Edward T. Shaw Chief Counsel - Washington

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November 21, 1990

Mr. Paul Curl
Acting Secretary
Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Drive S.W.
P. O. Box 9022
Olympia, WA 98504

Re

In the Matter of Amending the Commission's

Telecommunications Rules Relating to

Telecommunications Glossary, Alternative Operative

Services, Pay Telephones and Form of Bills

Cause No. UT-900726 and UT-900733

Dear Mr. Curl:

Enclosed for filing please find an original and nineteen copies of U S WEST Communications' Supplemental Comments in the above-referenced matter.

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EDWARD T. SHAW

Enclosure

In the Matter of Amending )
the Commission's )
Telecommunications Rules )
Relating to Telecommunications)
Glossary, Alternative )
Operative Services, Pay )
Telephones and Form of Bills )

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DOCKET NO. UT-900726 UT-900733

SUPPLEMENTAL COMMENTS OF PACIFIC NORTHWEST BELL TELEPHONE COMPANY, d/b/a U S WEST COMMUNICATIONS

## I. <u>INTRODUCTION</u>

COMES NOW Pacific Northwest Bell Telephone Company, d/b/a U S WEST Communications (hereinafter "USWC"), and pursuant to RCW 34.05.325 submits its supplemental comments to the proposal of the Washington Utilities and Transportation Commission (hereinafter "WUTC") to amend its rules relating to telecommunications glossary, alternative operator services, pay telephones and form of bills.

On or about October 19, 1990, USWC filed its initial comments relating to the proposed rules of the WUTC. Since that time, several industry meetings have taken place with the WUTC Staff to informally discuss comments submitted by interested parties to the proposed rule changes. In these meetings, one of the issues that has arisen is whether a local exchange company (hereinafter "LEC") should be defined to be an alternative operator service company (hereinafter "AOS"). As stated in USWC's initial comments, USWC supports the current proposed rule which exempts LECs from the definition of an AOS. In the event that the draft rules are substantially changed to include a LEC

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in the definition of an AOS provider, USWC will have extensive comments relating to the specific technical difficulties it would have in complying with the proposed rules. 34.05.340(2)(a)(requiring supplemental notice if proposed rule changes affect one's interest).

## SUPPLEMENTAL COMMENTS II.

It is USWC's position that as a policy matter, a LEC should not be included as an AOS. The current glossary section to the Washington Administrative Code relating to an AOS defines them as:

> Alternative operator services company - any corporation, company, partnership, or person providing a connection to intrastate or interstate long-distance or to local services from places including but not limited to, hotels, motels, hospitals, campuses, and customer-owned pay telephones. Alternative operator services companies are those with which a hotel, motel, hospital, campus, or customer-owned pay telephone, etc., contracts to provide operator services to its clientele.

WAC 480-120-021.

Under the foregoing definition, an LEC, which provides its service under tariff, is not deemed to be an AOS. In fact, the very term <u>alternative</u> operator service recognizes that the operator service is alternative to the existing LEC operator service.

In 1990, the Washington legislature amended RCW 80.36.350 and 80.36.530 to require among other things the registration of AOS companies and to allow for the adoption of rules for minimum standards for "providing <u>alternative</u> operator services." Wash. Laws, Chapter 247 § 3 (emphasis added). If the Washington legislature desired the WUTC to adopt rules to set

<sup>&</sup>lt;sup>1</sup>The legislation allows the WUTC to create rules for "providing alternative operator services." It does not require that these rules apply to all that may fall within the definition of an AOS in RCW 80.36.50.

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the minimum standard for all operator services, it would have so stated.

In authorizing rules to set the minimum service levels for <u>alternative</u> operator services, the legislature recognized that the operator services provided by LECs do not present consumer protection issues that need to be addressed by legislation or new rules.

In the state of Washington LECs are pervasively regulated by the WUTC. USWC's tariffs, and in particular those related to operator services, are closely reviewed before taking effect. In fact, the WUTC apparently accepts that its careful review of the WUTC's operator services rates allow them to be the standard for the AOS industry. See, proposed rule at WAC 480-120-141(10). Therefore, like the legislature, the WUTC recognizes that the current regulation of USWC's operator services is adequate and sets the standard for "prevailing rates." Id.

In the event that the proposed AOS rules are extended to include services provided by an LEC, USWC will incur additional costs in order to come into compliance with such rules. costs would include those necessary to comply with the specific requirements set forth in the proposed AOS rule. To the extent that USWC is in a revenue sharing situation, under its alternative form of regulation, the costs of these new restrictions will be borne not only by USWC but by the rate There has been no payers within the state of Washington. showing that the ratepayers in the state of Washington or their elected representatives desire to have the public directly pay for the application of AOS rules to USWC, without any finding that there is a problem with how USWC and the other LECs currently provide operator services as part of their pervasively regulated services. Therefore, the WUTC should decline to do so.

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## III. CONCLUSION

Based upon the foregoing, USWC respectfully requests that to the extent that the WUTC revises its proposed AOS rules, it maintain the provision of the rule that exempts USWC from its application.

RESPECTFULLY SUBMITTED this

day of November, 1990.

EDWARD T'. SHAW

MARK ROELLIG, Of Attorneys for U S WEST Communications

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**U S WEST COMMUNICATIONS** 

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## CERTIFICATE OF SERVICE COUNSEL OF RECORD File No. UT-900726 UT-900733

I hereby certify that I have this day caused to be served one copy of the foregoing document upon the following parties of record by person or by mailing a copy thereof, properly addressed with postage prepaid:

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DATED this 3/5t day of November, 1990.

LEE ANNETTE FORTIER