GTE Network Services

1000 GTE Drive
P.O. Box 307
Wentzville, MO 63385-0307

February 16, 2000

VIA AIRBORNE EXPRESS

FILED

FEB 16 2000

Missouri Public
Service Commission

TO-2000-497

Mr. Dale Hardy Roberts
Secretary/Chief Administrative Law Judge
Missouri Public Service Commission
301 W. High Street, Room 530
Jefferson City, MO 65101

Subject: ADOPTION OF GTE/AT&T COMMUNICATIONS OF THE SOUTHWEST, INC., INTERCONNECTION AGREEMENT BY MCLEODUSA TELECOMMUNICATIONS SERVICES, INC., PURSUANT TO SECTION 252(i) OF THE TELECOMMUNICATIONS ACT OF 1996

Dear Mr. Roberts:

Enclosed for filing with the Commission under Section 252(i) of the Telecommunications Act of 1996 are the original and fourteen (14) copies of GTE's motion for adoption of Interconnection Agreement by McLeodUSA Telecommunications Services, Inc. As directed by the Commission on January 4, 1999, an original and five (5) copies of the approved Interconnection Agreement are enclosed with this filing.

Thank you for you assistance in this matter.

Sincerely,

Tracy D. Pagliara

Tracy D. Pagliara

TP:jh

Enc.

c: Service List
C. Little/D. Evans - Jefferson City, MO

FILED

FEB 16 2000

Missouri Public Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

IN THE MATTER OF THE ADOPTION OF THE GTE/ AT&T COMMUNICATIONS OF THE SOUTHWEST, INC. INTERCONNECTION AGREEMENT BY MCLEODUSA TELECOMMUNICATIONS SERVICES, INC. PURSUANT TO SECTION 252(i) OF THE TELECOMMUNICATIONS ACT OF 1996	]]]]]]	DOCKET NO. TO-2000-497

ADOPTION OF INTERCONNECTION AGREEMENT

COMES NOW, GTE Midwest Incorporated ("GTE Midwest") and GTE Arkansas Incorporated ("GTE AR") (collectively, "GTE" or "Applicants"), and respectfully file this Adoption of Interconnection Agreement. In connection with this filing, GTE states as follows:

1. GTE Midwest and GTE AR are engaged in the business of providing local, access, toll and other telecommunications services. The principal office of GTE Midwest and GTE AR is 601 Monroe Street, Suite 304, Jefferson City, Missouri 65101.

The designated contact for purposes of this Agreement is:

Dave Evans
GTE Manager – Regulatory Affairs
601 Monroe Street, Suite 304
Jefferson City, MO 65101
Telephone: 573-636-7196
Fax: 573-636-6826
e-mail: dave.evans@telops.gte.com

2

2. Pursuant to Section 252(i) of the Telecommunications Act of 1996 (the "Federal Act"), McLeodUSA Telecommunications Services, Inc. notified GTE that it desired to adopt the terms (the "Terms") of the Interconnection Agreement between GTE and AT&T approved by the Missouri Public Service Commission (the "Commission") in Docket TO-97-63 (the "Agreement"). Subsequent to this, GTE and McLeodUSA Telecommunications Services, Inc. signed short cover letters relating to McLeodUSA Telecommunications Services, Inc.'s adoption of the Terms. A copy of said cover letters are attached to this filing as Exhibit 1.

3. Section 252(i) of the Federal Act provides as follows:

> (i) AVAILABILITY TO OTHER TELECOMMUNICATIONS CARRIERS.-
>
> A local exchange carrier shall make available any interconnection services, or network element provided under an agreement approved under this section to which it is a party to any other requesting telecommunications carrier upon the same terms and condition as those provided in the agreement.

