STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 25th day of February, 1998.

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In the Matter of the Interconnection agreement of GTE Midwest Incorporated and GTE Arkansas Incorporated and United States Cellular Operating Company of Missouri RSA #5 Incorporated, Missouri #15 Rural Cellular, United States Cellular Operating Company of Columbia, and United States Cellular Operating Company of Missouri RSA #13 Incorporated.

Case No. TO-98-230

ORDER APPROVING INTERCONNECTION AGREEMENT

On December 5, 1997, GTE Midwest Incorporated (GTE Midwest), GTE Arkansas Incorporated (GTE Arkansas) (collectively GTE) and United States Cellular Operating Company of Missouri RSA #5 Incorporated, Missouri #15 Rural Cellular, United States Cellular Operating Company of Columbia, and United States Cellular Operating Company of Missouri RSA #13 Incorporated (collectively US Cellular), filed a joint application for approval of an interconnection agreement (the Agreement) between GTE and US Cellular under the provisions of the Federal Telecommunications Act of 1996 (the Act). See 47 U.S.C. §§ 251, et seq. GTE subsequently filed a substitute page III-4 of the Agreement on February 13, 1998, to correct a copying error in its original application.

The Missouri Public Service Commission (Commission) issued an Order and Notice on December 12, which established a January 2, 1998, deadline for applications to participate without intervention and a February 3 deadline for comments. The Order and Notice also directed the

parties to file supplemental information clarifying whether the request for approval applied only to GTE Midwest. On December 23, 1997, GTE Midwest and GTE Arkansas filed a joint response stating that the request for approval of the Agreement applied to both GTE Midwest and GTE Arkansas. According to the joint supplemental pleading, GTE Arkansas operates two exchanges which serve customers in Missouri. Therefore, GTE Arkansas is subject to the Commission's jurisdiction.

No applications for participation were filed and the Staff of the Commission (Staff) filed a Memorandum recommending approval of the Agreement on February 13, 1998.

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 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.

The term of the Agreement is one year from the effective date of the Agreement; thereafter, the Agreement shall continue in effect for consecutive six-month terms until either party gives the other party at least sixty days' written notice of termination. Such a termination will be effective at the end of the then-current term.

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.

US Cellular will provide percent of local usage (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. Under the Agreement, 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 in the absence of a compensation agreement with that third-party LEC. However, 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 a compensation agreement specific to the arrangement.

The Agreement contains rates for transiting, transport and termination. However, the Agreement contains no provisions for resale. 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). For GTE-originated traffic, the traffic must also terminate within the same LATA.

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 US Cellular end user customers to which US Cellular provides service on a two-way wireless basis. The Agreement does not

include traffic of US Cellular end user customers to which US Cellular may provide service on a fixed or land-line basis.

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 \$.0025 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.

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

US Cellular 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 US Cellular 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 use 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 Federal Communications Commission (FCC), the Commission and accepted industry guidelines. Each party is responsible for programming and updating 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 may impose any fees or charges whatsoever on the other party for such activities.

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

At US Cellular's request, GTE will provide 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 Agreement requires each party to educate their respective customers as to the correct telephone numbers to call to access their respective repair or customer care centers. Further, the parties will provide their respective repair/customer care contact numbers to one another on a reciprocal basis. 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 telephone number of that customer's service provider. 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.

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

Staff states it reviewed the submitted interconnection agreement 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.

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 and Staff's recommendation, the Commission concludes that the interconnection agreement between GTE and US Cellular filed on December 5, 1997, is neither discriminatory to nonparties nor inconsistent with the public interest and should be approved.

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 December 5, 1997, between GTE Midwest Incorporated, GTE Arkansas Incorporated and United States Cellular Operating Company of Missouri RSA #5 Incorporated, Missouri #15 Rural Cellular, United States Cellular Operating Company of Columbia, and United States Cellular Operating Company of Missouri RSA #13 Incorporated is approved.
- 2. That GTE Midwest Incorporated, GTE Arkansas Incorporated and United States Cellular Operating Company of Missouri RSA #5 Incorporated, Missouri #15 Rural Cellular, United States Cellular Operating Company of Columbia, and United States Cellular Operating Company of Missouri RSA #13 Incorporated 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 March 16, 1998.
- 3. That 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 March 5, 1998.

BY THE COMMISSION

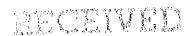
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Dale Hardy Roberts Secretary/Chief Regulatory Law Judge

(S E A L)

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

Hennessey, Regulatory Law Judge



FEB 28 1998

COMMISSION COUNSEL PUBLIC SERVICE COMMISSION