

# Davis Wright Tremaine LLP

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Gregory J. Kopta

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December 16, 1996

VIA HAND DELIVERY

Mr. Steve McLellan  
Secretary, Washington Utilities  
and Transportation Commission  
1300 So. Evergreen Park Dr. S.W.  
Olympia, Washington 98504

Re: In re TCG/U S WEST Arbitration, Docket No. UT-960326

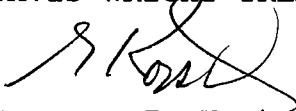
Dear Mr. McLellan:

Enclosed for filing in the above-referenced docket are the originals, 6 copies each, and an electronic copy of TCG's Request for Modification and Approval of Interconnection Agreement, the arbitrated Interconnection Agreement between TCG and U S WEST, and TCG's Proposed Findings and Conclusions. The enclosed Interconnection Agreement has not yet been signed, but TCG and U S WEST are executing signature pages which will be provided to the Commission as soon as possible.

Please contact me if you have any questions about this filing.

Sincerely yours,

DAVIS WRIGHT TREMAINE



Gregory J. Kopta

Enclosures

cc: Lisa Anderl  
Deborah Waldbaum

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BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of )  
TCG SEATTLE )  
for Arbitration Pursuant to )  
Section 252(b) of the )  
Telecommunications Act of 1996 )  
to Establish an Interconnection )  
Agreement With U S WEST )  
Communications, Inc. )  
\_\_\_\_\_ )

DOCKET NO. UT-960326  
TCG'S PROPOSED  
FINDINGS AND  
CONCLUSIONS

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UTIL. AND TRASP. COMMISSION

Pursuant to the Commission's Interpretive and Policy Statement in Docket No. UT-960269, TCG Seattle ("TCG") respectfully submits the following proposed Findings and Conclusions in conjunction with its Request for Modification and Approval of the Interconnection Agreement prepared by the parties in to conform to the Arbitrator's Report and Decision ("Report").

**FINDINGS OF FACT**

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

TCG REQUEST FOR MODIFICATION  
AND APPROVAL OF AGREEMENT - 1  
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2 2. TCG Seattle ("TCG") and U S WEST Communications, Inc. ("USWC") are  
3 each engaged in the business of furnishing telecommunications service with the state of  
4 Washington as a public service company.

5 3. USWC was, until recently, the exclusive provider of switched local  
6 exchange service in its Washington exchanges and currently is the dominant provider of  
7 switched local services within its Washington exchanges.

8 4. TCG provides limited switched local exchange service in certain of the  
9 exchanges of USWC in competition with that incumbent local exchange carrier.  
10

11 5. On July 18, 1996, TCG filed a Petition for Arbitration of an  
12 interconnection agreement with USWC pursuant to the federal Telecommunications Act  
13 of 1996 ("Act"). USWC filed its response to TCG's petition on August \_\_, 1996.  
14 Arbitration hearings on the disputed issues was conducted before administrative law  
15 judge C. Robert Wallis on September 24 and 25, 1996.  
16

17 6. The Arbitrator's Report and Decision ("Arbitrator's Report") resolving the  
18 disputed issues between the parties was entered and served on the parties on November  
19 8, 1996.

20 7. On December 16, 1996, TCG and USWC submitted an interconnection  
21 agreement, the terms and conditions of which comply with the Arbitrator's Report  
22 ("Interconnection Agreement"), and each party has requested modification to, and  
23 approval of, that agreement.  
24  
25

1  
2 8. The Interconnection Agreement between TCG and U S WEST submitted  
3 to the Commission for its approval includes both negotiated and arbitrated provisions.

4 9. Except as modified in this Order, the Commission adopts the findings of  
5 fact made by the Arbitrator in the Arbitrator's Report.

6 10. Service quality standards are necessary to ensure that the Commission and  
7 TCG can assess whether TCG receives facilities and services from USWC on the same  
8 basis as USWC provides those facilities and services to itself and its affiliates.

9  
10 11. The Commission takes administrative notice of the U S WEST Direct  
11 White Pages for Seattle. In the current edition, the "Phone Service Pages" section covers  
12 24 pages, at least 17 of which detail U S WEST's services and ordering, billing, and  
13 repair in compliance with the Commission's requirements. TCG's portion of this section  
14 is 1/4 of one page.

15 12. Lack of equal access to Customer Guide pages in the U S WEST Direct  
16 directory prevents consumers from being fully informed of their options for telephone  
17 service, as well as TCG's service obligations. Nor can TCG reasonably expect to  
18 compete effectively for customers if it does not have adequate access to consumers'  
19 primary source of information about the availability, rates, terms, and conditions of  
20 telephone service. TCG, its customers, and Washington consumers are all harmed if  
21 TCG is denied equal access to the U S WEST Direct Information pages.  
22

23  
24 13. U S WEST's interstate and Washington rates for switched access service  
25 are structured to recover a substantial portion of its tandem and transport costs and

1  
2 proportional contribution from end office elements (in U S WEST's interstate tariffs,  
3 more specifically, through the Residual Interconnection Charge or "RIC").

4 14. In a competitive environment, U S WEST's subsidized tandem services rate  
5 provides the price ceiling, and the current rate structure for switched access services  
6 precludes TCG from recovering its costs when it is the tandem services provider.  
7 Competition for switched access services thus is rendered uneconomic unless some  
8 revenue sharing mechanism is in place. Such a situation ultimately harms consumers,  
9 who will continue to be forced to pay monopoly access rates.  
10

#### 11 CONCLUSIONS OF LAW

12 1. The Washington Utilities and Transportation Commission has jurisdiction  
13 over the subject matter of these proceedings and the parties.

14 2. The Commission should approve the portions of the Interconnection  
15 Agreement that were negotiated by the parties. These provisions do not discriminate  
16 against any carrier that is not a party to the agreement, and they are consistent with the  
17 public interest, convenience, and necessity.  
18

19 3. Except as specified in this Order, the Commission adopts the findings of  
20 fact made by the Arbitrator in the Arbitrator's Report.

21 4. With the modifications specified below, the portions of the Interconnection  
22 Agreement that memorialize the resolution of disputed issues in the Arbitrator's Report  
23 should be approved. With the limited exceptions described in this Order, each of these  
24  
25

1 provisions complies with the Telecommunications Act of 1996, the FCC regulations  
2 implementing that Act, and Washington law, including Commission orders.  
3

4 5. The arbitrated provisions of the Interconnection Agreement governing  
5 network interconnection (Section I) should be approved. The requirements that TCG  
6 have the option for one-way or two-way trunking, interconnection at USWC access  
7 tandems, and meet point trunking are consistent with 47 U.S.C. § 251(c)(2)(A) & (B),  
8 FCC Order ¶¶ 212 & 219, and the FCC's decision in Expanded Interconnection with  
9 Local Telephone Company Facilities, Transport Phase II, CC Docket No. 91-141, 9 FCC  
10 Rcd 2718 (1994).  
11

12 6. The Arbitrator's refusal to adopt performance standards, reporting  
13 requirements, and remedies (Section I.K of TCG's proposed agreement) should be  
14 rejected. Without such standards, neither the Commission nor TCG has any means of  
15 assessing, much less ensuring, that USWC is complying with the Act's and the FCC's  
16 requirement that U S WEST provide TCG with service that in no way discriminates  
17 against other carriers or that is inferior in quality to that provided to itself. 47 U.S.C.  
18 §§ 251(c)(2)(C) & (D). The Act also specifically authorizes the Commission to establish  
19 service quality standards as part of the review process. 47 U.S.C. § 252(e)(3). The  
20 Interconnection Agreement, therefore, should be modified to include the performance  
21 standards, reporting requirements, and remedies proposed by TCG.  
22  
23

24 7. The arbitrated provisions of the Interconnection Agreement governing  
25 nondiscriminatory access to network elements (Section II) should be approved. The

1 Arbitrator's decision establishing an interim unbundled loop rate of \$13.37 (based on  
2 cost studies underlying the FCC's stayed proxy rate), rejecting a separate charge for  
3 "conditioning" and special construction charges, and adopting TCG's proposed pricing for  
4 nonrecurring charges is consistent with the pricing principles in section 252(d) of the Act  
5 and the costing and pricing requirements established by the Commission. The interim  
6 rates are also the only plausible interim recurring rates for unbundled network elements  
7 until the Commission has had sufficient opportunity to review, evaluate, and approve  
8 studies that accurately estimate U S WEST's costs.  
9

10  
11 8. The arbitrated provisions of the Interconnection Agreement governing  
12 nondiscriminatory access to poles, ducts, conduits, and rights-of-way (Section III) should  
13 be approved. The Interconnection Agreement requires the parties to negotiate an  
14 agreement on nondiscriminatory access to poles, ducts, conduits and rights-of-way based  
15 on stated principles, including (1) limiting occupancy termination to just cause, (2)  
16 requiring the conduit owner to place innerduct at its expense proportionately recover  
17 such costs through its conduit charges, and (3) establishing egress from the conduit at the  
18 location of the manhole nearest the desired point of egress. All of these requirements  
19 are consistent with the carriers' obligations under the Act. See 47 U.S.C. § 251(b)(4).  
20 The Agreement also incorporates TCG's proposed maximum conduit rate of \$.60 per  
21 foot, which U S WEST failed to dispute with any counter-proposed rate or evidence that  
22 this amount is unreasonable or fails to compensate U S WEST.  
23  
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1  
2 9. The Arbitrator's refusal to adopt customer guide page requirements  
3 (Section V of TCG's proposed agreement) should be rejected.

