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U S WEST Communications, Inc., (U S WEST) hereby files the following comments. These comments specifically address the issues and rulings set forth in the Recommended Decision. However, U S WEST does not waive any of the jurisdictional or substantive issues previously raised and discussed in the pleadings and affidavits already filed in this docket.

ARGUMENT

The Recommended Decision is incorrect in several material respects. First, the 7 Recommended Decision is wrong that the definition of local traffic in the Nextlink agreement 8 includes ISP-bound traffic and that reciprocal compensation payments are due for ISP-bound 9 traffic. Second, the Recommended Decision incorrectly interprets Section 252(i) and FCC Rule 10 809, giving Nextlink far broader rights than either provision would allow. The Recommended 11 Decision, if allowed to stand in its interpretation of Section 252(i), will seriously undermine other 12 provisions of the Telecommunications Act of 1996 by making the negotiations process a 13 meaningless exercise, and allowing the CLEC to change contract terms at will. Finally, the 14 Recommended Decision is incorrect in concluding that no additional information or proceedings 15 are necessary to resolve the issues raised in this docket. 16

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Does ISP-Bound Traffic Constitute Local Traffic?

In this section of the Recommended Decision, the ALJ concludes that the definition of local traffic in the Nextlink agreement includes ISP-bound traffic, and that reciprocal compensation is due for that traffic.

In reaching this conclusion, the ALJ discusses the arbitrated agreement between
 U S WEST and TCG, which is the underlying agreement to which Nextlink opted-in. The ALJ

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also discusses the FCC's Declaratory Ruling¹, as well as two Commission decisions to which
U S WEST was not a party, the Worlcom-GTE complaint², and the ELI/GTE arbitration³. As will
be discussed below, none of these decisions supports the conclusion that ISP-bound traffic is local,
or that reciprocal compensation is due for that traffic.

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The TCG/U S WEST Agreement

The ALJ erroneously concludes that, "[t]he definition of 'local traffic' in Nextlink's 7 Agreement encompasses ISP bound traffic" (Recommended Decision at p. 11). This can only be 8 true if the definition of local traffic in the underlying TCG agreement encompasses ISP-bound 9 traffic, which it clearly does not. In fact, the analysis in the Recommended Decision supports just 10 the opposite conclusion, stating very clearly that in the TCG arbitration "[t]he Commission did 11 not distinguish between non-ISP and ISP-bound traffic, because both parties were in agreement 12 that the ISP-bound portion of local traffic should be exchanged on a bill-and-keep basis."⁴ 13 Nextlink knows that the TCG definition of local traffic does 14 not include ISP-bound traffic. The definition of local traffic 15 adopted by the arbitrator in paragraph 33 of the TCG decision is 16 as follows: 17

¹⁸ Declaratory Ruling and Notice of Proposed Rulemaking, In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Inter-Carrier Compensation

¹⁹ for ISP-Bound Traffic, CC Docket Nos. 96-98 and 99-68 (FCC February 25, 1999) (Declaratory Ruling).

^{20 &}lt;sup>2</sup> Worldcom, Inc., f/k/a MFS Intelenet of Washington, Inc., v. GTE Northwest Incorporated, Docket No. UT-980338, Third Supplemental Order Granting Worldcom's Complaint, Granting Staff's Penalty Proposal, and Denying GTE's Counterclaim (May 12, 1999).

 ³ In the Matter of the Petition for Arbitration of an Interconnection Agreement Between Electric Lightwave, Inc., and GTE Northwest Incorporated, Docket No. UT-980307, Order Approving Negotiated and Arbitrated Interconnection Agreement (May 12, 1999).

⁴ It should be noted that the characterization of "ISP-bound portion of local traffic" is not U S WEST's characterization. U S WEST does not agree with the characterization of ISP-bound traffic as local.

