



DOCKETED

ORIGINAL

AUG 13 2002

RECEIVED

DOCKETED BY CAR

2002 AUG 13 P 3:35

AZ CORP COMMISSION  
DOCUMENT CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

1  
2  
3 **WILLIAM A. MUNDELL**  
4 **Chairman**  
5 **JIM IRVIN**  
6 **Commissioner**  
7 **MARC SPITZER**  
8 **Commissioner**

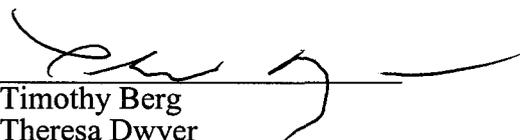
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
IN THE MATTER OF QWEST CORPORATION'S APPLICATION FOR APPROVAL OF LOCAL SERVICE FREEZE TARIFF

DOCKET NO. T-01051B-02-0073

**QWEST'S NOTICE OF SUPPLEMENTAL AUTHORITY**

Qwest Corporation ("Qwest") submits this notice of supplemental authority, which attaches the Initial Order issued in *AT&T Broadband Phone of Washington, LLC, v. Qwest Corporation*, Washington Utilities and Transportation Commission, Docket No. UT-020388 (August 9, 2002) (the "Initial Order"). AT&T witness, Dawn Russell, referenced and discussed this pending Washington proceeding in her direct testimony submitted in this docket and attached the testimony of Jonathon Wolf, AT&T's witness in the Washington proceeding, as an exhibit. See Direct Testimony of Dawn Russell (AT&T) at 8 and Exhibit 3. The Initial Order recommends dismissal of the reverse slamming complaint by AT&T against Qwest and rejects the testimony and opinions proffered by Mr. Wolf. This is an initial order only, and is not effective until final order by the Washington Utilities and Transportation Commission.

Respectfully submitted this 13<sup>th</sup> day of August, 2002.

By:   
Timothy Berg  
Theresa Dwyer  
FENNEMORE CRAIG, P.C.  
3003 North Central, Suite 2600  
Phoenix, Arizona 85012-2913  
(602) 916-5421  
(602) 916-5999 (fax)

1 **ORIGINAL** and 10 copies of the  
2 foregoing hand-delivered for  
3 filing this 13<sup>th</sup> day of August, 2002  
4 to:

5 Docket Control  
6 ARIZONA CORPORATION COMMISSION  
7 1200 West Washington  
8 Phoenix, Arizona 85007

9 **COPY** of the foregoing delivered this day to:

10 Jane L. Rodda, Administrative Law Judge  
11 Hearing Division  
12 ARIZONA CORPORATION COMMISSION  
13 1200 West Washington  
14 Phoenix, AZ 85007

15 Christopher Kempley, Chief Counsel  
16 Legal Division  
17 ARIZONA CORPORATION COMMISSION  
18 1200 West Washington  
19 Phoenix, AZ 85007

20 Maureen Scott,  
21 Legal Division  
22 ARIZONA CORPORATION COMMISSION  
23 1200 West Washington  
24 Phoenix, AZ 85007

25 Gary Horton,  
26 Legal Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington  
Phoenix, AZ 85007

Ernest Johnson, Director  
Utilities Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington  
Phoenix, AZ 85007

**COPY** of the foregoing mailed this day to:

Michael W. Patten, Esq.  
ROSHKA, HEYMAN & DeWULF, P.C.  
400 East Van Buren, Suite 800  
Phoenix, AZ 85004

26

1 Bradley Carroll  
COX ARIZONA TELECOM, LLC  
2 20401 North 29<sup>th</sup> Avenue  
Phoenix, AZ 85027  
3 Attorneys for Cox Arizona Telecom, LLC

4 Thomas H. Campbell, Esq.  
Michael T. Hallam, Esq.  
5 LEWIS AND ROCA  
40 North Central Avenue  
6 Phoenix, AZ 85004

7 Brian Thomas  
TIME WARNER TELECOM, INC.  
8 520 S.W. 6<sup>th</sup> Avenue, Suite 300  
Portland, OR 97204  
9 Attorneys for Time Warner Telecom