4 10. The arbitrated provisions of the Interconnection Agreement governing  
5 interim local number portability (Section VII.A) should be approved. The  
6 Interconnection Agreement properly incorporates the Arbitrator's decision to follow  
7 federal law as established in In re Telephone Number Portability, CC Docket No. 95-  
8 116, RM 8535 (FCC 96-286), First Report and Order (July 2, 1996).

9  
10 11. The arbitrated provisions of the Interconnection Agreement governing  
11 reciprocal compensation arrangements (Section IX) should be approved. The  
12 Interconnection Agreement includes bill and keep as the provisional form of mutual  
13 compensation for the transport and termination of local traffic, as required by the  
14 Commission's Fourth Supplemental Order in Docket Nos. UT-941464, et al., and as  
15 authorized by section 252(d)(2) of the Act. U S WEST failed to demonstrate that it  
16 would incur any additional costs that would justify any form of measured compensation  
17 or that contradict's the Commission's reasons for having rejected the use of measured  
18 compensation for the exchange of local traffic.

19  
20 12. Except for two limitations, the arbitrated provisions of the Interconnection  
21 Agreement governing resale (Section X) should be approved. The adoption of an  
22 interim 17% discount (based on studies presented to the FCC) and rejection of resale  
23 restrictions and U S WEST's unsupported "customer transfer charge" are consistent with  
24 sections 251(c)(4) & 252(d)(3) of the Act.  
25

TCG REQUEST FOR MODIFICATION  
AND APPROVAL OF AGREEMENT - 7  
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1  
2 13. Two limitations on resale included in the arbitrated provisions of the  
3 Interconnection Agreement governing resale (Section X) should be rejected.  
4 First, the record does not support any finding that U S WEST's volume discounts are a  
5 form of avoided cost discount as used by USWC. Applying only the lower of the volume  
6 discount or the avoided cost discount effectively precludes resale of volume discounted  
7 services in violation of the Act and the FCC Order ¶¶ 948, 951 & 953, and would deny  
8 customers of volume discounted services the opportunity to have a choice among  
9 competing service providers. Second, private line services are offered to retail  
10 customers, and the inclusion of such services in U S WEST's access tariffs does not make  
11 them any less a retail telecommunications service that must be available for resale. The  
12 Interconnection Agreement should be modified to eliminate these limitations on resale.  
13

14 14. The arbitrated provisions of the Interconnection Agreement governing  
15 collocation and mid span meets (Section XI) should be approved. These provisions  
16 comply with section 251(c)(2) & (6) of the Act and FCC Order ¶¶ 555-607. With the  
17 exception of collocation cross-connects, these provisions also incorporate cost-based  
18 pricing as required by the Act. The Interconnection Agreement, however, should be  
19 modified to remove any nonrecurring charge for collocation cross-connects on an interim  
20 basis until USWC can provide appropriate cost support for such a charge.  
21

22 15. The Arbitrator's rejection of TCG's proposal for equal access to customer  
23 guide pages in USWC's directory (Section V of TCG's proposed agreement) should be  
24 rejected as not in compliance with Commission rules. Specifically, WAC 480-120-041  
25

TCG REQUEST FOR MODIFICATION  
AND APPROVAL OF AGREEMENT - 8  
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1 requires that "each telecommunications company shall publish in its directory a consumer  
2 information guide which details the rights and responsibilities of a utility customer."  
3

4 TCG effectively is prevented from complying with this requirement unless it has equal  
5 access to the information pages in USWC's directory. The Interconnection Agreement,  
6 therefore, should ensure such nondiscriminatory access.

7  
8 16. The Arbitrator's rejection of TCG's proposal for joint provision of switched  
9 access service (Section XIII of TCG's proposed agreement) should be rejected as not in  
10 compliance with the Act. The Act imposes a duty on U S WEST to provide  
11 interconnection "for the transmission and routing of telephone exchange service and  
12 exchange access" "on rates, terms, and conditions that are just, reasonable, and  
13 nondiscriminatory . . . ." 47 U.S.C. § 251(c)(2)(A) & (D). The Arbitrator nevertheless  
14 rejected TCG's proposal that the companies share revenues they receive from  
15 interexchange carriers when TCG and U S WEST jointly provide switched access service.  
16 This aspect of the Arbitration Report renders useless TCG's legal right under the Act to  
17 jointly provide switched access services with U S WEST by precluding TCG from  
18 recovering the cost of providing tandem services at a rate that is at or below U S  
19 WEST's subsidized rate. The Interconnection Agreement, therefore, should be modified  
20 to include TCG's proposed sharing arrangement.

21  
22 17. The Arbitrator's adoption of USWC's proposal for most favorable terms  
23 and treatment (Section XXVIII) should be rejected as not in compliance with the Act.  
24 TCG's proposed definition -- at least as applied to interim rates and other terms and  
25

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AND APPROVAL OF AGREEMENT - 9  
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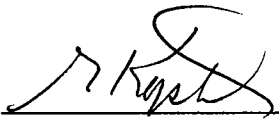
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conditions developed as the result of arbitration -- ensures that arbitrated agreements do not impose or sanction discriminatory terms and conditions and should be included in the Interconnection Agreement.

DATED this 16<sup>th</sup> day of December, 1996.

Davis Wright Tremaine LLP  
Attorneys for TCG Seattle

By   
Gregory J. Kopta  
WSBA No. 20519

Deborah Waldbaum, Esq.  
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201 North Civic Drive  
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3 BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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5 In the Matter of the Petition of )  
6 TCG SEATTLE ) DOCKET NO. UT-960326  
7 for Arbitration Pursuant to ) TCG'S REQUEST FOR  
8 Section 252(b) of the ) MODIFICATION AND  
9 Telecommunications Act of 1996 ) APPROVAL OF  
10 to Establish an Interconnection ) INTERCONNECTION  
11 Agreement With U S WEST ) AGREEMENT  
Communications, Inc. )  
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12 Pursuant to the Commission's Interpretive and Policy Statement in Docket No.  
13 UT-960269, TCG Seattle ("TCG") respectfully submits the following Request for  
14 Modification and Approval of the Interconnection Agreement prepared by the parties in  
15 to conform to the Arbitrator's Report and Decision ("Report"). The Arbitrator has done  
16 an admirable job of balancing the interests of the parties and Washington consumers in  
17 resolving the disputed issues between TCG and U S WEST Communications, Inc. ("U S  
18 WEST"), and the parties have crafted an Interconnection Agreement that largely  
19 implements the provisions of Washington law, the Telecommunications Act of 1996 (the  
20 "Act"), and the order and rules of the Federal Communications Commission ("FCC") in  
21 In re Implementation of the Local Competition Provisions in the Telecommunications  
22 Act of 1996, CC Docket No. 96-98, FCC 96-325 (August 8, 1996) ("FCC Order"). TCG,  
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TCG REQUEST FOR MODIFICATION  
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1 however, is concerned that some portions of the Report -- and corresponding sections of  
2 the Interconnection Agreement -- are not entirely consistent with the spirit, as well as the  
3 letter, of these federal and state requirements. TCG, therefore, requests that the  
4 Commission modify those aspects of the Report and approve the Interconnection  
5 Agreement as so modified.  
6

### 7 INTRODUCTION

8 The Act requires that all negotiated and arbitrated interconnection agreements in  
9 Washington be submitted to the Commission for its approval or rejection. The Act  
10 specifies that the Commission may only reject:  
11

12 (A) an agreement (or any portion thereof) adopted by  
13 negotiation under subsection (a) if it finds that --

14 (i) the agreement (or portion thereof)  
15 discriminates against a telecommunications carrier not  
16 a party to the agreement; or

17 (ii) the implementation of such agreement or  
18 portion is not consistent with the public interest,  
19 convenience, and necessity; or

20 (B) an agreement (or any portion thereof) adopted by  
21 arbitration under subsection (b) if it finds that the agreement  
22 does not meet the requirements of section 251, including the  
23 regulations prescribed by the [Federal Communications]  
24 Commission pursuant to section 251, or the standards set  
25 forth in subsection (d) of this section.

