

MEMORANDUM

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TO: Missouri Public Service Commission Official Case File
Case No. TO-98-41
GTE Midwest Incorporated and GTE Arkansas Incorporated
Dial Call, Inc. (Nextel Communications)

FROM: Catherine Jones, Telecommunications Department
W. H. Haden 10-3-97 *CDM 10-3-97*
Utility Operations Div./Date General Counsel's Office/Date

SUBJECT: Staff's Recommendation to Approve the Interconnection Agreement
between GTE Midwest Incorporated and GTE Arkansas Incorporated
and Dial Call, Inc. (Nextel Communications)

DATE: October 2, 1997

On July 29, 1997, GTE Midwest Incorporated and GTE Arkansas Incorporated ("GTE") and Dial Call, Inc. (Nextel Communications) ("Nextel") (collectively referred to as the Parties) submitted an Interconnection Agreement to the Missouri Public Service Commission (Commission) for approval. Nextel is a CMRS (Commercial Mobile Radio Service) provider. The Parties request in their application that the Commission grant expeditious approval of this Interconnection Agreement.

Procedural Schedule and Participating Parties

On July 31, 1997, the Commission issued an Order and Notice directing any party wishing to request a hearing or participate without intervention to file no later than August 20, 1997. On August 20, 1997, the Small Telephone Company Group, Fidelity Telephone Company and Bourbeuse Telephone Company (STCG) filed an Application to Participate Without Intervention in the Agreement, citing concerns with the possible effects the proposed interconnection agreement may have on the relationships between wireless carriers, GTE, and local exchange companies (LECs) that are not party to this agreement. On August 26, 1997, the Commission Granted STCG Participation without Intervention. On September 15, 1997, STCG filed comments regarding the approval of the interconnection agreement.

The Telecommunications Department Staff (Staff) believes the issues raised by the STCG will be addressed by the Commission in Case No. TT-97-524. Staff's position on this matter is contained in the testimony to that case, and in several previous Staff Recommendations (Case No. TT-97-524, Case No. TO-97-523, Case No. TO-97-533, et al). After talking with a GTE official, Staff discovered that although GTE does not currently produce a report which would detail the source of originating traffic and the minutes of use (MOUs), GTE plans to begin providing such a report within the next few weeks.

Interconnection Agreement

GTE and Nextel submitted this negotiated interconnection agreement to the Commission pursuant to 47 U.S.C. 252(e). The interconnection agreement is 46 pages in length, including three appendices. The application states that the agreement is consistent with the public interest, convenience and necessity and does not discriminate against any telecommunications carrier. This agreement will become effective five (5) business days after receipt by the Parties of written notice of Commission approval. The term of the agreement is one (1) year from the effective date, and shall continue in

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effect for consecutive six (6) month terms until either Party gives the other Party at least sixty (60) days' written notice of terminating, which termination shall be effective at the end of the current term.

The interconnection agreement contains rates for transport and termination and transiting. Transiting occurs when a call traverses GTE's network but terminates on a non-GTE central office. The agreement includes provisions for dispute resolution between the Parties. The agreement contains no provisions for resale.

Transport and Termination of Traffic

The Parties shall reciprocally terminate local traffic originating on each other's networks utilizing either direct or indirect network interconnections. For the purposes of compensation between Parties, local traffic means traffic that is originated by an end user of one Party and terminates to the end user of the other Party, provided that the end user of Nextel receives service under the scope of the Nextel CMRS license. Only traffic originated by the Parties' end user customers is to be exchanged under this agreement. The agreement is specifically limited to traffic of GTE end user customers for which GTE has tariff authority to carry, and traffic of Nextel end user customers to which Nextel provides service on a two-way wireless basis. The agreement does not include traffic of Nextel end user customers to which Nextel may provide service on a fixed or land-line basis.

Compensation for the Exchange of Traffic

The Parties shall compensate each other for the exchange of local traffic at the rates specified in Appendix C of the agreement. The transport and termination rate is \$.012 per minute-of-use (MOU) and the transiting rate is \$.003 per MOU. Charges for the transport and termination of non-local traffic shall be in accordance with the Parties' respective intrastate or interstate access tariffs, or appropriate access charges.

Tandem Switching Services

GTE will provide tandem switching at GTE access tandems for traffic between Nextel and GTE end offices subtending the GTE access tandem, as well as for traffic between Nextel and non-GTE end offices subtending GTE access tandems. By transporting traffic to a non-GTE end office via a GTE tandem, Nextel assumes responsibility for compensation to GTE for all such tandem-switched traffic between Nextel and the non-GTE end office(s). By transporting traffic to non-GTE end offices via a GTE tandem, Nextel assumes responsibility for compensation to the non-GTE end office company. GTE will bill Nextel for each minute-of-use (MOU) Nextel generates that is tandem-switched.

