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1 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION

2 COMMISSION

3 In the Matter of)
Area Code Relief for the)
4 206, 253, 425 Number Plan)
Area Filed by NeuStar, for) DOCKET NO. UT-991535
5 the Washington State) Volume 2
Telecommunications Industry) Pages 10 - 36
6 in the Form of an Overlay;)
and Creation of the 564 Plan)
7 Area for All of Western)
Washington.)

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A hearing in the above matter was held on
10 February 23, 2001, at 8:34 a.m., at 1300 South
11 Evergreen Park Drive Southwest, Olympia, Washington,
12 before Administrative Law Judge ROBERT WALLIS,
13 Chairwoman MARILYN SHOWALTER and Commissioner RICHARD
14 HEMSTAD.

15

16 The parties were present as follows:

17 THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION, by SHANNON E. SMITH, Assistant Attorney
18 General, 1400 South Evergreen Park Drive Southwest,
Post Office Box 40128, Olympia, Washington 98504.

19

20 VERIZON NORTHWEST, by JUDITH A. ENDEJAN,
Attorney at Law, Williams Kastner and Gibbs, 601 Union
Street, Suite 4100, Seattle, Washington 98101.

21

22 QWEST CORPORATION, by DOUGLAS N. OWENS,
Attorney at Law, 1325 Fourth Avenue, Suite 940,
Seattle, Washington 98101.

23

24 WASHINGTON INDEPENDENT TELEPHONE ASSOCIATION,
by RICHARD A. FINNIGAN, Attorney at Law, 2405 Evergreen
Park Drive Southwest, Suite B-3, Olympia, Washington
25 98502.

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1 ELECTRIC LIGHTWAVE, INC., FOCAL
2 COMMUNICATIONS CORPORATION OF WASHINGTON, GLOBAL
3 CROSSING LOCAL SERVICES, INC., PAC-WEST TELECOMM, INC.,
4 XO WASHINGTON, INC. By GREGORY J. KOPTA, Attorney at
5 Law, Davis Wright Tremaine, 1501 Fourth Avenue, Suite
6 2600, Seattle, Washington 98101.

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24 Kathryn T. Wilson, CCR

25 Court Reporter

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6 GLENN BLACKMON

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P R O C E E D I N G S

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JUDGE WALLIS: This hearing will please come
3 to order. This is a hearing before the Washington
4 Utilities and Transportation Commission in Docket No.
5 UT-991535 in the matter of area code relief. It is
6 being held pursuant to due and proper notice to all
7 interested parties at Olympia, Washington, before
8 Chairwoman Marilyn Showalter and Commissioner Richard
9 Hemstad of the Commission. My name is Bob Wallis, and
10 I'm an administrative law judge with the Commission
11 assisting the commissioners today. Let's begin by
12 taking appearances beginning with Commission staff,
13 please.

14

MS. SMITH: Shannon Smith, assistant attorney
15 general, representing Commission staff.

16

MR. FINNIGAN: Richard Finnigan appearing on
17 behalf of the Washington Independent Telephone
18 Association.

19

MR. KOPTA: Gregory Kopta of the law firm
20 Davis Wright Tremaine, LLP, on behalf of Electric
21 Lightwave, Focal, Global Crossing, Pac-West, and XO
22 Washington.

23

MR. OWENS: Douglas Owens, attorney at law,
24 Seattle, appearing on behalf of Qwest Corporation.

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MS. ENDEJAN: Judy Endejan from Williams

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1 Kastner and Gibbs in Seattle, Washington, appearing on
2 behalf of Verizon Northwest.

3 JUDGE WALLIS: I've indicated already that
4 the commissioners are familiar with the materials that
5 have previously been filed, and we do request that you
6 not repeat matters that you have already presented to
7 the commissioners except as minimally necessary to
8 provide context for further statements.