A copy of the Commission's July 22, 1998 Order approving the Agreement is attached hereto as Exhibit 2. A copy of the approved interconnection agreement between GTE and AT&T, for adoption by McLeodUSA Telecommunications Services, Inc., is attached as Exhibit 3. As described in the Order, the Commission approved the Agreement pursuant to Section 252(e) of the Federal Act by finding that it was consistent with the public interest, convenience and necessity and did not discriminate against any telecommunications carrier. Furthermore, the Commission found that the

Agreement was consistent with Missouri Senate Bill No. 507, which became effective on August 28, 1996. Accordingly, the Terms are adopted by McLeodUSA Telecommunications Services, Inc. and will apply to McLeodUSA Telecommunications Services, Inc. and GTE pursuant to Section 252 (i) of the Act.

GTE is not voluntarily entering the Terms with McLeodUSA Telecommunications Services, Inc. and does not waive any rights and remedies it has concerning its position as to the illegality or unreasonableness of the Terms. GTE contends that certain provisions of the Terms may be void or unenforceable as a result of the United States Eighth Circuit court of Appeals July and October, 1997 decisions, the Supreme Court of the United States' decision of January 25, 1999 and the remand of the pricing rules to the United States Eighth Circuit Court of Appeals. Any modification to the underlying Terms shall automatically apply to McLeodUSA Telecommunications Services, Inc. GTE is preserving its legal positions in every respect as to the Terms in the hands of McLeodUSA Telecommunications Services, Inc., as well as in the hands of AT&T Communications of the Southwest, Inc. Subject to GTE's reservation of rights set forth in the letters between the Parties (copy attached as Exhibit 1), there are no outstanding issues between GTE and McLeoadUSA Telecommunications Services, Inc. relating to such adoption.

WHEREFORE, GTE respectfully submits this Adoption of Interconnection Agreement.

Respectfully submitted,

GTE MIDWEST INCORPORATED
GTE ARKANSAS INCORPORATED

By: Tracy D. Pagliara /BH

Tracy D. Pagliara, Bar #40126
601 Monroe Street, Suite 304
Jefferson City, MO 65101-3202
(972) 718-6362
FAX (972) 718-1250

VERIFICATION

I, Robert E. Bradley, under penalty of perjury, certify as follows:

I am Vice President of GTE Midwest Incorporated and GTE Arkansas Incorporated. I am authorized to make this verification on behalf of GTE Midwest Incorporated and GTE Arkansas Incorporated. I have read the foregoing "Adoption of Interconnection Agreement" and know the contents thereof, and the facts stated therein are true and correct to the best of my knowledge, information and belief.

Executed in the State of Missouri on this 14th day of February, 2000.

Robert E. Bradley
Vice President
GTE Midwest Incorporated
GTE Arkansas Incorporated

Sworn before me and subscribed in my presence by R. Bradley this 14th day of February 2000.

Kathleen M. Feldewerth
Notary Public

" NOTARY SEAL "
Kathleen M. Feldewerth, Notary Public
St. Charles County, State of Missouri
My Commission Expires 10/2/2001

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document was mailed via Airborne Express to Dale Hardy Roberts, Secretary/Chief Administrative Law Judge, Missouri Public Service Commission, 301 W. High Street Room 530, Jefferson City, MO 65101 and was mailed, postage prepaid, this 16th day of February, 2000 to the following:

Office of the Public Counsel
301 W. High Street, Room 250
Jefferson City, MO 65101

Mr. Kenneth A. Kirley
Associate General Counsel
McLeodUSA Telecommunications Services, Inc
400 S Highway 169, No. 750
Minneapolis, MN 55426

Janice G. Hartley

EXHIBIT 1

Connie Nicholas
Assistant Vice President
Wholesale Markets-Interconnection

GTE Network Services

HQE03B28
600 Hidden Ridge
P.O. Box 152092
Irving, TX 75038
972/718-4586
FAX 972/719-1523

January 31, 2000

Kenneth A. Kirley
Associate General Counsel
McLeodUSA Telecommunications Services, Inc.
400 S Highway 169, No. 750
Minneapolis, MN 55426

Dear Kenneth A. Kirley:

We have received your letter stating that, under Section 252(i) of the Telecommunications Act of 1996, you wish to adopt the terms of the arbitrated Interconnection Agreement between AT&T Communications of the Southwest, Inc. ("AT&T") and GTE that was approved by the Commission as an effective agreement in the State of MO in Docket No. TO-97-63 (Terms)[1]. I understand you have a copy of the Terms

Please be advised that our position regarding the adoption of the Terms is as follows.