Direct Network Interconnection

The agreement describes the network interconnection architectures with which the Parties may directly interconnect their networks for the transmission and routing of traffic. Subject to mutual agreement, the Parties may use the following types of network facility interconnection:

- * A Mid-span Fiber Meet within an existing GTE exchange whereby the Parties mutually agree to jointly plan and engineer their facility meet-point at a designated manhole or junction location. The meet point is the demarcation between ownership of the fiber transmission

facility. Each Party is individually responsible for its incurred costs in establishing this arrangement.

- * An Expanded Interconnection Service arrangement at a GTE wire center subject to the rates, terms, and conditions contained in GTE's applicable tariffs.
- * A special access arrangement terminating at a GTE wire center subject to the rates, terms, and conditions contained in GTE's applicable tariffs.

Nextel will provide factors to GTE on a quarterly basis to identify the proper jurisdiction of each call type that is carried over the required trunks. The factor, known as a PLU factor, describes the portion of local traffic exchanged between the Parties that both originated and terminated within the same local calling area (MTA). This factor applies to both originating and terminating MOUs. Reciprocal traffic exchange arrangement trunk connections shall be made at a DS-1 or multiple DS-1 level, DS-3, (SONET where technically available) and shall be jointly engineered to an objective P.01 grade of service. GTE and Nextel agree to use diligent efforts to develop and agree on a Joint Interconnection Grooming Plan prescribing standards to ensure that the reciprocal traffic exchange arrangement trunk groups are maintained at consistent P.01 or better grades of service. Signaling System 7 (SS7) Common Channel Signaling will be used to the extent available. Terms for Physical Collocation and Existing Virtual Collocation are set out in Article VI of the agreement.

Indirect Network Interconnection

Either Party may deliver traffic destined to terminate at the other Party's end office via another LEC's tandem provided that the Parties have established compensation agreement(s) specific to the arrangement. Neither Party shall deliver traffic destined to terminate at an end office subtending the other Party's access tandem via another LEC's access tandem.

Number Resources

Nextel may elect to associate a GTE end office interconnection with telephone number groups from the same GTE end office at which the interconnection is established. Blocks of 100 numbers will be provided by GTE to NEXTEL as available from the NXX codes of that GTE office.

For the purposes of compensation between the Parties and the ability of GTE to appropriately apply its toll tariff to its end user customers, the Parties will utilize Rate Centers published in the Local Exchange Routing Guide (LERG) for all NPA-NXX codes. The Parties will comply with code administration requirements as prescribed by the FCC, the Commission, and accepted industry guidelines. It shall be the responsibility of each Party to program and update its own switches and network systems pursuant to the LERG guidelines to recognize and route traffic to the other Party's assigned NXX codes at all times. Neither Party shall impose any fees or charges whatsoever on the other Party for such activities.

Coordinated Repair Calls

The Parties will educate their respective customers as to the correct telephone numbers to call to access their respective repair or customer care centers. To the extent that the correct provider of service to the customer is identifiable, the Parties will refer customers that make misdirected

repair calls to the other Party to the telephone number provided by the provider of service to that customer. Such referrals will be made in a courteous manner and at no charge to the other Party. Communications with end users of the other Party during such misdirected calls other than referral to the correct number are prohibited. The Parties will provide their respective repair/customer care contact numbers to one another on a reciprocal basis.

911

GTE will provision basic 911 service by connection to GTE's 911 selective router (i.e., 911 tandem) over an auxiliary connection. A minimum of two 911 trunks, or that quality necessary to provide P.01 Transmission Grade of Service is required. The Parties will work together to facilitate the prompt, reliable and efficient interconnection of the Nextel's systems to the 911 platform, without degradation to the Nextel's existing 911 level of performance and grade of service.

Directory Assistance (DA) and Operator Services

At Nextel's request, GTE will provide to Nextel directory assistance services and/or operator services pursuant to separate contracts to be negotiated in good faith between the Parties.

Access to Rights-of-way

Article VII is a separately-signed agreement between the Parties providing for mutual access to poles, ducts, conduits and rights-of-way.

Staff Recommendation

As reflected in the Staff Recommendation in Case No. TO-97-533 (Sprint Spectrum L.P. and GTE Midwest Incorporated Interconnection Agreement), Staff has some concerns regarding the lack of ability to report the source of originating traffic and the MOU. However, in that case, the Commission issued an Order Approving Interconnection Agreement and further ordered the companies to file with the Commission a written response addressing possible solutions to the problem. Since this Interconnection Agreement is substantially similar to the one filed in Case No. TO-97-533, Staff anticipates the Commission issuing a similar order in this case. Staff has reviewed the submitted interconnection agreement between GTE and Nextel and believes the agreement meets the limited requirements of the Telecommunications Act of 1996. Specifically, the agreement 1) does not appear to discriminate against telecommunications carriers not party to the agreement and 2) does not appear to be against the public interest, convenience and necessity. Staff recommends approval of the interconnection agreement.

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