1	BEFORE THE WASHINGTON
2	UTILITIES AND TRANSPORTATION COMMISSION
3	WASHINGTON EXCHANGE CARRIER ) UT-031472
4	ASSOCIATION, et al.,
5	v. ) LOCALDIAL CORPORATION, an Oregon )
6	corporation.
7	·
8	A prehearing conference in the
9	above-entitled matter was held at 9:32 a.m. on
10	Monday, October 20, 2003, at 1300 South Evergreen
11	Park Drive, Southwest, Olympia, Washington, before
12	Administrative Law Judge DENNIS MOSS, Chairwoman
13	MARILYN SHOWALTER and Commissioner PATRICK OSHIE.
14	
15	The parties present were as follows:
16	LOCALDIAL CORPORATION, by Arthur A. Butler, Attorney at Law, Ater Wynne, LLP, 601 Union
17	Street, Suite 5450, Seattle, Washington 98101, and Lisa F. Rackner, Attorney at Law, Ater Wynne, LLP,
18	222 S.W. Columbia, Suite 1800, Portland, Oregon, 97201.
19	WASHINGTON EXCHANGE CARRIER ASSOCIATION, by Richard Finnigan and Seth Bailey,
20	Attorneys at Law, 2405 Evergreen Park Drive, S.W, Suite B-1, Olympia, Washington 98502.
21	COVAD COMMUNICATIONS COMPANY and
22	BROADBAND COMMUNICATIONS ASSOCIATION OF WASHINGTON, by Brooks Harlow, Attorney at Law, Miller Nash, 4400 Two Union Square, 601 Union Street, Seattle,
23	Washington, 98101.
24	Barbara L. Nelson, CCR
25	Court Reporter

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1 COMMISSION STAFF, by Jonathan Thompson, Assistant Attorney General, 1400 S. Evergreen Park Drive, S.W., P.O. Box 40128, Olympia, Washington, 98504-1028. QWEST CORPORATION, by Lisa Anderl, Attorney at Law, 1600 Seventh Avenue, Room 3206, Seattle, Washington 98191 (via teleconference bridge.) 5 PUBLIC COUNSEL, by Robert Cromwell, Assistant Attorney General, 900 Fourth Avenue, Suite 2000, Seattle, Washington, 98164. 6 VERIZON, by Kendall Fisher, Attorney at Law, Stoel Rives, L.L.P., 600 University Street, Suite 3600, Seattle, Washington, 98101. 8 ICG COMMUNICATIONS, by Ron Del Sesto, Attorney at Law, Swidler Berlin Shereff Friedman, 3000 K Street N.W., Suite 300, Washington, D.C, 20007-5116 (via teleconference bridge.) 10 MCI/WORLDCOM, by Michel Singer Nelson, Attorney at Law, 707 17th Street, Suite 4200, Denver, 11 Colorado 80202. AT&T COMMUNICATIONS OF THE PACIFIC 12 NORTHWEST, TCG SEATTLE, and TCG OREGON, by Letty Friesen, Attorney at Law, 1875 Lawrence Street, Suite 13 1575, Denver, Colorado 80202. FOCAL COMMUNICATIONS CORPORATION OF 14 WASHINGTON and XO WASHINGTON, INC., by Gregory J. Kopta, Davis, Wright, Tremaine, 2600 Century Square, 1501 Fourth Avenue, Seattle, Washington, 98101. 15 SPRINT, by William E. Hendricks, III, 16 Attorney at Law, 902 Wasco Street, Hood River, Oregon 97031. LEVEL3 COMMUNICATIONS, LLC, by Rogelio 17 Pena, Attorney at Law, Rogelio Pena & Associates, 18 LLC, 1375 Walnut, Suite 200, Boulder, Colorado 80302. 8X8, INC., by Christy C. Kunin, 19 Attorney at Law, 1625 Massachusetts Avenue, N.W., Suite 300, Washington, D.C., 20036. 20 NET2PHONE, by Elana Shapochnikov, Attorney at Law, 520 Broad Street, Newark, New 21 Jersey, 07102 (via teleconference bridge.) VONAGE, by Michael Sloan, Attorney at 22 Law, Swidler Berlin Shereff Friedman, 3000 K Street, N.W., Suite 300, Washington, D.C., 20007 (via 23 teleconference bridge.) VOICE ON THE NET COALITION, by Susan 24 Hafeli, Attorney at Law, Shaw Pittman, LLC, 2300 N

Street, N.W., Washington, D.C., 20037 (via

teleconference bridge.)

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- 1 JUDGE MOSS: We'll be on the record. Good
- 2 morning, everyone. For those of you who don't know
- 3 me, my name is Dennis Moss. I'm an Administrative
- 4 Law Judge with the Washington Utilities and
- 5 Transportation Commission. The Commissioners are
- 6 sitting today on the bench, Chairwoman Marilyn
- 7 Showalter and Commissioner Patrick Oshie.
- 8 Commissioner Hemstad had intended to be here, but was
- 9 unavoidably conflicted, and so won't join us this
- 10 morning.
- 11 We're convened in the matter that is styled
- 12 WECA v. LocalDial, Docket Number UT-031472, which is
- 13 a matter that has come before the Commission on
- 14 referral from the Federal District Court in the
- 15 Western District of Washington, City of Tacoma. The
- 16 judge in that proceeding did enter an order of
- 17 referral outlining certain issues that, judging from
- 18 the size of the group assembled and the fact that we
- 19 have received 11 motions to intervene or expressions
- 20 of interest in becoming an interested person in the
- 21 proceeding, obviously suggested to the industry that
- 22 this may be a matter of some broad interest.
- I will say that the scope of the proceeding
- 24 at this juncture is unclear. Prior to today, I
- 25 received from Mr. Butler and Mr. Kennedy, for

- 1 LocalDial, a copy of the transcript of the
- 2 proceedings that led to this referral, and we have
- 3 all had an opportunity to read that.
- We've also had the development, of course,
- 5 in Minnesota, where a federal district court has
- 6 addressed this issue with respect to that
- 7 jurisdiction, which of course is not necessarily
- 8 binding here, but nevertheless informs us all.
- 9 I'm going to reverse the usual order of
- 10 things this morning a little bit in light of the
- 11 circumstances. We will take appearances, of course,
- 12 but then, instead of taking up the petitions, we'll
- 13 talk about the scope of the proceeding. We want to
- 14 discuss that with the parties. That will inform both
- 15 the intervenors with respect to their interests, and
- 16 also inform our process decisions in terms of how to
- 17 handle this case.
- Now, at this juncture, it is in the form of
- 19 an adjudication. That's how it was referred to us,
- 20 and so that's how we're treating it. So with that,
- 21 let's take the appearances, and given the posture of
- 22 the case as it stands today, we'll begin with WECA,
- 23 as the plaintiff in the underlying cause.
- MR. FINNIGAN: Thank you, Your Honor.
- 25 Richard Finnigan, on behalf of the Washington

- 1 Exchange Carrier Association and its affected
- 2 members. My address is 2405 Evergreen Park Drive
- 3 Southwest, Suite B-1, Olympia, Washington, 98502.
- 4 The phone number is 360-753 -- excuse me, my phone
- 5 number is 360-956-7001. The fax is 360-753-6862. My
- 6 e-mail is rickfinn@ywave.com.
- 7 With me is Mr. Seth Bailey. The address and
- 8 fax number are the same. The phone number is
- 9 360-956-7211, and the e-mail, I believe, is
- 10 sbailey@ywave.com.
- 11 JUDGE MOSS: All right. Now, those of you
- 12 who have not appeared here before can take a cue from
- 13 Mr. Finnigan, who has. He has given us all of the
- 14 relevant information that we require on first
- 15 appearance. In subsequent proceedings, we'll take a
- 16 shortened form.
- 17 And I want to mention another thing. We
- 18 have such a number of parties, and I'm not sure who
- 19 all is here and who isn't. Some are here by
- 20 teleconference bridge, as I understand it, and we'll
- 21 get to them momentarily, as I'm going to do a roll
- 22 call, essentially, based on the petitions to
- 23 intervene, and that will keep things orderly with
- 24 respect to those who are on the telephone. And then,
- 25 if there are any others, we'll of course ask about

- 1 that, as well. But before we get to the roll call,
- 2 let's hear from LocalDial.
- 3 MR. BUTLER: Arthur A. Butler, of the law
- 4 firm of Ater Wynne, LLP, appearing on behalf of
- 5 LocalDial Corporation. My address is 601 Union
- 6 Street, Suite 5450, Seattle, Washington, 98101-2327.
- 7 Telephone number, 206-623-4711. E-mail address is
- 8 aab@aterwynne.com. Fax is 206-46 -- did I say that?
- 9 206-467-8406, if I didn't. I lost my place. With
- 10 me, also, is Lisa Rackner.
- MS. RACKNER: My address is 222 Southwest
- 12 Columbia, Suite 1800, Portland, Oregon, 97201. My
- 13 phone number is 503-226-8693. My fax is
- 14 503-226-0079, and my e-mail address is
- 15 lfr@aterwynne.com.
- 16 JUDGE MOSS: Thank you. All right. How
- 17 about for Level 3 Communications.
- 18 MR. PENA: Good morning, Your Honor. My
- 19 name's Rogelio Pena. I'm here on behalf of Level 3
- 20 Communications, LLC. I'm with Pena & Associates,
- 21 LLC. And my address is 1375 Walnut, Suite 200, it's
- 22 Boulder, Colorado, 80302. My phone number is
- 303-415-0409, my fax is 303-415-0433, and my e-mail
- 24 address is repena@boulderattys.com.
- JUDGE MOSS: For AT&T.

- 1 MS. FRIESEN: Good morning, all. Letty
- 2 Friesen, on behalf of AT&T Communications of the
- 3 Pacific Northwest, Inc. and AT&T Local Services on
- 4 behalf of TCG Seattle and TCG Oregon. My address is
- 5 1875 Lawrence Street, Suite 1500, Denver, Colorado,
- 6 80202. My telephone number is 303-298-6475, my fax
- 7 number is 303-298-6301, my e-mail address is
- 8 lsfriesen@att.com.
- 9 JUDGE MOSS: All right. Is anyone here for
- 10 Javelin, Inc.? On the teleconference bridge line,
- 11 anyone for Javelin, Inc.? Sprint.
- MR. HENDRICKS: Tre Hendricks, on behalf of
- 13 United Telephone Company of the Northwest, doing
- 14 business as Sprint. Address is 902 Wasco Street,
- 15 Hood River, Oregon, 97031. Phone is 541-387-9439,
- 16 fax 541-387-9753, my e-mail address is
- 17 tre.e.hendricks.iii@mail.sprint.com.
- 18 JUDGE MOSS: Thank you. For Net2Phone,
- 19 Inc.? Nobody in the hearing room. Anyone on the
- 20 teleconference line for Net2Phone, Inc.? All right.
- 21 ICG Communications, Inc.
- MR. DEL SESTO: For ICG Communications,
- 23 Inc., this is Ron Del Sesto, from Swidler Berlin
- 24 Shereff Friedman. My address is 3000 K Street
- 25 Northwest, Suite 300, Washington, D.C., 20007-5116.