47 U.S.C. § 252(e)(2). In addition, nothing in that section of the Act prohibits the  
Commission "from establishing or enforcing other requirements of State law in its review

1 of an agreement, including requiring compliance with intrastate telecommunications  
2 service quality standards or requirements." Id. § 252(e)(3).  
3

4 The Interconnection Agreement between TCG and U S WEST submitted to the  
5 Commission for its approval includes both negotiated and arbitrated provisions.  
6 Accordingly, the Commission must undertake a separate inquiry for each type of  
7 provision. The Commission must review the negotiated provisions to ensure that they do  
8 not discriminate against other carriers that are not parties to the Agreement and must be  
9 consistent with the public interest. The Commission then must review the arbitrated  
10 provisions to determine whether they comply with the Act and the FCC Order. In  
11 reviewing all of these provisions, the Commission also should ensure that the Agreement  
12 satisfies Washington law, including requirements adopted by the Commission.  
13

14 With certain exceptions identified and discussed in Section C of the following  
15 Discussion, the Interconnection Agreement satisfies this review process. The negotiated  
16 provisions (discussed in Section A) are nondiscriminatory and consistent with the public  
17 interest, while the arbitrated portions (discussed in Section B) comply with both federal  
18 and state law. With the modifications proposed in Section C, the Commission should  
19 approve the Interconnection Agreement.  
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**DISCUSSION**

**A. The Agreed Language Negotiated by the Parties Is Not Discriminatory and Its Implementation Is in the Public Interest.**

TCG and U S WEST filed a Joint Position Statement, consisting primarily of a partial interconnection agreement, showing the language on which the two parties had reached closure for a significant amount of the agreement. This language is the basic model for the Interconnection Agreement. The agreed-upon sections consist of the following sections from the interconnection agreement:

**RECITALS**

**I. NETWORK INTERCONNECTION**

- A. Interconnection Within Each LATA
- B. Fixed Points of Interconnection
- E. Common Channel Signaling and Signaling Protocol
- F. Local Interconnection Trunk Arrangements
- I. Control Office Functions
- J. Testing and Trouble Responsibilities
- K. Interconnection Forecasting
- L. Interconnection Grade Of Service
- M. Interconnection Deployment
- N. Interconnection Trunk Servicing
- O. Network Management
- P. Tariffed Services
- Q. End User Repair Calls
- R. Referral Services

**IV. EMERGENCY SERVICES, DIRECTORY ASSISTANCE AND OPERATOR CALL COMPLETION SERVICES (E9-1-1, O-)**

- A. Emergency Services
- B. Directory Assistance Listings and White Pages
- C. Operator Call Completion

**V. NONDISCRIMINATORY ACCESS TO NUMBER RESOURCES**

**VI. NUMBER PORTABILITY**

- B. Permanent Number Portability

**VII. LOCAL DIALING PARITY**

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- XII. LOCAL INTERCONNECTION DATA EXCHANGE FOR BILLING
  - XV. AUDIT PROCESS
  - XVI. AUDIOTEXT AND MASS ANNOUNCEMENT SERVICES
  - XVIII FORCE MAJEURE
  - XIX. COMMISSION DECISION
  - XXI. EFFECTIVE DATE
  - XXII. AMENDMENT OF AGREEMENT
  - XXV. ASSIGNMENT
  - XXVI. CONTROLLING LAW
  - XXVII. DEFAULT
  - XXVIII. NONDISCLOSURE
  - XXIX. EXECUTION IN DUPLICATE
  - XXX. NOTICES

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None of these provisions discriminate against any carrier that is not a party to the Interconnection Agreement, and implementation of all of the provisions is in the public interest. The provisions principally deal with technical interconnection configuration and standard contract provisions. To the best of TCG's knowledge, U S WEST is willing to make these same provisions available to any other requesting carrier. Implementation of the provisions, moreover, will enable TCG efficiently to physically interconnect its network with U S WEST's network to provide high quality local exchange services, including emergency services, directory assistance, and operator call completion. The agreed contract language, therefore, is in the public interest and should be approved by the Commission.

22  
23

**B. The Vast Majority of the Arbitrated Provisions of the Interconnection Agreement Are Consistent with Federal and State Law.**

24  
25

The remaining issues in the Interconnection Agreement were presented to the Arbitrator for resolution. These issues consist of the following sections from Agreement:

TCG REQUEST FOR MODIFICATION  
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**DEFINITIONS**

- I. NETWORK INTERCONNECTION**
  - C. Sizing and Structure of Interconnection Facilities
  - D. Trunking Directionality
  - G. Meet Point Trunking Arrangements
  - H. Combination Interconnection Trunk Groups
  - [K]. Performance Standards, Reporting Requirements, and Remedies
- II. NONDISCRIMINATORY ACCESS TO NETWORK ELEMENTS**
  - A. Loops.
    - 1. Description of Loop Service
    - 2. Use and Suitability of Loop Service
    - 3. Availability of Loop Service
    - 4. Interconnection to Service at Central Office POI
    - 5. Loop Service Prices
    - 6. Assigned Telephone Number
    - 7. Billing and Payment
    - 8. Ordering
    - 9. Provisioning Intervals
    - 10. Service Coordination
    - 11. Maintenance and Testing
    - 12. Responsibilities of the Parties
  - B. Transport
  - C. Ports/Local Switching
  - D. Cross-connects
  - E. Multiplexing
  - F. Nondiscriminatory Access to Databases and Associated Signaling
  - G. Forecasts for Certain Unbundled Network Elements
  - H. Bona Fide Request Process
- III. NONDISCRIMINATORY ACCESS TO POLES, DUCTS, CONDUITS AND RIGHTS OF WAY**
- [V]. CUSTOMER GUIDE IN WHITE PAGES/BILLING FOR ADVERTISING**
- VI. NUMBER PORTABILITY**
  - A. Interim Number Portability
- VIII. RECIPROCAL COMPENSATION ARRANGEMENTS**
- IX. TELECOMMUNICATIONS SERVICES AVAILABLE FOR RESALE**
- X. COLLOCATION AND MID SPAN MEETS**
  - A. Physical Collocation
    - 1. Rates
    - 2. Terms
  - B. Shared Space Collocation

- C. Microwave Collocation
- D. POT Bay Engineering
- E. Virtual Collocation
- F. Mid-Span Meet Arrangements

XI. MEET POINT BILLING ARRANGEMENTS  
XVII. DISPUTE RESOLUTION AND BINDING ARBITRATION  
XXIII. LIMITATION OF LIABILITY  
XXIV. INDEMNITY  
XXVII. MOST FAVORABLE TERMS AND TREATMENT

As authorized in the Commission's Interpretive and Policy Statement, TCG incorporates by reference its discussion of these issues in its Post-Arbitration Brief that is on file with the Commission. TCG nevertheless has briefly summarized its analysis of how the resolution of disputed issues in which the Arbitrator adopted TCG's proposals complies with the Act and Washington law.

**1. Definitions**

The Arbitrator adopted TCG's definitions because the focus of the arbitration was on the TCG proposed agreement and TCG was the only party to address this issue in its post-arbitration brief. The parties have since modified these definitions in the course of their compliance negotiations so that they are more specific to the terminology used by U S WEST.

