

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	
)	DOCKET UT-060962
Complainant,)	
)	
v.)	
)	SETTLEMENT AGREEMENT
AT&T COMMUNICATIONS OF THE)	
PACIFIC NORTHWEST, INC.,)	
)	
Respondent.)	
)	
.....)	

1 This Settlement Agreement (Agreement) is entered into by the parties to this proceeding for the purpose of resolving all issues raised in the above docket.

I. PARTIES

2 The parties to this Agreement are AT&T Communications of the Pacific Northwest ("AT&T"), and Staff of the Washington Utilities and Transportation Commission ("Staff") (collectively, "the Parties").

II. AGREEMENT

3 The Parties have reached agreement on the issues raised in this docket and wish to present their agreement for the commission's consideration and approval. The Parties therefore adopt the following Agreement, which the Parties enter into voluntarily, to resolve all matters in dispute between them or that could arise between them from the issues presented in this proceeding, and they seek to expedite the orderly disposition of this matter.

4 AT&T admits 29,971 collect calls were incorrectly billed, in violation of RCW 80.36.130. These calls originated from Airway Heights Correctional Facility and from the Washington State Penitentiary, between March 14, 2005, and June 1, 2005. The Parties agree that this resulted in total charges of \$67,295 above those shown in AT&T's tariff. AT&T admits that RCW 80.36.130 requires that telecommunications companies refrain from charging rates different than those contained in their tariffs except under certain circumstances that are not applicable here.

SETTLEMENT AGREEMENT

A. Penalties

5 The Parties agree that AT&T will pay to the commission a penalty totaling \$302,705. The amount shall be paid to the commission no more than thirty (30) days after the effective date of this Agreement.

B. Refunds and Claims Process

6 AT&T agrees to refund up to \$67,295 in total to customers who:

- a. Contact AT&T, at a toll-free number to be established by AT&T subsequent to this Agreement's execution, claiming to have received collect calls from Airway Heights Correctional Facility and the Washington State Penitentiary between March 14, 2005 to June 1, 2005, and were billed for such calls;
- b. Submit a request form for a refund (or "claim") to AT&T's Customer Service Department alleging that they were the account holder of a relevant telephone number during this period; and
- c. If the claimant's telephone number appears on the list of relevant numbers, AT&T will refund the amount to that claimant, regardless of payment history. AT&T will make refunds for the relevant numbers only once.

7 Based on available records, AT&T will determine the appropriate refund amount due to each claimant.

8 AT&T agrees to notify potential claimants of the availability and process for refunds by posting a public notice at the two correctional facilities identified herein. AT&T and Staff will collaborate to determine the contents of the notice. AT&T shall post such notice starting February 1, 2008 and the notice shall remain posted until September 1, 2008.

9 AT&T further agrees to notify potential claimants of the availability and process for refunds by placing one display ad measuring approximately 2" by 4" in the following three newspapers: Seattle Times, Spokane Spokesman Review and Tri-City Herald, and by placing "tombstone notices" in the following five newspapers: Everett Herald, Tacoma News Tribune, Vancouver Columbian, Walla Walla Union Bulletin, and Yakima Herald Republic.

10 AT&T shall determine and pay for the appropriate ads and tombstone notices. AT&T will provide Staff a reasonable opportunity to review the ads and tombstone notices in advance of publication.

11 Customers shall have from February 1, 2008 to August 31, 2008 (seven months) to submit a claim to AT&T (the "customer claim period"). Provided the customer complies with the requirements in paragraph 6, subparts (a) through (c), AT&T agrees to resolve each claim received within sixty (60) days of receipt.

- 12 AT&T agrees to complete all refunds to eligible customers no later than sixty (60) days following the end of the customer claim period.
- 13 AT&T will establish and implement the claims process, and verify customer claims. AT&T shall be responsible for any and all costs associated with providing refunds to consumers under this Agreement.
- 14 Staff agrees to promptly refer any customers who contact Staff concerning a refund claim to AT&T's toll-free number to be established. If disputes arise between customers and AT&T concerning claims that AT&T is unable to resolve, AT&T agrees to refer those customers to the commission's toll-free consumer complaint number. AT&T further agrees to refer all claimants whose claims are not resolved within sixty (60) days of receipt by AT&T to the commission.
- 15 During the customer claim period, AT&T agrees to file a quarterly report with the commission, delivering copies of the customer claim forms received to date. In addition, this report shall include the number of claims made to date as well as the number and amount of refunds issued to date, and, if necessary, a summary of any issues of concern arising from the claims process. The reports shall be an opportunity for commission Staff and AT&T to periodically evaluate the effectiveness of the refund process and to adjust the process, if needed, by subsequent agreement.
- 16 Following completion of the refunds as described in Paragraphs 6 through 15, AT&T agrees to file with the commission documentation demonstrating that AT&T has completed the refund process, as well as, if applicable, any donation made to the Offender Welfare Betterment Fund, as described in paragraph 17. The documentation shall include, at a minimum, 1) the number of claims received, 2) the number of customers receiving refunds, 3) the amount refunded, and 4) proof that AT&T donated the money not refunded to customers, if any, to the Offender Welfare Betterment Fund.