- 1 Telephone is 202-945-6923, fax is 202-424-7643, and
- 2 e-mail is rwdelsesto@swidlaw.com.
- 3 MS. SHAPOCHNIKOV: Your Honor?
- 4 JUDGE MOSS: Yes.
- 5 MS. SHAPOCHNIKOV: Elana Shapochnikov, for
- 6 Net2Phone. Sorry, I missed your prior. Elana
- 7 Shapochnikov, from Net2Phone.
- JUDGE MOSS: Could you spell your last name,
- 9 please?
- 10 MS. SHAPOCHNIKOV: Sure,
- 11 S-h-a-p-o-c-h-n-i-k-o-v. My address is 520 Broad
- 12 Street, Newark, New Jersey, 07102. Phone number is
- 973-438-3686, fax is 973-438-3100, and my e-mail is
- 14 eshapo@net2phone.com.
- JUDGE MOSS: Tell me your phone number
- 16 again.
- 17 MS. SHAPOCHNIKOV: 973-438-3686.
- JUDGE MOSS: Thank you. Broadband
- 19 Communications Association of Washington.
- MR. HARLOW: Thank you, Your Honor. Good
- 21 morning. Brooks Harlow, appearing for Broadband
- 22 Communications Association of Washington, and also
- 23 for possible intervenor Covad Communications. I'm
- 24 with the Miller Nash, LLP Law Firm. My address is
- 25 4400 Two Union Square, 601 Union Street, Seattle,

- 1 Washington, 98101. Telephone is 206-622-8484, fax is
- 2 206-622-7485, and my e-mail address is
- 3 brooks.harlow@millernash.com.
- 4 JUDGE MOSS: Thank you. Vonage.
- 5 MR. SLOAN: This is Michael Sloan, for
- 6 Vonage, with the Swidler Berlin Shereff Friedman Law
- 7 Firm, 3000 K Street Northwest, Suite 300, Washington,
- 8 D.C., 20007. Telephone number, 202-295-8458; fax
- 9 202-424-7643; e-mail is mcsloan@swidlaw.com.
- 10 JUDGE MOSS: Thank you, Mr. Sloan. Anyone
- 11 for Voice on the Net Coalition?
- MS. HAFELI: Yes, Your Honor. Good morning.
- 13 This is Susan Hafeli, H-a-f-e-l-i. I'm with the law
- 14 firm of Shaw Pittman, P-i-t-t-m-a-n, LLP. Our
- 15 address is 2300 N, as in Nancy, Street, Northwest,
- 16 Washington, D.C., 20037-1128. My telephone number is
- 17 202-663-8000, fax number is 202-663-8007, and my
- 18 e-mail address is susan.hafeli@shawpittman.com.
- 19 JUDGE MOSS: Verizon Northwest, Inc.
- 20 MS. FISHER: Good morning. My name is
- 21 Kendall Fisher, on behalf of Verizon Northwest, Inc.
- 22 My address is Stoel Rives, LLP, 600 University Street
- 23 Suite 3600, Seattle, Washington, 98101. My telephone
- 24 number is 206-386-7526, fax number is 206-386-7500,
- 25 and my e-mail address is kjfisher@stoel.com.

- 1 Also appearing on behalf of Verizon, but who
- 2 is not here today, is Timothy O'Connell, also from
- 3 the same law firm. His e-mail address is
- 4 tjoconnell@stoel.com. And his telephone number is
- 5 206-386-7562.
- 6 JUDGE MOSS: Thank you. WorldCom, MCI.
- 7 MS. SINGER NELSON: Good morning. Michel
- 8 Singer Nelson, on behalf of WorldCom, now known as
- 9 MCI. My address is 707 17th Street, Suite 4200,
- 10 Denver, Colorado 80202. My phone is 303-390-6106,
- 11 fax is 303-390-6333, and my e-mail address is
- 12 michel.singer\_nelson@mci.com.
- JUDGE MOSS: Thank you. Now, that completes
- 14 my list of those who have filed either a petition to
- 15 intervene or a letter expressing an interest in
- 16 becoming an interested person in the proceeding. So
- 17 let me ask if there are others present in the hearing
- 18 room who wish to enter an appearance on behalf of a
- 19 client today? Go ahead.
- 20 MR. KOPTA: Gregory J. Kopta, of the Law
- 21 Firm Davis, Wright, Tremaine, LLP, 2600 Century
- 22 Square, 1501 Fourth Avenue, Seattle, Washington,
- 23 98101-1688. Telephone, 206-628-7692; fax,
- 24 206-628-7699; e-mail gregkopta@dwt.com, and I'm here
- 25 appearing for Focal Communications Corporation of

- 1 Washington and XO Washington, Inc.
- JUDGE MOSS: Thank you. I saw another hand
- 3 back there. Yes, ma'am. Why don't you come forward
- 4 to the counsel table. And you can just pull up a
- 5 chair there from the front row and use the
- 6 microphone.
- 7 MS. KUNIN: Good morning. I'm Christy C.
- 8 Kunin, for 8X8, inc., from the Law Firm of Gray Cary
- 9 Ware and Freidenrich in Washington, D.C. I'm at 1625
- 10 Massachusetts Avenue, Suite 300, Washington, D.C.,
- 11 20036. My phone number is 202-238-7755; fax number
- is 202-238-7701; my e-mail is ckunin@graycary.com.
- JUDGE MOSS: Is that G-r-e-y or G-r-a-y?
- MS. KUNIN: G-r-a-y C-a-r-y.
- 15 CHAIRWOMAN SHOWALTER: Did you say who
- 16 you're representing?
- MS. KUNIN: 8X8, Inc.
- 18 CHAIRWOMAN SHOWALTER: Sorry. Is that --
- 19 how is it spelled?
- MS. KUNIN: It's 8X8, sorry.
- JUDGE MOSS: We do have some interesting
- 22 names in this industry. Anyone else in the hearing
- 23 room? How about on the teleconference bridge line?
- MS. ANDERL: Yes, Your Honor. Lisa Anderl,
- on behalf of Qwest. I would like to enter an

- 1 appearance as an interested person in this
- 2 proceeding, not as an intervenor. My business
- 3 address is 1600 7th Avenue, Room 3206, Seattle,
- 4 Washington, 98191. Telephone is 206-345-1574; my fax
- 5 is 206-343-4040; and my e-mail is
- 6 lisa.anderl@qwest.com.
- 7 And also for the interested person list will
- 8 be the other attorney in my office, Adam Sherr,
- 9 S-h-e-r-r, same address and fax, telephone
- 10 206-398-2507, e-mail adam.sherr@qwest.com.
- 11 JUDGE MOSS: Thank you, Ms. Anderl. And we
- 12 could hear you, but just barely, so if you have
- 13 occasion to speak again, I'll ask you to raise the
- 14 volume of your voice just a bit, if you would.
- MS. ANDERL: Okay. Thank you.
- 16 JUDGE MOSS: Thank you. Anyone else on the
- 17 teleconference bridge line who wishes to enter an
- 18 appearance? All right. Then let's get back to the
- 19 hearing room and turn to Public Counsel.
- 20 MR. CROMWELL: Good morning, Your Honor.
- 21 Robert Cromwell, Assistant Attorney General, on
- 22 behalf of the Public Counsel Section of the
- 23 Washington State Attorney General's Office. My
- 24 address is 900 Fourth Avenue, Suite 2000, Seattle,
- Washington, 98164-1012. My telephone number is

- 1 206-464-6595, my fax number is 206-389-2058, and my
- 2 e-mail address is robertcl@atg.wa.gov.
- JUDGE MOSS: Thank you. And for Commission
- 4 Staff.
- 5 MR. THOMPSON: Jonathan Thompson, Assistant
- 6 Attorney General, appearing on behalf of Commission
- 7 Staff. My address is 1400 South Evergreen Park Drive
- 8 Southwest, P.O. Box 40128, Olympia, Washington,
- 9 98504. My phone number is 360-664-1225, fax is
- 10 586-5522, and my e-mail is jthompso@wutc.wa.gov.
- 11 JUDGE MOSS: Thank you. That completes our
- 12 appearances, then. And I think we're ready to get
- 13 into our discussion of the issues so that we can
- 14 better analyze what the scope of this proceeding will
- 15 be and what process will be appropriate to it.
- 16 I mentioned earlier that we had received and
- 17 had an opportunity to review the transcript from the
- 18 federal district court. We also received this
- 19 morning, on behalf of LocalDial, a letter of about a
- 20 page and a half giving us some history and
- 21 operational detail according to LocalDial, and so we
- 22 are informed by that information.
- 23 Based on the transcript, Mr. Finnigan, I
- 24 want to turn to you first. I believe you posited the
- 25 argument or made the argument to the court that this

- 1 proceeding does not implicate the voice over Internet
- 2 protocol, and I may be mischaracterizing your
- 3 argument and you can correct me if I misstate. But,
- 4 in any event, we'd like to understand your position,
- 5 what the posture of it is as it arrives here at the
- 6 Commission today in light of the arguments you made
- 7 there.
- 8 MR. FINNIGAN: Certainly. First, from our
- 9 perspective, WECA and its member companies filed a
- 10 complaint specific to LocalDial and specific to
- 11 intrastate access issues. We specifically included
- 12 any -- excluded anything related to interstate access
- 13 issues. That's not an issue that WECA, within its
- 14 charter, addresses. It's created to address
- 15 intrastate access issues.
- 16 At the time of the argument, based upon the
- 17 depositions of the LocalDial officers, what was clear
- 18 at that time was that LocalDial was using IP
- 19 technology only within its limited local area
- 20 network. The traffic came to them as voice, they
- 21 packetized it for purposes of their servers and
- 22 routers, and it left their equipment as voice. So
- 23 that was the basis on which I said that. From at
- 24 least that perspective, what at that time most people
- 25 were offering didn't seem to fit within other

