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**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 8th day of January, 1998.

In the Matter of the Interconnection Agreement of)
GTE Midwest Incorporated and GTE Arkansas)
Incorporated and Ameritech Mobile Communications,) Case No. TO-98-163
Inc. on behalf of Cybertel Cellular Telephone)
Company and Cybertel RSA Cellular Ltd. Partnership)
d/b/a Ameritech Cellular Services.)
)

ORDER APPROVING INTERCONNECTION AGREEMENT

On October 15, 1997, GTE Midwest Incorporated (GTE Midwest), GTE Arkansas Incorporated (GTE Arkansas) (collectively GTE) and Ameritech Mobile Communications, Inc. (Ameritech Mobile), acting on behalf of Cybertel Cellular Telephone Company (CCTC) and Cybertel RSA Cellular Ltd. Partnership d/b/a Ameritech Cellular Services (ACS) (collectively Ameritech), filed a joint application for approval of an interconnection agreement (the Agreement) between GTE and Ameritech under the provisions of the Federal Telecommunications Act of 1996 (the Act). See 47 U.S.C. §§ 251, et seq.

The Missouri Public Service Commission (Commission) issued an Order and Notice on October 21, which established a November 10 deadline for applications to participate without intervention and a December 15 deadline for comments. The Order and Notice also directed the parties to file supplemental information showing that the parties are authorized to do business in Missouri and identifying the relationship between Ameritech Mobile, CCTC, and ACS. On October 31, the parties filed a joint response

showing that all the parties to the Agreement are authorized to do business in Missouri and clarifying the relationships between the parties. According to the joint supplemental pleading, Ameritech Mobile is a wholly owned subsidiary of Ameritech Corporation. Ameritech Mobile is in turn the parent corporation of Cybertel Corporation (Cybertel Corp.) and Gensub, Inc. (Gensub). Cybertel Cellular Telephone company is a Missouri general partnership with three general partners: Cybertel Corp (77.5 percent), Gensub (7.5 percent) and Cellular Mobile Systems of Missouri (Cellular Mobile) (15 percent). The joint pleading notes that Cellular Mobile is a Missouri corporation unrelated to Ameritech.

The joint pleading states that Cybertel RSA Cellular L.P. is a registered fictitious name for Cybertel Cellular Growth Fund, L.P., a Delaware limited partnership with three partners. The managing partner is 900 Cellular Investors Limited Partnership. Cybertel Cellular Management Company is an associate general partner, and JMB Investor Services Corporation is a limited partner.

On November 7, the Mid-Missouri Group of Local Exchange Telephone Companies¹ (Mid-Mo Group) filed an Application to Participate without Intervention. The Small Telephone Company Group² (STCG), Fidelity

¹ The following companies comprise the Mid-Missouri Group of Local Exchange Telephone Companies: Alma Telephone Company, Chariton Valley Telephone Corporation, Choctaw Telephone Company, Mid-Missouri Telephone Company, Mo-Kan Dial Inc., Modern Telecommunications Company, Northeast Missouri Rural Telephone Company and Peace Valley Telephone Company.

² The following companies comprise the Small Telephone Company Group: BPS Telephone Company, Cass County Telephone Company, Citizens Telephone Company of Higginsville, Missouri, Inc., Craw-Kan Telephone Cooperative, Inc., Ellington Telephone Company, Grand River Mutual Telephone Corporation, Green Hills Telephone Corporation, Holway Telephone Company, Iamo Telephone Company, Kingdom Telephone Company, KLM Telephone Company, Lathrop Telephone Company, Mark Twain Rural Telephone Company, McDonald County Telephone Company, Miller Telephone Company, New Florence Telephone
(continued...)

Telephone Company (Fidelity), and Bourbeuse Telephone Company (Bourbeuse) filed for participation on November 10. The Commission granted participation to the Mid-Mo Group, STCG, Fidelity and Bourbeuse on December 1. The Mid-Mo Group filed comments on November 24. GTE Midwest and GTE Arkansas jointly filed their response to the Mid-Mo Group's Comments on December 5. The STCG, Fidelity and Bourbeuse jointly filed their comments on December 15. On December 22, the Staff of the Commission (Staff) filed a Memorandum recommending approval of the Agreement.

Although the participants filed comments, they did not request a hearing. The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has requested the opportunity to present evidence. State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989). Since no one requested a hearing in this case, the Commission may grant the relief requested based on the verified application. However, the Commission will consider the comments filed by the participants, along with Staff's recommendation.

Discussion

The Commission, under the provisions of Section 252(e) of the Act, has authority to approve an interconnection agreement negotiated between an incumbent local exchange company (ILEC) and other telecommunications carriers. The Commission may reject an interconnection agreement only if the agreement is discriminatory to a nonparty or is inconsistent with the public interest, convenience, and necessity.

² (...continued)

Company, New London Telephone Company, Orchard Farm Telephone Company, Oregon Farmers Mutual Telephone Company, Steelville Telephone Exchange, Inc., and Stoutland Telephone Company.