**2. Network Interconnection (Section I)**

The parties agreed on many aspects of physical interconnection between their networks with some significant exceptions. These exceptions focus on whether TCG may interconnect with U S WEST at its access tandems for the exchange of local traffic and the type of trunking to be used between the companies. The Act provides that

1 incumbent LECs must provide interconnection "at any technically feasible point within  
2 the carrier's network." 47 U.S.C. § 251(c)(2)(B). The FCC Order, interpreting this  
3 requirement, specifically provides that one point of interconnection with incumbent LECs  
4 shall be at the trunk side of the tandem switch. FCC Order ¶ 212. TCG proposed --  
5 and the Arbitrator adopted -- a technically feasible form of interconnection that complies  
6 with the Act, the FCC Order, and Commission requirements.  
7

8           Sizing and Structure of Interconnection Facilities (Section I.C). The Arbitrator  
9 adopted TCG's proposal to permit interconnection with U S WEST at its access tandems  
10 to terminate certain types of local calls. Such interconnection unquestionably is  
11 technically feasible and avoids significant and discriminatory operational constraints on  
12 TCG, including routing problems, a lack of capacity at the local tandems, and incomplete  
13 call completion capability. See TCG Post-Hearing Brief at 7-11. The Interconnection  
14 Agreement includes the limitation that TCG route local calls through U S WEST's  
15 access tandem only when either insufficient capacity exists at the local tandem, or the  
16 local tandem is not compatible with high speed data transmission requirements. The  
17 Agreement also incorporates TCG's agreement, once standard traffic flow threshold  
18 standards have been reached, to break out separate trunk groups to allow U S WEST to  
19 route traffic directly to an end office in order to avoid using tandem switching when it is  
20 more economical to do so.  
21

22           Trunking Directionality (Section 1.D). The Arbitrator adopted TCG's proposal  
23 that it have the option to use either one-way trunks or two-way trunks for the delivery of  
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1 local exchange traffic to U S WEST. The FCC Order makes it clear that TCG is  
2 entitled to use two-way trunks for interconnection if it chooses, where one-way trunks are  
3 not economically justified. FCC Order ¶ 219. The Interconnection Agreement echoes  
4 this requirement, as well as the Arbitrator's adoption of TCG's proposed language  
5 requiring the parties to work together cooperatively on a technically feasible trunking  
6 arrangement that enables the parties to combine on a single trunk all functionalities of  
7 the local and meet point trunks, if and when such means become available.  
8

9 (Combination Interconnection Trunk Groups (Section I.H)).  
10

11 Meet Point Trunking Arrangements (Section I.G). Meet point trunking involves  
12 the physical interconnection arrangements for the delivery of jointly-provided switched  
13 access. As a matter of law, TCG has the right to compete with U S WEST for the  
14 provision of tandem switching and tandem switched transport, and thus to jointly provide  
15 with U S WEST switched access services. Expanded Interconnection with Local  
16 Telephone Company Facilities, Transport Phase II, CC Docket No. 91-141, 9 FCC Rcd  
17 2718 (1994). The Act specifically requires incumbent LECs to interconnect with new  
18 entrants "for the transmission and routing of telephone exchange service and exchange  
19 access." 47 U.S.C. § 251(c)(2)(A) (emphasis added). TCG's detailed proposal for the  
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1 technical arrangements that the parties should enter into for meet point trunking is  
2 technically feasible and is reflected in the Interconnection Agreement.<sup>1</sup>  
3

4 Performance Standards, Reporting Requirements, and Remedies ([Section I.K]).

5 The Arbitrator rejected TCG's proposal for performance standards, reporting  
6 requirements, and remedies to implement the Act's and the FCC's requirement that U S  
7 WEST provide TCG with service that in no way discriminates against other carriers or  
8 that is inferior in quality to that provided to itself. 47 U.S.C. §§ 251(c)(2)(C) & (D).  
9 TCG discusses this issue in Section C, infra, which addresses the provisions of the  
10 Interconnection Agreement that TCG urges the Commission to reject and modify.  
11

12 **3. Nondiscriminatory Access to Network Elements**  
13 **(Section II)**

14 The Interconnection Agreement incorporates the Arbitrator's decision establishing  
15 an interim unbundled loop rate of \$13.37, rejecting a separate charge for "conditioning"  
16 and special construction charges, and adopting TCG's proposed pricing for nonrecurring  
17 charges. As the Report and TCG's Post-Hearing Brief explain, the FCC proxy rates  
18 comply with the pricing principles in section 252(d) of the Act and are the only plausible  
19 interim recurring rates for unbundled network elements until the Commission has had  
20 sufficient opportunity to review, evaluate, and approve studies that accurately estimate  
21 U S WEST's costs. Report at 9-10; TCG Post-Hearing Brief at 17-21. Similarly, setting  
22

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23  
24 <sup>1</sup> The Arbitrator nevertheless rejected TCG's proposed revenue sharing for jointly  
25 provided switched access service, which is discussed in connection with Meet Point  
Billing Arrangements, Contract Section XI, infra.

1 unbundled loop nonrecurring rates at the nonrecurring rates for the retail service for  
2 which the loop will be used, less the avoided cost discount, more accurately approximates  
3 U S WEST's costs on an interim basis than U S WEST's cost studies, and thus complies  
4 with the Act. The Act also supports rejection of separate charges for conditioning or  
5 special construction charges in light of U S WEST's failure to provide proper cost-  
6 support.

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8 **4. Nondiscriminatory Access to Poles, Ducts,  
9 Conduits and Rights of Way (Section III)**

10 The Interconnection Agreement requires the parties to negotiate an agreement on  
11 nondiscriminatory access to poles, ducts, conduits and rights-of-way based on stated  
12 principles, including (1) limiting occupancy termination to just cause, (2) requiring the  
13 conduit owner to place innerduct at its expense proportionately recover such costs  
14 through its conduit charges, and (3) establishing egress from the conduit at the location  
15 of the manhole nearest the desired point of egress. All of these requirements are  
16 consistent with each carrier's obligations under the Act. See 47 U.S.C. § 251(b)(4). The  
17 Agreement also incorporates TCG's proposed maximum conduit rate of \$.60 per foot,  
18 which U S WEST failed to dispute with any counter-proposed rate or evidence that this  
19 amount is unreasonable or fails to compensate U S WEST.  
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22 **5. Customer Guide in White Pages/Billing for Advertising (Section V)**

23 The Arbitrator rejected TCG's proposal to implement the Act's and the  
24 Commission's directory requirements by requiring equal access to the customer guide  
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1 pages in U S WEST's directory and according TCG the same right U S WEST enjoys to  
2 bill its own customers for directory advertising and other services. TCG discusses the  
3 issue of customer guide pages in Section C, infra, which addresses the provisions of the  
4 Interconnection Agreement that TCG urges the Commission to reject and modify.  
5

6 **6. Interim Number Portability (Section VII.A)**

7 The Interconnection Agreement incorporates the Arbitrator's decision to follow  
8 federal law as established in In re Telephone Number Portability, CC Docket No. 95-  
9 116, RM 8535 (FCC 96-286), First Report and Order (July 2, 1996). This provision  
10 obviously is in compliance with the Act and FCC regulations.  
11

12  
13 **7. Reciprocal Compensation Arrangements (Section IX)**

14 The Interconnection Agreement includes bill and keep as the provisional form of  
15 mutual compensation for the transport and termination of local traffic. The Act  
16 specifically authorizes such a compensation scheme, and U S WEST failed to  
17 demonstrate that it would incur any additional costs that would justify any form of  
18 measured compensation. See 47 U.S.C. § 252(d)(2); TCG Post-Hearing Brief at 25-28.  
19 The Commission, moreover, has adopted bill and keep as the appropriate interim form  
20 of such compensation until the parties negotiate or the Commission orders a capacity-  
21 based form of compensation. Docket No. UT-941464, et al., Fourth Supp. Order at 28-  
22 32. Again, this provision of the Agreement complies with the Act and state law.  
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**8. Telecommunications Services Available for Resale (Section X)**

The Report generally adopts TCG's proposals that U S WEST be required to offer all of its retail services for resale, as required by the Act and the FCC Order, at the lowest proxy discount rate permitted by the FCC until such time as the Commission has approved a study of U S WEST's avoided costs and established a different discount. As described in the Report and TCG's Post-Arbitration Brief, TCG and the Commission have not had sufficient opportunity to review and evaluate U S WEST's cost studies in this docket, and a superficial review of those studies reveals fatal flaws. TCG's proposal, therefore, was the only proposal that complied with the Act. See 47 U.S.C. §§ 251(c)(4) & 252(d)(3); Report at 13-14; TCG Post-Arbitration Brief at 29-33. The Arbitrator's rejection of some of the resale restrictions U S WEST proposed and U S WEST's unsupported "customer transfer charge" also is consistent with the Act and the FCC Order. See id.; FCC Order ¶¶ 939-970; TCG Post-Hearing Brief at 29-33. The Arbitrator, however, adopted two of U S WEST's proposed restrictions, despite their inconsistency with the Act and the FCC Order. TCG discusses these issues in Section C, infra, which addresses the provisions of the Interconnection Agreement that TCG urges the Commission to reject and modify.