On January 25, 1999, the Supreme Court of the United States ("Court") issued its decision on the appeals of the Eighth Circuit's decision in *Iowa Utilities Board*. Specifically, the Supreme Court vacated Rule 51.319 of the FCC's First Report and Order, FCC 96-325, 61 Fed. Reg. 45476 (1996) and modified several of the FCC's and the Eighth Circuit's rulings regarding unbundled network elements and pricing requirements under the Act. *AT&T Corp. v. Iowa Utilities Board*, No. 97-826, 1999 U.S. LEXIS 903 (1999).

Three aspects of the Court's decision are worth noting. First, the Court upheld on statutory grounds the FCC's jurisdiction to establish rules implementing the pricing provisions of the Act. The Court, though, did not address the substantive validity of the FCC's pricing rules. This issue will be decided by the Eighth Circuit on remand.

1 *These "agreements" are not agreements in the generally accepted understanding of that term. GTE was required to accept these agreements, which were required to reflect the then-effective FCC rules.

Second, the Court held that the FCC, in requiring ILECs to make available all UNEs, had failed to implement section 251(d)(2) of the Act, which requires the FCC to apply a "necessary" or "impair" standard in determining the network elements ILECs must unbundle. The Court ruled that the FCC had improperly failed to consider the availability of alternatives outside the ILEC's network and had improperly assumed that a mere increase in cost or decrease in quality would suffice to require that the ILEC provide the UNE. The Court therefore vacated in its entirety the FCC rule setting forth the UNEs that the ILEC is to provide. The FCC must now promulgate new UNE rules that comply with the Act.[2] As a result, any provisions in the Terms requiring GTE to provide UNEs are nullified.

Third, the Court upheld the FCC rule forbidding ILECs from separating elements that are already combined (Rule 315(b)), but explained that its remand of Rule 319 "may render the incumbents' concern on [sham unbundling] academic." In other words, the Court recognized that ILEC concerns over UNE platforms could be mooted if ILECs are not required to provide all network elements: "If the FCC on remand makes fewer network elements unconditionally available through the unbundling requirement, an entrant will no longer be able to lease every component of the network."

The Terms which McLeodUSA Telecommunications Services, Inc. seeks to adopt does *not* reflect the Court's decision, and any provision in the Terms that is inconsistent with the decision is nullified.

GTE anticipates that after the FCC issues new final rules on UNEs, this matter may be resolved. In the interim, GTE would prefer not to engage in the arduous task of reforming agreements to properly reflect the current status of the law and then to repeat the same process later after the new FCC rules are in place. Without waiving any rights, GTE proposes that the parties agree to hold off amending (or incorporating the impact of the decision into) the Terms and let the section 252(i) adoption proceed by maintaining the status quo until final new FCC rules are implemented (the "New Rules"), subject to the following package of interdependent terms:

1. GTE will continue to provide all UNEs called for under the Terms until the FCC issues the New Rules even though it is not legally obligated to do so.

2. Likewise, McLeodUSA Telecommunications Services, Inc. agrees not to seek UNE "platforms," or "already bundled" combinations of UNEs.

3. If the FCC does not issue New Rules prior to the expiration of the initial term of the Terms, GTE will agree to extend any new interconnection arrangement between the parties to the terms of this proposal until the FCC issues its New Rules.