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2	"Local Traffic" means traffic originated on the network of a LEC in a LATA and completed directly between that LEC's network and the network of
3	another LEC in the same LATA, within the same local calling area as is provided by the incumbent LEC
4	for local calls in that LATA.
5	In accepting TCG's definition, the arbitrator noted: "TCG represents that the differences
6	between the parties as to definitions are small and that they result not from major philosophical
7	differences but from the lack of time to address them." The decision does not discuss ISP traffic
8	at all, and does not address whether ISP traffic is included in the definition. However, ISP traffic
9	does not behave as described in paragraph 33 of the parties' agreement. As a matter of both fact
10	and law, ISP-bound traffic from U S WEST's customers is not completed on Nextlink's network.
11	This is recognized in the FCC's Declaratory Ruling, discussed below. To the extent that the
12	Commission does not accept this as a fact, U S WEST has requested additional proceedings to
13	establish this fact.
13 14	establish this fact. The FCC's Declaratory Ruling
14	The FCC's Declaratory Ruling
14 15	The FCC's Declaratory Ruling It has been determined as a matter of law, established by
14 15 16	The FCC's Declaratory Ruling It has been determined as a matter of law, established by the FCC's Declaratory Ruling, that traffic to ISPs is predominately interstate and is <i>not</i> local. U S WEST's contention that the FCC's Declaratory Order is disposititve of the issue of
14 15 16 17	The FCC's Declaratory Ruling It has been determined as a matter of law, established by the FCC's Declaratory Ruling, that traffic to ISPs is predominately interstate and is <i>not</i> local. U S WEST's contention that the FCC's Declaratory Order is disposititve of the issue of reciprocal compensation for ISP-bound traffic is based on the
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 14 15 16 17 18 19 20 	The FCC's Declaratory Ruling It has been determined as a matter of law, established by the FCC's Declaratory Ruling, that traffic to ISPs is predominately interstate and is <i>not</i> local. U S WEST's contention that the FCC's Declaratory Order is disposititve of the issue of reciprocal compensation for ISP-bound traffic is based on the fact that the Commission's rulings have been based on the belief that ISP-bound traffic was local in nature. U S WEST does contend that the Declaratory Ruling is dispositive of whether
 14 15 16 17 18 19 20 21 	The FCC's Declaratory Ruling It has been determined as a matter of law, established by the FCC's Declaratory Ruling, that traffic to ISPs is predominately interstate and is <i>not</i> local. U S WEST's contention that the FCC's Declaratory Order is disposititve of the issue of reciprocal compensation for ISP-bound traffic is based on the fact that the Commission's rulings have been based on the belief that ISP-bound traffic was local in nature. U S WEST does

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necessarily preclude a state Commission from ordering reciprocal compensation for this traffic on some other basis, but the state Commission cannot do so on the basis that it is local traffic.

The MFS ruling, that Nextlink now claims, is specifically 5 linked to the FCC's historic exemption of that traffic from access 6 charges and the characterization of that traffic as local. In the 7 MFS case, the parties agreed to compensate each other for the 8 transport and termination of local traffic, and brought the 9 question of ISP traffic to the Commission for resolution. 10 considering this issue in his November 8, 1996 Report and Decision, the arbitrator set forth the positions of the parties 11 and addressed the issue as follows: 12

MFS Position

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MFS opposes establishing any unique treatment of 14 ESPs in this agreement. MFS argues that there is no basis in the Act or in any other applicable law for such 15 a differentiation and that such traffic has not To date, the previously been separated or segregated. FCC has treated ESP traffic like any other local traffic. 16 MFS argues that this is appropriate because the traffic is typically local in nature. In MFS' view, USWC is 17 attempting to prejudge issues which will be addressed by the FCC in its access charge reform proceeding. 18

USWC Position

USWC seeks to exempt any traffic originated or 20 terminated by enhanced service providers from the reciprocal compensation arrangements of the agreement. This position is based on a recognition of the unique 21 status of this traffic, which is currently exempt from paying Part 69 access charges. USWC expects the FCC to 22 address this exemption in its forthcoming access charge reform proceeding. Until that time, USWC believes it is 23 appropriate to exclude ESPs from coverage under the reciprocal compensation provisions.