10 Teresa Tan, Senior Attorney  
WORLD COM, INC.  
11 201 Spear Street, 9<sup>th</sup> Floor, Dept. 9976  
San Francisco, CA 94105

12 Richard S. Wolters  
13 AT&T  
1875 Lawrence Street, Suite 1503  
14 Denver, CO 80202  
Attorneys for TCG Phoenix

15  
16   
17

PHX/TDWYER/1330217.1/67817.290

18  
19  
20  
21  
22  
23  
24  
25  
26

[Service Date August 9, 2002]

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION

	)	
AT&T BROADBAND PHONE OF	)	DOCKET NO. UT-020388
WASHINGTON, LLC,	)	
	)	
Complainant,	)	
	)	FOURTH SUPPLEMENTAL
v.	)	ORDER
	)	
QWEST CORPORATION,	)	INITIAL ORDER
	)	
Respondent.	)	
	)	
.....	)	

1 **Synopsis.** *The Initial Order recommends dismissal of the reverse slamming complaint of AT&T Broadband Phone of Washington against Qwest Corporation.*

2 **Nature of Proceeding.** Docket No. UT-020388 is a complaint filed by AT&T Broadband Phone of Washington, LLC (AT&T) against Qwest Corporation (Qwest) alleging Qwest engaged in reverse slamming in violation of WAC 480-120-139, RCW 80.36.080 and RCW 80.36.186.

3 **Procedural History.** On March 29, 2002, AT&T filed a Complaint for Emergency Relief for Violation of WAC 480-120-139 (Reverse Slamming) against Qwest. AT&T alleged the need for immediate action by the Commission as authorized in WAC 480-09-510.

4 On April 4, 2002, the Commission notified the parties that an emergency hearing in the nature of a prehearing conference would take place on April 12, 2002.

5 On April 10, 2002, AT&T filed its Support for Expedited Relief along with other documents supporting its allegations.

6 Qwest filed an Answer to the Complaint on April 11, 2002.

7 At the emergency relief hearing and prehearing conference on April 12, 2002, AT&T withdrew its request for emergency relief after agreeing with the Commission that its complaint did not rise to the level of a matter needing such relief as defined in RCW 34.05.479 and WAC 480-09-510. Also during the course of the hearing, WorldCom sought intervenor status in the proceeding and the parties established a schedule of proceedings.

8 On April 17, 2002 the Commission entered an order dismissing the request for emergency relief but indicated that the case would proceed according to a normal schedule for a complaint hearing.

9 On April 19, 2002, the Commission entered a prehearing conference order denying World Com's request for intervenor status and confirming the schedule of proceedings.

10 Evidentiary hearing on the complaint took place on June 27, 2002 before Administrative Law Judge Theodora M. Mace in Olympia, Washington.

11 **Initial Order.** The Initial Order proposes that the Commission dismiss the complaint on the basis that AT&T has not met its burden of proof.

12 **Appearances.** Gregory J. Kopta, attorney, Seattle, represents AT&T. Lisa Anderl, attorney, Seattle, represents Qwest. Michel Singer-Nelson, attorney, Washington D.C. represents WorldCom, Inc. (WorldCom). Gregory Trautman, Assistant Attorney General represents WUTC Staff. Robert Cromwell, Assistant Attorney General, Olympia, represents Public Counsel.

