of interexchange services to . . .

WAC 480-120-161 Form of bills.

The revised proposed rules still inappropriately mandate that competitive telecommunication companies or telecommunication companies providing competitive services use web postings that contain the rates, terms and conditions of competitive services. As discussed in Verizon's August comments (p. 4), this mandate is not authorized by law and would interfere with companies' management of the contracting process for competitive services. While some companies may choose to use a web-based approach for some or all services, others may not.

RCW 80.36.320 and 80.36.330 mandate that competitive telecommunications companies and competitive telecommunications services are subject to minimal regulation. Senate Bill 6473 only requires companies withdrawing price lists to "provide each customer receiving service under the price list with information about rates, terms and conditions under which service will continue to be provided." It does *not* empower the Commission to mandate how companies authorized to withdraw price lists must "provide each customer receiving service under the price list with information about rates, terms and conditions under which service will continue to be provided." To the contrary, each company has sole discretion under the statute as to how it will "provide each customer receiving service under the price list with information about rates, terms and conditions under which service will continue to be provided." Thus, not only are the additions to subsection (e) inappropriate, that subsection should not apply to competitive telecommunications services or competitive telecommunications companies at all.

WAC 480-120-171 Discontinuing service – Customer requested.

This revised proposed rule does not address the recommendation described by Verizon on page 4 of its August comments with regard to continued inclusion of the phrase "price

¹ Verizon has also inserted the phrase "price list," which is consistent with its earlier general comments.

lists.” For the reasons explained at the outset of these comments, Verizon continues to believe that phrase needs to be included.

WAC 480-120-172 Discontinuing service – Company initiated.

This revised proposed rule does not use the new phrase “competitive contract” that Verizon proposed on page 4 of, and throughout, its August comments. For purposes of clarity, Verizon continues to propose using that phrase throughout the proposed rules, including subsections (3)(a) and (c) of this section.

WAC 480-120-255 Information delivery services.

This revised proposed rule does not use the new phrase “competitive contract” that Verizon proposed on page 5 of, and throughout, its August comments. For purposes of clarity, Verizon continues to propose using that phrase throughout the proposed rules, including subsection (2) of this section.

WAC 480-120-263 Pay phone service providers (PSPs).

Verizon appreciates the fact that the last sentence of this rule was completed and clarified in response to Verizon’s August comments (at page 5). However, Verizon recommends the rule be modified as follows to utilize the phrases “price lists” and “competitive contract” for the reasons explained throughout these comments:

WAC 480-120-263 Pay phone service providers (PSPs). (1) A local exchange company (LEC) within the state of Washington must allow pay phone service providers (PSPs) to connect pay phones to its network, and a LEC must file a tariff or price list~~((or price list))~~ with the commission to include the rates and conditions applicable to providing service to pay phones via its network. For services provided to pay phones pursuant to a competitive contract classification, information about such services must be made available in accordance with WAC 480-120-266 (Information about telecommunications services provided pursuant to competitive classification).

WAC 480-120-264 Prepaid calling services.

For all the reasons set forth in these comments, Verizon recommends that subsection (3)(b) of this section be modified to use the phrase “competitive contract.” It should thus read as follows:

(b) At the customer's request, a PPCS provider may add additional time to an existing account in exchange for an additional payment at a rate not to exceed those on file on tariff with the commission or at rates, terms and

conditions pursuant to competitive contract classification. The PPCS provider must inform the customer of the new rates at the time of the recharge request.

WAC 480-120-266 Information about telecommunications services provided pursuant to competitive classification.

Notwithstanding the changes made in the revised proposed rule, this new proposed rule should be deleted for the reasons stated above (with regard to proposed changes to WAC 480-120-161) and in Verizon's August comments (p. 5). This section continues to be the most problematic of the proposed rules as it would clearly exceed the Commission's jurisdiction. Because the Commission no longer has the authority to mandate how information about telecommunications services provided to competitive classification is provided to customers as a result of Senate Bill 6473, this proposed section should not be adopted.

WAC 480-120-436 Responsibility for drop facilities and support structure.

For the nomenclature reasons specified throughout these comments, subsection (1)(c) of this section should be revised to state:

(c) Nothing in this rule prohibits the company from offering the applicant an alternative to pay the company a tariffed or price list ~~((or price listed))~~ rate or rate pursuant to a competitive contract classification for provision of the support structure.

WAC 480-120-450 Enhanced 9-1-1 (E911) obligations of local exchange companies.

Read literally, the first sentence of subsection (3) as stated in the revised proposed rule requires even competitively classified companies to file a tariff for their E911 services, and the second sentence would require them to additionally post information on the Internet. For the reasons stated above with respect to the proposed revisions to WAC 480-120-161 and 480-120-266, the Commission cannot mandate web posting of terms and conditions of these services. Accordingly, Verizon proposes that the first sentence be modified and second stricken, as follows:

(3) Except for services provided pursuant to competitive contracts, LECs choosing to provide E911 services including selective routing, data base management and transmission of the call to a PSAP must file with the commission tariffs and supporting cost studies or price lists whichever applies ~~((or price lists, whichever applies,))~~ that specify the charges and terms for E911 services. ~~For E911 services provided pursuant to competitive classification, information concerning E911 services including selective routing, data base management and transmission of the~~

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call to a PSAP must be maintained on the carrier's web site in compliance with WAC 480-120-266.

WAC 480-120-540 Terminating access charges.

Subsection (6) of the revised draft is not clear. Read literally, competitive originating access charges could not be increased or restructured to offset mandated reductions in terminating rates. The section could be corrected by deleting the words "file tariffs or to."

The second sentence of the redrafted proposed rule should be deleted. It is unnecessary for tariffed services, and inappropriate for competitive services as the Commission will not approve such rate changes for competitive providers.

(6) Any local exchange company that is required to lower its terminating access rates to comply with this rule may ~~file tariffs~~ ~~((price lists (as appropriate)))~~ to increase or restructure its originating access charges. ~~The commission will approve the revision as long as it is consistent with this rule, in the public interest and the net effect is not an increase in revenues.~~

Verizon again appreciates the opportunity to provide these comments on the revised proposed rules.

Sincerely,

/s/ Thomas F. Dixon *pl*

Thomas F. Dixon

TFD:pl