9 We have engaged in some procedural
10 discussions and have agreed that Commission staff will
11 begin this morning; that Mr. Kopta will then make a
12 statement on behalf of his clients and make a possible
13 witness available for responding to questions. Then we
14 will proceed with Mr. Finnigan, Mr. Owens, and conclude
15 with Ms. Endejan. Are there any preliminary matters
16 before we proceed? Let the record show there is no
17 response, and Ms. Smith, the ball is in your court.

18 MS. SMITH: Thank you. The Commission staff
19 calls Glenn Blackmon, and I believe Mr. Blackmon would
20 like to speak from the podium if that's okay with the
21 Bench.

22 JUDGE WALLIS: Yes.
23 (Witness sworn.)

24 DR. BLACKMON: Thank you and good morning.
25 At Judge Wallis's request, I will not repeat the

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1 arguments that Staff laid out in its January 31st
2 analysis of the different methods of allocation and the
3 factors that we considered in doing that. Instead what
4 I will try to do is essentially respond to some of the
5 comments that the Commission received in response to
6 that proposal, and I would like to start, I think, by
7 acknowledging that the area code and numbering issue is
8 a messy one in terms of the jurisdiction and the roles
9 of federal and state regulators and industry
10 guidelines, and because of that, I guess I don't
11 necessarily fault anyone for being confused about how
12 we got to where we are, and I'll try to explain as best
13 I can how we did get here, because I think given where
14 we are, our recommendation is still a good one.

15 The first essential point about that has to
16 do with the notice that companies are entitled to
17 receive about the education plan and their potential
18 involvement in it. The area code relief plan was not
19 initiated by the Commission. It was not done under the
20 Commission's guidance. It came from the industry. The
21 industry itself has its own process for notifying
22 affected companies about the need for area code relief.
23 Every company that holds a prefix is given notice that
24 a new area code is needed. They are invited to
25 participate in the process of selecting area code

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1 relief methods and then implementing it. The only
2 companies that did not participate in the development
3 of the education plan are those that chose not to
4 participate in it. They may have chosen not to
5 participate in it because they thought that some other
6 company, their competitor, would pay all the costs of
7 it. That assumption, as it turns out, was in error,
8 and I believe that Qwest could have been more
9 forthright from the beginning about its intentions to
10 continue to fund the education plans for area code
11 relief and rather their intention not to. They had a
12 change in ownership during the course of this process,
13 so that may be what caused this change. I don't really
14 know.

15 We as the Commission and the Commission staff
16 have never been involved in that decision about who
17 should pay for the area code relief education. We
18 didn't even know that Qwest or U S West had always paid
19 for it in the past. We also didn't know that Qwest
20 wasn't planning to pay for it this time through. It
21 was just something the industry itself took care of as
22 part of their area code relief planning, and in this
23 particular case, the industry was not able to work that
24 out within itself, so they asked this Commission to
25 make a decision about it. So that's how this matter

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1 comes before you, and that's the way each company did
2 have the opportunity to participate in the development
3 and decision-making in the plan.

4 Another point that several of the commentators
5 brought up was that the education plan itself is too
6 expensive. Once again, I think to some extent, that
7 issue is not really before you today because the plan
8 has already been approved, and it was approved as part
9 of the industry's own process for bringing area code
10 relief plans to you, and it was on your open meeting
11 agenda twice before this point. Also still, I want to
12 point out that in terms of the substance of that
13 criticism, the industry itself says that that plan,
14 once it's fully implemented, the money is all spent,
15 there will still be 20 percent of the people in Western
16 Washington who don't know their call won't go through
17 unless they dial 10 digits. It's going to leave 20
18 percent of the people behind. I feel that is not an
19 excessive plan. Our concern has been that if anything,
20 it should have been a more comprehensive plan; though
21 we were persuaded that because of the diminishing
22 returns to spending that additional spending would not
23 have made a lot of difference for that 20 percent.