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Arbitration Decision

The arbitrator adopts the MFS position.

<u>Discussion</u>

It is premature to change the treatment of ESPs at this time.

The Commission approved the parties' interconnection 7 agreement on January 8, 1997, stating that the agreement properly 8 incorporated the decision of the arbitrator as to the disputed 9 issues. The Commission did not specifically discuss the issue of 10 ISP traffic. Thus, the entire basis for the determination that reciprocal compensation was due on ISP traffic was contained in 11 the arbitrator's Report and Decision. That basis was the FCC-12 treatment of ISP traffic as local, and the MFS argument that, as 13 a factual matter, the traffic was indeed local. That basis has 14 now been swept aside by the FCC's Declaratory Ruling, which 15 states with absolute clarity that ISP-bound traffic is non-local 16 interstate traffic.

17 The FCC's Declaratory Ruling is very clear in its ruling 18 that ISP-bound traffic is not local. The FCC stated 19 unequivocally that "[w]e conclude in this Declaratory Ruling, 20 however, that ISP-bound traffic is non-local interstate traffic." (Emphasis added.) (Declaratory Ruling, fn. 87.) (Thus, the 21 Commission's characterization in earlier orders of this traffic 22 as "local interstate" is directly at odds with the FCC's ruling.) 23 The Recommended Decision correctly points out that the FCC

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1 affirmed that state Commissions may determine that reciprocal 2 compensation should nonetheless be exchanged for this traffic. 3 However, the Recommended Decision fails to discuss the 4 relevant standards for determining whether reciprocal 5 compensation should be paid for ISP-bound traffic. The FCC notes 6 in paragraphs 22-24 of the Declaratory Ruling that reciprocal 7 compensation for ISP-bound traffic may be agreed to by the 8 parties. That is not the case here. The FCC goes on to state, 9 in paragraph 27, that the state Commission may order reciprocal 10 compensation as an interim mechanism pursuant to "contractual principles or other legal or equitable considerations"⁵. 11 12 The Recommended Decision states that "[t]he Commission has thoroughly considered and 13 rejected U S WEST's interpretation of the FCC Declaratory Ruling." However, U S WEST is 14 unaware of any proceeding to which it was a party in which this issue was raised. Further,

15 U S WEST is unaware of, and the Recommended Decision does not discuss, any Commission

16 orders which address the contractual principles or the legal or equitable considerations under

17 which the Commission could order compensation for ISP traffic. In fact, it does not appear that

18 the Commission has been presented with this argument before.

Here, in Washington, there are no contractual principles or legal or equitable
considerations that support payment of reciprocal compensation for ISP traffic. The FCC's

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rinding that this traffic terminates at an ISP server, but nothing in this Declaratory Ruling precludes state commissions
 from determining, pursuant to contractual principles or other legal or equitable considerations, that reciprocal
 compensation is an appropriate interim inter-carrier compensation rule pending completion of the rulemaking we

initiate below. Declaratory Ruling ¶ 27.

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 ²¹ S We recognize that our conclusion that ISP-bound traffic is largely interstate might cause some state commissions to re-examine their conclusion that reciprocal compensation is due to the extent that those conclusions are based on a finding that this traffic terminates at an ISP server, but nothing in this Declaratory Ruling precludes state commissions

reference to contractual principles which might support such compensation is a reference to the FCC's earlier discussion that the parties are free, in a *negotiated* agreement, to agree to include interstate traffic, or non-local intrastate traffic, and to agree upon compensation for those calls. (Declaratory Ruling ¶ 24, fn. 77.) In this case, the parties clearly did not make such an agreement, as U S WEST has consistently opposed reciprocal compensation for ISP traffic, on the basis that it is not local.