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2 *On November 5, 1999, the FCC released an order regarding a new list of UNEs that ILECs must offer to CLECs. At this time, the order is still not effective. GTE will comply with the requirements of this order when it becomes effective. Notwithstanding this, GTE does not waive, and hereby expressly reserves, the right to challenge the legality of this order.

4. By making this proposal (and by agreeing to any settlement or contract modifications that reflect this proposal), GTE does not waive any of its rights, including its rights to seek recovery of its actual costs and a sufficient, explicit universal service fund. Nor does GTE waive its position that, under the Court's decision, it is not required to provide UNEs unconditionally. Moreover, GTE does not agree that the UNE rates set forth in any agreement are just and reasonable and in accordance with the requirements of sections 251 and 252 of Title 47 of the United States Code.

5. The provisions of the contract that might be interpreted to require reciprocal compensation or payment as local traffic from GTE to the telecommunications carrier for the delivery of traffic to the Internet are not available for adoption and are not a part of the 252(i) agreement pursuant to FCC Rule 809 and paragraphs1317 and 1318 of the First Report and Order.

GTE believes that the first four conditions above are adequately explained by the first part of this letter. The reason for the last condition is the FCC gave the ILECs the ability to except 252(i) adoptions in those instances where the cost of providing the service to the requesting carrier is higher than that incurred to serve the initial carrier or there is a technical incompatibility issue. The issue of reciprocal compensation for traffic destined for the Internet falls within FCC Rule 809. GTE never intended for Internet traffic passing through a telecommunications carrier to be included within the definition of local traffic and the corresponding obligation of reciprocal compensation. Despite the foregoing, some forums have interpreted the issue to require reciprocal compensation to be paid. This produces the situation where the cost of providing the service is not cost based under Rule 809 or paragraph 1318 of the First report and Order. As a result, that portion of the contract pertaining to reciprocal compensation is not available under this 252(i) adoption. In its place are provisions that exclude ISP Traffic from reciprocal compensation. Specifically, the definition of "Local Traffic" includes this provision: "Local Traffic excludes information service provider ("ISP") traffic (i.e., Internet, 900 – 976, etc)"

In sum, GTE's proposal as described above would maintain the status quo until the legal landscape is settled.

McLeodUSA Telecommunications Services, Inc.'s adoption of the AT&T arbitrated Terms shall become effective upon filing of this letter with the Missouri Public service Commission and remain in effect no longer than the date the AT&T arbitrated Terms are terminated. The AT&T arbitrated agreement is currently scheduled to expire on August 11, 2001.

As these Terms are being adopted by you pursuant to your statutory rights under section 252(i), GTE does not provide the Terms to you as either a voluntary or negotiated agreement. The filing and performance by GTE of the Terms does not in any way constitute a waiver by GTE of its position as to the illegality or unreasonableness of the Terms or a portion thereof, nor does it constitute a waiver by GTE of all rights and remedies it may have to seek review of the Terms, or to petition the Commission, other administrative body, or court for reconsideration or reversal of any determination made by the Commission pursuant to arbitration in Docket No.TO-97-63, or to seek review in any way of any provisions included in these Terms as a result of McLeodUSA Telecommunications Services, Inc.'s 252(i) election.

Nothing herein shall be construed as or is intended to be a concession or admission by either GTE or McLeodUSA Telecommunications Services, Inc. that any contractual provision required by the Commission in Docket No. TO-97-63 (the AT&T arbitration) or any provision in the Terms complies with the rights and duties imposed by the Telecommunications Act of 1996, the decision of the FCC and the Commissions, the decisions of the courts, or other law, and both GTE and McLeodUSA Telecommunications Services, Inc. expressly reserve their full right to assert and pursue claims arising from or related to the Terms. GTE contends that certain provisions of the Terms may be void or unenforceable as a result of the Court's decision of January 25, 1999 and the remand of the pricing rules to the United States Eighth Circuit Court of Appeals.