24 Another point that's been made by some of the
25 parties is that they should be allowed to educate their

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1 own customers and therefore opt out of the plan. I
2 think that misunderstands or misstates the nature of
3 this communication plan. Each company will be required
4 to notify their own customers. Part of the plan is to
5 make sure that every bill payer receives notice of this
6 new change, but I think as all of us know, the bill
7 payers and the telephone dialers aren't necessarily the
8 same people, and we need to reach the telephone
9 dialers. It's a bigger group of people, and there is a
10 common need to educate those people. The wireless
11 companies need to make sure that the wireline company
12 customers dial 10 digits to reach the wireless
13 customers; that the need to educate crosses over
14 individual customer groups, individual company
15 boundaries because they are calling each other. So
16 it's a common education plan, one that we see in no way
17 a company can opt out and say, Well, I'll make sure my
18 share of the population of Western Washington gets
19 educated. That's not how this education plan works.

20 Another more specific point that was made was
21 that wireless companies should be excused from this
22 requirement because in some sense they are different
23 from wireline companies. I would like to point out
24 that the use of an overlay for area code relief greatly
25 benefits wireless companies. They advocated very

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1 strongly for it, and of course, it's the overlay that
2 directly causes the need for 10-digit dialing. The
3 wireless companies felt it was very important that they
4 have that so that they would not incur the expense of
5 reprogramming the handsets to put a new area code into
6 the wireless handsets of up to half of their customers.
7 It would be hundreds of thousands of individual
8 handsets that had to be reprogrammed. The wireless
9 companies, even if they were not using prefixes, which
10 they are, should be included in it because of the
11 avoided costs that they were able to achieve by the use
12 of an overlay. But they are using prefixes, and they
13 need to be treated in the same way as anyone else who
14 is using prefixes.

15 And then finally, a point that I think hits
16 right at the heart of our particular allocation method
17 is whether this use of prefixes or whatever, sometimes
18 referred to as NXX's, will in some way distort the
19 competition among the different companies. We don't at
20 all dispute that the notion that on a per line basis,
21 different companies are going to end up paying more if
22 you allocate it based on prefixes. That just falls out
23 of the math if you've got some companies using 80
24 percent of their numbers and others are using .8
25 percent of their numbers, if that, but the point we

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1 made in our paper and we still believe is true is that
2 it's a fair way because it reflects what's driving the
3 need for a new area code. That 80 percent versus .8,
4 we don't expect that to stay that way forever, and over
5 the life of the new area code, essentially, if you look
6 over the full life of this resource that we are paying
7 for, the disparity will not be that great. We expect
8 it to become much more in parity over the life of that
9 area code, so that also argues again for the use of a
10 per prefix method.

11 But fundamentally, I don't want to say that
12 we think this will hit all companies exactly equally.
13 We know it won't, but if you look at all the things
14 that don't hit all companies equally, this one is very
15 minor compared to other things. Two companies, one
16 that has 10 thousand customers, one that has one
17 customer, they each go out and by a digital switch and
18 install it. That's a huge cost compared to \$500 for a
19 prefix, and it's equally disparate between those two
20 companies. It's just one of the costs that a company
21 occurs when they enter a new line of business, a new
22 geographic area, and in the overall scheme of things,
23 it's a fairly minor one. That concludes my remarks.
24 Thank you.

25 CHAIRWOMAN SHOWALTER: You said it doesn't

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1 hit all companies equally, but it's simply a matter of
2 how you measure equal. If you measure equal by how
3 many NXX codes you have, then it is equal. Am I right
4 on that?

5 DR. BLACKMON: That's correct.

6 JUDGE WALLIS: Other questions from counsel?

7 Let the record show there is no response.

8 Mr. Blackmon, thank you for your testimony. Let's move
9 on to Mr. Kopta.

10 MR. KOPTA: Good morning. Thank you, Your
11 Honor. We don't want to reiterate what we said, even
12 in response to Dr. Blackmon. I think we have put in
13 our comments the concerns that we have. I did,
14 however, this morning want to bring something to the
15 Commission's attention, particularly in light of
16 Staff's acknowledgment that there will be a disparity
17 among companies, and according to some calculations
18 made by one of my clients, on a per-access-line basis
19 using the allocation that Staff has proposed, on a
20 per-line basis, Verizon would pay approximately 11
21 cents per access line. Qwest would pay approximately
22 16 cents per access, and one of my clients would pay
23 over \$17 per access line. So you are talking about a
24 disparity of over 100 times the amount for some of the
25 competitors, and that's a pretty great disparity.

