BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

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ADVANCED TELCOM, INC., d/b/a ADVANCED TELCOM GROUP: AT&T COMMUNICATIONS OF THE PACIFIC NORTHWEST and TCG SEATTLE; COVAD COMMUNICATIONS COMPANY; ELECTRIC LIGHTWAVE, LLC.: ESCHELON TELECOM OF WASHINGTON, INC.; FAIRPOINT CARRIER SERVICES, INC. f/k/a FAIRPOINT COMMUNICATIONS SOLUTIONS CORP.; GLOBAL CROSSING LOCAL SERVICES, INC.; INTEGRA TELECOM OF WASHINGTON, INC.; McLEODUSA, TELECOMMUNICATIONS SERVICES, INC.; SBC TELECOM, INC.; **QWEST CORPORATION; WORLDCOM.** INC.; and XO WASHINGTON, INC., f/k/a NEXTLINK COMMUNICATIONS, INC.,

Respondents.

Docket No. UT-033011

MCI'S REPLY TO STAFF AND PUBLIC COUNSEL

I. INTRODUCTION

1. Respondent WorldCom, Inc., on behalf of its regulated subsidiaries in Washington State (n/k/a "MCI"), by and through its attorneys of record, Ater Wynne LLP, hereby submits its

MCI'S REPLY TO STAFF AND PUBLIC COUNSEL (UT-033011) - Page 1

Reply to the Responses filed by Staff and Public Counsel in opposition to MCI's Motion to Dismiss or for Summary Determination. In support of this Reply, MCI states as follows:

II. ARGUMENT

- 2. In its Motion to Dismiss or for Summary Determination, MCI pointed out that Section 252 of the Federal Telecommunications Act does not contain any deadline by which an agreement must be filed; nor does Washington State law. In its response, Staff concedes that Section 252 "is silent on the timeline for filing interconnection agreements..." (Staff Response at p. 12, ¶23) but argues, nevertheless, that interconnection agreements must be filed "within a reasonable period of time." *Id.* Staff argues that the measure of what is a "reasonable period of time" is set by the fact that the Commission's Interpretive and Policy Statement Regarding Negotiation, Mediation, Arbitration, and Approval of Agreements Under the Telecommunications Act, Docket No. UT-960269, provides that interconnection agreements should be filed within 30 days of their execution. Staff's Reply at p. 13, ¶24. However, as pointed out by MCI in its Motion to Dismiss or for Summary Determination, pursuant to RCW 34.05.230(1), that statement is advisory only. Therefore, it cannot provide the basis for finding a violation of either federal or state law. Nor can it provide the basis for imposition of any monetary penalty against MCI or Owest.
- 3. Public Counsel cites WAC 480-07-640(2)(a)(i) in support of its argument that interconnection agreements must be filed within 30 days of execution. However, WAC 480-07-640(2)(a)(i) is a new rule that has only recently become effective. Therefore, it does not apply to the agreements at issue in this case, nor can be provide the basis for imposing a monetary penalty.

