

MEMORANDUM

FILED
MAR 17 1998
MISSOURI
PUBLIC SERVICE COMMISSION

TO: Missouri Public Service Commission Official Case File
Case No. TO-98-115
Southwestern Bell Telephone and AT&T

FROM: Dan Gordon, Telecommunications Department
Wes Henderson 3-17-98 *Phyllis G. Baker 3/17/98*
Utility Operations Div./Date General Counsel's Office/Date

SUBJECT: Staff's Recommendation to Approve the Interconnection
Agreement between Southwestern Bell Telephone Company and
AT&T Communications of the Southwest, Inc.

DATE: March 17, 1998

Pursuant to Missouri Public Service Commission (Commission) Orders in Case No. TO-98-115, AT&T Communications of the Southwest, Inc. (AT&T) and Southwestern Bell Telephone (SWBT) (together referred to as the Parties) filed a signed interconnection agreement (Agreement) on March 4, 1998.

For a complete procedural history of this case, see the Report and Order issued in this case on December 23, 1997. In that Order, the Parties were ordered to incorporate the Commission's arbitration decisions into their interconnection agreement and file the agreement with the Commission by February 1, 1998. On January 27, 1998, the Parties requested an extension of the filing date from February 1, 1998 to March 4, 1998. The Commission granted the Parties' request and the Parties filed an interconnection agreement on March 4, 1998.

Interconnection Agreement

SWBT and AT&T submitted this Agreement to the Commission pursuant to the Telecommunications Act of 1996 (Act). The Parties agree to effectuate all the terms of this Agreement upon Commission approval or by operation of law, whichever occurs first. The Agreement will expire after a three year initial term plus two one year extensions unless written notice is given (page 3 of the Agreement). The Agreement is 34 pages in length and is accompanied by 24 attachments. The attachments to the Agreement are grouped by subject and cover the following: Resale, UNEs, Network Interconnection Architecture and Compensation, Ancillary Functions, and Other Requirements.

Resale

Under this Agreement and pursuant to the Act, SWBT will offer to AT&T any telecommunications service that SWBT currently provides or hereafter offers to any customer in the geographic area where SWBT is the incumbent LEC. Specific provisions for resold services are addressed in Attachment 1: Resale, and other applicable attachments. AT&T may purchase SWBT's services at a 19.2 percent discount from SWBT's retail prices for all services except operator services. The wholesale discount of 13.9 percent applies to operator services only (Appendix Services/Pricing page 6). An additional attachment is included that lists services SWBT makes available to AT&T at retail prices unless otherwise specified; these services are not retail offerings.

Unbundled Network Elements

Under this Agreement and pursuant to the Act, SWBT will offer network elements to AT&T on an unbundled basis on rates, terms, conditions set forth in Attachment 6: Unbundled Network Elements, and other applicable attachments (Agreement page 30) in the geographic area where SWBT is the incumbent LEC. Prices for UNEs are set forth in Appendix-Pricing-UNE and are the Commission ordered permanent rates for UNEs as reviewed in Case No. TO-97-40, et al.. Prices for UNEs reviewed in Case No. TO-98-115 are being reviewed by the Arbitration Advisory Staff (AAS). The Agreement contains language for AAS review and true up.

In connection with the resale of services and UNEs to AT&T, SWBT will offer Ordering and Provisioning Services, Maintenance, Connectivity Billing and Recording, and Provision of Customer Usage Data services under the terms specified in Attachments 2, 3, 4, 5, 7, 8, 9, and 10 (Agreement page 30).

Network Interconnection Architecture and Compensation

Interconnection methods under this Agreement are specified in Attachment 11: Network Interconnection Architecture (Agreement page 30). Three appendices accompany Attachment 11 to discuss Interconnection Trunking Requirements, Network Interconnection Methods, and SS7 Interconnection. Reciprocal compensation rates and arrangements for the termination and transport of traffic are specified in Attachment 12: Compensation. Two appendices accompany Attachment 12 to discuss Cellular and Feature Group A compensation.

Ancillary Functions

Ancillary functions as used in this Agreement include but are not limited to Collocation, Rights-of-Way, Conduit, and Pole Attachments. The provision of these functions is specified in Attachment 13: Ancillary Functions.

Other Requirements

Attachments 14 through 24 specify the provision of the following: Interim Number Portability, 911/E911, Network Security and Law Enforcement, Failure to Meet Performance Criteria, Exchange of Directory Listing Information, White Pages, Clearinghouse, Numbering, DA-Facilities Based, and OS-Facilities Based.

Compliance with Commission Orders

Pursuant to the arbitration decisions issued in Case No. TO-97-40, et al. and Case No. TO-98-115, the Parties were ordered to incorporate the final arbitration decisions of all Commission Orders into the Agreement. In instances where the parties did not implement the exact determination set forth in Commission Orders, the Parties reached an agreed upon resolution, which is included in the Agreement. Specifically, the Parties clarified language that was submitted as a part of the Amended Joint Statement of Issues Remaining in Case No. TO-98-115. Therefore, the Parties complied with Commission Orders.

Staff Recommendation

The Telecommunications Department Staff (Staff) believes that the Agreement between SWBT and AT&T meets the limited requirements of the Telecommunications Act of 1996. Specifically, the Agreement 1) does not appear to discriminate against telecommunication carriers not party to the Agreement and 2) does not appear to be against the public interest. Furthermore, the Parties complied with Commission Orders in creating and filing this Agreement. Therefore, Staff recommends approval of the Agreement.

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