- 1 offerings of voice over IP.
- 2 The letter that was delivered today
- 3 indicates that LocalDial has perhaps changed some of
- 4 its operations and we may need to find that out in a
- 5 little greater depth.
- 6 What my perspective on this is is that we've
- 7 done a lot of factual work specific to LocalDial and
- 8 there was a fair amount of discovery that went on,
- 9 depositions were taken, interrogatories were
- 10 addressed and answered, so we have a fairly good
- 11 record, fairly specific record. It may need some
- 12 updating, but it can be something where we could
- 13 focus on a particular offering and address that and,
- 14 as the Judge said, ask the Commission to determine
- 15 whether or not the tariffs of WECA and its -- the
- 16 access tariffs of WECA and its member companies apply
- 17 to the LocalDial offering.
- 18 There are, you know, broader issues. There
- 19 were quite a variety of flavors, I guess you'd call
- 20 it, of voice over IP offerings. There seems to be
- 21 any number of ways in which it's configured. It
- 22 might be something the Commission would want to
- 23 consider if they want to look at it in a broader
- 24 sense, although I'm somewhat mindful, also, of the
- 25 Commission's order on the VNXX docket where they

- 1 said, you know, that sort of general discussion
- 2 sometimes doesn't produce a very good result and
- 3 perhaps fact-specific issues are the way to go.
- 4 But nonetheless, it may be that you would
- 5 want to bifurcate this proceeding, look at the
- 6 LocalDial complaint, which is the factual issue
- 7 that's been referred to you, and look at maybe a
- 8 broader view of other flavors of voice over IP, as it
- 9 were, on a separate track. So that's my proposal
- 10 this morning, as well as trying to respond to Your
- 11 Honor's question about the statement I made to the
- 12 court.
- 13 JUDGE MOSS: Now, you argued to the court
- 14 that the voice over Internet protocol issues, policy
- 15 issues, in your view, were not present in your
- 16 complaint case. Is that still your contention today?
- 17 MR. FINNIGAN: Well, based on the letter of
- 18 October 17th, based -- they may or may not be. I
- 19 would need to talk with LocalDial's counsel and get a
- 20 better understanding of what it is that they're
- 21 saying. Apparently they have -- are at least doing
- 22 some intrastate transport on a packetized basis that
- 23 they weren't doing before. I mean, that's the import
- 24 I derive from this letter. I don't -- it would need
- 25 more follow-up to find out what that means before I

- 1 could answer your question directly. But based upon
- 2 what I knew at the time we argued in the court, all
- 3 the transport that was going on was done by voice, in
- 4 my view, and so that's -- that was the basis for my
- 5 argument to the court.
- 6 JUDGE MOSS: All right. Well, let's hear
- 7 from LocalDial.
- 8 CHAIRWOMAN SHOWALTER: Just before we do, if
- 9 you're on the conference bridge, can you please mute
- 10 your phone, so that we don't hear your shuffling
- 11 papers? Thank you.
- MR. BUTLER: Very briefly, I think it was
- 13 made clear by the federal district court judge that,
- 14 in his view, the complaint that was before him
- 15 involved a number of important public policy issues,
- 16 issues that were better addressed by the Commission
- 17 from a factual standpoint and would involve decisions
- 18 that would affect the interest of other parties.
- And so when he remanded or referred this
- 20 issue to the Commission, it was clearly his thought
- 21 that there would be a proceeding in which other
- 22 parties that had an interest in the outcome would
- 23 have an opportunity to participate. So from that
- 24 standpoint, in our view, we believe that it's pretty
- 25 clear that the scope of the proceeding that needs to

- 1 be conducted is one in which other parties that could
- 2 be affected by any decisions that would have
- 3 precedential effect would have a full opportunity to
- 4 participate.
- 5 We understand that there are a broad variety
- 6 of voice over IP services and applications that are
- 7 provided by various carriers in the marketplace.
- 8 What we're really talking about here is what is often
- 9 generically referred to as phone-to-phone voice over
- 10 IP service. And so the extent to which the
- 11 Commission wants to address issues, it would be
- 12 certainly fine from the LocalDial perspective if that
- 13 inquiry were confined to a phone-to-phone voice over
- 14 IP application.
- 15 A cardinal principle followed by courts is
- 16 never decide anything you don't have to, and that's
- 17 probably good advice for this Commission here. These
- 18 are -- as you can tell by the number of parties that
- 19 have shown an interest, this is a very significant
- 20 issue that affects a lot of people providing a lot of
- 21 different services, so from that standpoint, I think
- 22 we -- like I say, we would agree that it could be
- 23 confined to a phone -- examination of phone-to-phone
- 24 type service, but frankly, we don't see how the
- 25 Commission can resolve the issues that were referred

- 1 by the federal district court without making some
- 2 determination about whether the Commission has
- 3 jurisdiction, how phone-to-phone type voice over
- 4 Internet protocol type services can be provided, how
- 5 they should be regulated, and if regulated, what
- 6 charges they should pay.
- 7 JUDGE MOSS: One question that's in my mind,
- 8 Mr. Butler, in this connection, looking, again, back
- 9 to the transcript from the federal district court
- 10 proceeding where I believe Mr. Kennedy was
- 11 representing LocalDial.
- MR. BUTLER: Yes.
- 13 JUDGE MOSS: My recollection of the
- 14 transcript is such that I understood Mr. Kennedy to
- 15 say that this particular service in Washington that
- 16 we're concerned about does not actually use the
- 17 Internet per se, but relies on an intranet local area
- 18 network type of a technology.
- 19 MR. BUTLER: That is correct.
- 20 JUDGE MOSS: Okay. All right. Well, I'll
- 21 -- I'm pondering how best to open this up for other
- 22 comment given the large number of persons in the
- 23 room. I think I will turn first to Commission Staff
- 24 and Public Counsel, that side of our hearing room,
- and hear from those parties, and then we'll perhaps

- 1 just proceed around the room from Mr. Harlow in what
- 2 is, from my perspective, a counterclockwise
- 3 direction.
- 4 MR. THOMPSON: Thank you, Your Honor. Just
- 5 to give our perspective on it, I think legally the
- 6 question that's going to be before you is, at the
- 7 very least, whether the services provided by
- 8 LocalDial fall within the statutory definition of
- 9 telecommunications under 80.04.010. And I don't know
- 10 that there's necessarily a dispute over that.
- 11 What I -- what it sounds to me as if the
- 12 question is is, having met that definition, is this a
- 13 service of the type that the FCC has indicated in its
- 14 computer inquiries would fit the definition of an
- 15 enhanced service. And therefore, I think the
- 16 argument would be that that would be preempted for
- 17 the state to regulate.
- 18 This issue, of course, was addressed in that
- 19 recent Minnesota decision, and interestingly, in that
- 20 decision, the court, I think, was careful to indicate
- 21 that the company before it at that time, Vonage, was
- 22 not a phone-to-phone provider of the type that Mr.
- 23 Butler represents LocalDial to be.
- 24 So there's -- I think fundamentally this can
- 25 be looked at as a question of preemption, and there

- 1 is some guidance out there from the FCC in the form
- of a report that it made to Congress in 1998, where
- 3 it kind of offers an opinion about how the definition
- 4 of enhanced services would be applied to new voice
- 5 over Internet protocol technologies, and the --
- 6 actually, the New York Public Service Commission has
- 7 had a proceeding, and in that case limited the case
- 8 to consideration of one particular company, holding
- 9 it up against the definition of an enhanced service
- 10 provider provided by the FCC in deciding whether it
- 11 would be -- meet that definition or not.
- 12 I think Staff's preference at this point
- 13 would be that the Commission approach it on a
- 14 case-by-case basis, looking specifically at the
- 15 services offered by LocalDial, developing a record
- 16 based on what this company, in particular, is doing,
- 17 and not necessarily try to decide across the board
- 18 how -- what the state ought to do, Washington State
- 19 ought to do with all flavors of voice over Internet
- 20 provider.
- JUDGE MOSS: Okay. Thank you, Mr. Thompson.
- 22 Mr. Cromwell.
- MR. CROMWELL: Thank you, Your Honor. I
- 24 have very little to add. I think that the tenor of
- 25 what Mr. Thompson and Mr. Butler have both said is --

- 1 I generally concur with. I think this Commission
- 2 needs to make a predicate decision regarding the
- 3 scope of its jurisdiction, and then, based upon that
- 4 decision, go forward with the degree to which its
- 5 existing statutes and regulations apply to the
- 6 service being offered.
- 7 And I think that, generally speaking, given
- 8 that we have a specific matter now before the
- 9 Commission, it is best, at least as an initial
- 10 matter, to address that which has been referred to
- 11 the Commission for resolution and then determine
- 12 whether or not to engage in a broader scope
- 13 proceeding that might address the very wide range of
- 14 issues that are prompted by VoIP technology.
- 15 JUDGE MOSS: Thank you. Before turning to
- 16 the intervenors or would-be intervenors and
- 17 interested persons, let me say that the way things
- 18 are shaping up here this morning, we have essentially
- 19 the suggestion on the table that we either bifurcate
- 20 or phase the proceeding in some fashion so as to
- 21 consider the narrow issues concerning the two
- 22 companies involved and particular service offering,
- 23 which is the subject matter -- or that is the subject
- 24 matter of the complaint, and then perhaps conduct a
- 25 second phase or perhaps limit the proceeding entirely

- 1 to that first phase.
- 2 And so as you -- those of you who have
- 3 petitions to intervene, particularly, or think you
- 4 might wish to intervene, as you speak, I'd like for
- 5 you to let us know whether that process decision will
- 6 affect your interest in participating.
- 7 MR. HARLOW: Certainly, Your Honor. Brooks
- 8 Harlow, for the Broadband Communications Association.
- 9 Covad doesn't have a position on these questions at
- 10 this time, so I speak only on behalf of the Broadband
- 11 Association.
- I guess, from our perspective, and we're
- 13 probably not alone in this, maybe everyone shares
- 14 this view except for Mr. Finnigan, we would just as
- 15 soon this process came later, like after we got some
- 16 more federal guidance from both the courts and the
- 17 FCC. And I'm not sure that we can -- that that can
- 18 happen unless somehow the parties, the principal
- 19 parties are able to settle.
- 20 But the Association, which primarily its
- 21 members currently provide cable television and cable
- 22 modem service, none of them are providing VoIP at
- 23 this time, at least in this state, so far as we're
- 24 aware. So we're dealing with a new service and it's
- 25 not clear, even internally, even if you talk to a

- 1 single company, potentially you wouldn't get a
- 2 definitive answer as to how they think these issues
- 3 ought to come out. It's a new service, it's under
- 4 contemplation, but it's really just getting going.
- 5 So that's our first comment, that we don't
- 6 know if anything can be done about it, but we think
- 7 it's kind of premature to be dealing with the broader
- 8 issues.
- 9 The problem is, and I'll answer your
- 10 question first and then I'll explain it. We'd like,
- 11 if there's going to be a decision, we'd like to see
- 12 it be narrowly addressed to the issue of intrastate
- 13 access charges on the fact-specific facts of this
- 14 particular case, but we recognize that once a
- 15 precedent is set, it's very difficult to put that
- 16 aside in the next broader case.
- 17 And so from our perspective, I think we
- 18 would go ahead and intervene in the docket and be an
- 19 intervenor in both -- on both tracks. We might or
- 20 might not be active, particularly active in the
- 21 narrower track, but, again, because of the
- 22 precedent-setting issues, unless they come out at the
- 23 same time or the broader track comes out first, we'd
- 24 probably feel like, to protect our interests, we have
- 25 to participate in the initial case.

