

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of Review of
Unbundled Loop and Switching Rates and
Review of the Deaveraged Zone Rate
Structure.

DOCKET NO. UT-023003

COMMISSION STAFF'S REPLY
TO VERIZON'S MOTION TO
DEFER CONSIDERATION OF
VERIZON'S RATES

1 On October 24, 2003, AT&T Communications of the Pacific Northwest, Inc. (AT&T), WorldCom, Inc. n/k/a MCI (MCI), Covad Communications Company (Covad), XO Washington, Inc. (XO), Washington Electronic Business and Telecommunication Coalition (WeBTEC), and Qwest Corporation (Qwest) jointly moved to exclude Qwest's rate issues from this docket. On November 2, 2003, Verizon Northwest Inc. (Verizon), filed a response to the joint motion, in which Verizon moved to defer consideration of its rates in this docket. Because deferring consideration of Verizon's rates is an entirely different issue than deferring consideration of Qwest's rates, the Washington Utilities and Transportation Commission granted the motion of Commission Staff (Staff) for an opportunity to reply to the motion. Pursuant to that permission, Staff files this reply.

2 In its response to the joint motion, Verizon dismisses as irrelevant the salient factor underlying the joint motion. Verizon contends that Qwest's reduction of its loop rate as a result of the 271 process is "a distinction of no legal significance." Verizon Response, at 3. However, this fact is of great significance to the motion.

3 The purpose of this docket is to review the rates the incumbent local exchange
carriers charge competitive local exchange carriers (CLECs) for unbundled network
elements and interconnection. The Commission has not reviewed or ordered changes
to Verizon's loop rates since it established those rates in Docket UT-960369.

4 Staff believes the Commission should continue its review of Verizon's loop rates,
notwithstanding the potential impact of the Triennial Review Order on the resulting
loop rates. Loop rates that are too high will have the effect of inhibiting local
competition in the state of Washington. Setting UNE rates at a level that will sustain
competitive entry is the object of this proceeding.

5 The CLECs jointly moving for deferral of consideration of Qwest's rates arguably
believe that a deferral of consideration of Qwest's current rates will not impact their
ability to compete with Qwest. Therefore, Staff did not object to the joint motion.
However, there is no such argument with respect to Verizon's rates. Therefore, Staff
opposes Verizon's motion to defer consideration of its rates.

Dated: November 10, 2003.

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