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Director  
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July 13, 2001

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

Dear Ms. Washburn:

Subject: **VERIZON COMMENTS – UT-010558 - CESSATION OF SERVICE  
RULEMAKING**

Pursuant to the Commission's June 6, 2001 Notice of Workshop and Notice of Opportunity to File Written Comments, Verizon Northwest Inc. and Verizon Select Services Inc. ("Verizon") provide the following comments.

Verizon supports reasonable requirements that carriers notify customers before ceasing to provide service in Washington. Verizon supports making emergency rule WAC 480-120-083 permanent for this purpose, with some modifications. The Commission should not expand the rule to make carrier choices for customers or impose default service obligations on carriers. The Commission should, however, be flexible, minimize administrative and operational burdens on carriers, and encourage carriers to voluntarily transition customers faced with a cessation of service. In addition, the Commission should consult with the North American Numbering Administrator ("NANPA") and include text in its order reminding carriers that permission from the NANPA is required prior to scheduling the disconnect of numbering resources.

### **CLEC Input is Necessary**

Verizon attended the Commission sponsored workshop held on June 28, 2001. For whatever reason, competitive local exchange carriers ("CLECs") were not well represented there. Public Counsel, the Commission Staff and the other attendees acknowledged that CLEC input is essential to a complete discussion of the issues raised

by this docket. Another workshop may be warranted to ensure that input from this group of industry members is taken into account.

### **The Rule Should Be Grounded in a Competitive Market Approach**

As the Commission Staff's Open Meeting memoranda and the Commission's emergency rulemaking order make clear, the issues raised in this docket concern CLECs and the competitive telecommunications market that has developed in Washington. Customers have choices in this market and many have chosen CLECs. The emergency rule was prompted by concerns that some of these CLECs may discontinue providing services in Washington.

As this Commission has observed on many occasions, public policy favors the development of competitive markets, and hallmarks of such markets are customer choice and incentives for companies to differentiate themselves. Significant factors affecting customers' choices are a firm's stability and sensitivity to customer needs.

The Commission should minimize market interference by its rules. Customers' ability -- and responsibility -- to make choices in the market should be maximized. Companies' incentives to earn customers' trust should be emphasized.

### **Verizon Supports Customer Notice**

Verizon supports reasonable requirements to notify customers in advance of ceasing to provide service. The emergency rule covers this issue. It can, however, be made more flexible.

The FCC already imposes customer (and state commission) notice requirements in Part 63 of its rules. On May 8, 2001, it issued a Public Notice reminding carriers of their obligations under these rules. Where a carrier discontinuing a service in Washington is obliged to issue notice under the FCC rules, it should not have to issue a second notice under state rules. The Commission should make clear that the FCC-required notice suffices, provided the notice mentions the affected intrastate services.

### **The Commission Should Not Impose Default Carrier Mandates**

As the Commission has observed in other dockets, all Washington carriers are subject to the service obligation set forth in RCW 80.36.090. The Commission cannot impose obligations on carriers that exceed this statute, and it should not attempt to define in advance -- by rule -- how this obligation applies to service cessation situations.

Certainly the Commission should not write and adopt rules intended to protect consumers from the impact of a competitive marketplace. If customers choose an alternative carrier once, then they can choose again if their carrier exits the market.

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While Verizon does not object to the emergency rule's definitions being expanded for the purpose of giving notice, it is not appropriate for the definitions to be expanded as a means of imposing any default service obligations on surviving carriers. This is especially inappropriate for competitively classified services, for which numerous carriers may be available to provide the service.

As the Staff noted in its Open Meeting memoranda, a number of scenarios are possible when a carrier decides to -- or is compelled by circumstances to -- cease providing service in Washington. If the CLEC has relatively few customers, other carriers' normal service application processes may easily accommodate them. Where a large number of customers is involved, other carriers may well be willing to purchase or otherwise take over the exiting company's customer base. In the latter situation, the Commission should waive service performance and other rules in order to encourage these voluntary transition plans. Adding an expedited waiver process to the rule would be helpful.

The Commission should also remain cognizant of its acknowledgement in General Order No. R-485, paragraph 8, that re-establishing service may take "days, and sometimes weeks." In fact, where a CLEC has provided all facilities and switching plant for a major customer, cluster or group of customers, longer periods could be involved.

In no event should the Commission attempt to force operational disruptions or financial risk on a "default" carrier.

The Commission should also reexamine its registration application process with regard to investigating companies' financial resources and viability.

Please direct any questions to Joan Gage at 425-261-5238.

Very truly yours,

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