- 1 Again, if it's going to be -- if it's going
- 2 to be now, if it's going to be in this case, we'd
- 3 like to see it narrow. But, again, our concern is
- 4 can it really be narrow because any new area of law
- 5 gets built up in -- typically, in little, tiny
- 6 increments. You know, it's the old camel's nose
- 7 under the tent, and once you decide that one flavor
- 8 is telephony, that's going to necessarily impact the
- 9 future proceedings. So we're not sure that it can be
- 10 narrow.
- 11 JUDGE MOSS: Regulation by increment, as
- 12 opposed to accident, as Mr. Powell observed the other
- 13 day.
- MR. HARLOW: Regulatory creep, Your Honor.
- JUDGE MOSS: Mr. Kopta.
- 16 MR. KOPTA: I'm not sure that I have a whole
- 17 lot to add, either. I think, to answer your question
- 18 directly, the extent to which my clients would want
- 19 to intervene and participate in this proceeding will
- 20 be directly tied to the extent to which the scope is
- 21 set broadly or narrowly.
- We have the same concerns that Mr. Harlow
- 23 expressed as to, even if it's narrow, there may be
- 24 enough of an issue that it's something that they
- 25 would want to participate in. But that's really

- 1 unclear at this point. Certainly, if it's broad
- 2 enough to have two phases, one being specific to the
- 3 facts of this case and another sort of a general
- 4 voice over Internet protocol inquiry, then they would
- 5 be much more interested.
- 6 And I agree with those that have spoken up
- 7 to now in saying that we don't think that that's
- 8 appropriate. The Commission already opened a docket
- 9 in which it was thinking about trying to do that and
- 10 subsequently decided that maybe that wasn't such a
- 11 good idea at this time, and we think the Commission
- 12 was right when it made that determination and
- 13 shouldn't use this complaint docket as a way of
- 14 trying to once again look at a broader issue,
- 15 particularly without guidance from the FCC, which one
- 16 hopes will be forthcoming soon. But even if it's
- 17 not, it is an issue that I think the Commission
- 18 should tread lightly on.
- 19 Obviously, there is a complaint case before
- 20 the Commission now on reference from the district
- 21 court, and we certainly wouldn't recommend the
- 22 Commission ignore that. So you do have something in
- 23 front of you, but we agree that it should -- that you
- 24 should try and stick to what's in front of you, to
- 25 the extent possible, and keep whatever your

- 1 determination is as narrow as possible.
- 2 And we would also ask for your indulgence
- 3 at, having once made that determination, that I can
- 4 consult with my clients and make a determination
- 5 briefly after that as to whether they want to
- 6 participate as an intervenor or an interested party,
- 7 because I think that, given that there's no knowing
- 8 what the scope is going to be or what the specific
- 9 facts that the Commission is going to be looking at
- 10 are going to be, that it would be better for all
- 11 concerned if my clients are able to make a
- 12 determination about intervention after knowing as
- 13 much as they can, as opposed to trying to jump in and
- 14 then finding out that they're uninterested or vice
- 15 versa.
- 16 JUDGE MOSS: Thank you.
- 17 MR. HENDRICKS: Tre Hendricks, on behalf of
- 18 Sprint. We keep talking about the scope of the
- 19 proceeding, whether it be narrow, broad, and I just
- 20 want to be clear that I think the way we view it is
- 21 that there are two levels. One is the type of
- 22 service, whether it's, you know, phone-to-phone or
- 23 use of broadband, and the other is the extent that
- 24 the Commission will address regulatory issues in
- 25 addition to the application of a local carrier's

- 1 intrastate access tariff.
- 2 It's not clear to me from the referral,
- 3 having just read the paragraph that the court talks
- 4 about it, that the Commission would be required to
- 5 address the, you know, the full load of regulatory
- 6 requirements, as the court calls them, which would
- 7 include, you know, 911 and other retail type
- 8 regulations.
- 9 And I'm -- I haven't seen the pleadings in
- 10 that docket, in that case, so I'm not certain if
- 11 those were issues that were raised by WECA in it,
- 12 so you know, those are all -- seems like those are
- 13 the issues and the levels of scope that we have to
- 14 address.
- 15 And then I'll say on behalf of Sprint that,
- in all likelihood, we would remain interested in
- 17 being an intervenor in the docket regardless -- and
- 18 would prefer, I think, that the Commission would
- 19 address at least the narrow type of service, the
- 20 phone-to-phone Internet -- voice over Internet
- 21 protocol service that is at issue with LocalDial.
- 22 Thank you.
- JUDGE MOSS: Ms. Kunin.
- 24 MS. KUNIN: Christy Kunin, for 8X8. I agree
- 25 with the sentiments that have been expressed over

- 1 here. We're here as an interested party because we
- 2 specifically don't know what the scope that the
- 3 Commission's going to be inquiring into is in this
- 4 proceeding, and we are concerned about precedential
- 5 effect that could come out of even a more narrow
- 6 ruling by this Commission, but certainly, in a
- 7 broader proceeding, we would be inclined to be
- 8 involved in that proceeding on an interested party or
- 9 intervenor basis.
- 10 On the more narrow question, it's really
- 11 going to be an issue I need to take back to 8X8 to
- 12 ask whether they're interested in participating on an
- 13 intervenor basis, but they certainly would be an
- 14 interested party going forward.
- JUDGE MOSS: Thank you.
- 16 MS. FISHER: Kendall Fisher, for Verizon
- 17 Northwest. Basically, we feel that, as to the narrow
- 18 versus broad issues, Verizon would have an interest
- 19 in participating in the proceedings in either event.
- 20 As to the narrow issues, one of the
- 21 questions is whether the Commission has jurisdiction
- 22 over companies like LocalDial. And Verizon works
- 23 with enhanced service providers similar to the
- 24 LocalDial here. So in that case, we would propose
- 25 that -- we don't have any statement as to whether the

- 1 case should be bifurcated or not, but if it is
- 2 bifurcated, we would, you know, participate to the
- 3 extent necessary that the facts, as they relate to
- 4 Verizon, are pertinent to our access tariffs that we
- 5 have with other companies.
- 6 JUDGE MOSS: Thank you. I think we jump
- 7 over to you, Ms. Singer Nelson.
- 8 MS. SINGER NELSON: Thank you. MCI really
- 9 has nothing to add and shares in the comments of the
- 10 other parties. If the Commission does decide to keep
- 11 the scope of this proceeding narrow, I think MCI
- 12 would still like to participate. I would have to
- 13 double check after the Commission does make a
- 14 decision on that issue. But I still think, because,
- 15 as everybody else has said, the precedential value,
- 16 we would still be interested in participating in the
- 17 docket.
- JUDGE MOSS: Ms. Friesen.
- MS. FRIESEN: AT&T, consistent with Mr.
- 20 Butler and Mr. Thompson and Mr. Cromwell, agrees that
- 21 this proceeding ought to be limited to that which was
- 22 referred to the Commission and the phone-to-phone
- 23 VoIP issue.
- 24 To expand it into the broader question
- 25 before the FCC has had an opportunity to make

- 1 determinations that may provide guidance to the
- 2 Commission we think is folly. So we are hoping and
- 3 advocating that the scope of this proceeding be that
- 4 which the court referred back to this Commission.
- 5 That said --
- 6 JUDGE MOSS: And by that, you mean limited
- 7 to its facts?
- 8 MS. FRIESEN: Right.
- 9 JUDGE MOSS: Because the judge used fairly
- 10 broad language in his issues.
- 11 MS. FRIESEN: Right, limited -- consistent
- 12 with what Mr. Butler suggested, limited to the very
- 13 type of VoIP presentation that LocalDial presents in
- 14 this case, in this state, and nothing more, not to
- 15 broaden it to all flavors of VoIP. We think it's
- 16 unnecessary to decide all of those issues at this
- 17 juncture and would be premature in advance of the FCC
- 18 guidance that we're all anticipating will come.
- 19 That said, I also agree -- AT&T agrees that
- 20 the fundamental question is jurisdiction and whether
- 21 this Commission believes it does have jurisdiction
- 22 over this type of enhanced service. So that would be
- 23 one of the first questions we would ask that you
- 24 decide. In other words, set out for briefing, do we
- 25 have jurisdiction, and make that decision and then go

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- 1 forward on the limited facts of this case.
- 2 If it is done in that manner, AT&T certainly
- 3 will continue to be an intervenor. If you do the
- 4 dual track, as suggested by Mr. Finnigan, AT&T, of
- 5 course, would be interested then, as well.
- JUDGE MOSS: Mr. Pena.
- 7 MR. PENA: Your Honor, I don't believe I
- 8 have much to add to what's already been said. I do
- 9 believe that Level 3 would participate in both
- 10 proceedings should it be bifurcated. I do want to
- 11 make one comment, that I agree that it should be
- 12 limited to the facts before the Commission, and I
- 13 know that a couple of people have mentioned that the
- 14 proceedings should be limited to phone-to-phone VoIP
- 15 service, and I think it should be even more specific
- 16 than that. I don't think it should be just
- 17 generically phone-to-phone service, but the
- 18 phone-to-phone voice service that's before the
- 19 Commission in this complaint.
- 20 Because I think that voice over IP services
- 21 come in different flavors, and I would say that even
- in dealing with phone-to-phone VoIP, you'd still end
- 23 up having to look at the facts as to how that was
- 24 being provided.
- JUDGE MOSS: Thank you.