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**9. Collocation and Mid Span Meets (Section XI)**

The Interconnection Agreement generally includes TCG's proposal for collocation and mid span meets, which as the Report and TCG's Post-Arbitration Brief detail, fully



1 complies with the Act and the FCC Order. See 47 U.S.C. § 251(c)(2) & (6); FCC Order  
2 ¶¶ 555-607; Report at 15-17; TCG Post-Arbitration Brief at 33-37. Not only do the  
3 technical arrangements comply with federal law, but the pricing for collocation is cost-  
4 based, was not disputed by U S WEST, and thus satisfies the Act's requirements. The  
5 Agreement also incorporates the Arbitrator's modification of TCG's proposal, allowing  
6 unescorted access to U S WEST premises only after TCG posts an appropriate bond and  
7 allows U S WEST to ensure that the applicable TCG personnel meet the standards U S  
8 WEST requires of similar employees. The Arbitrator, however, rejected TCG's proposal  
9 for pricing cross-connects, despite the lack of reliable evidence presented by U S WEST  
10 to contradict TCG's proposal. TCG discusses this issue in Section C, infra, which  
11 addresses the provisions of the Interconnection Agreement that TCG urges the  
12 Commission to reject and modify.  
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15 **C. The Commission Should Reject and Modify Certain Provisions of the**  
16 **Interconnection Agreement.**

17 Although most of the Interconnection Agreement is consistent with the Act, the  
18 FCC Order, and Commission requirements, a few provisions do not satisfy this standard.  
19 TCG, therefore, requests that the Commission reject and modify those provisions as  
20 discussed below.  
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**1. Performance Standards**

TCG's most significant concern with the Report is the rejection of TCG's proposal for performance standards, reporting requirements, and remedies. The Report explains the basis of the decision as follows:

One substantial problem with TCG's proposal from a public policy standpoint is that it would tend to elevate TCG and its needs to a status superior to other USWC customers. With insufficient means to accomplish immediately all capital and expense projects, it would be tempted to defer needs of other ratepayers and to meet those of TCG, to avoid payments in the event of missed schedules. All customers, including TCG and other resellers, have the benefit of Commission rules and standards and the right to complain formally or informally in the event of service failure. TCG's proposal is therefore denied.

Report at 4 (emphasis added).

This paragraph demonstrates a fundamental misunderstanding of TCG's proposal. TCG is a competing, facilities-based co-carrier, not simply another "customer," and TCG seeks equal treatment, not superior status, from U S WEST. The triggering of the remedies in TCG's proposal occurs only when U S WEST's average performance under the contract varies more than 5% from the average of service provided to all (or, in some cases, the 10 largest) other purchasers -- including U S WEST -- of a particular network element or service. The remedies thus address discrimination against TCG and provide U S WEST with an incentive to treat TCG and its customers no worse than U S WEST treats any other service provider and their customers, including U S WEST itself. The remedies do not authorize or even encourage U S WEST to provide superior service

1 to TCG and its customers at the expense of service provided to other carriers, their  
2 customers, or U S WEST's end user customers.<sup>2</sup>  
3

4 The Report also ignores the most important aspect of TCG's proposal -- the  
5 establishment of performance standards and reporting requirements. U S WEST neither  
6 proposed nor provided TCG with any means of measuring the quality of service U S  
7 WEST provides itself. TCG thus was compelled to propose its own means of attempting  
8 to ensure that TCG receives the quality of service to which it is entitled under the Act.  
9 See 47 U.S.C. § 251(c)(2)(C). Without specific, express performance standards and  
10 reporting requirements, TCG has no way to determine whether the service quality it  
11 receives from U S WEST complies with the Act, much less to prove noncompliance.  
12 The Report's proposed alternative of filing complaints under existing Commission rules --  
13 developed prior to passage of the Act to protect end user customers, not competing co-  
14 carriers -- does not satisfy the Act's requirements, would drain party and Commission  
15 resources, and would delay competitive benefits to Washington consumers. Such a  
16 solution also is inconsistent with past Commission orders. See WUTC v. USWC, Docket  
17 No. UT-950200, Fifteenth Supp. Order at 26 (April 11, 1996) (establishing service  
18 guarantees and remedies for carrier customers of U S WEST); WUTC v. USWC, et al.,  
19 Consolidated Docket Nos. UT-941464, et al., Ninth Supp. Order (March 13, 1996)  
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24 <sup>2</sup> The Report is a troubling statement about the Commission's expectations of U S  
25 WEST service quality if the fear is that U S WEST must provide some customers with  
poor service quality simply to provide TCG with average service quality.

1 ("USWC's disdainful response to the other parties' comments and its insistence on  
2 writing the tariff to reflect positions it unsuccessfully advocated on the merits cause the  
3 Commission to conclude that the company is unlikely to file an acceptable tariff for local  
4 interconnection within a reasonable period of time unless the Commission is fairly  
5 prescriptive in this order").

7 TCG urges the Commission to reject the Arbitrator's decision on the issue of  
8 performance standards as not in compliance with the Act or Commission requirements,  
9 and to modify the Interconnection Agreement to include TCG's proposal for  
10 performance standards, reporting requirements, and remedies. Alternatively, the  
11 Commission should establish these service quality standards, requirements and remedies  
12 as the Act specifically authorizes the Commission to do in the review process. 47 U.S.C.  
13 § 252(e)(3). At a minimum, the Commission should modify the agreement to  
14 incorporate TCG's proposed performance standards and reporting requirements so that  
15 TCG can measure the service quality it receives from U S WEST and has some means  
16 of ensuring TCG's ability to provide its customers with at least the same level of service  
17 that U S WEST customers receive.

## 20 2. Customer Guide Pages

21 Another area in which the Report would hamper TCG's ability to serve its  
22 customers is directory listings. The Report rejects TCG's proposal to require U S WEST  
23 to provide TCG with the same number of Customer Guide pages in its directory as U S  
24 WEST has, under the same rates, terms, and conditions. The Report provides,  
25

1  
2 Here, we think that TCG's proposal is flawed. There  
3 is no sufficient showing of need for the same number of  
4 pages and no sufficient explanation why the lack of access is  
5 harmful. TCG has basic access for listing purposes. USWC  
6 need not order its affiliate to provide the requested service,  
7 although we expect it to cooperate with TCG in securing the  
8 requested service. TCG may negotiate with the affiliate for  
9 the access that it desires.

10 Report at 12.

11 The need for equal access comes from the Commission's own rules. The  
12 Commission mandates that "[e]ach utility shall make known to applicants for service and  
13 to its subscribers such information as is needed to assist in obtaining adequate and  
14 efficient service." WAC 480-120-041. More specifically, that rule states:

15 In addition, each telecommunications company shall publish  
16 in its directory a consumer information guide which details  
17 the rights and responsibilities of a utility customer. Such  
18 guide shall describe processes for establishing credit and  
19 determining the need and amount for deposits, the procedure  
20 whereby a bill becomes delinquent, the steps which must be  
21 taken by the utility to disconnect service, the right of the  
22 customer to pursue any dispute with the utility first by  
23 procedures within the utility and then to the commission by  
24 formal or informal complaint.

25 TCG cannot comply with these requirements if it does not have equal access to  
the Customer Guide pages in the U S WEST Direct directory. TCG asks that the  
Commission take administrative notice of the U S WEST Direct White Pages for Seattle.  
In the current edition, the "Phone Service Pages" section covers 24 pages, at least 17 of  
which detail U S WEST's services and ordering, billing, and repair in compliance with  
the Commission's requirements. TCG's portion of this section is 1/4 of one page. TCG

1 cannot comply with WAC 480-120-041 in that amount of space, nor can TCG reasonably  
2 expect to compete effectively for customers if it does not have adequate access to  
3 consumers' primary source of information about the availability, rates, terms, and  
4 conditions of telephone service.  
5

6 Lack of equal access to Customer Guide pages in the U S WEST Direct directory  
7 not only prevents TCG from complying with Commission requirements but it prevents  
8 consumers from being fully informed of their options for telephone service, as well as  
9 TCG's service obligations. TCG, its customers, and Washington consumers are all  
10 harmed if TCG is denied equal access to the U S WEST Direct Customer Guide pages.  
11 The Commission, therefore, should reject the Arbitrator's resolution of this issue and  
12 should require that the Interconnection Agreement be modified to require that U S  
13 WEST provide TCG with the same access to the Customer Guide pages in the U S  
14 WEST Direct directory as U S WEST enjoys, under the same rates, terms, and  
15 conditions. At a minimum, the Commission should require that U S WEST make  
16 available copies of all contracts it has with U S WEST Direct so that TCG, in its  
17 negotiations with U S WEST Direct, can ensure that U S WEST's affiliate is not  
18 discriminating against TCG.  
19  
20

### 21 3. Restrictions on Resale

22 TCG, as a facilities-based service provider, has only a limited interest in reselling  
23 U S WEST's retail services, but two aspects of the Report's resale provisions are  
24 inconsistent with the Act and the FCC Order. First, the Report finds that U S WEST's  
25

