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Via E-mail and Overnight Delivery

January 20, 2004

Ms. Carole J. Washburn
Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Dr. S.W.
P.O. Box 4725
Olympia, WA 98504-7254

Re: Docket No. UT-033035

Request for Approval of Interconnection Agreements between Qwest Corporation and AT&T Communications of the Pacific Northwest, Inc., and Qwest Corporation and TCG, Seattle (the parties) Subject to Petition for Review

Dear Ms. Washburn:

In accordance with WAC 480-07-640, the parties submit an original and two (2) copies of the following Agreements together with all attachments, appendices, and exhibits necessary to fully implement their terms and conditions (the Agreements) for approval subject to the pending Petition for Review:

Agreement for Terms and Conditions for Interconnection, Unbundled Network Elements, Ancillary Services, and Resale of Telecommunication Services Between Qwest Corporation and AT&T Communications of the Pacific Northwest, Inc.; and

Agreement for Terms and Conditions for Interconnection, Unbundled Network Elements, Ancillary Services, and Resale of Telecommunication Services Between Qwest Corporation and TCG Seattle

The Agreements contain identical terms and conditions except for the names of the parties. They replace in their entirety the previously approved interconnection agreements and amendments between the parties (Docket Nos. UT-960309 and UT-960326).

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The Agreements incorporate all negotiated terms, all terms requested pursuant to the Communications Act of 1934 as amended by the Telecommunications Act of 1996 (the Act), and all terms intended to fully implement the arbitrated decision in this docket, subject to the pending Petition for Review. As requested by the Commission, the Agreements clearly identify arbitrated terms by bold font style and identify by footnote the arbitrated issue that relates to the text.

The Agreements set forth the negotiated and arbitrated terms, conditions and pricing primarily for services that Qwest will offer and provide to AT&T and TCG under the Act. These services include network interconnection, access to unbundled network elements, ancillary services, and telecommunications services available for resale within the geographical areas in which both parties are providing local exchange service at that time, and for which Qwest is the incumbent local exchange carrier within the state of Washington. A list of the services offered under the Agreements and their associated terms and conditions are contained in the Table of Contents of the Agreements, one of which is attached hereto as Attachment 1. This provides a summary view of each of the substantive areas incorporated into the Agreements. The parties note that many of the terms included in the Agreements come from the Qwest Statement of Generally Available Terms (SGAT), which went through a lengthy process of negotiation, dispute resolution and decision-making by the Commission.

The few issues which could not be resolved by the parties through negotiations were submitted to this Commission for arbitration pursuant to Section 252 of the Act. The Arbitrator has summarized these issues and the results of the arbitration at pages 1 and 2 of the Arbitrator's Report as follows:

Synopsis - This Arbitration decision determines that: (1) a CLEC's "Tandem Office Switches are those that serve a comparable geographic area to those served by an interconnecting ILEC, without regard to the extent of actual service to customers, if any; (2) "Exchange Service" or "Extended Area Service (EAS)/Local Traffic" can be defined in terms of local calling areas, but must not be interpreted to exclude recognized exceptions (i.e., foreign exchange (FX)-type service or local number presence for ISP-bound traffic); (3) relative-use factors apply to interconnection facilities that are used to carry unidirectional, non-local, non-telecommunications traffic bound for the Internet; (4) AT&T's rate for per minute of use call termination rate for Exchange Service (EAS/Local) traffic may include a mileage-based component but it must be rated at zero miles to ensure reciprocity with Qwest's rate; (5) the limit on calls that lack Calling Party Number (CPN) information should be five percent; such traffic should be compensated based on a percentage local use factor; (6) parties should not be financially

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> responsible to each other for calls not originated on their respective networks that lack information required for billing by the terminating carrier; (7) alternatively billed calls (i.e., collect calls and calls billed to third parties) should be billed and accounted for pursuant to provisions of a separate Agreement, but the status quo should be maintained pending negotiation and execution of such an Agreement; (8) Qwest should not be responsible for billing when a customer selects AT&T as its local exchange carrier, and Owest as its local Primary Interexchange Carrier (i.e., for intraLATA toll calls) unless Owest voluntarily makes such service available to an AT&T customer; (9) (a) AT&T's tariff rates govern what AT&T must charge Owest for a particular service, to the extent AT&T has applicable tariffs; otherwise, the rates specified in the parties' interconnection Agreement control; (b) rates that require Commission approval on a prospective basis, including ICB rates that the parties agree should be cost-based and approved by the Commission should be considered interim rates subject to the Commission's discretion to order true-up; (c) given the parties' Agreement that ICB rates should be costbased and approved by the Commission, their interconnection Agreement should establish a time-frame within which Qwest must seek Commission approval, and require Owest to provision the requested product or service at an interim ICB rate until it seeks and obtains Commission approval of a permanent rate.

In reaching his conclusions, the Arbitrator determined that his resolution of the disputed issues meets the requirements of 47 U.S.C. Section 252(c) of the Act. The results of the arbitration have been incorporated into the Agreements for approval, subject to the pending Petition for Review.

The remainder of the terms and conditions have been agreed to by the parties in a manner which the parties believe to be consistent with Sections 251 and 252 of the Act, including relevant FCC regulations and applicable state requirements. For the most part, the issues at the heart of the parties' negotiations were discussed by the participants in the Section 271 workshops, the results of which were reviewed by this Commission. The Commission also resolved the few remaining open issues. The results of this process were incorporated into Qwest's SGAT.

The participants in the workshops included many of the Competitive Local Exchange Carriers (CLECs) that operate in Washington or their representatives including legal counsel. The parties have been represented by counsel throughout the Section 252 negotiations, which resulted in the Agreements that are hereby being submitted for approval.

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The implementation schedules for the Agreements are set forth in Section 5.2.1 as follows:

> 5.2.1 This Agreement shall be deemed effective upon Commission approval, pursuant to Section 252 of the Act (the Effective Date); however, the Parties agree to implement the provisions of this Agreement upon execution. This Agreement shall be binding upon the Parties for a term of three (3) years and shall expire three (3) years from the Effective Date.

The Agreements are in the public interest and are consistent with the public convenience and necessity. The Agreements are also consistent with the Act and applicable state law. They do not discriminate against any other carrier. In addition, a statutory safeguard against discrimination against other carriers is contained in Section 252(i) of the Act, which permits other carriers to opt into all or part of the Agreement's provisions.

The parties respectfully request that the Commission approve the Agreements, subject to the pending Petition for Review.

Sincerely,

acceptance told