- 1 MR. PENA: Thank you.
- JUDGE MOSS: All right. Now, if I miss
- 3 anyone, I'll apologize. I don't think I've missed
- 4 anyone in the room. Mr. Del Sesto.
- 5 MR. DEL SESTO: Yes, I'm here.
- 6 JUDGE MOSS: Do you have any comment on
- 7 behalf of ICG?
- 8 MR. DEL SESTO: I would say that we fall in
- 9 line with most of what we've heard in terms of
- 10 agreeing that it should be limited to the facts,
- 11 LocalDial, that, as Mr. Pena suggested, that it even
- 12 be limited further to the phone-to-phone IP services
- 13 offered by that specific company, and that we'd have
- 14 to reevaluate our participation based on how the
- 15 scope is defined.
- 16 JUDGE MOSS: Thank you. And Mr. Sloan, I
- 17 believe, for Vonage.
- 18 MR. SLOAN: Yes, this is Mike Sloan, for
- 19 Vonage. I of course agree with all of the other
- 20 lawyers here today that the proceedings should be
- 21 narrowly tailored to consider the facts presented to
- 22 the Commission.
- I would also point out that Vonage's service
- 24 differs markedly from the service described today.
- 25 The extent of the company's participation would

- 1 depend on how the scope was determined by the
- 2 Commission.
- JUDGE MOSS: Ms. Hafeli, for Voice on the
- 4 Net Coalition.
- 5 MS. HAFELI: Yes, Your Honor. The VON
- 6 Coalition concurs with the statements of the
- 7 potential intervenors and interested parties that
- 8 it's premature to take expansive action about any
- 9 action that the Commission deems appropriate. In
- 10 light of that, the court's deferral order should be
- 11 limited to the specific facts.
- 12 JUDGE MOSS: Thank you. And Ms. Anderl, I
- 13 think you said you were an IP at this juncture?
- 14 MS. ANDERL: That's right, Your Honor.
- JUDGE MOSS: Did you wish to comment?
- MS. ANDERL: No, thank you.
- 17 JUDGE MOSS: All right. Have I missed
- 18 anyone?
- 19 MS. SHAPOCHNIKOV: Elana Shapochnikov, for
- Net2Phone.
- JUDGE MOSS: All right. Go ahead.
- MS. SHAPOCHNIKOV: I would echo the comments
- 23 of the attorneys that seek to limit the proceedings
- 24 to LocalDial's particular service, especially given
- 25 that -- and especially given that even phone-to-phone

- 1 services differ radically from provider to provider.
- 2 So Net2Phone, of course, would be interested -- would
- 3 participate as an interested party at this point, but
- 4 if the scope is broadened, then Net2Phone may
- 5 intervene. At this point, it's premature or too
- 6 early for us to be able to state definitively the
- 7 type of participation we would engage in.
- 8 JUDGE MOSS: Thank you. Anyone else? All
- 9 right. Let me ask the principal parties whether the
- 10 situation is such that we might proceed on the narrow
- 11 issue that has been presented via the complaint and
- 12 answer in the federal district court and referred to
- 13 us in that sense on stipulated facts? Are there
- 14 facts in dispute with respect to the issues?
- 15 MR. FINNIGAN: Your Honor, Rick Finnigan. I
- 16 think we could get to stipulated facts fairly
- 17 quickly. We would need to update the information
- 18 we'd gathered in our discovery to date in court. Ms.
- 19 Rackner and I had a brief opportunity to speak just
- 20 prior to this prehearing conference convening and
- 21 thought that -- they have some discovery they would
- 22 like to get from my clients, and based on that, I
- 23 think we could, in fairly short order, address --
- 24 have an entire factual record put together that we
- 25 could -- I think we could probably get stipulated

- 1 facts from.
- 2 MR. BUTLER: Yeah, that's right.
- 3 MR. FINNIGAN: And then bring that before
- 4 you for an argument as to whether or not that type of
- 5 service, as described in those facts, is within the
- 6 jurisdiction of the Commission to address and whether
- 7 the tariffs of my clients apply or not.
- 8 JUDGE MOSS: And Mr. Butler, did I see you
- 9 nod in affirmance?
- 10 MR. BUTLER: Yes, I believe we can reach a
- 11 stipulated set of facts after an opportunity for some
- 12 discovery. The issue about, you know, whether the
- 13 WECA access tariffs would apply or whether something
- 14 else should be done if the Commission should
- 15 determine that these services are subject to
- 16 regulation or not otherwise outside the Commission's
- 17 jurisdiction maybe is a little different issue that
- 18 might require some further exploration. But in terms
- 19 of presenting a factual record, I believe that, like
- 20 I say, with some discovery we can get there.
- 21 JUDGE MOSS: So one option that would appear
- 22 to be available to us would be to take up the narrow
- 23 aspect of the case on cross motions for summary
- 24 determination. Is that the question?
- MR. BUTLER: Yes, I think on -- maybe we

- 1 could bring some jurisdictional motions to you. And
- 2 we'd prefer to maybe do that mid-December, given the
- 3 other things we were thinking about, the 22nd, if
- 4 that would work.
- 5 CHAIRWOMAN SHOWALTER: Mr. Butler, is your
- 6 microphone on?
- 7 MR. BUTLER: Oh, I'm sorry. Sorry.
- 8 MR. FINNIGAN: I think we can talk about
- 9 schedule later, but I'm not sure I want to be filing
- 10 something December 22nd. I'll just --
- JUDGE MOSS: I'm not sure I'm wanting you
- 12 to, either.
- MR. FINNIGAN: Just a thought, but --
- 14 MR. BUTLER: Just given the press of other
- 15 things, I was looking for something in that --
- MR. FINNIGAN: Okay.
- 17 JUDGE MOSS: First day of winter. Nothing
- 18 symbolic about that.
- 19 MR. BUTLER: Yeah.
- 20 MR. FINNIGAN: But, yeah, I think in order
- 21 to bring a jurisdictional motion, we need to complete
- 22 the little bit of discovery I think we have left so
- 23 that the picture is laid out and we can go forward.
- JUDGE MOSS: Okay.
- 25 CHAIRWOMAN SHOWALTER: I only have a comment

- 1 to make, that the brain power in this room is really
- 2 impressive, and I'm thinking what else could be
- 3 accomplished, or at least with the money that you're
- 4 all being paid.
- 5 JUDGE MOSS: Well, I would follow up on that
- 6 and say that seldom do we see 11, 12, 13 lawyers all
- 7 agreeing.
- 8 MS. SINGER NELSON: Yeah.
- 9 JUDGE MOSS: About anything.
- MS. SINGER NELSON: That's right.
- JUDGE MOSS: You'd get a lot of business in
- 12 a small town.
- MR. BUTLER: I might also note that, at
- 14 least according to the trade press, both the FCC
- 15 Chairman Powell and Commissioner Abernathy have both
- 16 been quoted publicly as saying that the issue of the
- 17 regulatory treatment of VoIP services is very high on
- 18 their list and they hope to address that, I think
- 19 they even said this fall, and also key staff people
- 20 at the FCC have indicated that it's a priority issue,
- 21 so we might actually have the benefit of this FCC
- 22 advice by the time we move forward.
- 23 MR. FINNIGAN: And just to show there are
- 24 some disagreements, I hope that's the case, but I'm
- 25 not that optimistic, since what I saw the chairman

- 1 state was his preferred method was to issue a notice
- 2 of proposed rulemaking -- or excuse me, not even a
- 3 notice of proposed rulemaking, but a notice of
- 4 propsed inquiry, which in my experience at the FCC
- 5 means you're a minimum of two years out, if in fact
- 6 that's the course they follow. So I would like to
- 7 hope we could get some guidance, but I kind of doubt
- 8 it.
- 9 JUDGE MOSS: And that assumes no one takes
- 10 it to the court of appeals, of course.
- MR. FINNIGAN: Of course.
- JUDGE MOSS: We've seen that happen
- 13 repeatedly. All right. Do we need to hear anything
- 14 else?
- 15 All right. Let's come back to order,
- 16 please. Thank you. We've had an opportunity to
- 17 confer based on the comments we've heard this
- 18 morning, and the Commission determines that it should
- 19 conduct this proceeding on a very narrow basis.
- 20 And so we will confine ourselves to
- 21 consideration of the specific facts that relate to
- 22 the specific service of which WECA has complained in
- 23 the federal district court. Understand you'll need a
- 24 period for discovery, but that there is a very strong
- 25 probability that you will be able to arrive at

- 1 stipulated facts, and we could then proceed on cross
- 2 motions for summary determination.
- 3 Insofar as intervenor petitions and letters
- 4 expressing interest, a desire to have interested
- 5 person status, we also determined that the Commission
- 6 should remain open-minded, if you will, to
- 7 participation in the proceeding, and so we'll go
- 8 ahead and act on those motions, and of course anyone
- 9 who simply requests IP status gets it. So those of
- 10 you who don't wish to elevate your status beyond
- 11 interested person status, as I say, that's more or
- 12 less automatic.
- 13 Those of you who have filed petitions to
- 14 intervene may tell us today that you would prefer IP
- 15 status for the time being, being mindful that we will
- 16 consider later a request to change that status if
- 17 something should happen in the proceeding that would
- 18 suggest your heightened level of interest.
- 19 It strikes me as a practical matter that we
- 20 probably would hear from the principal parties,
- 21 perhaps from Staff, Public Counsel, maybe one or more
- 22 interested persons or would-be intervenors might wish
- 23 to file a brief, a short brief at the summary
- 24 determination stage.
- Now, of course, if there are cross motions

- 1 for summary determination and those are -- one is
- 2 granted, then the proceeding is over and it will go
- 3 back to the federal district court that has entered a
- 4 stay, as opposed to dismissing.
- 5 If the Commission does not see its way to
- 6 grant any motion for summary determination, then
- 7 we'll have to have another prehearing conference, and
- 8 that would be the opportunity where I would expect we
- 9 could reconsider the status of the various people who
- 10 are here today who -- and further discuss where the
- 11 proceeding will go.
- So I hope I'm being sufficiently clear to
- 13 give you some guidance about what you might want to
- 14 do today in terms of your petition to intervene or IP
- 15 letter.
- I suppose we should go ahead and act on the
- 17 petitions and so forth, and then talk about
- 18 scheduling after that. So let me just go through the
- 19 list and we'll determine what people wish to do.
- 20 Level 3, Mr. Pena -- there's no significance
- 21 to the order in which I proceed, by the way. It's
- 22 simply the order in which these things came to me, so
- 23 --
- MR. PENA: Your Honor, given what you just
- 25 said, that interested parties would be given an