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1 CHAIRWOMAN SHOWALTER: But doesn't that just
2 beg the question of what is the fair way to measure?
3 If you pick NXX codes as the fair measure, then
4 everyone is equal, and you will get a disparate measure
5 by other measurements, obviously, so you really have to
6 decide what's the fair measure.

7 MR. KOPTA: Perhaps that is the question, but
8 generally, it would be nice if all you needed to get --
9 the only reason you needed to get NXX codes was to
10 serve additional customers so that if you are running
11 out of -- it's like going to the grocery store to buy
12 more milk. You don't have extra gallons of milk in the
13 refrigerator, but that's not the way the industry
14 works.

15 As we described in our comments, you need an
16 NXX for each rate center, so even if you have only a
17 handful of customers and would prefer to have one NXX
18 cover the whole local calling area for Seattle, for
19 example, a new entrant can't do that right now, and
20 without number pooling and a way of assigning less than
21 10 thousand numbers per rate center, there is no
22 alternative. So it's not as though competitors want to
23 use a large number of NXX codes. That's the way the
24 industry is set up. That's the way that call-routing
25 and rating is set up.

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1 The other aspect of all of this too is we are
2 educating people, not NXX's, and the major benefit is
3 going to be to the people that use the telephones, and
4 I don't think that looking at it from, and purely from
5 an NXX code basis, is the equitable way of determining
6 how best to educate people.

7 COMMISSIONER HEMSTAD: Do you know what is
8 the total dollar amount that your example of your
9 client paying \$17 a line actually is?

10 MR. KOPTA: I could probably look it up,
11 although we are....

12 CHAIRWOMAN SHOWALTER: Can you tell us the
13 client? Is that permissible since we have a list?

14 MR. KOPTA: That's what I'm trying to look
15 at. They are obviously sensitive about providing
16 information about the access line since it's calculated
17 on an access line basis. I could certainly provide
18 that to you, but as I look at this list, it would be
19 approximately \$21,000.

20 COMMISSIONER HEMSTAD: And you find that
21 excessively burdensome for the client?

22 MR. KOPTA: When you consider that all of
23 these costs are like any other costs and they need to
24 be recovered from customers, there is a much smaller
25 pool to recover from when you are talking about that

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1 amount of money when you have a small number of
2 customers or a small number of access lines as opposed
3 to spreading it across a large number, and 11 cents or
4 16 cents is a relatively small amount when you are
5 looking at it on a per-customer basis, again, sort of
6 from a revenue perspective; whereas \$17 is fairly
7 substantial. You are getting up to almost one month's
8 worth of revenue from a basic business line, and that's
9 substantial.

10 And we would take issue of Staff's
11 characterization of that as just another cost of doing
12 business. We are dealing with a death by a thousand
13 cuts. If you say, Well, this isn't very big, and you
14 have all these other charges that you have to pay to
15 Qwest, and those aren't very big individually, and you
16 have to buy a switch, and yeah, that's just part of
17 doing business, but before you know it, your costs are
18 getting up to the point where you can't economically
19 provide service. So at each point, while individual
20 costs or charges may not be that much in the aggregate,
21 it winds up being substantial.

22 Catherine Murray from Global Crossing, one of
23 the commentators that I'm representing, is here today if
24 the Commission has any questions that they would like
25 to direct to a company representative as opposed to an

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1 attorney, but unless the Commission has any questions
2 for her, that would conclude what I have to say.