Nor are there any legal or equitable principles which mandate that reciprocal compensation 8 should continue to be paid. There is no state law or Commission rule that mandates or authorizes 9 interim compensation for non-local traffic. In fact, the only prior Commission rulings on an 10 analogous issue would mandate that no compensation be paid. The Commission has ruled that 11 where parties cannot agree on a compensation mechanism, bill and keep is an appropriate interim 12 mechanism. (See, Docket Nos. UT-941464, et al., and the various arbitrations such as the TCG 13 proceeding in Docket No. UT-960326.) To the extent that ISP traffic is still an open issue, to be 14 addressed by the FCC in rulemaking, bill and keep may be appropriate as an interim mechanism 15 for this disputed traffic, under prior Commission rulings. 16

Nor is there any equitable basis to find that reciprocal compensation is appropriate for ISP
traffic. Contrary to the fair compensation of costs incurred through the recovery of access charges,
one-way compensation payments for ISP traffic from ILECs to CLECs are exactly counter to the
suspended access charge regime. U S WEST has explained in its testimony in the generic docket
(Docket Nos. UT-960369, et al.) how reciprocal compensation actually works an inequitable result
on U S WEST and its ability to recover the costs of and be compensated for the use of its network.
If the Commission is to consider the equities of the situation, they work against reciprocal
compensation for ISP traffic.

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The Worldcom-GTE Complaint

The Recommended Decision also relies on the Commission decision in the Worldcom-3 GTE complaint to support the conclusion that ISP-bound traffic is local. In that decision, the 4 Commission discusses the provisions of Section 251(b)(5) of the Act, governing reciprocal 5 compensation for local traffic, and Section 251(g), governing the continuation of the existing 6 access charge regime. The Commission concludes that the former section governs compensation 7 between *two* carriers, while the latter section is intended to apply to traffic carried by *three* or 8 more carriers. Based on this analysis, the Recommended Decision concludes that because ISP-9 bound traffic is carried by two carriers, it must be local. 10 The error in this analysis becomes apparent with two simple examples. The first example 11 is a long distance call from a GTE customer in Everett, Washington to a U S WEST customer in 12 Seattle, Washington. If GTE is also the long distance carrier, which could easily be the case, the 13 call is one that is carried by only *two* carriers, yet is subject to access charges. This is also the case 14 for all intraLATA calls originated by U S WEST customers and terminated by independent 15 telephone companies. In the second example, U S WEST could be the transiting carrier for a local 16 call from a customer of MCImetro to a customer of GTE. In that case, reciprocal compensation 17 (and compensation for transiting traffic) would be exchanged by the three carriers involved, but it 18 would be compensation for local traffic. Thus, the number of carriers involved is in no way 19 determinative of whether the traffic is local or toll, nor is it determinative of whether 20

21 compensation is payable under Section 251(b)(5) or Section 251(g).

Contrary to the decision in Worldcom-GTE, it is not necessary to impose reciprocal
 compensation on ISP-bound traffic in order to reconcile the two sections in order to give meaning
 to both. In fact, these sections can be reconciled by leaving ISP-bound traffic as the FCC ordered