- 1 opportunity to file a brief should there be motions
- 2 for summary judgment, I'll have to get back to Level
- 3 3, but I suspect that they'll want to just
- 4 participate as an interested party. Obviously, if at
- 5 some point in the future, if the Commission decides
- 6 to not grant the motions and go forward with the
- 7 hearing, Level 3 will reexamine that position, but I
- 8 will file a letter with the Commission in the next
- 9 couple of days.
- 10 JUDGE MOSS: Go ahead, Mr. Butler.
- 11 MR. BUTLER: Excuse me, Your Honor. Can I
- 12 ask a point of clarification? The cross motions for
- 13 summary judgment that you contemplate, did I
- 14 understand correctly that those would be addressed to
- 15 the jurisdictional issue only?
- JUDGE MOSS: As opposed to?
- MR. BUTLER: As opposed to dealing with
- 18 other issues on the merits?
- JUDGE MOSS: Well, the narrow issues I
- 20 suppose we have to respond to for the benefit of the
- 21 court include the Commission's jurisdiction and
- 22 whether the access charge tariffs apply. Isn't that
- 23 -- wouldn't we, at a minimum, have to decide those
- 24 two things?
- MR. FINNIGAN: Those are the questions that

- 1 were referred in the Court's order.
- JUDGE MOSS: So it seems to me we've got --
- 3 the narrowest issues that we can address and satisfy
- 4 the Court's fundamental need are those two. Now,
- 5 beyond that, to the extent there are broader issues
- 6 about voice over Internet protocol, I don't read what
- 7 the judge said as establishing the necessity for the
- 8 Commission to have that broad proceeding and address
- 9 those broad issues, but only the narrow issues of
- 10 whether what level -- I'm sorry, what LocalDial is
- 11 providing, and this particular service that we're
- 12 talking about, this intrastate service, whether it
- 13 is, in fact, a jurisdictional service, jurisdictional
- 14 to this Commission, and if so, whether the access
- 15 charge tariffs apply.
- MR. BUTLER: I guess what I'm suggesting is
- 17 that we believe that there may be some disputes about
- 18 that second question about which I think it's
- 19 unlikely we'd be able to reach a stipulation.
- JUDGE MOSS: This is a policy question,
- 21 isn't it?
- MR. BUTLER: I think there may be factual
- 23 issues, as well.
- JUDGE MOSS: Or legal. Well, to the extent
- 25 that develops, I guess we'll have to remain

- 1 open-minded about our process. But if we can achieve
- 2 stipulated facts on all material facts, then, you
- 3 know, we may have to have some sort of evidentiary
- 4 proceeding to resolve anything that's in dispute.
- 5 But I'm going to remain optimistic for the
- 6 moment that you will be able to stipulate as to the
- 7 facts that will be relevant to that and the arguments
- 8 that would be limited to the arguments of law and
- 9 policy.
- 10 CHAIRWOMAN SHOWALTER: And the other thing
- 11 that is left a little bit hanging or at least is a
- 12 potential is the issues that Mr. Hendricks referred
- 13 to. That is, if we have jurisdiction, there is not
- 14 only the WECA issue, which I guess is the minimum
- 15 that we would need to decide, but there may be
- 16 necessarily implications of some other regulations.
- 17 I don't really know, and I think this other dimension
- 18 that Mr. Hendricks --
- 19 MR. FINNIGAN: Your Honor, just to clarify,
- 20 truly there are many flavors of voice over IP.
- 21 LocalDial is, in our view, acting as an interexchange
- 22 carrier and is not purporting to offer local service.
- 23 So 911 issues and things of that nature that might be
- 24 present for a different type of voice over IP
- 25 provider are not present for LocalDial.

- 1 MR. THOMPSON: If I could just add
- 2 something, however. On behalf of Staff, there -- we
- 3 could -- we would see that there might be issues in
- 4 this case as to following up on the jurisdictional
- 5 question of possibly whether -- whether and to what
- 6 extent the access charges should apply. I guess -- I
- 7 think I'm hearing Mr. Butler to be indicating that
- 8 those issues might follow.
- 9 And also, under 80.36.310 and 320, which are
- 10 the statutes for classification of competitive
- 11 telecommunications companies, if in fact the
- 12 Commission finds that LocalDial is subject to its
- 13 jurisdiction, there are issues there as to which
- 14 parts of the Commission's regulatory scheme should
- 15 apply to a competitively classified company. So
- 16 those conceivably would need to be addressed at some
- 17 point, as well.
- 18 MS. FRIESEN: Could I ask --
- JUDGE MOSS: Yes, go ahead, Ms. Friesen.
- 20 MS. FRIESEN: Just a point of clarification.
- 21 I think the first issue that the Commission might
- 22 want to make in a summary judgment type format is
- 23 whether or not it has jurisdiction. It seems to me
- 24 it's fundamental for you to find jurisdiction before
- 25 we take the next step. That is, before you go ahead

- 1 and decide whether the access tariffs apply, before
- 2 you go ahead and decide whether this particular
- 3 flavor of VoIP is, in fact, a telecommunications
- 4 service under your state law.
- 5 So it seems to me that perhaps we want to
- 6 limit the summary judgment motions to the very
- 7 question of whether or not you have jurisdiction.
- 8 Once that's determined, then maybe on the merits you
- 9 do additional summary judgments or something like
- 10 that, but I don't think you want to get to the merits
- 11 of the case prior to making the fundamental decision
- 12 about whether or not you want to handle the case.
- JUDGE MOSS: Well, speaking of that, we
- 14 definitely do have jurisdiction to determine whether
- 15 the service being provided is telecommunications
- 16 service within the meaning of our state law. And
- 17 that is one of the two questions that we need to take
- 18 up, in my view.
- 19 MS. FRIESEN: One of the issues, I think,
- 20 that is of interest is whether or not the FCC has
- 21 preempted the field. I think arguments could be made
- 22 on either side of that dispute as to whether or not
- 23 it's preempted the field and VoIP of all flavors is,
- 24 in fact, information service subject to the
- 25 jurisdiction of the Commission or the Federal

- 1 Communications Commission, as opposed to states.
- 2 But to your point, I think perhaps we want
- 3 to make sure that you agree or disagree that you do
- 4 have jurisdiction regardless of what's going on in
- 5 the federal arena and you don't believe that they
- 6 have, in fact, preempted the field. That was my
- 7 question on jurisdiction.
- 8 JUDGE MOSS: Are you suggesting that we
- 9 should take up the question of federal preemption at
- 10 this early narrow state?
- 11 MS. FRIESEN: I do think you should in the
- 12 very narrow proceeding, because that was one of the
- 13 issues put before the federal district court, was
- 14 federal preemption, if you look back at the complaint
- 15 and answers. So I think the fundamental question for
- 16 this Commission, before it invests a lot of energy
- 17 and effort into this proceeding, is to make sure that
- 18 it's comfortable that it has jurisdiction over what
- 19 the scope of this case is.
- 20 MR. FINNIGAN: My position on it, Your
- 21 Honor, is in order to make a knowledgeable decision
- 22 on that issue, on federal preemption, you still have
- 23 to have the factual record to know what it is you're
- 24 dealing with.
- JUDGE MOSS: Sure.

- 1 MR. FINNIGAN: So that, in essence, those
- 2 two questions of is this a telecommunications service
- 3 and is it federally preempted or not because it meets
- 4 an enhanced service test or whatever would fall
- 5 within the same motion and would be treated at one
- 6 time.
- 7 JUDGE MOSS: Yeah, both aspects of it need
- 8 to be addressed.
- 9 MR. FINNIGAN: Yes, Your Honor.
- 10 JUDGE MOSS: Okay. I think that's correct.
- 11 Just see if I can cut this short. Probably I'll
- 12 fail. I wonder, though, if others find themselves in
- 13 the position Mr. Pena expressed, which is that he
- 14 wants to go back and discuss with his clients, given
- 15 the discussion we've had here today, whether in fact
- 16 his client wishes to invest resources in
- 17 participating in this proceeding as an intervenor or
- 18 perhaps somewhat less resources and just following it
- 19 as an interested person. And I see a lot of heads
- 20 nodding in affirmance, which suggests that I
- 21 succeeded after all, because what I'm going to
- 22 suggest we do is this.
- I think what I would like to do is we'll
- 24 take up any other questions that people have and have
- 25 any other discussion the bench wishes to have with

- 1 you, but we'll just -- we'll leave open a period of
- 2 time here, let's say two weeks, during which those
- 3 consultations can occur and parties can further
- 4 inform the Commission of their interest in writing.
- 5 And I'll set a date for that, although I notice I
- 6 didn't bring a calendar with me this morning, but
- 7 we'll work out a date for that. And we'll also work
- 8 out some dates for the summary determination.
- 9 So the parties can further inform us, I was
- 10 starting to say, and let me further try to further
- 11 shorten things. Given the uncertain status coming in
- 12 this morning, but perhaps a somewhat more certain
- 13 status now, would there be any objection to any of
- 14 the petitions to intervene? Had any anybody thought
- 15 about that or considered whether they would object or
- 16 whether we'll all sing Kumbaya?
- 17 MR. FINNIGAN: Depending upon the nature of
- 18 the proceeding and the Court's ruling, I am
- 19 considering whether or not to object to those parties
- 20 who have more of a theoretical interest than an
- 21 interest in the factual issues.
- JUDGE MOSS: All right, then.
- 23 MR. FINNIGAN: And one additional objection,
- 24 just to make Mr. Harlow aware of it, if his group
- 25 wants to participate and the Commission would be

- 1 inclined to grant it, I would ask him to identify the
- 2 members of the association that he is representing.
- JUDGE MOSS: Okay. Well, my point, and you
- 4 answered that very quickly, is I would want to give
- 5 you or anyone an opportunity, then, after we get the
- 6 status update on people's would-be status, give you
- 7 an opportunity or anyone else who wishes to have an
- 8 opportunity to object or file a statement in support.
- 9 So we'll set a date for that. We'll set a date for
- 10 the summary judgment motions.
- 11 And let me ask -- again, the focus here is
- 12 on the principal parties. Would you -- I've framed
- 13 it in terms of cross motions for summary
- 14 determination. Another possibility would be a motion
- 15 for summary determination by one side and a response
- 16 from the other, or perhaps just set a date for
- 17 motions for summary determination and you all, of
- 18 course, will decide what to do, and then a date for
- 19 replies, responses. Would you want two rounds, is
- 20 the fundamental question I'm posing, or do you want
- 21 to just do simultaneous motions and be done with it?
- MR. FINNIGAN: Well, I mean, I think you'd
- 23 want to follow the formal process for briefing a
- 24 motion, which would be, you know, opening and -- at
- 25 least opening and response.