## I. BACKGROUND

13 This case is about AT&T's allegations that Qwest improperly engaged in reverse slamming. Reverse slamming occurs when a telecommunications carrier implements a preferred local carrier (PLOC) freeze pursuant to WAC 480-120-139 for customers who have not authorized that a freeze be put in place. The effect of a PLOC freeze is that the customer may not change the local service provider without providing oral or written notification to the current carrier. AT&T also alleges that after Qwest instituted unauthorized PLOC freezes, when a Qwest customer with such a freeze asked AT&T to provide phone service, Qwest improperly delayed and otherwise

created barriers to the removal of the freeze in such a way as to frustrate the goal of creating a competitive market for local telecommunications service. RCW 80.36.170; RCW 80.36.186. AT&T requests the Commission to stay the effect of WAC 480-120-139 pending a complete investigation of the rule's effect on competition.

14 AT&T is a competing local exchange carrier (CLEC) that provides facilities-based local exchange service in Washington state, via its own cable facilities, and generally orders only local number portability from incumbent local exchange carriers (ILECs). Qwest is the incumbent local exchange carrier (ILEC) that provides local service in areas AT&T serves.

15 The violations AT&T complains of occurred commencing the week of February 18, 2002 when AT&T began receiving rejections from Qwest when placing orders for local number portability in Vancouver. The number of such rejections increased during the week of February 25, 2002. Up until April 25, 2002, approximately 234 customers had problems removing a Qwest imposed local service freeze.

#### **Improper Implementation of Local Service Freezes.**

16 **AT&T.** AT&T first argues that Qwest failed to obtain customer authorization before implementing PLOC freezes, as required under WAC 480-120-139(5). This section of the rule requires all local exchange carriers to offer such freezes on a nondiscriminatory basis and to clearly distinguish the type of service to which the freeze will apply. A separate authorization must be received for each service for which a freeze is requested.

17 Section (5)(c) and (d) of the rule read:

- (c) No local exchange carrier may implement a preferred carrier freeze unless the customer's request to impose a freeze has first been confirmed in accordance with the procedures outlined for confirming a change in preferred carrier, as described in subsections (1) and (2) of this section.<sup>1</sup>

---

<sup>1</sup> Subsections (1) and (2) require the customer to provide the following types of documentation to verify a change of carrier: written authorization, electronic authorization or independent third party verification of oral authorization. In addition, section (3) of the rule requires a carrier to retain

- (d) All local exchange carriers must offer customers, at a minimum, the following procedures for lifting a preferred carrier freeze:
- (i) A customer's written and signed authorization stating his or her intent to lift the freeze;
  - (ii) A customer's oral authorization to lift the freeze. This option must include a mechanism that allows a submitting carrier to conduct a three-way conference call with the executing carrier and the customer in order to lift the freeze. When engaged in oral authorization to lift a freeze, the executing carrier must confirm appropriate verification data (e.g., the customer's date of birth), and the customer's intent to lift the freeze.

18 AT&T contends that dozens of Qwest residential customers stated they never authorized Qwest to place a PLOC freeze on their accounts. AT&T further points out that Qwest produced no evidence to prove these customers had authorized a freeze. Out of 144<sup>2</sup> customers initially identified by AT&T who had trouble lifting a PLOC freeze, Qwest provided third party verifications for only 25. AT&T also claimed that Qwest failed to retain copies of verifications as required under WAC 480-120-139(3). AT&T concludes from this that Qwest reverse slammed over 100 customers. In fact, AT&T suggests that Qwest has improperly implemented PLOC freezes on 87,607 customer accounts prior to April 2, 2002 because Qwest may not have retained documentation that those customers requested freezes. AT&T continues to hear from customers that Qwest is placing PLOC freezes on their accounts without permission to do so.

19 **Qwest.** Qwest stated that it began offering PLOC freezes to its customers in Washington on March 1, 2001. Qwest notified CLECs electronically of this offering on March 2, 2001. Qwest observes that it wasn't until February, 2002 that any problems occurred associated with its offering of PLOC freezes, thus making unlikely AT&T's assertions that freezes are primarily tools used by ILECs to stifle

---

documentation of a customer's authorization of a change of its preferred carrier for a minimum of two years.