3 JUDGE WALLIS: Are there any questions?

4 CHAIRWOMAN SHOWALTER: I have no further
5 questions. I think you set out your arguments in your
6 brief.

7 JUDGE WALLIS: Thank you, Mr. Kopta.
8 Mr. Finnigan?

9 MR. FINNIGAN: Thank you, Your Honor. On
10 behalf of Washington Independent Telephone Association,
11 our participation this morning is really very limited.
12 We are not taking a position on the allocation method.
13 We are not taking position on the legal issues. We are
14 here to talk about WITA's willingness to volunteer to
15 serve in the role of a clearing house, and we needed to
16 verify with our accountants that undertaking that role
17 would not jeopardize the nonprofit tax status for the
18 corporation, and it does not. We learned that late
19 yesterday that we can serve in that role without
20 suddenly becoming a for-profit business, which was good
21 news. I do have an outline that states the conditions
22 under which WITA would serve as a clearing house.

23 JUDGE WALLIS: Mr. Finnigan, were these
24 conditions previously known to the participants in
25 discussions, or are they something that is new today?

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1 MR. FINNIGAN: I think there was some general
2 discussion about them. I don't know that the details
3 were there. I do know that a couple of the companies
4 commented and covered some of these points in their
5 comments. Then from my client, the direction was to
6 make sure that two things occurred: One that WITA
7 didn't become a guarantor, and secondly that the
8 administrative costs were covered so that WITA didn't
9 suffer a detriment in undertaking this role.

10 There is one thing not on this list that I
11 want to make known to the parties is that WITA would
12 establish a separate bank account, so there would be
13 complete separation of funds. There would be no
14 commingling of funds at all, so there would be a clear
15 track record. One of the comments that was raised by
16 Mr. Kopta, I think, was a good one. Out of
17 consideration of any inadvertent disclosure of
18 confidential or competitive information, the share per
19 participant should be calculated by Commission staff,
20 and WITA would not have access to the background
21 information that would go into the calculation of that
22 share. Now, if it's done on NXX's, that's public
23 information, but it would still be good if Staff did
24 the calculation so that it was understood that the
25 counting of the NXX's was done by a neutral party, and

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1 if it's done on access lines, then obviously there is
2 very sensitive information that's involved. So I've
3 added that as a condition here that the Commission
4 staff would provide that information to WITA, and we
5 would base its mailings on that staff calculation.

6 JUDGE WALLIS: Are there any questions or
7 comments from others? What I would like to do is mark
8 a couple of documents as exhibits for identification.
9 Commission staff distributed a document at the outset
10 of the hearing entitled "WUTC Staff Recommendation,
11 January 31, 2001" in this docket. I'm marking that as
12 Exhibit 1 for identification, and I'm marking the
13 single-page statement of position of Washington
14 Independent Telephone Association as Exhibit 2 for
15 identification. Let me ask if there is objection to
16 receiving either of those documents in evidence. Let
17 the record show there is no response and those
18 documents are received. Mr. Finnigan, do you have
19 anything further?

20 MR. FINNIGAN: No, we don't.

21 JUDGE WALLIS: Let's move on to Mr. Owens.

22 MR. OWENS: Thank you, Your Honor. Good
23 morning Chairwoman and Commissioner. I won't reiterate
24 matters in the written comments. Qwest supports
25 Staff's recommendation. I would like to address a

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1 couple of points and comments of other parties. ATG
2 has filed in its comments a challenge to the
3 Commission's legal authority to adopt the staff
4 recommendation. I would just point out that in Section
5 251(e)(1) of the Telecommunications Act, Congress
6 granted the FCC plenary authority over numbering issues
7 pertaining to the United States and also authority to
8 delegate that authority to the states, and in
9 47CFR52.19, the FCC has, in fact, delegated some of
10 that authority to the states, and included in that
11 delegated authority in Paragraph A is the authority to
12 direct public education efforts regarding area code
13 changes.