1  
2 volume discounts are "a form of avoided cost discount" and modifies TCG's proposal to  
3 entitle a reseller only the greater of the volume discount or the proxy avoided cost  
4 discount, but not both. Report at 14. The record does not support this finding. U S  
5 WEST has never claimed -- much less introduced evidence to prove -- that its volume  
6 discounts to end user customers are based on avoided retail costs. Absent such a  
7 showing, U S WEST is in precisely the same financial condition if it provides a volume-  
8 discounted service to the customer itself, or to TCG at the volume discount less the  
9 avoided cost discount for resale to that customer. Applying only the lower of the volume  
10 discount or the avoided cost discount, however, effectively precludes resale of volume  
11 discounted services.<sup>3</sup> The Report thus actually accepts U S WEST's proposal to restrict  
12 the resale of volume discounted services in violation of the FCC Order, see FCC Order  
13 ¶¶ 948, 951 & 953, and would deny customers of volume discounted services the  
14 opportunity to have a choice among competing service providers. The Commission,  
15 therefore, should reject this aspect of the Interconnection Agreement as not in  
16 compliance with the Act and the FCC Order.  
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22 <sup>3</sup> The discount provided to resellers is the sum of U S WEST's avoided retail  
23 costs. A reseller, however, will incur retail costs to provide the service to its customers.  
24 TCG's resale margin, therefore, is not the entire discount but the difference between  
25 U S WEST's retail costs (i.e., the discount) and TCG's retail costs. The Report thus  
would make resale of any volume discounted service uneconomical because TCG's costs  
(the rate from U S WEST plus TCG's own retail costs) to provide the service would  
exceed the retail rate.

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The second problematic aspect of the Report's resale discussion is its acceptance of U S WEST's position that private line services are offered in its access tariff and therefore should be exempt from U S WEST's resale obligations. Report at 14-15. Private line services are offered to retail customers, most notably banks (which use private lines to connect automatic teller machines), government agencies, and other multi-premise organizations with data transmission needs. The inclusion of private line services in U S WEST's access tariffs does not make them any less a retail telecommunications service that must be available for resale. Indeed, the Arbitrator's concern for elevating form over substance is the reverse of that stated in the Report: the identity of the two services enables U S WEST to avoid its responsibilities under the Act to make all retail telecommunications services available for resale. TCG does not dispute the FCC's restriction on resale of special access services. The Commission can give more appropriate meaning to that restriction, however, by including language in the contract that authorizes resale of private line services only for retail purposes, not for provision of special access service.<sup>4</sup> The Commission, therefore, should reject this

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<sup>4</sup> The Arbitrator's Decision in the MFS/USWC arbitration in Oregon contains just such a provision, which states:

MFS shall not use private line services purchased from USWC at wholesale to provide special access service. Intentional violation of this restriction constitutes breach of this agreement and shall terminate MFS's ability to purchase any additional private line services from USWC.



1 aspect of the Interconnection Agreement as not in compliance with the Act and the FCC  
2 Order and modify the agreement accordingly.  
3

4 **4. Collocation Cross-Connects**

5 The Report also allows U S WEST to impose, without reliable cost support, a  
6 recurring cross-connect charge for connecting TCG's collocated equipment with U S  
7 WEST's equipment. Specifically, the Report provides,

8 TCG does not demonstrate that providing wire and  
9 regeneration equipment eliminates all recurring costs of  
10 interconnection. We are not convinced that it is the case. If  
11 the parties agree, it should be permitted to provide portions  
12 of the equipment, and that provisioning should be considered  
13 in calculating the rates. But it should not achieve freedom  
14 from recurring rates unless it does demonstrate freedom from  
15 costs, in order to avoid imposing costs on USWC's ratepayers  
16 or stockholders. The TCG proposal is rejected.

17 Report at 16.

18 TCG should not be required to prove the absence of U S WEST's costs. The Act  
19 requires cost-based rates. 47 U.S.C. § 252(d). U S WEST, not TCG, bears the burden  
20 of proving that its proposed rates are based on underlying costs. The only costs of cross-  
21 connecting collocated equipment of which TCG is aware is the wire (and, if necessary,  
22 regeneration equipment), and TCG has offered to pay those costs. Tr. at 59-60 (TCG  
23 Washington Direct). U S WEST has identified no other costs that would justify a  
24 nonrecurring cross-connect charge, yet the Report presumes that such costs exist. The

25 In re Petition of MFS, Oregon PUC Docket No. ARB 1, Arbitrator's Decision at 9 (Nov. 8, 1996).

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1 Report imposes an impossible requirement on TCG to prove the nonexistence of costs  
2 that U S WEST has not even identified. Such a requirement is inconsistent with the Act,  
3 Commission orders and past practice, and the Report itself, which appropriately places  
4 the burden on U S WEST to prove its other costs -- a burden that U S WEST has failed  
5 to carry. The Commission, therefore, should reject the Arbitrator's resolution of this  
6 disputed issue and should modify the Interconnection Agreement to require that U S  
7 WEST not impose a recurring cross-connect charge if TCG supplies the connection  
8 facilities. Alternatively, the Agreement should be modified to provide that TCG be  
9 given the opportunity to provision any facility legitimately included in a recurring cross-  
10 connect charge and that if TCG takes advantage of that opportunity, U S WEST must  
11 eliminate the corresponding cost element in that charge.  
12  
13

#### 14 **5. Joint Provision of Switched Access Service**

15 The Report is inconsistent with the Act by rejecting TCG's proposal to share  
16 revenues with U S WEST when both companies jointly provide switched access service.  
17 The Act imposes a duty on U S WEST to provide interconnection "for the transmission  
18 and routing of telephone exchange service and exchange access" "on rates, terms, and  
19 conditions that are just, reasonable, and nondiscriminatory . . . ." 47 U.S.C.  
20 § 251(c)(2)(A) & (D) (emphasis added). Pursuant to that duty, TCG proposed that the  
21 companies share revenues they receive from interexchange carriers when TCG and U S  
22 WEST jointly provide switched access service. U S WEST's interstate and Washington  
23 rates for such service are structured to recover a substantial portion of its tandem and  
24  
25

1 transport costs and proportional contribution from end office elements (in U S WEST's  
2 interstate tariffs, more specifically, through the Residual Interconnection Charge or  
3 "RIC"). Exhibit 3 (TCG Montgomery Direct) at 51-62; Tr. at 207-09 (Montgomery  
4 Direct); WUTC v. USWC, Docket No. UT-950200, Fifteenth Supp. Order at 114-15  
5 (April 11, 1996). To enable TCG to compete with U S WEST for the transport of  
6 switched access service, TCG proposed a division of revenues so that the company  
7 providing the tandem switched and tandem switched transport portion of the switched  
8 access service ("tandem services") would receive 30% of the total revenues received from  
9 the IXC. The Report rejects TCG's proposal, stating

12 We accept USWC's proposal and reject TCG's. The latter is  
13 certainly a creative approach. TCG does not provide cost  
14 support for its proposal -- nor does it state why we should  
15 correct a problem that the courts and the FCC both  
16 acknowledge is the FCC's to fix.

17 Report at 18.

18 The problem was the Arbitrator's, not the FCC's, to fix, because the effect of this  
19 decision is to render useless TCG's legal right under the Act to jointly provide switched  
20 access services with U S WEST.<sup>5</sup> As stated above, U S WEST's tandem services rate

21 <sup>5</sup> As for cost support, the FCC has structured the interstate end-office RIC to  
22 recover 80% of the cost of tandem switching and transport, with only 20% of those costs  
23 recovered in the tandem switching charge. Ex. 3 (TCG Montgomery Direct) at 54. U S  
24 WEST offered no evidence to refute or even address these figures. The Commission  
25 refused to impose a RIC for intrastate switched access, but established local switching  
charges that have the same effect of allocating the lion's share of cost recovery for the  
cost recovery of the entire service to the end office charges. See WUTC v. USWC,  
Docket No. UT-950200, Fifteenth Supp. Order at 114-15 (April 11, 1996). Again,

1 elements for interstate and intrastate switched access services do not presently recover  
2 their costs. Thus, when TCG and U S WEST jointly provide switched access and TCG is  
3 the tandem services provider, TCG could not recover the cost of providing tandem  
4 services at a rate that is at or below U S WEST's subsidized rate. U S WEST would  
5 retain all revenues from its end-office charges -- a portion of which recovers tandem  
6 services costs -- and U S WEST (the end-office provider) would be receiving amounts for  
7 which it did not provide any service, while TCG (the tandem services provider) would  
8 not be properly compensated for the services that it was providing to the access  
9 customer. In a competitive environment, U S WEST's subsidized tandem services rate  
10 provides the price ceiling, and the current rate structure precludes TCG from recovering  
11 its costs when it is the tandem services provider. Competition thus is rendered  
12 uneconomic, and TCG's legal right to compete for transport services is meaningless  
13 unless some revenue sharing mechanism is in place. Such a situation ultimately harms  
14 consumers, who will continue to be forced to pay monopoly access rates.