<sup>2</sup> Mr. Wolf testified that 234 customers were affected by Qwest's implementation of unauthorized PLOC freezes. 1T at 9. Of those 234, AT&T provided a list of 144 customers based on the material contained in its initial pleadings in this docket. 2T at 7; Exhibits 5C and 32C.

competition. If so, such freezes would have been an issue for a much longer period of time.

20 Qwest also reviewed the records of the 144 customer names AT&T submitted in Exhibit 32C whose accounts had allegedly been reverse slammed. Of the 144, thirteen names appear to have been erroneously listed because their accounts were not frozen or because the telephone number did not match the name on the account. Qwest records<sup>3</sup> showed that the remaining 131 customers authorized local service freezes. Qwest asserts that for the 90 additional customers, beyond the initial 144 referred to by Mr. Wolf, AT&T provided no identification sufficient to verify whether or not those customers' accounts had requested PLOC freezes.

21 Qwest indicates that for 25 of the 131 customers no third party verifier (TPV) tape exists because Qwest's former TPV vendor recorded over tapes used for previous authorizations. However Qwest contends that WAC 480-120-139(5) does not require retention of verification tapes supporting the lifting of freezes. Subsection (3) of the rule does require record retention, but pertains solely to requests to change carriers, not to lifting of freezes. In any event, Qwest retained electronic notes documenting the verification of customer freeze requests for the remaining customers. In addition, in April, 2002, Qwest fired the vendor who failed to retain the original verification tapes and instituted a policy of retaining the tapes for three years.

22 Qwest argues that AT&T has failed to meet its burden of proof to show that Qwest engaged in reverse slamming. The only evidence it provided was the testimony of Mr. Wolf. AT&T provided no live or affidavit testimony of any customer who was allegedly injured by Qwest. AT&T provided no evidence of any formal or informal complaint to the Commission by customers evidencing Qwest's failure to comply with the local service freeze rule. The fact that verification tapes were not retained is insufficient to prove that Qwest failed to verify customer authorization of PLOC freezes. Indeed, Qwest suggests that the existence of the 25 tapes shows that the previous vendor was performing the required verification.

23 Furthermore, Qwest points out that, despite disputes about alleged unauthorized freezes prior to April 10, 2002, even AT&T admits there has not been a single

---

<sup>3</sup> Mr. McIntyre testified that although Qwest's third party verifier did not retain the verification tapes, Qwest did have notations indicating whether the customer requested a PLOC freeze. Exhibit 21T at 83; Exhibit 32C.

customer complaining since that date that Qwest has placed a freeze on an account without authorization.

- 24 Qwest demonstrates that even were the allegations true, AT&T lost no more than 23 customers out of thousands<sup>4</sup> of orders processed for local exchange service in Washington between February 18, 2002 and April 25, 2002 due to Qwest's alleged misconduct, and received service request rejection notices from Qwest on only 234 customers who attempted to lift preferred carrier freezes on their accounts. This shows that Qwest's alleged violations did not constitute either an "epidemic" or any elaborate scheme to create barriers to competition.
- 25 Finally, Qwest pointed out that it has worked with AT&T to resolve the problems with local service freezes through a Change Request (CR) in Qwest's Change Management Process (CMP). Qwest expedited the CMP process in dealing with AT&T's complaints about unauthorized PLOC freezes and difficulties in lifting PLOC freezes. Qwest argues that many of the same problems raised in the CMP have also been raised in this litigation, even though AT&T agreed to close its CR regarding the PLOC freeze issues.
- 26 **Staff** . Staff recommends rejection of AT&T's claims that Qwest placed freezes on customer accounts without proper authorization. Staff suggests that AT&T's evidence on this issue is inadequate. AT&T did not provide sufficient information about all customers whose accounts allegedly were frozen and thus did not meet its burden of proving that Qwest acted in violation of the local service freeze rule. Staff argues that the fact that Qwest provided third party verification tapes for only 25 of the 144 customers AT&T alleges were improperly frozen does not necessarily support a conclusion that Qwest did not obtain authorization to freeze the other customer accounts.
- 27 Staff voices concern about allegations of unauthorized local exchange provider freezes but believes there is not sufficient evidence to prove that Qwest imposed such freezes without proper authorization. Staff takes the position that because Qwest hired a new vendor, future compliance with the local freeze rule is likely.

