BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition for Arbitration of an Interconnection Agreement between AT&T Communications of the Pacific Northwest, Inc. and GTE Northwest Incorporated, Pursuant to 47 U.S.C. Section 252	))) Docket No. UT-960307)) PROPOSED ORDER))

This matter has come before the Washington Utilities and Transportation Commission ("WUTC") for approval of an arbitrated agreement, under the Telecommunications Act of 1996, between AT&T Communications of the Pacific Northwest, Inc. ("AT&T") and GTE Northwest Incorporated ("GTE"). The WUTC has considered the requests for approval of the agreement, and the comments of interested parties, and hereby finds as follows:

1.   The WUTC is an agency of the state of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including telecommunications companies.

2.   The WUTC is authorized by Section 252(e) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the "Act"), to approve arbitrated interconnection agreements between telecommunication providers.

3.	GTE is engaged in the business of furnishing telecommunications services, including, but not limited to, basic local exchange service to the public within the state of Washington.

4.	AT&T is authorized to provide intrastate, interexchange telecommunications services and local exchange services within the state of Washington.

5.	On March 11, 1996, AT&T requested arbitration of an interconnection agreement with GTE, pursuant to Section 252 of the Act. The arbitrator entered a Report and Decision on December 11, 1996. The parties were required to submit an arbitrated agreement, consistent with the terms of the Report and Decision, to the Commission for approval within 30 days. The submission date was subsequently extended to February 7, 1997.

6.	On December 20, 1996, AT&T petitioned for reconsideration of the Arbitrator's Report and Decision. On February 4, 1997, the Arbitrator issued a Supplemental Report, finding that AT&T should be able to purchase GTE's volume discounted services at the lower of the wholesale price or the package/volume discount price.

7.	On February 7, 1997, AT&T filed with this Commission a Request for Approval and an arbitrated interconnection agreement. The agreement included provisions that the parties voluntarily negotiated. In its Request for Approval, AT&T argued, consistent with AT&T's Petition for Reconsideration, that the agreement should be rejected in part, and modified, because it is not entirely consistent with the

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Act or the FCC's rules. Specifically, AT&T recommended that the agreement be modified to (1) eliminate GTE's recovery of non-recurring charges for interconnection and access to network elements and (2) require GTE to permit collocation of remote switching units.

CONCLUSIONS OF LAW

1.   The WUTC has jurisdiction over the subject matter of this proceeding and all parties to this proceeding.

2.   The arbitrated and negotiated provisions of the agreement are consistent with the public interest, convenience, and necessity, and with applicable Washington law, in promoting the competitive policies embodied in RCW 80.36.300(5) and guarding against unreasonable preferences and discrimination.

3.   The arbitrated decision should be otherwise modified as set forth in AT&T's Request for Approval and Petition for Reconsideration.

Based on the foregoing findings and conclusions, the Commission makes and enters the following order:

The Commission hereby ORDERS:

The arbitrated agreement AT&T Communications of the Pacific Northwest, Inc. and GTE Northwest Incorporated filed _____ is hereby approved as modified herein.

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Dated at Olympia, Washington and effective this _____ day of_____,

1997.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Sharon L. Nelson, Chairman

Richard Hemstead, Commissioner

William R. Gills, Commissioner

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