Should McLeodUSA Telecommunications Services, Inc. attempt to apply such conflicting provisions, GTE reserves its rights to seek appropriate legal and/or equitable relief. Should any provision of the Terms be modified, such modification would likewise automatically apply to this 252(i) adoption.

Please indicate by your countersignature on this letter your understanding of and commitment to the following three points:

(A) McLeodUSA Telecommunications Services, Inc. adopts the Terms of the AT&T arbitrated agreement for interconnection with GTE and in applying the Terms, agrees that McLeodUSA Telecommunications Services, Inc. be substituted in place of AT&T in the Terms wherever appropriate.

(B) McLeodUSA Telecommunications Services, Inc. requests that notice to McLeodUSA Telecommunications Services, Inc. as may be required under the Terms shall be provided as follows:

To : McLeodUSA Telecommunications Services, Inc.
Attention: John J. McCluskey
400 S Highway 169, No. 750
Minneapolis, MN 55426
Telephone number: (612) 252-5083
FAX number: (612) 252-5140

(C) McLeodUSA Telecommunications Services, Inc. represents and warrants that it is a certified provider of local dialtone service in the State of Missouri, and that its adoption of the Terms will cover services in the State of Missouri only.

Sincerely,

GTE Midwest Inc.
GTE Arkansas Inc.

Connie Nicholas
Assistant Vice President
Wholesale Markets-Interconnection

APPROVED BY LEGAL DEPT.
ATTORNEY | DATE 12.4.00

Reviewed and countersigned as to points A, B, and C:

McLeodUSA Telecommunications Services, Inc.

For McLeodUSA Telecommunications Services, Inc.

c: S. Sebring - HQE03B56- Irving, TX

McLeodUSA®

January 28, 2000

Ms. Nancy Bromley
Manager – Negotiations
GTE Network Services
HQE03C49
600 Hidden Ridge
Irving, TX 75038

Telephone: (972) 718-0978
Facsimile: (972) 718-1279

Re: Request to Opt into the Interconnection, Resale and Unbundling Agreement between GTE Midwest Incorporated ("GTE") and AT&T Communications of the Southwest, Inc. ("AT&T), dated on or about June 12, 1998, for the State of Missouri (the "Interconnection Agreement")

Dear Ms. Bromley:

We have received the GTE Network Services form of adoption letter that you e-mailed to John McCluskey on January 24, 2000. As Mr. McCluskey advised you, McLeodUSA Telecommunications Services, Inc., an Iowa corporation wholly owned by McLeodUSA Incorporated, desires to opt into the Interconnection Agreement referenced above in its entirety, including any amendments thereto that have been approved by the Missouri Public Service Commission (the "Commission"), as provided by Section 252(i) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the "Act").

We respectfully decline to execute the GTE Network Services adoption letter, which action is unnecessary; this letter constitutes a "bona fide request for interconnection, services, or network elements" under the Act. McLeodUSA Telecommunications Services, Inc. adopts the Interconnection Agreement with GTE and agrees that, in applying the terms of the Interconnection Agreement, that McLeodUSA Telecommunications Services, Inc. shall be substituted in place of AT&T in the Interconnection Agreement wherever appropriate. Accordingly, please file the Interconnection Agreement as soon as possible with the Commission for approval under Section 252(e) of the Act. We desire to file the Interconnection Agreement jointly with you for such approval.

McLeodUSA Telecommunications Services, Inc. represents and warrants that it is a certified provider of local dial tone service in the State of Missouri, and that its adoption of the Interconnection Agreement will cover services in the State of Missouri only.