15  
16  
17  
18 The Report's resolution of this issue precludes TCG from recovering its tandem  
19 services costs, even though complete cost recovery is essential to TCG's ability to  
20 compete for the provision of such services and to bring the benefits of consumer choice  
21 to Washington local markets. The result is that TCG will not be able to compete with  
22 U S WEST, and the purposes of the Act will be thwarted. Arbitrators in Arizona and  
23

24  
25 nothing in the record contradicts these facts.

TCG REQUEST FOR MODIFICATION  
AND APPROVAL OF AGREEMENT - 25  
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Seattle

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1 Nebraska agree and have adopted TCG's proposal.<sup>6</sup> See In re Petition of TCG Omaha,  
2 Neb. P.S.C. Docket No. C-1379, Arbitrator's Decision at 15 (Nov. 1, 1996); In re Petition  
3 of TCG Phoenix, Ariz. Corp. Comm'n Docket No. U-3016-96-402, Commission Opinion  
4 and Order No. 59873 (Oct. 29, 1996). The Commission should give full effect to federal  
5 law and Commission policy by rejecting the Arbitrator's resolution of this disputed issue  
6 and modifying the Interconnection Agreement to adopt TCG's proposal to share  
7 revenues from joint provision of switched access service in the proportion that TCG  
8 proposed.  
9  
10

11 **6. "Most Favorable Terms and Treatment"**

12 The Report rejects inclusion of the FCC's interpretation of 47 U.S.C. § 252(i) in  
13 the arbitrated agreement in favor of a more general provision proposed by U S WEST.  
14 Report at 18. The ultimate result of such an interpretation could be the very  
15 discrimination Congress and the FCC attempted to address.<sup>7</sup> Here, for example, the  
16 Arbitrator adopted a 17% interim wholesale discount to resolve the unresolved issue of  
17 pricing for U S WEST services available for resale. The Arbitrator in the MFS/U S  
18 WEST arbitration, however, adopted an interim wholesale discount of 21% to resolve  
19  
20

---

21 <sup>6</sup> In addition, Pacific Bell and Bell South have agreed to revenue sharing in joint  
22 provision of switched access services as part of negotiated agreements. See Exhibit 2  
23 (TCG/Pacific Bell Agreement).

24 <sup>7</sup> The provision in the Interconnection Agreement merely references section  
25 251(i) and state and federal interpretive regulations. Such a general statement does not  
begin to address the concerns TCG expresses in this pleading.

1 the same disputed issue. In re Petition of MFS, Docket No. UT-960323, Arbitrator's  
2 Report and Decision (November 8, 1996). Similarly, the interim unbundled loop rate of  
3 \$13.37 adopted in this proceeding is far higher than the \$11.33 interim loop rate adopted  
4 in the AT&T arbitration. In re Petition of AT&T, Docket No. UT-960309, Arbitrator's  
5 Report and Decision (November 27, 1996). TCG's inability to obtain services for resale  
6 from U S WEST at the same rate as other new entrants would effectively amount to  
7 Commission-sanctioned rate discrimination.<sup>8</sup> The Commission, therefore, should reject  
8 the Arbitrator's interpretation of section 252(i) and should modify the Interconnection  
9 Agreement either to adopt the FCC's interpretation or to clarify that TCG is entitled to  
10 obtain U S WEST facilities and services under the agreement at any interim or  
11 permanent rates at which those facilities and services are available to other new entrants.  
12

### 13 CONCLUSION AND PRAYER FOR RELIEF

14 The Interconnection Agreement largely implements federal and state policies and  
15 requirements for the development of effective competition in Washington local exchange  
16 markets, but the Commission should reject those aspects which, as discussed above, are  
17 inconsistent with the Commission's obligation to fulfill those policies and requirements.  
18  
19

20  
21 <sup>8</sup> TCG proposed only a 17% interim wholesale discount and \$13.37 interim  
22 unbundled loop rate pending Commission review of TELRIC and avoided cost studies,  
23 but TCG is not willing to accept a lower resale discount and higher unbundled loop rate  
24 than its competitors. TCG's proposal for the FCC's interpretation of the Act's "most  
25 favorable terms and treatment" requirement was intended to address any discriminatory  
results between TCG's arbitrated agreement and other agreements. TCG should not be  
held to its pricing proposals without the means it proposed to ensure that its proposed  
rates would not result in discrimination.

TCG REQUEST FOR MODIFICATION  
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1 TCG, therefore, requests that the Commission modify those Agreement provisions  
2 accordingly and should approve the Interconnection Agreement as so modified.  
3

4 DATED this 16<sup>th</sup> day of December, 1996.

5 Davis Wright Tremaine LLP  
6 Attorneys for TCG Seattle

7  
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TCG REQUEST FOR MODIFICATION  
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**INTERCONNECTION AGREEMENT BETWEEN**

**TCG SEATTLE**

**AND**

**U S WEST  
COMMUNICATIONS, INC.**

**DECEMBER 16, 1996**

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**December 16, 1996**

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## INTERCONNECTION AGREEMENT

THIS INTERCONNECTION AGREEMENT, made as of this 16th day of December, 1996, is between TCG Seattle, a New York limited partnership ("TCG") and U S WEST Communications, Inc. ("USWC"), a Colorado corporation.

### RECITALS

WHEREAS, a major purpose of the Telecommunications Act of 1996 ("TA 1996") is to permit and encourage the vigorous competition that provides widespread consumer choice and less government regulation in all segments of the telecommunications industry; and

WHEREAS, this Agreement is intended to promote independent, facilities-based local exchange competition by encouraging the rapid and efficient interconnection of competing local exchange service networks; and

WHEREAS, the Parties seek to accomplish interconnection in a technically and economically efficient manner in accordance with all requirements of TA 1996 including the entire "Competitive Checklist" as set forth in TA 1996, Section 271(c)(2)(B); and

WHEREAS, the public will benefit if the local exchange networks of the Parties are interconnected so that customers of each carrier can seamlessly exchange telecommunications traffic; and

WHEREAS, Section 252 of TA 1996 mandates good faith negotiations between incumbent Local Exchange Carriers and any telecommunications carrier requesting interconnection without regard to the standards set forth in subsections (b) and (c) of Section 251 of TA 1996; and

WHEREAS, USWC and TCG utilized this negotiation process; and

WHEREAS, TCG notified USWC of its request for negotiations with USWC pursuant to Section 252 of TA 1996 on February 8, 1996; and

WHEREAS the Parties were unable to negotiate an interconnection agreement; and

WHEREAS TCG petitioned the Washington Utilities and Transportation Commission to arbitrate an interconnection agreement between the Parties pursuant to Section 252 of TA 1996; and

WHEREAS the Washington Utilities and Transportation Commission through the assigned Arbitrator issued its Report and Order in Docket No. UT-960326 on November 8, 1996, issued directing the Parties to prepare an interconnection agreement incorporating in its terms the issues resolved by arbitration;

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in accordance with the decision of the Washington Utilities and Transportation Commission, TCG and USWC hereby covenant and agree as set forth in this Agreement.

### DEFINITIONS

1. "Automatic Number Identification" or "ANI" is a Feature Group D signaling parameter which refers to the number transmitted through the network identifying the billing number of the calling party.
2. "Basic Loops" are 2-wire analog voice grade Loops that support analog transmission of 300-3000 Hz with loss no greater than 8.5db, dial repeat loop start, loop reverse battery, or ground start seizure and disconnect in one direction (toward the End Office Switch), and repeat ringing in the other direction (toward the end user). This Loop is commonly used for local dial tone service for residence and business customers.
3. "Busy Line Verification" or "BLV" refers to a service in which an end user requests an operator to confirm the busy status of a line.
4. "Busy Line Verification and Interrupt" or "BLVI" refers to a service in which an end user requests an operator to confirm the busy status of a line and requests an interruption of the call.
5. "Calling Party Number" or "CPN" is a CCS parameter which refers to the number transmitted through the network identifying the calling party.
6. "Central Office Switch" or "Central Office" means a switching entity within the public switched telecommunications network, including but not limited to:

"End Office Switches" which are switches from which end user Exchange Services are directly connected and offered.

"Tandem Switches" which are switches that are used to connect and switch trunk circuits between and among Central Office Switches and IXC switches.