C. Public Purpose Fund

- 17 If after all refunds have been issued by AT&T the total amount of refunds is less than \$67,295, AT&T agrees to donate the difference to the Offender Welfare Betterment Account, a public use fund administered by the Washington State Department of Corrections. *See Appendix A.*

D. Future Compliance

- 18 The Parties agree that AT&T will comply with all applicable commission rules and statutes. This Agreement does not preclude the commission from pursuing penalties for violations of commission rules and statutes unrelated to the subject matter of this Agreement.
- 19 To ensure that it complies with commission rules and statutes, AT&T agrees that it will continue to actively monitor the billing practices of companies with whom it has a

SETTLEMENT AGREEMENT

contractual relationship to provide billing services in Washington State on behalf of AT&T, and conduct audits when there is reason to believe that the billing agent is not meeting its service quality requirements consistent with existing contracts.


III. GENERAL PROVISIONS

- 20 The Parties agree that this Settlement Agreement is a settlement of all contested issues between them in this proceeding. The Parties understand that this Settlement Agreement is not binding unless and until accepted by the commission. The effective date of this Agreement is the date of the commission's order approving it.
- 21 The Parties agree to cooperate in submitting this Agreement promptly to the commission for acceptance. The Parties further agree to support adoption of this Agreement in proceedings before the commission through testimony or briefing. No party to this Agreement or their agents, employees, consultants, or attorneys will engage in advocacy contrary to the commission's adoption of this Agreement.
- 22 The Parties agree to 1) provide each other the right to review in advance of publication any and all announcements or news releases that the other party intends to make about the Agreement (with the right of review to include a reasonable opportunity to request changes to the text of such announcements), and 2) include in any news release or announcement a statement to the effect that Staff's recommendation to approve the Agreement is not binding on the commission itself.
- 23 The Parties have entered into this Agreement to avoid further expense, inconvenience, uncertainty, and delay of continuing litigation. The Parties recognize that this Agreement represents a compromise of the Parties' positions. As such, conduct, statements, and documents disclosed during negotiations of this Agreement shall not be admissible as evidence in this or any other proceeding, except in any proceeding to enforce the terms of this Agreement or any commission order fully adopting those terms. This Agreement shall not be construed against either party because it was the drafter of this Agreement.
- 24 The Parties have negotiated this Agreement as an integrated document to be effective upon execution and commission approval. This Agreement supersedes all prior oral and written agreements on issues addressed herein. Accordingly, the Parties recommend that the commission adopt this Agreement in its entirety.
- 25 The Parties may execute this Agreement in counterparts and, as executed, shall constitute one Agreement. Copies sent by facsimile are as effective as original documents.
- 26 The Parties shall take all actions necessary, as appropriate, to carry out this Agreement.
- 27 In the event the commission rejects all or any portion of this Agreement, each party reserves the right to withdraw from this Agreement by written notice to the other party and the

commission. Written notice must be served within ten (10) days of the order rejecting part or all of this Agreement. In such event, neither party will be bound or prejudiced by the terms of this Agreement, and either party shall be entitled to seek reconsideration of the order. Additionally, the Parties will jointly request that a prehearing conference be convened for purposes of establishing a procedural schedule to complete the case.

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

ROBERT M. MCKENNA
Attorney General



MICHAEL A. FASSIO
Assistant Attorney General
Counsel for the Utilities and
Transportation Commission Staff

Dated: December 13, 2007



AT&T COMMUNICATIONS OF THE
PACIFIC NORTHWEST, INC.

WILLIAM M. ARCHER
Chief Marketing Officer – Business
AT&T Operations, Inc.
on behalf of AT&T Communications of the
Pacific Northwest, Inc.



Attorney for AT&T Communications of the
Pacific Northwest, Inc.

Dated: December 13, 2007

APPENDIX A



STATE OF WASHINGTON
DEPARTMENT OF CORRECTIONS
P.O. Box 41100 • Olympia, Washington 98504-1100

RECEIVED
OCT 11 2007
WASH. UT. & TP. COMM

October 1, 2007

Mr. Dave Pratt
Utilities and Transportation Commission
Post Office Box 47250
Olympia, WA 98504-7250

SUBJECT: OFFENDER WELFARE BETTERMENT ACCOUNT

Dear Mr. Pratt:

This letter is written in response to your inquiry about using the Offender Welfare Betterment Account as a public use fund as a destination for unclaimed monies in the AT&T settlement agreement.

The Department believes that using the Offender Welfare Betterment Account (OBF) makes sense since the primary revenue source for this fund is telephone commissions from toll phones used by offenders. The assets of the OBF are used solely for offender betterment activities; which may enhance the security and orderly operation of a facility by reducing idleness and may encourage positive development of community ties.

Therefore, the Department is willing to be used as the public purpose fund and will accept the unclaimed refunds designated by the settlement agreement. Additionally, in accordance with RCW 72.09.095, twenty-five percent (25%) of the amount received will be deposited into the Crime Victims Compensation Fund.

If you need additional information, please contact Anita Kendall at (360) 725-8295 or myself at (360) 725-8516. Thank you.

Sincerely,

Melanie Roberts, Deputy Secretary
Office of Administrative Services

MR:amk

"Working Together for SAFE Communities"