---

<sup>4</sup> Exhibit 6C

- 28 **Discussion and Decision.** The Commission is concerned about imposition of unauthorized PLOC freezes, but is not persuaded that AT&T has met its burden of proof demonstrating that Qwest violated WAC 480-120-139. AT&T initially alleged that 144 customers had experienced unauthorized freezes. Later, Mr. Wolf testified that an additional 90 customers had experienced similar problems, but did not provide their names on the record. As to the initial 144, AT&T provided only Mr. Wolf's testimony that customers whose names were listed in Exhibit 32C experienced unauthorized freezes. AT&T filed no affidavits from these affected customers, nor did it present any live testimony from such customers.
- 29 Qwest's review of AT&T's list of 144 affected customers revealed that the list was not accurate and that only 131 customers could be verified. Qwest did maintain some records showing that these customers had authorized PLOC freezes on their accounts. AT&T provided no list of the additional 90 customers it claimed were affected by Qwest's freeze procedures. This evidence is not adequate to show that Qwest failed to conduct the proper verification of freeze requests. Furthermore, although AT&T also appears to rely on Exhibit 5C to support its contentions, careful review demonstrates that it offers no comprehensible additional support to AT&T's case.
- 30 The Commission also rejects AT&T's contention that the rule requires retention of freeze request documentation. Nothing in the rule explicitly requires such retention. This finding should not signal a lack of concern about retention of freeze authorization verification. If circumstances had been different, for example, if AT&T had provided substantial evidence that Qwest was implementing unauthorized freezes, the failure to retain adequate documentation might be found unreasonable. But the facts in this case do not support such a finding.
- 31 The Commission further finds that Qwest had implemented local service freezes for almost a year before AT&T experienced any problems. The Commission has never received complaints directly from customers stating that they did not authorize Qwest to place a freeze on their choice of local service provider.
- 32 The Commission is mindful of the potential for harm to local telephone competition if ILECs improperly freeze service providers. However, in this case, AT&T failed to provide adequate proof that Qwest violated WAC 480-120-139 by placing freezes on customer accounts without authorization.

**Failure to Lift Preferred Local Carrier Freezes Upon Request**

- 33 **AT&T.** AT&T argues that WAC 480-120-139 requires a carrier to remove a freeze upon customer request and that Qwest has unreasonably burdened customers' ability to remove such local service freezes. AT&T describes substantial delays its personnel experienced on the telephone with Qwest or Qwest's vendor while helping customers to lift freezes on their accounts. Some customers either gave up obtaining service from AT&T or opted to obtain service from AT&T with a new telephone number rather than try to keep their old number.
- 34 AT&T also alleges that Qwest has unreasonably limited office hours to accommodate customer requests to lift freezes. AT&T argues that Qwest's hours from 5 a.m. to 7 p.m. Monday through Friday exclude important times when customers would be able to transact freeze removal, such as evenings after 7 p.m. and on weekends. AT&T suggests that Qwest's hours to accommodate freeze removal should be at least as broad as the hours within which a vendor may contact a customer to implement a freeze.
- 35 AT&T argues that Qwest is obliged to provide service in manner that is "fair, just, reasonable and sufficient." RCW 80.36.080. Qwest must not subject any person to any "undue or unreasonable prejudice or disadvantage." RCW 80.136.170. Qwest must not subject competing telecommunications carriers to competitive disadvantage. RCW 80.36.186. AT&T argues that Qwest aggressively markets and imposes freezes on customer's local service providers but burdens customers' ability to remove these freezes to the competitive disadvantage of CLECs seeking to serve those customers.
- 36 **Qwest.** Qwest points out that it has issued several directives to employees clarifying the handling of requests to lift PLOC freezes. These include instructions never to request the CLEC to leave the line on a three way call as well as offering the customer alternative methods of lifting the freeze.
- 37 Qwest also indicates that it has developed a number of quality assurance measures to assure correct and expeditious handling of PLOC freeze-related calls. Qwest measures the average speed of answer, the percentage of calls answered within 20 seconds, the number of calls placed and abandoned, the average talk time, the average call waiting time, the average hold time, the average handle time, and the number of outgoing calls needed to handle requests.