The term of the Agreement is one (1) year from the effective date of the Agreement; thereafter, the Agreement shall continue in effect for consecutive six (6) month terms until either party gives the other party at least ninety (90) days' written notice of termination.

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, a virtual expanded interconnection service arrangement at a GTE wire center, or a special access arrangement at a GTE wire center.

Ameritech will provide PLU factors to GTE on a quarterly basis to identify the proper jurisdiction of each call type that is carried over the required trunks. These factors describe the portion of local traffic exchanged between the parties that both originated and terminated within the same local calling area. This factor applies to both originating and terminating minutes-of-use (MOUs). Reciprocal traffic exchange arrangement trunk connections shall be made at a DS-1 or multiple DS-1 level, DS-3, and will include SONET where technically available. Further, the trunk connections shall be jointly engineered to an objective P.01 grade of service. The parties have agreed to use diligent efforts to develop a Joint Interconnection Grooming Plan, which will prescribe 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.

The terms for Physical Collocation and Existing Virtual Collocation are set out in Article VI of the Agreement. GTE will provide physical collocation of equipment necessary for interconnection or for access to unbundled network elements. Further, the Agreement allows GTE to provide virtual collocation in place of physical collocation if physical collocation is not practical because of technical reasons or space limitations pursuant to Section 251(c)(6) of the Act. The Agreement also provides for indirect network interconnection.

The Agreement contains rates for transiting, transport and termination. Transiting occurs when a call traverses GTE's network but terminates on a non-GTE central office. The parties are required to reciprocally terminate local traffic originating on each other's networks using either direct or indirect network interconnections. For the purposes of compensation between parties, the Agreement defines local traffic as traffic that is originated by an end user of one party and terminates to the end user of the other party within a major trading area (MTA). However, the end user of Ameritech must receive service under the scope of the Ameritech commercial mobile radio service (CMRS) license. Only traffic originated by the parties' end user customers is to be exchanged under this agreement.

Compensation for the exchange of local traffic will be at the rates specified in Appendix C of the Agreement. The transport and termination rate is \$.0089 per MOU and the transiting rate is \$.0024 per MOU. Charges for the transport and termination of nonlocal traffic shall be in accordance with the parties' respective intrastate or interstate access tariffs, or appropriate access charges.

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

Ameritech 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 Ameritech as available from the NXX codes of that GTE office.

GTE will provision basic 911 service by connection to GTE's 911 selective router over an auxiliary connection. The parties have agreed to work together to facilitate the prompt, reliable and efficient interconnection of the Ameritech's systems to the 911 platform, without degradation of Ameritech's existing level of 911 performance and grade of service.

At Ameritech's request, GTE will provide to Ameritech directory assistance services and/or operator services pursuant to separate contracts to be negotiated in good faith between the parties. The Agreement provides a dispute resolution procedure involving negotiation followed by arbitration.

The Mid-Mo Group's comments on the interconnection agreement concern two issues. First, the Mid-Mo Group states that cellular traffic terminating in third-party LEC exchanges is indistinguishable from other traffic which GTE terminates to third-party LECs. Thus, the third-party

LEC has no way of blocking such traffic or knowing which cellular provider is responsible for what portion of terminating minutes. Therefore, it cannot be determined what amount to bill or to whom a bill should be sent. The Mid-Mo Group's second concern deals with the growing administrative burden of billing requirements which will be imposed on small incumbent LECs to administer compensation contracts with wireless carriers for small amounts of traffic. The Mid-Mo Group believes the administrative cost associated with tracking cellular traffic and billing the appropriate cellular provider will outweigh the benefit of compensation to be obtained for terminating cellular traffic. Similar concerns were raised by the STCG, Fidelity and Bourbeuse in their jointly filed comments on December 15. However, none of the participants requested a hearing or asked the Commission to reject the interconnection agreement.

GTE responded to the Mid-Mo Group's comments on December 5, stating that the parties intend to terminate cellular traffic to all end offices subtending the tandem of interconnection. GTE states that some of this traffic will terminate to the member companies of the Mid-Mo Group. However, GTE notes that the only member of the Mid-Mo Group subtending a GTE tandem of interconnection is Peace Valley Telephone Company. All other Mid-Mo Group companies are unaffected by the Agreement. Further, GTE states that it has prepared a monthly report which documents terminating usage by originating carrier on a monthly basis. GTE indicates this report will be offered to all subtending LECs; cellular service providers will also receive this report for validation purposes. Finally, GTE states the Act and the FCC orders interpreting the Act require LECs to negotiate in good faith and enter into reciprocal compensation arrangements with all cellular service providers for the transport and termination of traffic on

each other's networks. Therefore, GTE maintains it is the obligation of either the originating or terminating party, not the transiting party, to negotiate such third-party agreements.

In Staff's Memorandum, Staff stated it believed the issues raised by the Mid-Mo Group will be addressed by the Commission in Case No. TT-97-524. Staff's said its position on these issues is contained in the testimony to that case, and in several previous Staff Recommendations.³

Staff states it reviewed the submitted interconnection agreement between GTE and Ameritech 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.