McLeodUSA Telecommunications Services, Inc. requests that GTE provide notices under the Interconnection Agreement as follows:

To: McLeodUSA Telecommunications Services, Inc. (612) 252-5083 Telephone
Attention: John J. McCluskey (612) 252-5140 Telecopy
Director of Interconnection Negotiations
400 S. Highway 169, No. 750
Minneapolis, MN 55426

Notwithstanding anything stated above, we are advising GTE of the foregoing without prejudice to any positions which McLeodUSA Incorporated or any of its affiliates have taken previously, or may take in the future, in any legislative, regulatory, or other public forum addressing any matters, including any arrangements or prices relating to its interconnection agreements with GTE or any other party. To the extent that the interconnection agreement is modified by any legislative, judicial or other governmental body, the arrangements and prices set forth therein shall be amended to comport with any such modification.

Sincerely,

McLeodUSA Incorporated

Kenneth A. Kirley
Associate General Counsel

EXHIBIT 2

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 22nd day of July, 1998.

In the Matter of AT&T Communications of the Southwest, Inc.'s Petition for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement Between AT&T Communications of the Southwest, Inc. and GTE Midwest Incorporated.	)	Case No. TO-97-63

ORDER APPROVING INTERCONNECTION AGREEMENT

This case was initiated by AT&T Communications of the Southwest, Inc. (AT&T) by a petition for arbitration filed on August 15, 1996, under the provisions of the Telecommunications Act of 1996 (the Act). The Commission issued an Arbitration Order on December 10, 1996, establishing interim rates for unbundled network elements (UNEs) and an interim resale discount rate for the resale of basic local telecommunications services. The Commission issued a further order on July 31, 1997, establishing permanent rates and directing the parties to file an agreement in conformance with all outstanding Commission orders. After numerous extensions of time the parties filed an interconnection agreement (the Agreement) on June 12, 1998. However, the Agreement was not signed by both parties. On June 23 GTE filed its signature page.

The Commission, under the provisions of Section 252(e) of the Act, has authority to approve an interconnection agreement arbitrated between an incumbent local exchange company (LEC) and a new provider of basic local exchange service. The Commission may reject an

interconnection agreement only if the agreement is discriminatory or is inconsistent with the public interest, convenience and necessity. Section 252(e)(4) requires a state Commission to act to approve or reject an agreement adopted by arbitration within 30 days after submission.

Discussion

AT&T was granted certificates of service authority to provide basic local and local exchange telecommunications services on February 21, 1997, in Case No. TA-96-322. AT&T does not yet have on file an approved basic local service tariff.

The Staff of the Commission (Staff) filed a memorandum on July 15 recommending that the Commission approve the proposed interconnection Agreement between AT&T and GTE. Staff reviewed the proposed Agreement and believes it meets the limited requirements of the Act in that it does not appear to discriminate against telecommunications carriers who are not parties to the Agreement and it does not appear to be against the public interest.

Staff pointed out that the Agreement contains disputed language relating to the issue of whether GTE should be required to combine certain unbundled network elements for AT&T. The parties note in the text of their Agreement that the issue of whether an incumbent LEC is required to recombine UNEs is currently pending on appeal and will be taken up by the U.S. Supreme Court. The parties jointly requested that this Commission leave the recombination issue unresolved pending the outcome of that appeal. According to Staff, the parties have agreed that GTE will not recombine UNEs in the interim. Staff recommended that the Commission grant this request and direct the parties to file a revised agreement once the issue has been judicially resolved. Staff also

recommended that all modifications be submitted to the Commission for approval.

The Agreement includes 15 attachments containing provisions for Resale, Dialing and Service Parity, E911/911 Services, Directory Assistance, Operator Services, UNEs, Collocation, Provisioning and Ordering, Local Number Portability, Pricing, and other matters. The parties have agreed to submit disputes between them to an alternative dispute resolution process that includes negotiation and arbitration before calling upon any agency or court for intervention.

Pursuant to the agreement of the parties, the Agreement will become effective five business days after the parties receive notice of Commission approval and will remain in effect for three years. The Agreement will remain in effect for another year unless either party gives 90 days written notice of termination.