- JUDGE MOSS: Okay. Two rounds.
- 2 MR. BUTLER: Yeah, we would think that cross
- 3 motions would make sense and having two rounds,
- 4 opportunity to respond.
- 5 JUDGE MOSS: Yeah, I'm inclined to agree. I
- 6 just wondered -- and let's see. I think in terms of
- 7 setting some dates here, in terms of those of you who
- 8 filed petitions to intervene or IP letters, let's set
- 9 two weeks from today. I guess that will be the 3rd.
- 10 Is that a weekday? I hope I got that right.
- MS. SINGER NELSON: It's Monday.
- 12 JUDGE MOSS: That's the Monday, okay. I did
- do my math right. So we'll set November 3rd. Oh.
- MR. HARLOW: Your Honor.
- JUDGE MOSS: Yes, Mr. Harlow.
- MR. HARLOW: I have just a couple of
- 17 clarifications about interventions. First of all,
- 18 will parties who were intending to intervene orally,
- 19 here I have in mind Covad this morning, be able to
- 20 file written petitions to intervene in two weeks?
- JUDGE MOSS: Sure.
- MR. HARLOW: Thank you.
- JUDGE MOSS: We'll allow for that, as well.
- 24 It's basically just extending the period for timely
- 25 intervention.

- 1 MR. HARLOW: And then, secondly, on
- 2 objections to intervention, typically petitions to
- 3 intervene are pretty minimal, if you will, and any
- 4 specific issues are hammered out in oral argument. I
- 5 guess, either for the sake of efficiency, perhaps we
- 6 could argue those today, or potentially, since
- 7 interventions are fairly minimal, replies could be
- 8 filed to objections to intervention. That would
- 9 address the situation, as well.
- JUDGE MOSS: What was your second proposal?
- 11 I'm sorry, my mind wandered somewhere.
- MR. HARLOW: That if any of the initial
- 13 parties objects to an intervention, that the
- 14 intervenor -- the petitioners would have an
- 15 opportunity to file replies.
- 16 JUDGE MOSS: Okay. Yeah, we can set that
- 17 up.
- MR. HARLOW: Thank you, Your Honor.
- 19 JUDGE MOSS: I want to -- again, I'm trying
- 20 to save a little time, so I don't really want to hear
- 21 argument in the abstract today. Okay. So we'll have
- 22 the petitioner status -- or we'll extend the time
- 23 period for timely intervention until November the
- 24 3rd. Any objections, I would think a week would be
- 25 adequate for that, any objections to be filed.

- 1 MR. FINNIGAN: Your Honor, that's fine.
- JUDGE MOSS: Okay. So that will be November
- 3 10. And then any further response, another week will
- 4 be sufficient for that, so we'll call that November
- 5 17. And then we'll -- if necessary, we can always
- 6 schedule a prehearing conference and have oral
- 7 argument or whatever, but hopefully we can avoid the
- 8 necessity for doing that.
- 9 Now, again, I want to focus on the principal
- 10 parties in talking about dates for the cross motions
- 11 and responses. What are you all thinking? You had
- 12 suggested, Mr. Butler, December 22nd, and I think Mr.
- 13 Finnigan said that might not be an ideal date.
- MR. BUTLER: No sooner than.
- MR. FINNIGAN: And Your Honor, maybe the
- 16 quickest way to do it would be have Staff, Public
- 17 Counsel, Ms. Rackner, Mr. Butler, and myself have a
- 18 short conference and come back with some suggested
- 19 dates.
- JUDGE MOSS: I agree with you, Mr. Finnigan.
- 21 What we'll do is we'll go into recess. I think we
- 22 have probably gotten to the stage of this discussion
- 23 where we can let the Commissioners go do some more
- 24 important work that I'm sure they have on their table
- 25 than setting dates. I can handle that. So we'll be

- 1 in recess. I'll go ahead and give you 15 minutes so
- 2 people can make some phone calls and take care of
- 3 whatever they need to take care of. I'll be back at
- 4 10 after.
- 5 (Recess taken.)
- JUDGE MOSS: Let's come back to order,
- 7 please. Before we set more dates, I've got a couple
- 8 of housekeeping matters. One is with respect to the
- 9 transcript. At this point, if there's anyone on the
- 10 teleconference bridge line who would like to have a
- 11 copy of the transcript, would you please tell the
- 12 court reporter now that you would like to have that.
- MR. DEL SESTO: This is Ron Del Sesto, from
- 14 Swidler Berlin. I'd like a copy, please.
- MS. SHAPOCHNIKOV: Elana Shapochnikov, from
- 16 Net2Phone. We would like a copy.
- 17 JUDGE MOSS: Anyone else? Okay. And those
- 18 here in the hearing room, of course, need to inform
- 19 the court reporter whether they desire a copy of the
- 20 transcript or not.
- One other housekeeping matter I want to
- 22 mention, for those of you who have not participated
- 23 regularly before this Commission and as you consider
- 24 your level of participation over the next week or so,
- 25 we do have a web page that we maintain on a very

- 1 up-to-the-moment basis, and that web page is found at
- 2 the address wutc.wa.gov. That Web site is searchable
- 3 by docket number, and all documents that are filed in
- 4 the proceeding or that are entered by the Commission,
- 5 including notices and so forth, are posted under the
- 6 docket number. And so that's one way, one useful way
- 7 you can keep up with the proceeding, whatever your
- 8 status. Of course as an IP, you receive the notices
- 9 anyway, but it's maintained very up-to-the-moment.
- Now, that said, have the parties reached
- 11 some agreed dates for the summary judgment motions?
- MS. RACKNER: Yes, Your Honor, we have.
- 13 We've agreed on the following dates. An opening
- 14 round of concurrent briefs, January 30th, 2004,
- 15 responses filed on February 27th, 2004, and then
- 16 we've also agreed to a round of reply briefs limited
- 17 simply to any new information introduced in the
- 18 second round of briefs. We thought that perhaps some
- 19 of the intervenors would wait to file their first
- 20 briefs on the second round, so we wanted to give
- 21 everyone an opportunity to file any limited reply
- 22 that becomes necessary at that time.
- JUDGE MOSS: And did you have a date in mind
- 24 for that?
- MS. RACKNER: Yes, March 17th. Oh, excuse

- 1 me. Did we say March 12th, Rick?
- 2 MR. FINNIGAN: Either one works fine for me.
- 3 Either one.
- 4 MS. RACKNER: Let's say March 17th.
- 5 MR. FINNIGAN: Assuming that's a weekday.
- JUDGE MOSS: That is, that's a Wednesday.
- 7 MR. FINNIGAN: And Your Honor, what I would
- 8 think might work under this case is to give the
- 9 parties that might be thinking about IP status sort
- 10 of an advanced IP status. In other words, that I
- 11 would commit to providing anybody who's on the IP
- 12 list with a copy of our opening brief directly, so
- 13 they'd get that and be able to respond to it without
- 14 having to wait and check the Commission's Web site to
- 15 get it.
- 16 I'd like to encourage as many parties as
- 17 possible to consider IP status so that it cuts down
- 18 on the paperwork. If they're not interested in the
- 19 specific factual data and the data requests that we
- 20 will be working on, it would certainly help
- 21 streamline it if they wanted to participate in
- 22 essence by filing an amicus brief as an IP status, I
- 23 think that would -- I would find that procedure
- 24 acceptable.
- JUDGE MOSS: And to the extent, and I'm

- 1 hopeful, again, optimistic, you can achieve a set of
- 2 stipulated facts, those would be something that you
- 3 would reduce to writing and file.
- 4 MR. FINNIGAN: Correct.
- 5 JUDGE MOSS: And that then would be
- 6 available to interested persons either directly or
- 7 through the Web site, as well. So they wouldn't miss
- 8 out on anything in that regard. And I think you do
- 9 raise a good point, Mr. Finnigan, and that is that,
- 10 for the time being, at least, we will treat everyone
- 11 as an interested person, so that everyone will remain
- 12 informed as to any developments. There may be none
- in the next couple of weeks, but so just so you feel
- 14 that level of comfort.
- So all right. Well, I don't think we need
- 16 to establish any other dates at this point. Mr.
- 17 Hendricks.
- MR. HENDRICKS: I just want to make one
- 19 comment about the date for the first brief, January
- 20 30th. I think that's the date for filing of reply
- 21 case in the Triennial Review proceeding. So I don't
- 22 know if everybody was aware of that, but that's the
- 23 date that the CLECs are going to be responding to
- 24 Qwest's case in chief.
- MR. BUTLER: My calendar doesn't go out that

- 1 far.
- MS. RACKNER: I would suggest, if that's the
- 3 case, I did not have that on my calendar, but if
- 4 that's the case, I would certainly suggest that we
- 5 move that date out another week.
- 6 JUDGE MOSS: So that would push it to
- 7 February 6th.
- 8 MS. RACKNER: Yeah, and that would shorten
- 9 the time for response, but we did have a fairly
- 10 significant amount of time between the -- actually,
- 11 you know what --
- 12 MR. FINNIGAN: I think what I would suggest,
- 13 as long as those dates are receipt dates, in other
- 14 words, we're exchanging electronic copies or
- 15 something along those lines, then it would seem to me
- 16 we could keep the rest of the schedule.
- MS. RACKNER: Although, since -- yeah, I
- 18 agree. That's fine.
- 19 JUDGE MOSS: We can do that, and I -- we
- 20 haven't quite advanced to the point of doing
- 21 everything electronically yet, but in proceedings
- 22 such as this, where we have a fairly highly -- high
- 23 technical capability by all the interested persons
- 24 and parties, I think the exchange of documents
- 25 electronically as a courtesy is something that

- 1 certainly is a good idea.
- 2 Later we may address the fact that you can
- 3 waive other forms of service and rely on the
- 4 electronics. Our statutes currently don't permit us
- 5 to just impose that protocol.
- 6 And the Commission also, whenever we enter
- 7 an order or issue a notice, we do send a courtesy
- 8 copy by e-mail. We establish a list of all the
- 9 parties and do that. So we try to keep you a little
- 10 ahead of the game, actually, because officially you
- 11 get it when you get a signed copy, but -- and
- 12 officially your documents are filed when they're
- 13 received here on paper, but we can allow for the
- 14 electronic exchange.
- 15 All right, then. So we'll -- just to
- 16 reiterate, we're going to have the petition status on
- 17 November 3rd, any objections to petitions to
- intervene by November 10th, responses November 17th.
- 19 Motions for summary judgment February 6th, responses
- 20 to motions for summary -- I think we actually call it
- 21 summary determination here. Motions for summary
- 22 determination responses are due February 27th, and
- 23 reply briefs on those motions and responses March
- 24 17th, the replies being limited to new subject matter
- 25 raised at the response phase.