4. Curiously, Staff argues that Agreement No. A31 between MCI WorldCom, Inc. ("MCI") and U S WEST Communications, Inc. ("Qwest") provides for access to and pricing of intrastate dark fiber, T1 facilities, and SONET facilities. Acknowledging that MCI and Owest claim that the agreement pertains only to interstate services, Staff nevertheless argues that these facilities also can be used for the provision of local telecommunications. Staff then states: "It is unclear whether MCI used or intends to use these facilities to provide local service. If so, the agreement should have been filed and made available to other carriers." Staff Response at pp. 18-19, ¶38. On its face, Agreement No. A31 recites that MCI purchases the subject services from Qwest "pursuant to a tariff known as 'FCC No. 5,' which [Owest] files with the Federal Communications Commission ('FCC')." Agreement No. A31, p. 1. The Agreement also recites that MCI filed a complaint against Qwest at the FCC seeking resolution of certain disputes concerning the purchase and provision of telecommunications services "under FCC No. 5, MCI Telecommunications Corp. v. U S WEST Communications, Inc., File No. E-96-38 (the "FCC Complaint")." Id. By its terms, the Agreement then describes the enumerated disputes settled in the Agreement, which all relate to services purchased from FCC No. 5. It describes: (a) billing disputes concerning certain services purchased from FCC No. 5 (dark fiber, disconnected circuits, non-recurring access charges associated with switched access trunks and back-billed charges); (b) the FCC Complaint; (c) billing disputes relating to a Regional Commitment Plan set forth in FCC No. 5 pursuant to which MCI purchases T-1 facilities; (d) disputes relating to a SONET Ring Service Partnership program, which is an optional pricing plan under FCC No. 5; and (e) the impact of an FCC determination regarding implementation of the Base Factor Portion to various interstate access charges from Qwest to MCI. Again, from the face of Agreement No. A31 it is

clear that only jurisdictionally interstate services are involved. Thus, the Amended Complaint should be dismissed as to Agreement No. A31.

5. Staff argues that Agreement No. A35 between MCI WorldCom Network Services. Inc. ("MCI") and Qwest provides for terms and conditions related to the decommissioning of collocated facilities; therefore, "it is an ongoing obligation related to collocation and is an interconnection agreement subject to the filing requirements of the Act." Staff Response at p. 19, ¶40. Simply because a settlement agreement relates to decommissioning of collocation facilities does not automatically make it an interconnection agreement. As stated by the FCC in In the Matter of Owest Communications International Inc. Petition for Declaratory Ruling on the Scope of the Duty to File and Obtain Prior Approval of Negotiated Contractual Agreements Under Section 252(a)(1), WC Docket No. 02-89, Memorandum Opinion and Order, FCC 02-276, 17 FCC Rcd. 19, 337, ¶8 (October 4, 2002), note 26: "[W]e find that only those agreements that contain an *ongoing* obligation relating to section 251(b) or (c) must be filed under 252(a)(1)." (Emphasis added). Further, the FCC held that a settlement agreement providing for "backwardlooking consideration," such as a cash payment, need not be filed. Id. at ¶12-14. The language of Agreement No. A35 clearly reflects a settlement agreement providing for "backward-looking consideration," specifically a cash payment as reimbursement for non-recurring and recurring charges paid as final resolution to disputes arising between the parties regarding the terms and conditions of the return of facilities and settlement of financial obligations of each party with respect to the facilities under the interconnection agreement between them.

6. Finally, Staff argues that Agreements Nos. A34 and A35 between MCI and Qwest were not timely filed because they were not filed until August 22, 2002, which was more than 30

days after their respective executions. As discussed above, neither federal nor state law contains

an express deadline by which interconnection agreements must be filed. Therefore, the fact that

these agreements were not filed within 30 days of their execution cannot be the basis for a finding

of a violation of federal or state law; nor can it be the basis for imposition of a monetary penalty

against MCI or Qwest. The salient fact is that both agreements have been filed with the

Commission and available for any other carrier to opt-into. Therefore, by definition, no

discrimination against other carriers has occurred. Both agreements should be dismissed from the

complaint.

III. CONCLUSION

7. For the reasons discussed above and in MCI's Motion to Dismiss or for Summary

Determination, MCI requests that the Commission dismiss the First and Fourth Causes of Action

and dismiss the Second Cause of Action as to MCI with respect to Agreement Nos. A31, A34 and

A35.

RESPECTFULLY SUBMITTED this 5th day of January, 2004.

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CERTIFICATE OF SERVICE

I hereby certify that I have this 5th day of January, 2004, served the true and correct original, along with the correct number of copies, of the foregoing document upon the WUTC, via the method(s) noted below, properly addressed as follows:

Carole Washburn

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I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.	
DATED this 5th day of January, 2004, at Se	eattle, Washington.
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