38 Qwest data for June 2002 demonstrates that, based on 5,800 calls to remove preferred carrier freezes, the average hold time has been reduced from the range of 4 to 15 minutes Mr. Wolf referred to in his testimony to 48 seconds. Furthermore, June data shows that Qwest answered 95% of customer calls in less than 20 seconds. The aggregate average hold time, call waiting and talk time was less than 4 minutes.

39 Qwest argues that its current office hours total 70 hours per week of customer representative availability. There is no specific requirement in the rule addressing this issue, but Qwest contends that 70 hours per week should be more than sufficient to meet customer and CLEC needs. These hours are the same as Qwest's normal business office hours and the same times that customers can place preferred carrier freezes over the telephone.

40 **Staff.** Staff recognizes that difficulty or delay in removing preferred carrier freezes is frustrating to customers who wish to change their local service provider. However, Staff reviewed Qwest's efforts to facilitate lifting of such freezes and is satisfied that the measures Qwest has established satisfy the requirements of WAC 480-120-139(5).

41 **Discussion and Decision.** The Commission rejects AT&T's proposition that Qwest violated legal obligations in the manner in which it lifted customer service freezes. There is no specific standard for speed with which a carrier must act to lift a freeze. It is clear from the record that since problems developed with the lifting of local service freezes, Qwest has been diligent in cooperating with AT&T to resolve them. Qwest has substantially reduced delays involved in telephone requests to lift the freezes. It has issued instructions to personnel on how to handle the lifting of freezes. It has developed quality assurance measures to address the problem. In addition, the extensive hours during which Qwest currently offers customer assistance to lift PLOC freezes provide more than adequate time for customers to contact the company. The fact that only a maximum of 234 potential AT&T customers experienced problems in comparison to the large number of customers who have requested a shift in service providers from Qwest to AT&T during the complaint time period, leads us to conclude that Qwest has not violated any provision of rule or law in implementing PLOC freezes or in lifting them.

#### **Impact of the Rule on the Development of Effective Local Exchange Competition**

- 42 AT&T contends that the Commission should re-evaluate PLOC freezes in light of Qwest's alleged violations of the freeze rule. Actual implementation of the rule demonstrates that it does more to inhibit competition than to protect customers. The delays inherent in the process required for lifting a freeze result in customer frustration and loss of customers to CLECs. AT&T points out that the FCC and several state regulatory bodies, including the Montana Public Service Commission, as well as the Nebraska, Minnesota and Iowa Commissions, have recognized the negative impact of such freezes on the development of local telephone competition.
- 43 AT&T asserts that Qwest is fully aware of this advantage and aggressively markets freezes by means of hiring telemarketing firms and providing incessant notices to its customers that persuade customers to activate freezes rather than inform them of the issues in a neutral way, as required by the freeze rule.
- 44 AT&T further argues that Qwest has not shown that any CLEC is engaged in slamming or that local service slamming will become a problem in the future, even if it does not occur today. AT&T states that it would be virtually impossible for it to engage in local slamming when all of its service orders are verified by an independent third party, an AT&T technician must be dispatched to customer premises to install service and that customers must provide access to that technician and sign for the service. Furthermore, there are significant financial disincentives to CLECs if they engage in slamming – a facilities-based CLEC would incur nonrecurring and recurring charges for obtaining local loops and other facilities from Qwest to serve each customer. CLECS using resold Qwest services must also pay substantial amounts to Qwest to obtain those services and would be unlikely to do so without customer authorization. Finally, penalties for slamming are severe and create a real disincentive to CLECs to engage in such activities.
- 45 For these reasons, AT&T recommends that the Commission stay the effectiveness of the rule and prohibit Qwest from offering or imposing freezes until the Commission has reexamined the rule.
- 46 **Qwest.** Qwest argues that the Commission has a statutory mandate to regulate those practices of utilities such as slamming which are antithetical to the public interest. RCW 80.01.040(3). Qwest pointed out that contrary to Mr. Wolf's testimony that he did not believe local service slamming was occurring or even possible on the part of a facilities-based CLEC, Qwest witness Scott McIntyre described in detail how CLECs