14 It would seem to me that that fairly broad
15 grant of authority would include your power to, for
16 example, require each individual member of the industry
17 to buy its own media advertising under certain
18 specifications set by the Commission, and it would seem
19 to me that if you can do that, then you can also direct
20 each member of the industry to participate in a common
21 plan for media advertising directed at the point that
22 Dr. Blackmon mentioned of reaching the telephone
23 dialer, not necessarily the bill payer, and so I think
24 that would dispose of any challenge to your legal
25 authority. You are acting under federal authority in

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1 this matter, and I think that authority is broad enough
2 to encompass the staff's recommendation.

3 JUDGE WALLIS: Mr. Owens, would you repeat
4 the CFR citation for me, please?

5 MR. OWENS: 47CFR52.19, Paragraph A.

6 JUDGE WALLIS: Thank you.

7 MR. OWENS: You're welcome. The other issue
8 I would like to address has to do with the issue that
9 Mr. Kopta discussed, the allocation of the cost.
10 Basically, the CLEC's claim that it isn't fair that the
11 cost should be allocated on an NXX basis, and I think
12 as the Chairwoman pointed out, it all depends on whose
13 ox is being gored as to whether you think a particular
14 allocation method is fair or unfair.

15 I would point out that you really don't have
16 any evidence before you of the genesis or facts that
17 have caused the need for the overlay; that all we have
18 is argument and the various comments. So with that in
19 mind, I would point out that in the written comment, it
20 was alleged that it was Qwest and Verizon who insisted
21 that there be one NXX per rate area per CLEC. Now we
22 are hearing that it's the industry, the way it's set up
23 that causes that, and I believe that that latter
24 statement is true, and if you look at what the FCC said
25 in its notice of proposed rule-making in CC docket --

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1 in the matter of number resource optimization, the
2 notice of proposed rule-making, FCC-99-122, issued June
3 2nd of 1999, the Commission said that in the Paragraph
4 20: The assignment of new area codes has been the
5 primary relief measure employed in geographic areas
6 experiencing numbering resource shortages brought on
7 by the rapid growth and demand for central office codes
8 or NXX codes. NXX codes are in such demand because of
9 the manner in which numbering resources are allocated;
10 that is, entire NXX codes containing 10 thousand
11 telephone numbers apiece are typically allocated to
12 service providers for each rate center within a
13 numbering plan area in which the provider seeks to
14 offer service.

15 So that is a description of the way the
16 industry has operated, and that I think it is not just
17 the issues of deciding what calls are local for
18 purposes of reciprocal comp or billing, which
19 themselves are significant, but there is also -- if we
20 had evidence, I believe there would be evidence that
21 this had to do with numbering portability; that there
22 was broad agreement that in order to get number
23 portability in place in an expeditious fashion, it was
24 reasonable to have the rule of one NXX code per rate
25 area per CLEC so that the local routing numbers could

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1 be programmed expeditiously into the switching system,
2 and, of course, local number portability was a CLEC
3 issue. It was not an ILEC issue.

4 So it seems to us that on the issue of
5 fairness, if you look at what is, as Dr. Blackmon
6 pointed out, driving the need for a new area code, an
7 overlay area code, you come inexorably to the notion
8 that it is running out of NXX's and that what is
9 causing that is the existing system of assigning NXX's,
10 and that is what we are left with. That is what we
11 have to deal with at this point. We don't have the
12 option or luxury of deciding that there should be some
13 other method of assigning NXX codes, and we should
14 decide what's fair based on that. We've been given no
15 description of what that would even be and how it would
16 work, how interchange carriers could bill their calls
17 under some other scenario.

18 So I think if you look at what the system is
19 today, you have to come to the point of view that the
20 cost of educating customers that are caused by the need
21 for more NXX codes should be allocated on the basis of
22 NXX codes. Thank you.