The Agreement permits interconnection at any technically feasible point within GTE's network for a given LATA. GTE agrees that it will provide transit service, i.e., the delivery of traffic between AT&T and third-party LECs, over the local/intraLATA trunks. GTE agrees to deliver local and intraLATA toll traffic originated from AT&T to a third-party LEC, or originated from a third-party LEC and terminated to AT&T. While the parties agree that it is the responsibility of each third-party LEC to enter into arrangements to deliver local traffic between itself and AT&T, such arrangements are not currently in place. As an interim arrangement to ensure traffic completion the parties agree that GTE will terminate third-party traffic until either party has entered into an arrangement with third-party LECs to deliver local traffic via direct trunks.

The parties agree that reciprocal compensation for transport and termination of local traffic will be made on a "bill and keep" basis subject to the right of either party to demand that compensation be calculated based upon actual traffic volumes. *See* Attachment 14. Standard meet point billing will apply when the completion of a toll call involves both GTE and AT&T facilities.

GTE's local services will be available to AT&T on a resale basis at a wholesale discount rate of 25.40 percent. GTE will charge a non-recurring fee of $3.92 to switch a customer from GTE to AT&T. Prices for UNEs are specified in Appendix 2 to Attachment 14. Certain items have no price indicated or are marked TBD, meaning "to be determined". Before AT&T orders any TBD item, the Parties agree to meet and confer to establish a price. *See* Attachment 14, Section 6. Collocation will be priced on an individual case basis in accordance with the Commission's prior orders. GTE will charge AT&T the same rates it charges cable television providers for Rights-of-Way, Conduit and Pole Attachments.

Findings of Fact

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact.

The Commission has considered the proposed Agreement, the official case file, and Staff's recommendation. Based upon that review the Commission has reached the conclusion that the interconnection Agreement between AT&T and GTE meets the requirements of the Act in that it does not unduly discriminate against a nonparty carrier, and implementation of the Agreement is not inconsistent with the public interest, convenience and necessity. The Commission finds that approval

of the Agreement should be conditioned upon the parties submitting to the Commission for approval any agreement they reach regarding the recombination of UNEs in the form of a separate revision filed in the official case file. It will not be necessary for the parties to resubmit the entire agreement but only those portions affected by this issue. The Commission further finds that approval of the Agreement is conditioned upon the parties submitting any modifications or amendments, other than the recombination of elements portions, to the Commission for approval pursuant to the procedure set out below.

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.

Conclusions of Law

The Missouri Public Service Commission has arrived at the following conclusions of law.

The Commission, under the provisions of Section 252 of the Telecommunications Act of 1996, is required to review arbitrated interconnection agreements, and may only reject an agreement upon a finding that its implementation would be discriminatory to a nonparty or inconsistent with the public interest, convenience and necessity. Based upon its review of the interconnection Agreement between AT&T and GTE and its findings of fact, the Commission concludes that the Agreement is neither discriminatory nor inconsistent with the public interest and should be approved.

IT IS THEREFORE ORDERED:

1. That the interconnection agreement between AT&T Communications of the Southwest, Inc. and GTE Midwest Incorporated filed on June 12 and executed by GTE on June 23, 1998, is approved.

2. That AT&T Communications of the Southwest, Inc. and GTE Midwest Incorporated shall file a copy of this agreement with the Staff of the Missouri Public Service Commission, with the pages numbered seriatim in the lower right-hand corner, no later than August 4, 1998.

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

4. That the request of the parties to defer resolution of the issue of recombination of unbundled network elements until the appeal pending before the U.S. Supreme Court has been decided is granted.

5. That the parties shall submit to the Commission for approval any agreement they reach regarding the recombination of unbundled network elements in the form of a separate revision filed in the official case file at the earliest possible opportunity.

5. That this order shall become effective on August 4, 1998.

BY THE COMMISSION

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

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

Wickliffe, Deputy Chief Regulatory Law Judge