

June 30, 2004

**VIA ELECTRONIC MAIL**

Carole Washburn, Secretary  
Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive S.W.  
P.O. Box 47250  
Olympia, Washington 98504-7250

Re: WA UT 040015  
MCI's Comments on Possible Telecom-related Rule Changes

Dear Ms. Washburn:

MCI, Inc., on behalf of its regulated subsidiaries in Washington, hereby provides the following comments in response to the Commission's June 9, 2004 Notice of Opportunity to File Written Comments in this docket.

As an initial matter, MCI appreciates the Commission Staff's willingness to consider and incorporate comments of industry participants into the revised draft rules. To the extent our comments and suggestions were not incorporated into the revisions, MCI hereby incorporates by reference its comments in response to the Commission's previous Notice soliciting comments in this proceeding.

**WAC 480-120-X01 through X05 – Customer Privacy Draft Rules.** MCI generally agrees with the changes proposed by Staff and has no concerns with the proposed rules at this time. The draft rules appear to be consistent with Federal Communications Commission's ("FCC's") rules regarding customer privacy.

**WAC 480-120-026 – Classification of local exchange companies as Class A or Class B.** Staff chose not to incorporate MCI and others' comments requesting that the Class A/B distinction not apply to companies classified as competitive.

MCI continues to believe that the reporting requirements should not apply to competitive local exchange carriers.

As stated in our previous comments, MCI recommends that the Commission modify the rule to exempt competitive local exchange carriers, particularly non facilities based carriers, from reporting requirements. MCI provides local residential service in Washington through the purchase of UNE-P from Qwest and Verizon. At this time, MCI does not provide local residential service to any customers in Washington through the use of the company's own network facilities. Qwest prohibits physical access to its network equipment to its UNE-P wholesale customers. Thus, UNE-P providers are reliant on Qwest to install the UNE-P providers' end user customers' service as well as to maintain and repair their customers' service. UNE-P providers like MCI have no direct control over the provisioning and maintenance of the Qwest facilities it uses to offer UNE-P based service in Washington. Under these circumstances, service quality reporting requirements should not be imposed on non facilities based CLECs.

Further, if the Commission exempts CLECs from the reporting requirements, the public interest would be adequately protected by competitive forces and the Commission's regulatory oversight. As a competitive carrier, MCI is driven by market forces to provide timely service to its customers, where such service is within MCI's control. Because Washington customers are able to vote with their feet and switch carriers, MCI has a competitive incentive to provide service quality that meets and exceeds its customers' expectations whenever the underlying service is within MCI's control. With the presence of market-based incentives, no need exists for regulatory incentives such as service quality reporting.

**WAC 480-120-133 -- Response time for calls to business office or repair center during regular business hours.** MCI appreciates Staff's incorporation of the changes to this rule that were recommended by the industry to address technical difficulties experienced with the previous version of the rule. The revised rule addresses the carriers' technical problems and yet continues to serve its purpose in protecting consumers from unreasonable service call response times.

**WAC 480-120-174 -- Payment arrangements.** The Staff's proposed changes provide:

Applicants or customers, excluding telecommunications companies as defined in RCW 80.04.010, are entitled to, and a company must

allow, an initial use, and then, once every five years dating from the customer's most recent use of the option, an option to pay a prior obligation over not less than a six-month period. The company must restore service upon payment of the first installment if an applicant is entitled to the payment arrangement provided for in this section and, if applicable, the first half of a deposit is paid as provided for in WAC 480-120-122 (Establishing credit—Residential services).

This rule appears to require carriers to accept new customers with poor payment histories and allow them to pay their bills over a six-month period. MCI is concerned with this proposal first because the language of the rule is ambiguous. “Initial use” is undefined. Second, telecommunications carriers should not be required to lend money over a six-month period to their customers, particularly when the industry is moving toward a competitive marketplace. Telecommunications companies are businesses, like most businesses, that have obligations to their shareholders to earn profits. Those companies should not be obligated to “carry” their customers and thereby risk their abilities to generate profits. MCI requests that the Commission delete the obligation that carriers provide an option for their customers to pay a prior obligation over six months.

**WAC 480-120-253 – ADAD.** MCI observes that language prohibiting ADAD calls to unlisted numbers is deleted from the previous draft of this rule. MCI appreciates the Staff's willingness to work cooperatively with the carriers to delete requirements that do not make sense from the perspective of the carriers or the end user customers.

MCI appreciates the opportunity to provide comments on the revised draft rules and looks forward to continued participation in this proceeding.

Sincerely,

Michel L. Singer Nelson