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2	it – exempt from access charges. The fact that ISP-bound traffic is exempt from access charges
3	under Section 251(g), and FCC rulings, does not mandate that it falls under Section 251(b)(5).
4	The Commission has noted with approval the FCC's remark that its policy of treating ISP-bound
5	traffic as local for purposed of interstate access charges would, if applied in the separate context of
6	reciprocal compensation, suggest that such compensation is due. (Worldcom-GTE decision, fn.
7	10). However, this was clearly not the FCC's holding. Any party who has any question on that
8	front need only consult the FCC's Declaratory Ruling, which states clearly that "the reciprocal
9	compensation requirements of section 251 (b)(5) of the Act and Section 51, Subpart H (Reciprocal
10	Compensation for Transport and Termination of Local Telecommunications Traffic) of the
11	Commission's rules do not govern inter-carrier compensation for this traffic." (Emphasis added).
12	(Declaratory Ruling, fn. 87).
13	The ELI-GTE Arbitration
14	The Recommended Decision also relies on the decision in the ELI-GTE arbitration
15	proceeding to support the conclusion that, at least on an interim basis, ISP traffic can be classified
16	as local. Again, this determination is factually incorrect, and is based on the record in a
16 17	as local. Again, this determination is factually incorrect, and is based on the record in a proceeding to which U S WEST was not a party. The discussion on page 10 of the Recommended
17	proceeding to which U S WEST was not a party. The discussion on page 10 of the Recommended
17 18	proceeding to which U S WEST was not a party. The discussion on page 10 of the Recommended Decision, quoting the Commission's description of the ISP traffic, how a call is routed, and who
17 18 19	proceeding to which U S WEST was not a party. The discussion on page 10 of the Recommended Decision, quoting the Commission's description of the ISP traffic, how a call is routed, and who the terminating carrier is, is factually incorrect and is not based on the record in this proceeding. It
17 18 19 20	proceeding to which U S WEST was not a party. The discussion on page 10 of the Recommended Decision, quoting the Commission's description of the ISP traffic, how a call is routed, and who the terminating carrier is, is factually incorrect and is not based on the record in this proceeding. It is procedurally and substantively incorrect to bind U S WEST to the fact-finding that was
17 18 19 20 21	proceeding to which U S WEST was not a party. The discussion on page 10 of the Recommended Decision, quoting the Commission's description of the ISP traffic, how a call is routed, and who the terminating carrier is, is factually incorrect and is not based on the record in this proceeding. It is procedurally and substantively incorrect to bind U S WEST to the fact-finding that was conducted in the ELI-GTE arbitration.
 17 18 19 20 21 22 	proceeding to which U S WEST was not a party. The discussion on page 10 of the Recommended Decision, quoting the Commission's description of the ISP traffic, how a call is routed, and who the terminating carrier is, is factually incorrect and is not based on the record in this proceeding. It is procedurally and substantively incorrect to bind U S WEST to the fact-finding that was conducted in the ELI-GTE arbitration.