The Commission notes that a Report and Order was issued in Case No. TT-97-524 on December 23, the day after Staff's recommendation was filed. Much of the discussion in the Report and Order centers around the duty of ILECs to negotiate reciprocal compensation agreements with cellular service providers as required by the Act, despite the increased administrative burden. Additionally, the Commission determined that transportation and termination are separate functions, and that Southwestern Bell Telephone Company (SWBT) should be permitted to realign its business relationship by replacing its offer of end-to-end service with a transport service instead. However, the Commission also found that third-party LECs must have access to information which is sufficient for them to bill for

³ Staff cites its recommendations in Case No. TT-97-524, Case No. TO-97-523, and Case No. TO-97-533.

wireless traffic that terminates in its exchanges. SWBT met this obligation to provide information by developing a monthly CUSR report containing the identity of the originating wireless carrier, the terminating office and the MOUs. Although GTE is not a party in Case No. TT-97-524 and is not bound by the provisions of the Report and Order, the Commission notes that GTE has developed a similar monthly report of its cellular traffic for distribution to third-party LECs.

Under the provisions of Section 252(e)(1) of the federal Telecommunications Act of 1996, 47 U.S.C. § 252(e)(1), the Commission is required to review negotiated interconnection agreements. It may only reject a negotiated agreement upon a finding that its implementation would be discriminatory to a nonparty or inconsistent with the public interest, convenience and necessity under Section 252(e)(2)(A). Based upon its review of the interconnection agreement between GTE and Ameritech, Staff's recommendation, the comments filed by the Mid-Mo Group, STCG, Fidelity, and Bourbeuse, and GTE's response, the Commission concludes that the interconnection agreement filed on October 15 is neither discriminatory to nonparties nor inconsistent with the public interest and should be approved.

Consistent with previously approved interconnection agreements, the Commission also directs the parties to submit a copy of the Agreement to the Commission with the pages sequentially numbered in the lower right-hand corner.

Modification Procedure

This Commission's first duty is to review all resale and interconnection agreements, whether arrived at through negotiation or arbitration, as mandated by the Act. 47 U.S.C. § 252. In order for the

Commission's role of review and approval to be effective, the Commission must also review and approve modifications to these agreements. The Commission has a further duty to make a copy of every resale and interconnection agreement available for public inspection. 47 U.S.C. § 252(h). This duty is in keeping with the Commission's practice under its own rules of requiring telecommunications companies to keep their rate schedules on file with the Commission. 4 CSR 240-30.010.

The parties to each resale or interconnection agreement must maintain a complete and current copy of the agreement, together with all modifications, in the Commission's offices. Any proposed modification must be submitted for Commission approval, whether the modification arises through negotiation, arbitration, or by means of alternative dispute resolution procedures.

The parties shall provide the Telecommunications Staff with a copy of the resale or interconnection agreement with the pages numbered consecutively in the lower right-hand corner. Modifications to an agreement must be submitted to the Staff for review. When approved the modified pages will be substituted in the agreement which should contain the number of the page being replaced in the lower right-hand corner. Staff will date-stamp the pages when they are inserted into the Agreement. The official record of the original agreement and all the modifications made will be maintained by the Telecommunications Staff in the Commission's tariff room.

The Commission does not intend to conduct a full proceeding each time the parties agree to a modification. Where a proposed modification is identical to a provision that has been approved by the Commission in another agreement, the modification will be approved once Staff has verified that the provision is an approved provision, and prepared a

recommendation advising approval. Where a proposed modification is not contained in another approved agreement, Staff will review the modification and its effects and prepare a recommendation advising the Commission whether the modification should be approved. The Commission may approve the modification based on the Staff recommendation. If the Commission chooses not to approve the modification, the Commission will establish a case, give notice to interested parties and permit responses. The Commission may conduct a hearing if it is deemed necessary.

IT IS THEREFORE ORDERED:

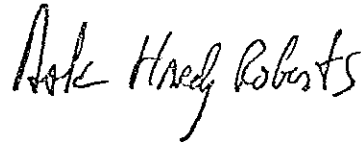
1. That the interconnection agreement filed on October 15, 1997, between GTE Midwest Incorporated, GTE Arkansas Incorporated and Ameritech Mobile Communications, Inc., acting on behalf of Cybertel Cellular Telephone Company and Cybertel RSA Cellular Ltd. Partnership d/b/a Ameritech Cellular Services is approved.

2. That GTE Midwest Incorporated, GTE Arkansas Incorporated and Ameritech Mobile Communications, Inc., acting on behalf of Cybertel Cellular Telephone Company and Cybertel RSA Cellular Ltd. Partnership d/b/a Ameritech Cellular Services shall file a copy of the interconnection agreement with the Staff of the Missouri Public Service Commission with the pages numbered seriatim in the lower right-hand corner no later than February 13, 1998.

3. That any further changes or modifications to this agreement shall be filed with the Commission for approval pursuant to the procedure outlined in this order.

4. That this order shall become effective on January 13, 1998.

BY THE COMMISSION

A handwritten signature in black ink that reads "Dale Hardy Roberts". The signature is written in a cursive style with a large initial "D".

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Drainer
and Murray, CC., concur.

Hennessey, Regulatory Law Judge