

Agenda Date: January 14, 2004
Item Numbers: A2 and A3

Dockets: UT-031731 and UT-031995
Company: Verizon Northwest, Inc.

Staff: Rebecca Beaton, Senior Telecommunications Analyst
David Dittmore, Telecommunications Engineer

Recommendation:

Grant the request of Verizon Northwest, Inc., in Docket UT-031995 for an exemption from WAC 480-120-560(2) and (3) until August 26, 2006, and take no action on the tariff filing in Docket UT-031731 thereby allowing the tariff to go into effect by operation of law.

Background

On November 13, 2003, Verizon Northwest submitted a filing in Docket UT-031731, containing tariff sheets on collocation to become part of the Local Network Access Services Collocation Tariff, WN U-20. The filing was made to comply with the terms and conditions of an agreement executed on August 27, 2003, among Verizon and AT&T, Sprint and Covad. The sections of the tariff that address joint planning, implementation intervals for physical and virtual collocation, forecasting, use of data, collocation capacity, vendor delays, vendor capacity, space availability, and raw space conversion were amended to align with the agreement. Commission Staff identified conflicts between the tariff and the collocation rule, WAC 480-120-560. Commission Staff notified Verizon of the rule and tariff conflicts.

On December 3, 2003, Verizon Northwest, Inc., (Verizon) filed a petition for a permanent exemption of WAC 480-120-560(2) and (3) regarding implementation intervals for requests for collocation. This petition was assigned Docket UT-031995.

Verizon requested the Commission grant a waiver from the rule to allow the company to apply the implementation intervals for requests for collocation contained in the terms of a collocation settlement agreement among Verizon, Covad, AT&T and Sprint. This multi-jurisdiction agreement was negotiated and finalized among the four companies on August 27, 2003, to apply in the District of Columbia and 28 states, including Washington.

The settlement agreement was an outcome of a case in Pennsylvania (Pennsylvania Public Utility Commission Docket No. R-00038348) and required Verizon to file tariff provisions regarding a variety of collocation-related provisioning intervals that apply to various jurisdictions, including Washington. Provisions vary from the intervals in WAC 480-120-560(2) and (3.) Many of the settlement intervals are shorter than those specified in WAC 480-120-560.

The variant between the settlement agreement and the Washington rule is the actual provisioning interval. The agreement for physical collocation arrangement implementation is 76 business days for all standard assignment requests that were forecast six months prior to the application date. WAC 480-120-560(3)(b) requires completion of an ordered collocation space within 45

days if the ordered collocation space was included in a periodic forecast submitted by a CLEC within three months of the order. If no forecast is provided, the default provisioning is 76 business days for initial applications and 45 business days for selected augment applications.

The settlement agreement between the three CLECs and Verizon gives CLECs a longer time period to submit forecasts in exchange for a slightly longer provisioning interval. Verizon argues the rule waiver will allow Verizon to forecast CLEC demand for collocation services and manage the engineering, order, delivery and transmission and power cable installation for collocation arrangements more effectively. Verizon states the exemption allows Verizon to standardize collocation intervals in Verizon jurisdictions.

Discussion:

As a result of a Pennsylvania PUC order (R-00038348) on collocation, Verizon agreed to a series of terms and conditions in a settlement agreement. The settlement agreement is multi-jurisdictional and affects 28 states and the District of Columbia. Verizon filed new tariffs in these jurisdictions to comply with the settlement agreement and to standardize provisioning intervals. The Verizon tariff filing has been approved to date in the following states: Arizona, Virginia, Wisconsin, Indiana, Maryland, Michigan, New York, Pennsylvania, and South Carolina. In Washington, an exemption is requested from certain portions of WAC 480-120-560 Collocation so that Verizon may file the tariff and be exempted from those sections of the rule addressing provisioning intervals.

Commission Staff had concerns with Verizon's request for permanent exemption of WAC 480-120-560(2) and (3) because the terms of the settlement agreement expire on August 26, 2006. After discussions with Staff, Verizon agreed that a review of both the tariff and the exemption is appropriate prior to August 26, 2006, and that a sunset for both is suitable. On January 8, 2004, Verizon filed substitute tariff pages with the sunset date of August 26, 2006. Staff understands the current settlement agreement allows the terms to continue after August 26, 2006, if no signature party objects to the terms within the time frame of the settlement.

There is no revenue impact for the tariff filing in UT-031731.

AT&T, Sprint, and Covad have had discussions with Staff regarding Verizon's requested exemption and the tariff filing and are in agreement that both the exemption request and tariff filing made in Washington comply with the national agreement, allow consistency between jurisdictions and benefit the CLECs from a planning perspective.

Conclusion:

Staff believes granting the request for exemption is a better alternative than inconsistent rules across the region for CLECs. Therefore, Staff recommends the Commission grant the request by Verizon Northwest, Inc., in Docket UT-031995 for an exemption of

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WAC 480-120-560(2) and (3) until August 26, 2006, and take no action on the tariff filing in Docket UT-031731 thereby allowing the tariff to go into effect by operation of law on January 15, 2004.