of all types, including facilities-based providers, could engage in local slamming. Qwest stated that the Commission's recent investigation of New Access Communications was evidence that local slamming is possible.<sup>5</sup>

47 Furthermore, Qwest contends that contrary to AT&T's assertions, the FCC has concluded that PLOC freezes are lawful and may actually enhance competition.<sup>6</sup> The FCC concluded that the best way to ensure that PLOC freezes are used to protect consumers, rather than as a barrier to competition, was to make sure that customers understood their purpose and use.

48 Finally, Qwest asserts that this complaint by AT&T is really an effort to alter WAC 480-120-139 outside of the proper rulemaking procedures for dealing with such matters. Qwest argues that AT&T was opposed to the PLOC freeze provisions when the Commission was promulgating the rule and seeks now to accomplish its purpose of changing the rule through this litigation. In effect, AT&T is requesting the Commission to engage in quasi-legislative conduct through an adjudicative mechanism. This is inappropriate and if AT&T wishes to pursue a change in the rule, it may request the Commission repeal the rule pursuant to RCW 34.05.330(1).

49 **Staff.** Staff agrees with Qwest that the proper forum for addressing a perceived deficiency in a rule is through the rulemaking processes rather than by complaint against a single local exchange company. Further, Staff disagrees with AT&T that local service freezes are unwise as a matter of public policy. Rather, Staff states that the rule properly balances the consumer interest in avoiding slamming with the interest in providing an environment supportive of competition.

50 **Discussion and Decision.** The Commission agrees with Qwest and Staff. The proper way to address a deficiency in a rule is through a rulemaking petition, not through complaint litigation. Rulemaking is designed to address and balance concerns of multiple interested parties. In any event, AT&T has failed to demonstrate that Qwest violated the local freeze rule, so there is no basis for staying its effect. The Commission denies AT&T's request for relief.

---

<sup>5</sup> In *WUTC v. New Access Communications, LLC*, First Supplemental Order Approving in Part and Rejecting in Part Settlement Agreement, Docket No. UT-010161 (May 22, 2002), the Commission found New Access to have engaged in local service slamming in violation of WAC 480-120-139 and imposed substantial fines and penalties on the carrier as a result of the violation.

**FINDINGS OF FACT**

- 51 Having discussed in detail both the oral and documentary evidence concerning all material matters at issue in this case, and having previously stated findings and conclusion on those issues, the following summary of the facts is now made.
- 52 (1) The Washington Utilities and Transportation Commission (the Commission) is an agency of the state of Washington vested by statute with authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including telecommunications providers of local exchange service.
- 53 (2) AT&T is a telecommunications provider of competitive local exchange service subject to the jurisdiction of the Commission.
- 54 (3) Qwest is a telecommunications provider of basic local exchange service subject to the jurisdiction of the Commission.
- 55 (4) AT&T filed a complaint with the Commission alleging Qwest engaged in reverse slamming in violation of provisions of WAC 480-120-139, RCW 80.36.080 and RCW 80.36.186.
- 56 (5) Approximately 234 of AT&T's customers were affected by a sudden increase in requests to lift PLOC freezes during the period of February 18 to April 24, 2002. Of these, AT&T provided 144 specific customer names and phone numbers for verification by Qwest, only 131 of which were accurate.
- 57 (6) Qwest's TPV retained verification tapes for 25 of these customer names and notations for the rest of the 131 customers indicating they had authorized a PLOC freeze on their accounts.
- 58 (7) Qwest engaged with AT&T in the CMR process to reduce delays in lifting freezes and Qwest has significantly reduced such delays.