- 1 I have a few closing comments, but I'll ask
- 2 first if the parties have any other business they
- 3 wish to bring to the bench's attention?
- 4 MR. FINNIGAN: Yes, Your Honor. I was
- 5 reminded during the break, I think that, for this
- 6 case, we will need a protective order and we will
- 7 probably need to invoke the discovery rule, since we
- 8 were talking about making sure that happens.
- 9 JUDGE MOSS: All right. Will the standard
- 10 form of protective order be adequate?
- MR. FINNIGAN: I think so, Your Honor.
- MS. RACKNER: Yes.
- JUDGE MOSS: Okay, all right. I'll see to
- 14 the entrance of a protective order. The discovery
- 15 rule is invoked. I'll include that in a prehearing
- 16 conference order that will follow today. Anything
- 17 else?
- 18 MR. PENA: Your Honor.
- JUDGE MOSS: Yes, Mr. Pena.
- 20 MR. PENA: I was wondering if, for parties
- 21 that decide to participate as interested parties, if
- 22 the motions for summary judgment are not granted,
- 23 either motion -- neither motion is granted and the
- 24 Commission decides to go forward with a hearing,
- 25 would parties at that point be allowed to possibly

- 1 change their status from interested party to an
- 2 intervenor --
- JUDGE MOSS: Yes.
- 4 MR. PENA: -- status. Thank you.
- 5 JUDGE MOSS: Yes, we want to -- we recognize
- 6 the nature of the proceeding is such that we have to
- 7 maintain a higher than what might be standard level
- 8 of flexibility with respect to such issues, and so we
- 9 will essentially reopen the question if that should
- 10 eventually --
- MR. PENA: Thank you.
- MS. FRIESEN: Could I ask a question?
- JUDGE MOSS: Yes, Ms. Friesen. Use the
- 14 microphone, please.
- 15 MS. FRIESEN: Mr. Finnigan just referenced a
- 16 protective order, and I'm interested to find out
- 17 whether or not interested parties would be allowed to
- 18 see -- I don't know how they intend to file their
- 19 stipulated facts, whether the stipulated facts are
- 20 going to be confidential or whether they're going to
- 21 be publicly available. So if one becomes an
- 22 interested party, are you able to see confidential
- 23 information, and how do you propose that be handled?
- JUDGE MOSS: Well, just to be perfectly
- 25 precise, we're talking about the difference between

- 1 intervenors who are parties and interested persons
- 2 who are not. And I would say I don't know that the
- 3 question has specifically come up before, but my
- 4 visceral reaction to it is that an interested person
- 5 would not likely be eligible to see confidential
- 6 information, not being a party, but I would ask to
- 7 hear from Misters Finnigan and Butler or Ms. Rackner
- 8 on that. What do you all think?
- 9 MR. FINNIGAN: Your Honor I think is correct
- 10 in that the standard protective order is addressed to
- 11 parties, and while I wouldn't want someone, a
- 12 newspaper reporter or something like that who's on
- 13 the interested party list to get confidential
- 14 information, maybe we can try and find a middle
- 15 ground where, if they're just interested in -- I'm
- 16 trying to keep the logistics here as simple as
- 17 possible, but if they're interested in submitting an
- 18 amicus brief and want to be able to have access to
- 19 the stipulated facts on that basis, maybe there's a
- 20 way we can come up within the terms of the protective
- 21 order to allow those, you know, an identified set of
- 22 persons to have access if they sign the protective
- 23 order.
- JUDGE MOSS: And perhaps it will only be
- 25 necessary for the parties to have some exchange of

- 1 confidential information that then can be presented
- 2 to the Commission in a form where it will not have to
- 3 come in under a confidential designation, and that
- 4 would avoid the problem entirely. Mr. Butler, Ms.
- 5 Rackner, did you wish to speak to this?
- 6 MR. BUTLER: I was just going to say that I
- 7 think since it's likely to be the situation that a
- 8 lot of confidential information with LocalDial would
- 9 be the subject of what gets disclosed here, they
- 10 would certainly want to make sure that that
- 11 information is not made available to anyone who has
- 12 not signed the protective order and would agree to be
- 13 bound by its terms.
- JUDGE MOSS: Yeah, absolutely.
- MR. BUTLER: Now, we can certainly try in
- 16 our stipulation to keep the information as
- 17 nonconfidential as possible, but not having, you
- 18 know, actually addressed all the details of that, I
- 19 don't think I could, in good faith, represent to Your
- 20 Honor that the information could be all
- 21 nonconfidential.
- 22 JUDGE MOSS: We're somewhat in the realm of
- 23 speculation at this point. There may not be a
- 24 problem. I think that certainly it is the case the
- 25 protective order by its term requires that anyone who

- 1 is eligible to see such information must sign the
- 2 appropriate affidavits and be -- by which they are
- 3 subject to the terms of the order, whether they are a
- 4 party or not. And so that protocol would follow
- 5 here.
- 6 Sitting here now, I don't see a barrier, if
- 7 it becomes appropriate to do so, to creating two
- 8 statuses for interested persons, those who are
- 9 interested persons participating in the proceeding
- 10 via amicus brief or what have you and those who fall
- 11 into the not that category.
- 12 MR. CROMWELL: Your Honor, if I could make a
- 13 suggestion?
- JUDGE MOSS: Sure.
- MR. CROMWELL: One thing we do in a number
- 16 of cases, where we desire to track the proceeding but
- don't wish to be inundated with the paper, is we will
- 18 actually file our appearance, since we're not
- 19 technically an intervenor, but then we won't send the
- 20 DR-1, asking for data request responses, and so then
- 21 what we create is a tracking file that simply -- we
- 22 get copies of the pleadings the parties serve on each
- 23 other and the Commission, we get copies of, for
- 24 example, stipulated facts, we don't see anything
- 25 else. And then, if at any point in time it becomes

- 1 apparent that our involvement needs to be more
- 2 specific, then we would then issue the data requests
- 3 that we would want to see the responses that have
- 4 already been exchanged earlier. That's an option for
- 5 the parties to consider.
- JUDGE MOSS: Yeah, what I'm contemplating
- 7 will unfold here is that these principal parties will
- 8 have their exchange of discovery, that it won't
- 9 involve others, and that even those who do decide and
- 10 are granted intervenor status will not be directly
- 11 involved in that process. It just doesn't seem to be
- 12 necessary, from sitting from where I sit, given that
- 13 we are going to look at this narrowly, based on the
- 14 dispute as an underlying dispute.
- And so, yeah, I wouldn't expect that DR-1.
- 16 The parties who wish to file something in the nature
- of an amicus, for example, would rely on the
- 18 stipulated facts, because that will be the only
- 19 record before the Commission, and so they wouldn't be
- 20 developing or proposing facts outside of that. And I
- 21 would hope, I don't expect necessarily, but I would
- 22 hope that the stipulated facts could be set forth in
- 23 a way that would not require that we have
- 24 confidential material. That's always a little more
- 25 cumbersome to handle. And if it can be avoided, then

- 1 I encourage you to do that. Did that sufficiently
- 2 address your question, Ms. Friesen?
- 3 MS. FRIESEN: It did. Thanks.
- 4 JUDGE MOSS: Anything else? Any other
- 5 questions before I go into my closing spiel? All
- 6 right. Now, on paper filings, and of course you do
- 7 have to follow up, if you make an electronic filing,
- 8 with your papers, the Commission needs an original
- 9 plus 16 copies in this case to handle its internal
- 10 distribution. Please remember that all filings must
- 11 be made through the Commission Secretary, either by
- mail to the secretary at WUTC, P.O. Box 47250, 1300
- 13 South Evergreen Park Drive Southwest, Olympia,
- 14 Washington, 98504-7250. And you need to use both the
- 15 P.O. Box and the street address to ensure timely
- 16 receipt, or by other means of delivery, courier, for
- 17 example, to the Commission's offices at the street
- 18 address I mentioned.
- I want to stress that we require that
- 20 filings of substance be supplemented by an electronic
- 21 copy furnished either by e-mail attachment to the
- 22 Records Center or on a three and a half-inch
- 23 diskette. We'd prefer, if you can, that you submit
- 24 the documents in a PDF format. You can supplement
- 25 that or substitute, if you don't have the capability

- 1 for the PDF, in MS Word, Microsoft Word. I don't
- 2 even know what version we're up to anymore. We used
- 3 to say 6.0 or later, so wherever we are. Probably up
- 4 to 8.0 or something by now. Or even WordPerfect.
- 5 Although we don't use WordPerfect here anymore, we
- 6 still have the capability to read it.
- 7 Service on all parties must be simultaneous
- 8 with filing. And the prehearing order that I will
- 9 enter in the next day or two will have the service --
- 10 a copy of the master service list with all of the
- 11 address information, phone contact information and so
- 12 forth that was exchanged today.
- 13 The prehearing order may include process
- 14 requirements that we haven't discussed specifically
- 15 today, such as requirements for, well, in this
- 16 instance, we're looking for stipulated facts, a
- 17 witness list will probably not happen, exhibit lists
- 18 and so forth. Again, I'll probably do a more limited
- 19 version this time, given the way we intend to
- 20 proceed.
- 21 If we do end up having to have some sort of
- 22 a hopefully brief hearing to resolve one or more
- 23 contested facts, then we'll establish some process
- 24 for a final prehearing conference before that occurs.
- 25 And if there is no other business that any

## party wishes to bring before the Commission at this time, and hearing nothing, we will be in recess. Thank you very much. (Proceedings adjourned at 11:29 a.m.)