BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Petitioners,

v.

ADVANCED TELECOM GROUP, INC., et al.,

Respondents.

DOCKET NO. UT-033011

AT&T COMMUNICATIONS OF THE PACIFIC NORTHWEST, INC., TCG SEATTLE AND TCG OREGON SETTLEMENT AGREEMENT

PARTIES

The Parties to this Settlement Agreement are Commission Staff ("Staff") and

AT&T Communications of the Pacific Northwest, TCG Seattle, and TCG Oregon on

behalf of Teleport Communications Group, Inc. and AT&T Corp. (collectively

"AT&T"). Staff and AT&T are referred to herein as "Parties" or individually as

"Party."

1

AT&T Settlement Agreement - 1

INTRODUCTION

The Parties stipulate to this Settlement Agreement to resolve all matters in dispute between them regarding the Washington Utilities and Transportation Commission ("Commission" or "WUTC") Complaint and Amended Complaint in this docket. The Parties request a Commission order approving this Settlement Agreement.

DEFINITIONS

The term "Interconnection Agreement" as used in this Settlement Agreement shall include any agreement the Commission requires to be filed and/or approved pursuant to RCW 80.36.150 and 47 U.S.C. § 252.

PROCEDURAL HISTORY

On August 13, 2003, and August 15, 2003, respectively, the Commission issued a complaint and an amended complaint against AT&T and several other telecommunications companies. Staff alleged that AT&T failed to file and seek Commission approval for an Interconnection Agreement 26A, executed March 13, 2000 ("Agreement 1"), between AT&T and U S WEST Communications, Inc. now Qwest Corporation ("Qwest"), an incumbent local exchange carrier. Staff further alleged that Qwest violated RCW 80.36.150 & 170, among other things, by failing to file Agreement 11B, executed April 24, 2000, between AT&T and Qwest

3

4

("Agreement 2"). On November 7, 2003, Staff and AT&T filed opposing Motions for Summary Disposition. Staff argued competitive local exchange carriers ("CLECs"), including AT&T, were legally obligated to file and seek Commission approval for Interconnection Agreements, while AT&T argued Staff had no cause of action against it based upon the law existing at that time and the type of agreements at issue. Order Number 5 granted Staff's Motion for Partial Summary Disposition and denied AT&T's Motion for Summary Disposition.

SPECIFIC TERMS

Staff and AT&T agree to the following terms and conditions:
1. AT&T accepts and agrees to be bound by the terms of Commission
Order Number 05.

2. For the purposes of this Settlement Agreement only and in the interest of settling the disputes between the Parties, AT&T admits that Agreement 1 constitutes an Interconnection Agreement under current WUTC rules and orders subject to the filing and approval obligations there under.

3. For the purposes of this Settlement Agreement only and in the interest of settling the dispute between the Parties, Staff admits that Agreement 2 is not an Interconnection Agreement under current WUTC rules and orders subjecting AT&T to any filing requirements.

AT&T Settlement Agreement - 3

7

- 4. AT&T admits that under current WUTC rules and orders it shares a legal obligation to file and seek Commission approval for all Interconnection Agreements.
- 5. AT&T accepts its shared obligation to file and seek Commission
 approval for all future Interconnection Agreements in compliance with this
 Settlement Agreement. AT&T agrees that all Interconnection Agreements shall be
 filed within thirty (30) days of execution.
- 10 6. AT&T agrees that if an Interconnection Agreement is presently in existence and not yet filed for approval, the Interconnection Agreement will be filed within forty-five (45) days of approval of this Settlement Agreement by the Commission.
- 7. AT&T agrees that if a conflict arises between the law in existence in the future and the terms of this Settlement Agreement, the stricter obligation shall control, unless complying with the stricter obligation would result in a violation of the law, in which case the then existing law would control. Either Party may give the other Party written notice of its belief that a change in the law has affected this Settlement Agreement. The Parties agree to meet and negotiate in good faith to bring this Settlement Agreement into compliance with existing law. If the Parties cannot reach agreement within sixty (60) days of the date notice was given that a

AT&T Settlement Agreement - 4

change in the law has occurred, either Party may petition any state or federal court in Washington State for appropriate relief.

8. AT&T agrees to pay the Commission one thousand dollars (\$1,000) in settlement in this proceeding.

GENERAL TERMS

- The Parties stipulate to the following general terms of the SettlementAgreement:
- The Parties agree to use their best efforts to secure the approval by the Commission and, as necessary, other parties to this proceeding, of the Specific Terms of this Settlement Agreement. The Parties understand that the Specific Terms listed do not apply unless approved by the Commission.
- 2. The Settlement Agreement represents a fair resolution of all disputed issues. Accordingly, the Parties recommend that the Commission adopt this Settlement Agreement in its entirety. Each party reserves the right to withdraw from the Settlement Agreement if the Commission does not approve the Settlement Agreement in its entirety or conditions approval of the Settlement Agreement on material revisions to its terms and conditions.
- 16

3. The Parties agree to cooperate to assure compliance with WAC 480-07-730 – 750, including providing at least one witness at the time the Settlement Agreement is presented to the Commission to provide testimony in support of the Settlement Agreement and answer any questions the Commission may have. The Parties agree to cooperate, in good faith, in the development of such other information as may be necessary to support and explain the basis of this Settlement Agreement, and to supplement the record accordingly.

17

18

4. The Parties enter into this Settlement Agreement to avoid further expense, uncertainty, and delay in resolving the issues between them in this docket. By executing this Settlement Agreement, the Parties shall not be deemed to have accepted or consented to the facts, principles, methods, or theories employed in arriving at the Settlement Agreement. The Parties shall not use, advocate or otherwise employ—itself or in conjunction with any other individual or entity—this Settlement Agreement for disputing, arguing, or resolving any issues in any other proceeding.

REQUEST FOR APPROVAL

This Settlement Agreement and the attachments are presented to the Commission under WAC 480-07-730 - 750 for the Commission's approval. If this //

//

AT&T Settlement Agreement - 6

Settlement Agreement is approved, it would constitute a full settlement of all issues

raised against AT&T in the Complaint and Amended Complaint by the

Commission.

DATED this _____ day of September, 2004.

CHRISTINE O. GREGOIRE Attorney General DAVIS WRIGHT TREMAINE

CHRISTOPHER G. SWANSON Assistant Attorney General Washington Utilities and Transportation Commission (360) 664-1220

DANIEL WAGGONER 2600 Century Square 1501 Fourth Avenue Seattle, WA 98101-1688 (206) 622-3150

LETTY S.D. FRIESEN Senior Attorney for AT&T Corp. 1875 Lawrence Street, Suite 1500 Denver, Colorado 80202 Attorney for AT&T Communications of the Pacific Northwesrm TCG Seattle & TCG Oregon