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2	Recently, both Massachusetts ⁶ and New Jersey ⁷ have determined, based on an analysis of
3	the FCC's Declaratory Ruling, that reciprocal compensation is <i>not</i> due for calls to ISPs. The
4	Massachusetts ruling is directly on point for this case. Massachusetts had previously ordered that
5	reciprocal compensation was due for ISP-bound calls on the basis that they were local calls.
6	Because this was the sole basis for the Massachusetts order, and because the FCC's Declaratory
7	Ruling demonstrated that basis to be incorrect, the Massachusetts Department of
8	Telecommunications and Energy reversed its earlier decision, stating that it has based that
9	decision on a mistake of law, i.e., on an erroneous characterization of ISP-bound traffic. The
10	Department's discussion in its May 19, 1999 order regarding the policy considerations behind the
11	decision is illuminating:
12	The revenues generated by reciprocal compensation for that incoming traffic are most likely in excess of the cost of sending such traffic to ISPs. ISP-bound traffic is
13	almost entirely incoming, so it generates significant reciprocal compensation payments from Bell Atlantic to CLECs, an imbalance which enables CLECs to
14	increase their profits or to offer attractive rates and services to Internet service providers-or to do both. Not surprisingly, ISPs view themselves as beneficiaries of
15	this "competition" and argue fervently in favor of maintaining reciprocal compensation for ISP-bound traffic. However, the benefits gained, through this
16	regulatory distortion, by CLECs, ISPs, and their customers do not make society as a whole better off, because they come artificially at the expense of others.
17	Where an increase in income results from regulatory anomaly, rather than from
18	greater competitive efficiency in the marketplace, a regulator is well advise[d] to take his thumb off the scale. We do so today. Arguing that we should not correct the
19	distortions created by reciprocal compensation payments because they benefit ISPs
20	⁶ D.T.E. 97-116-C, Complaint of MCI WorldCom, Inc. against New England Telephone and Telegraph Company
21	d/b/a Bell Atlantic-Massachusetts for breach of interconnection terms entered into under Sections 251 and 252 of the Telecommunications Act of 1996. May 19, 1999.
22	⁷ In the Matter of the Petition of Global NAPs Inc. for Arbitration of Interconnection Rates, Terms, Conditions and Related Arrangements with Bell Atlantic-New Jersey, Inc. Pursuant to Section
23	252(b) of the Telecommunications Act of 1996. Docket No. TO98070426. July 7, 1999.
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2	and their customers is much like saying that one should not encourage people to quit smoking, and so avoid adverse personal and public health consequences, merely
3	because some members of society make a living growing tobacco. Decisions like this should be driven by concerns for overall societal welfare-and not by concern for
4	preserving the hothouse environment of an artificial market niche (footnotes omitted).
5	Additionally, New Jersey was persuaded that reciprocal compensation is not due for ISP-
6	bound calls, because those calls are not local. The Board of Public Utilities was unswayed by the
7	argument that the CLEC incurs costs to carry those calls, stating "[w]e expect that GNI will be
8	compensated by its end user customers and/or by ISPs themselves for the ISP-bound traffic which
9	it carries."
10	
11	Is Nextlink Precluded from Requesting Arrangements from the MFS Agreement Because it Was Approved Prior to Nextlink's Agreement with U S WEST?
12	U S WEST had argued that in accordance with the discussion in the FCC's First Report
13	and Order ⁸ , carriers with existing agreements may only request arrangements from subsequently
14	approved agreements. As such, Nextlink should not be permitted to opt into the reciprocal
15	compensation provisions from the MFS agreement, because it was approved prior to Nextlink's
16	original agreement. Not only is this consistent with the language in the rule and the FCC's order,
17 18	it is the only interpretation of the "pick and choose" requirements that does not obliterate one of
10	the basic principles of contract law $-$ i.e., that a party is bound by the terms of the agreement. ⁹
20	The Recommended Decision cites the FCC's Rule 809 and paragraph 1316 from the
20	FCC's Local Competition Order to support the conclusion that the reference to a "subsequently
21	negotiated" agreement is merely an illustration of how the Act applies to existing agreements, and
23	 ⁸ In the Matter of the Implementation of the Local Competition Rules of the Telecommunications Act of 1996. CC Docket No. 96-98, First Report and Order (August 8, 1996). ⁹ U S WEST recognizes that even allowing a carrier to opt into subsequently approved provisions does violence to this contractual principle, but as the Supreme Court acknowledged, this is what the FCC rule contemplates.
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that the ". . . language does not limit the arrangements available to requesting carriers any more than the FCC's reference to "negotiated" terms and conditions could be interpreted to exclude arbitrated provisions."

Ultimately, the Recommended Decision concludes that Nextlink is not precluded from 5 receiving arrangements from the MFS agreement because it was approved prior to Nextlink's 6 agreement with U S WEST. U S WEST believes that this conclusion goes too far, and potentially 7 destroys any meaningful opportunity or obligation to negotiate. If Nextlink can choose reciprocal 8 compensation under 252(i) now, can Nextlink choose bill and keep out of the AT&T agreement if 9 traffic became out of balance in the other direction and U S WEST sought compensation? That is 10 the result that this decision would produce. In fact, this decision would allow any carrier to 11 choose any term from any contract at any time, depending on whether circumstances changed or 12 the CLEC had made a bad decision about the terms it wanted. One would wonder why either 13 party would bother to negotiate an agreement under those circumstances. 14

U S WEST believes that a very legitimate and reasonable interpretation of the Act and
Rule 809, which does not violate the negotiation process established under Section 252(a), would
be that the Rule's reference to "any arrangement" in "any agreement" means "during the
negotiation process." Thereafter, CLECs with existing agreements should only be entitled to
choose new terms and conditions that are approved subsequent to the effective date of their
agreement.

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Is Nextlink Required to Negotiate with U S WEST Prior to Seeking Enforcement of its Rights under Section 252(i)?