---

<sup>6</sup> Second Report and Order and Further Notice of Proposed Rulemaking. (Second Report), CC Docket No. 94-129, at ¶ 114.

- 59 (8) Qwest's customer service hours of 5 a.m. to 7 p.m. Monday through Friday are adequate to accommodate customers who wish to lift customer service freezes.
- 60 (9) AT&T failed to provide sufficient information to show that Qwest had implemented unauthorized freezes on these customers' accounts or that Qwest had unreasonably or improperly delayed the lifting of freezes on customers' accounts.

### CONCLUSIONS OF LAW

- 61 (1) The Washington Utilities and Transportation Commission has jurisdiction over the subject matter of this proceeding and all parties to this proceeding. RCW 80.01.040; RCW 80.04.110; 80.36 RCW.
- 62 (2) AT&T has the burden of proof with regard to allegations contained in its complaint against Qwest. *Spokane Energy, Inc. v. Washington Water Power Company*, Docket No. U-86-114, Commission Order Granting Exceptions; Reversing Proposed Order; And Dismissing Complaint (April 22, 1987), at 4.
- 63 (3) AT&T failed to provide sufficient evidence to meet its burden of proof demonstrating that Qwest implemented unauthorized PLOC freezes on its customer accounts in violation of WAC 480-120-139(5).
- 64 (4) AT&T failed to provide sufficient evidence to meet its burden of proof to show that Qwest's processes for lifting PLOC freezes from customer accounts violates WAC 480-120-139(5).
- 65 (5) AT&T failed to provide sufficient evidence to meet its burden of proof to show that Qwest's processes for lifting PLOC freezes were unfair or placed AT&T at a competitive disadvantage in violation of RCW 80.136.170 or RCW 80.36.186.
- 66 (6) AT&T's complaint should be dismissed and the relief requested should be denied.

**ORDER**

- 67 (1) The Commission finds that AT&T failed to prove that Qwest violated any statutes or Commission rules.
- 68 (2) The Commission dismisses the complaint of AT&T against Qwest without prejudice.

Dated at Olympia, Washington, and effective this \_\_\_th day of August, 2002.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

THEODORA M. MACE  
Administrative Law Judge

**NOTICE TO THE PARTIES:**

This is an Initial order. The action proposed in this Initial Order is not effective until entry of a final order by the Utilities and Transportation Commission. If you disagree with this Initial Order and want the Commission to consider your comments, you must take specific action within the time limits outlined below.

WAC 480-09-780(2) provides that any party to this proceeding has twenty (20) days after the entry of this Initial Order to file a *Petition for Administrative Review*. What must be included in any Petition and other requirements for a Petition are stated in WAC 480-09-780(3). WAC 480-09-780(4) states that any *Answer* to any Petition for review may be filed by any party within (10) days after service of the Petition.

WAC 480-09-820(2) provides that before entry of a Final Order any party may file a *Petition to Reopen* a contested proceeding to permit receipt of evidence essential to a decision, but unavailable and not reasonably discoverable at the time of hearing, or for other good and sufficient cause. No Answer to a Petition to Reopen will be accepted for filing absent express notice by the Commission calling for such answer.

One copy of any Petition or Answer filed must be served on each party of record, with proof of service as required by WAC 480-09-120(2). An original and nineteen copies of any Petition or Answer must be filed by mail delivery to:

Attn: Carole J. Washburn, Secretary  
Washington Utilities and Transportation Commission  
PO Box 47250  
Olympia, Washington 98504-7250