

Exhibit 8



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December 21, 1988

Mr. Paul Curl, Acting Secretary
Washington Utilities and
Transportation Commission
Chandler Plaza Building
1300 Evergreen Park Drive, SW
Olympia, Washington 98504

UTILITIES DIVISION	
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Re: Docket No. U-88-1882-R

Dear Mr. Curl:

Enclosed are an original and 15 copies of the Comments of AT&T Communications of the Pacific Northwest, Inc. on Amended Rules for filing with the Commission in Docket No. U-88-1882-R.

Sincerely,

Randolph Deutsch

Enclosure

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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the)
Amendment to WAC 480-120-021,)
480-120-041, 480-120-106, and) Docket No. U-88-1882-R
480-120-141 relating to)
alternate operator services)

)

COMMENTS OF AT&T COMMUNICATIONS OF THE
PACIFIC NORTHWEST, INC. ON AMENDED RULES

Pursuant to the November 21, 1988 Notice of Intention to Adopt, Amend, Or Repeal Rules relating to WAC 480-120-121, 480-120-041, 480-120-106, and 480-120-141 pertaining to alternate operator services, AT&T Communications of the Pacific Northwest, Inc. (AT&T) herein submits its comments on the proposed amended rules.

AT&T responded on September 13, 1988 to the original August 26 proposed rules in Docket No. U-88-1882-R, commenting on a number of issues. The revised proposed rules satisfy many of AT&T's concerns, particularly in the areas of branding, universal availability of access to the carrier of the customer's choice and the availability of rate information. However, AT&T believes the revised proposed rules do not adequately address the fundamental question of how to define an Alternative Operator Service (AOS) provider and, hence, to whom the proposed rules should apply.

The incentive for the Washington Legislature to pass Senate Bill 6745 is the ongoing concern that the public, without adequate notice, is often being charged higher rates for operator assisted and card interexchange calls than they have come to expect from their local exchange company and presubscribed interexchange carrier when calls are made from an institution (or aggregator) such as a hotel, hospital or university. This would occur when the aggregator enters into an agreement with an AOS provider, whose rates may be different than those which end-user customers are usually charged by their presubscribed carriers, to provide interexchange service to that aggregator and its patrons.

The resolution of this problem does not require the inclusion of telecommunications companies such as US West Communications or AT&T within the proposed rules. Yet, the current definition of an AOS provider in the revised rules (WAC 480-120-021, WAC 480-120-141) has just this result. There are fundamental differences between a telecommunications company such as AT&T, that offers interexchange service to the general public and an AOS provider. AT&T, although classified as a competitive carrier in the state of Washington, provides services to the general public on a non-discriminatory basis pursuant to published price lists. Further, AT&T cannot abandon service to any customer in Washington without Commission approval.

Generally, AOS providers are resellers who specialize in operator handled long distance calls. AOS providers enter into contracts with the aggregator industry, i.e. hotels, hospitals, privately owned pay telephone owners, for the purpose of providing

operator assisted calls to the telephone customers of the aggregator. These companies have an incentive to maximize revenue for the aggregator and themselves.

There are legitimate competitive reasons for AT&T to enter into a commission contract with an aggregator. However, use of such a contract does not indicate that AT&T would charge telephone customers who use AT&T's services on an aggregator's premises, a different rate than it charges any other AT&T customer. In the intensely competitive business of attracting the long distance "0+" calling from pay telephones and aggregator locations, contracts between interexchange carriers and premises owners have become an established way of doing business. The existence of a contract with an aggregator thus is not an appropriate trigger for application of the proposed rules as is now contemplated by WAC 480-120-021 and WAC 480-120-141.

The rules should be aimed at those companies whose business structure and marketing strategy are aimed at maximizing revenue from the aggregator market and who do not market directly to end-user customers. To this end, AT&T offers the following definition of an AOS provider to replace the definitions in WAC 480-120-021 and WAC 480-120-141:

"For the purpose of this chapter an Alternate Operator Service Provider is a non-facilities based company, who is a reseller who leases lines from local exchange carriers and interexchange carriers and who, using these leased facilities along with their own operators, provides operator services."

In the alternative, if the Commission is concerned that a facilities-based carrier such as AT&T or US West Communications would attempt to charge a unique rate to telephone customers of a particular aggregator--beyond the rate offered to the general public -- AT&T suggests that the definition now in WAC 480-120-021 and WAC 480-120-141 remain. However, an exception should be added to the definition as follows:

"This section does not apply to a telecommunications company that also offers operator services and interexchange services directly to the general public pursuant to a uniform published price list or tariff (inclusive of all charges to end-users) and does not charge the telephone customers any contractually established surcharges."

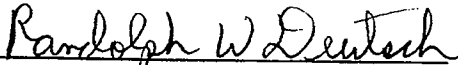
This definition would allow a telecommunications company such as AT&T to serve the telephone customer of an aggregator -- in a manner similar to its other customers in the state -- without being subject to unnecessary rules aimed at safeguarding the public from excessive and unexpected charges.

Should the Commission reject both of AT&T's suggested alternative definitions, AT&T respectfully requests that the notice added to WAC 480-120-142 (1) (a) -- implying that rates may be higher than normal when made from the aggregator's phone -- be deleted at least for AT&T which has traditionally provided service to Washington consumers at reasonable and consistent rates. This notice is unfair to an interexchange carrier such as AT&T and indeed could have a chilling effect on AT&T's ability to

adequately serve aggregators like hotels and hospitals. In addition, in locations where AT&T continues to be the "0+" service provider, such a notice could discourage customers from placing calls due to their unwarranted concerns about overcharging.

December 21, 1988

Respectfully submitted,


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