23 JUDGE WALLIS: Thank you, Mr. Owens. Other
24 questions? Ms. Endejan?

25 MS. ENDEJAN: Thank you, Judge Wallis, and

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1 good morning Chairwoman Showalter and Commissioner
2 Hemstad. I guess I'm the caboose on this train of
3 argument here. Just briefly, I would like to state
4 Verizon Northwest's support for this Commission staff's
5 proposed plan. It's very difficult in today's
6 environment to be completely competitively neutral with
7 razor-sharp precision in all circumstances, and in
8 Verizon's view, this Commission has the authority to
9 use its judgment to select among the various options
10 available to appropriately measure cost allocation, and
11 doing it on the basis of NXX is one of those options
12 and can be viewed just as fair as one of the other
13 options.

14 It's clear that the need for new NXX's is
15 driven, frankly, by the new competitive environment and
16 is not the fault of any one party, so accordingly, it
17 would be appropriate to look at the situation from the
18 standpoint presented by the Commission staff, and we
19 endorse the cost allocation method based upon NXX's,
20 and it appears to be the most practical, fair approach
21 that is available to the Commission under the
22 circumstances, and we would endorse its adoption.
23 Thank you.

24 JUDGE WALLIS: Questions?

25 CHAIRWOMAN SHOWALTER: I have a question of

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1 Dr. Blackmon.

2 JUDGE WALLIS: Ms. Smith?

3 MS. SMITH: I had one comment to make in
4 response to Mr. Owens' statement of the Commission's
5 authority, and I can make that now or I can wait. The
6 Commission staff agrees with the statement of authority
7 by Mr. Owens. We would add that the Commission has
8 authority under RCW 80.36.610 to take any action
9 contemplated by the Federal Act.

10 CHAIRWOMAN SHOWALTER: I have a question for
11 Dr. Blackmon or anyone else who wants to answer it.
12 What are the time pressures on us or you for getting an
13 order out quickly? We, of course, want to act
14 expeditiously, but do you need an answer in the next
15 couple of days, next week, next month? When is this
16 education plan getting under way?

17 DR. BLACKMON: If Terry Vann could respond to
18 that, I think it would be better. He's the chairman of
19 the industry's education committee and is the one
20 trying to herd the cats.

21 JUDGE WALLIS: Mr. Vann, would you state your
22 name and your affiliation for our record, please?

23 MR. VANN: My name is Terry Vann. I'm the
24 executive vice president for the Washington Independent
25 Telephone Association, and I'm here representing the

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1 industry public relations committee; although, I'm not
2 the chairman. I'm the spokesperson of that committee.

3 What we are concerned with is that our
4 schedule called for the first bill inserts to go out to
5 the customers in February, end of March time frame, so
6 there is some concern that we would be getting behind
7 our schedule in notifying customers, so there is some
8 immediacy. We do feel that if we do it in the March/
9 April time frame, we will be able to get back on
10 schedule. So we are not completely at risk at this
11 point, but we are getting there, so there is some
12 concern about timing.

13 CHAIRWOMAN SHOWALTER: Is there a difference
14 between an order today versus an order a week from
15 today?

16 MR. VANN: I think the issue is that to start
17 distributing the prototypes and start placing the
18 orders for the advertising, there is a difference in
19 having the order and not having the order because we
20 would be committing to expenses that we do not know how
21 we are going to fund.

22 MR. OWENS: Mr. Vann, I don't know that you
23 answered the question. It is between having the order
24 today or a week from today.

25 MR. VANN: An order today or a week from

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1 today would be okay. If it went beyond a week, then we
2 would run into the problem of having the advertising
3 orders being placed without funding.

4 CHAIRWOMAN SHOWALTER: A week from today is
5 March 1st. It's a practical question. I'm leaving
6 town. I don't know whether we have to hurry up and get
7 an order out today, or if the day I'm back, which is a
8 week from today, is virtually as good.

9 MR. VANN: It is virtually as good.

10 JUDGE WALLIS: Are there any other comments
11 from the parties? Any other questions from the
12 Commission? Let the record show that there is nothing
13 further to come before the Commission at this time, and
14 this matter is adjourned. Thank you all very much.

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16 (Hearing adjourned at 9:10 a.m.)

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