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U S WEST continues to disagree with the conclusions drawn in this docket that Nextlink

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2	either properly notified U S WEST of its desire to opt into the MFS agreement or that Nextlink
3	made a good faith effort to negotiate these issues with U S WEST. The Recommended Decision
4	approves Nextlink's unilateral opt-in, and concludes that, "U S WEST's immediate rejection of
5	Nextlink's request relieved Nextlink of any further duty to specifically identify the arrangement or
6	forebear from filing its petition." Of course U S WEST rejected Nextlink's request. As already
7	decided by the ALJ, Nextlink's decision to invoke the reciprocal compensation provisions in its
8	own agreement was not self-executing, and as of the date of Nextlink's "opt-in", the FCC Rule
9	that is the basis for that action was not even effective. The Recommended Decision acknowledges
10	that the pick and choose rule was reinstated on June 10, 1999, but also states that Nextlink's
11	March notice was sufficient to invoke rights under that rule. As noted in earlier pleadings and
12	affidavits, Nextlink did little more than inquire about reciprocal compensation, and U S WEST
13	did little more than respond by saying, essentially, "your contract does not allow for it", which
14	was absolutely correct. Nothing can convince U S WEST that this constitutes a negotiation as
15	contemplated by WAC 480-09-530.
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17	D. Did Nextlink Make its Request under Section 252(i) Within a Reasonable Period of Time?
18	The ALJ finds that, "U S WEST's proposal for a deadline-driven definition of a
19	"reasonable period of time" is arbitrary, and inefficiently wastes valuable resources by requiring
20	carriers to renegotiate interconnection agreements in their entirety upon expiration." This leads to
21	his conclusion that, "[i]t is in the public interest that incumbent carriers continue to make
22	available arrangements from approved interconnection agreements to other requesting carriers
23	unless provision of an arrangement is more costly, is not technically feasible, or the incumbent
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2	carrier demonstrates that the arrangement includes a term limiting the period of time it must be
3	made available."
4	The Recommended Decision specifically rejects U S WEST's argument that the terms
5	from the MFS agreement should not be available because the agreement has expired, stating that
6	the effective period of the Nextlink agreement should apply to the opt-in provisions, and that the
7	effective period of the MFS agreement is not part of the terms that Nextlink has requested.
8	However, there is no basis in this record for this conclusion. Further, this result means that the
9	effective period of an agreement is meaningless, and that even expired agreements could be
10	resuscitated by another carrier with a longer effective period opting in to certain provisions of the
11	expired agreement. Again, this does significant harm to the concept and the practice of contract
12	negotiations.
13	U S WEST believes that the Recommended Decision effectively eliminates the
14	"reasonable period of time" requirement from the FCC rule. The Recommended Decision should
15	be modified to require carriers to act within a reasonable period of time to select contract
16	provisions, which would preclude Nextlink from selecting the MFS provisions in this case.
17	E. Does the Nextlink Agreement Require Commission Approval of an Alternate
18	Compensation Plan in the Proceeding?
19	U S WEST does not dispute the Recommended Decision on this issue, which is consistent
20	with U S WEST's position and with prior orders of the Commission. The ALJ correctly states
21	that, "[t]he Commission Order approving the negotiated agreement between Nextlink and
22	U S WEST plainly states that in the event that the parties modify or amend their approved
23	Agreement, the modified or revised Agreement is deemed to be a new Agreement and must be

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2	submitted to the Commission for approval, prior to taking effect." Thus, any provisions requiring
3	reciprocal compensation must be submitted to the Commission and approved before they are
4	effective.
5	CONCLUSION
6	The Recommended Decision is incorrect in its conclusions that ISP-bound traffic is local
7	and that reciprocal compensation is due for that traffic. The Recommended Decision has
8	improperly broadened the scope of both Section 252(i) and WAC 480-09-530. The Commission
9	should modify those portions of the Recommended Decision as set forth herein.
10	Respectfully submitted this 19th day of August, 1999.
11	U S WEST Communications, Inc.
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14	Lisa A. Anderl, WSBA No. 13236
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