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Lisa A. Anderl Senior Attorney Law Department

September 22, 2000

<u>Via Airborne Express</u>

Ms. Carole J. Washburn, Secretary
Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Dr. S.W.
P.O. Box 47250
Olympia, WA 98504-7254

Re: Docket No. UT-993007

Request for Approval of First Amendment to SGAT Agreement

for McLeodUSA Telecommunications

Dear Ms. Washburn:

Please find enclosed an original and seven (7) copies of the Request for Approval of First Amenment to SGAT Agreement for McLeodUSA Telecommunications as well as the Amendment No. 1 to the SGAT Agreement between McLeodUSA Telecommunications, Inc. and Qwest Corporation, formerly U S WEST Communications. Qwest and McLeodUSA negotiated this Amendment under the terms of the Telecommunications Act of 1996.

The parties respectfully request that this matter be placed on the next Consent Agenda for expedited approval.

The Order on Arbitration Procedure also requests that a proposed order accompany the filing. Qwest requests a waiver of that requirement, and is not providing one with this filing, as the Commission has, in the past, used its own format for Orders. If this is not satisfactory to the Commission, please contact me and I will forward a proposed order immediately.

OD SEP 26 AM IU: 40

SFP 26 AN 10: 43

Mr. Carole Washburn September 22, 2000 Page 2

Please contact me at (206) 345-1574, or my paralegal, Elizabeth M. Weber, at (206) 398-2504 if you have any questions concerning the enclosed. Thank you for your assistance in this matter.

Sincerely,

Lisa A. Anderl

Enclosures

cc: Deborah Hartl (with enclosures)

David Conn at McLeodUSA (with enclosures)

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OF FIRST AMENDMENT

and Owest which was approved by the Commission on August 30, 2000 in Docket No. UT-993007. This amendment adds Reciprocal Compensation language regarding EAS and local traffic to the previously approved agreement.

The Agreement set forth the terms, conditions and prices for interconnection, unbundled elements, ancillary services and resale of telecommunications services which Owest has offered to every Competitive Local Exchange Carrier ("CLEC") in the state of Washington. The Agreement stated that Qwest would provide these terms and conditions to McLeodUSA in each LATA in which both entities operate within the state of Washington.

This Amendment was reached through voluntary negotiations between representatives of both companies. It is submitted for approval pursuant to Section 252(e) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the "Act") and the requirements of the Commission's Interpretive and Policy Statement.

II. REASONS FOR APPROVAL

Section 252(e)(2) of the Act directs that a state commission may reject an Agreement reached through negotiation and/or arbitration only if the Commission finds that:

- The Agreement (or portions thereof) discriminates against a telecommunications carrier not a party to the Agreement; or
- The implementation of such Agreement or portion is not consistent with the public interest, convenience and necessity.

Owest and McLeodUSA respectfully submit that the Amendment provides no basis for either of these findings and thus request that the Commission approve the Amendment expeditiously.

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First, the Amendment does not discriminate against any other telecommunications carrier. There is no finding that the terms of this Amendment are more favorable than terms provided to other carriers.

Second, the Amendment is consistent with the public interest as identified in the procompetitive policies of the state of Washington, the WUTC, the U.S. Congress and the Federal Communications Commission. In addition, because this Amendment does not discriminate against any other telecommunications carrier, state law policies prohibiting unreasonable discrimination are preserved by approval of this Amendment.

For the foregoing reasons, Qwest and McLeodUSA submit that approval of this Amendment is warranted because it satisfies the state and federal criteria for approval.

III. UNDERSTANDING AND AGREEMENT OF PARTIES

With respect to the Amendment, the Parties understand and agree that this amendment adds Reciprocal Compensation language regarding EAS and local traffic to the original agreement. Specifically, the parties agree that neither will charge the other for any rate element used in transporting or terminating local and internet-related calls which originate and terminate in the same local calling area. This clause is effective through December 31, 2002.

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REQUEST FOR APPROVAL

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IV. CONCLUSION

For the foregoing reasons, Qwest and McLeodUSA respectfully request expeditious approval of the Amendment. Both Parties request approval earlier than the 90 day time period allowed for by the Interpretive and Policy Statement.

Respectfully submitted this 22nd day of September, 2000.

Qwest

Lisa A. Anderl, WSBA No. 13236 1600 - 7th Avenue, Room 3206

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REQUEST FOR APPROVAL OF FIRST AMENDMENT

Qwest

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Amendment No. 1 to the SGAT Agreement Between McLeodUSA Telecommunications Services, Inc. and USWC Communications, Inc. In the State of Washington

This Amendment No. 1 ("Amendment") is made and entered into by and between McLeodUSA Telecommunications Services, Inc. ("McLeod") and USWC Communications, Inc. ("USWC").

RECITALS

McLeod and USWC entered into that certain SGAT Agreement for service in the state of Washington which will be submitted for approval before the Washington Utilities and Transportation Committee (the "Agreement"); and

McLeod and USWC wish to amend the Agreement under the terms and conditions contained herein;

NOW THEREFORE, the Parties agree to the following:

1. Amendment Terms.

This Amendment is made in order to add Reciprocal Compensation language to the Agreement.

Accordingly, Section 7.3.4, Exchange Service (EAS/Local) Traffic, sub-Section 7.3.4.1 End Office Call Termination, to the underlying Agreement is revised to add a new sub-section 7.3.4.1.3.1 under 7.3.4.1.3, as follows:

(b) Other provisions of this Agreement to the contrary notwithstanding, for the period beginning March 1, 2000, and ending no later than December 31, 2002, neither party shall charge the other for any rate element necessary for transporting or terminating local and internet-related calls which originate and terminate in the same local calling

2. Effective Date.

This Amendment shall be deemed effective upon approval by the appropriate state Commission; however, the Parties may agree to implement the provisions of this Amendment upon execution.

3. Further Amendments.

Except as modified herein, the provisions of the Agreement shall remain in full force and effect. Neither the Agreement nor this Amendment may be further amended or altered except by written instrument executed by an authorized representative of both parties.

The parties intending to be legally bound have executed this Amendment as of the dates set forth below, in multiple counterparts, each of which is deemed an original, but all of which shall constitute one and the same instrument.

McLeodUSA Telecommunications Services, Inc.	USWC Communications, Inc.
DelRa	Glindveth Stans
Signature	Signature //
DAVIDR COLD	Elizabeth J. Stamp
Name Printed/Typed	Name Printed/Typed
VICE PRESIDEN	Director – Interconnect
Title /2/07	Title 06/13/00
Date	Date