Central Office Switches may be employed as combination End Office/Tandem Switches.

7. "Centralized Message Distribution System" ("CMDS") is the transport system that LECs use to exchange outcollect and Carrier Access Billing System ("CABS") access messages among each other and other parties connected to CMDS.
8. "Charge Number" is a CCS parameter which refers to the number transmitted through the network identifying the billing number of the calling party.
9. "CLASS Features" mean certain CCS-based features available to end users. CLASS features include, but are not necessarily limited to: Automatic Call Back; Call Trace; Caller ID and Related Blocking Features; Distinctive Ringing/Call Waiting; Selective Call Forward; and Selective Call Rejection.
10. "Combination Interconnection Trunk Group" means a trunk group that combines local interconnection traffic and traffic from jointly provided Switched Access service.
11. "Commission" means the Washington Utilities and Transportation Commission.
12. "Common Channel Signaling" or "CCS" means a method of digitally transmitting call set-up and network control data over a special network fully separate from the public switched network elements that carry the actual call. Signaling System 7 ("SS7") is the CCS network presently used by telecommunications carriers.
13. "Conditioning" means use of the appropriate technical treatment for the provision of particular service.
14. "Control Office" is an exchange carrier center or office designated as its company's single point of contact for the provisioning and maintenance of its portion of interconnection arrangements.

15. "Cross Connect" means an intra-wire center channel connecting separate pieces of telecommunications equipment
16. "DSX Panel" is a cross-connect bay/panel used for the termination of equipment and facilities operating at digital rates.
17. "DS-1" is a digital signal rate of 1.544 Megabits Per Second ("Mbps").
18. "DS-3" is a digital signal rate of 44.736 Mbps.
19. "EICT" or "Expanded Interconnection Channel Termination" refers to the connection between the collocation point of termination ("POT Bay") and the unbundled Network Element or interconnection point to a switched or dedicated arrangement or service in USWC's network.
20. "Electronic File Transfer" refers to any system/process which utilizes an electronic format and protocol to send/receive data files.
21. "Exchange Message Record" or "EMR" is the standard used for exchange of telecommunications message information among LECs for billable, non-billable, sample, settlement and study data. EMR format is contained in BR-010-200-010 CRIS Exchange Message Record, a Bellcore document which defines industry standards for exchange message records.
22. "Exchange Service" means a service offered to end users which provides the end user with a telephonic connection to the public switched telecommunications network, and which enables such end user to generally place calls to, or receive calls from, other stations on the public switched telecommunications network. Exchange Service includes but may not be limited to basic residence and business line service, PBX trunk line service, pay phone line service, Centrex line service and ISDN line services. Exchange Service does not include Private Line, Switched and Special Access services.
23. "FCC" means the Federal Communications Commission.
24. "Interconnection" means the connection of separate pieces of equipment, transmission facilities, etc., between or among networks.
25. "Interexchange Carrier" or "IXC" means a provider of interexchange telecommunications services.

26. "Interim Number Portability" or "INP" means the delivery of SPNP capabilities through the use of switch-based call routing. INP arrangements cannot support certain CLASS features.
27. "ISDN" means Integrated Services Digital Network, which is a digital switched network service. "Basic Rate ISDN" provides for channelized (2 bearer and 1 data) end-to-end digital connectivity for the transmission of voice and/or data on either or both bearer channels and packet data on the data channel. "Primary Rate ISDN" provides for 24 bearer and 1 data channels.
28. "LATA" means Local Access Transport Area, which denotes a geographical area established for the provision and administration of communications services. It encompasses one or more designated exchanges, which are grouped to serve common social, economic and other purposes (based on the Modification of Final Judgment).
29. "Loop" is a component of an Exchange Service. For purposes of general illustration, the Loop is the transmission facility (or channel or group of channels on such facility) which extends from a Main Distribution Frame, DSX-panel, or functionally comparable piece of equipment in a USWC Wire Center, to the Network Interface Device in/at a customer's premises.
30. "Local Exchange Carrier" or "LEC" shall have the meaning set forth in TA 1996.
31. "Local Exchange Routing Guide" or "LERG" is a Bellcore Reference Document used by LECs and IXC's to identify NPA-NXX routing and homing information as well as network element and equipment designations.
32. "Local Exchange 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 another LEC in that same LATA, including intraLATA toll traffic and traffic originated to or terminated from LECs not party to this Agreement. Local Exchange Traffic does not include traffic that is routed to or terminated from the network of an IXC.
33. "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 another LEC in that same LATA, within the same local calling area as is provided by the incumbent LEC for local calls. in that LATA.



34. "Local Interconnection Trunks/Trunk Groups" are used for the termination of Local Traffic, using the Bellcore Technical Reference GR-317, as well as WSP traffic, using the appropriate technical references. Local Interconnection Trunk Groups are also used for the termination of intraLATA toll traffic and traffic originated to or terminated from LECs not party to this Agreement.
35. "MECAB" refers to the Multiple Exchange Carrier Access Billing document prepared by the Billing Committee of the Ordering and Billing Forum ("OBF"), which functions under the auspices of the Carrier Liaison Committee of the Alliance for Telecommunications Industry Solutions ("ATIS"). The MECAB document, published by Bellcore as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of an access service provided by two or more LECs or by one LEC in two or more states within a single LATA.
36. "MECOD" refers to the Multiple Exchange Carriers Ordering and Design Guidelines for Access Services - Industry Support Interface, a document developed by the Ordering/Provisioning Committee under the auspices of the OBF, which functions under the auspices of the Carrier Liaison Committee of the ATIS. The MECOD document, published by Bellcore as Special Report SR STS-002643, establishes methods for processing orders for access service which is to be provided by two or more LECs.
37. "Meet Point Billing" refers to a billing arrangement used when two LECs jointly provide a Switched Access service over Meet Point Trunks, with each LEC receiving an appropriate share of the revenues. The access services will be billed using Switched Access rate structures, and the LECs will decide whether a single bill or multiple bill will be sent.
38. "Meet Point Trunks/Trunk Groups" are used for the joint provision of Switched Access services, utilizing the Bellcore Technical Reference GR-394.
39. "Mid Span Meet" is an interconnection between two LECs whereby each provides its own cable and equipment up to the meet point of the cable facilities. The meet point is the demarcation establishing ownership of and responsibility for its portion of the transmission facility.
40. "NANP" means the "North American Numbering Plan," the system of telephone numbering employed in the United States, Canada, and certain Caribbean countries.

41. "Network Interface Device" or "NID" means a device wired between a telephone protector and the inside wiring to isolate the customer's equipment from the network at the subscriber's premises. It is a device for the termination of inside wire that is available in single and multiple pair configurations.
42. "Network Element" is a facility or item of equipment used in the provision of a telecommunications service. Such term also includes features, functions, and capabilities that are provided by means of such facility or equipment including subscriber numbers, databases, signaling systems, and information sufficient for billing and collection or used in the transmission, routing or other provision of a telecommunications service.
43. "Numbering Plan Area" or "NPA" is also sometimes referred to as an area code. This is the three digit indicator which is defined by the "A", "B" and "C" digits of each 10-digit telephone number within the NANP. Each NPA contains 800 possible NXX codes. There are two general categories of NPA. "Geographic NPA" is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that geographic area. A "Non-Geographic NPA," also known as a "Service Access Code" ("SAC Code") is typically associated with a specialized telecommunications service which may be provided across multiple geographic NPA areas; 500, Toll Free Service NPAs, 900, and 700 are examples of Non-Geographic NPAs.
44. "NXX", "NXX Code" or "Central Office Code" is the three digit switch entity indicator which is defined by the "D", "E" and "F" digits of a 10-digit telephone number within the NANP. Each NXX Code contains 10,000 station numbers.
45. "Permanent Number Portability" or "PNP" means the delivery of SPNP capabilities through the use of call routing and addressing capabilities using new database queries, without impairment of quality, reliability, or convenience. PNP arrangements will be designed to support all CLASS features.
46. "Point of Interconnection" or "POI" means the physical location(s) at which the Parties' networks meet for the purpose of establishing interconnection. POIs may include a number of different technologies and/or technical interfaces based on the Parties' mutual agreement.

47. "Physical Collocation" means the physical placement of equipment of one LEC, necessary for interconnection or access to unbundled Network Elements, at the Wire Center of the other LEC. It is an interconnection architecture in which the collocated carrier extends network transmission facilities to a collocation space, with access on a seven days a week, 24 hours a day basis, within a Wire Center in the network of a second carrier.
48. "Port" means a component of an Exchange Service; for purposes of general illustration, the Port includes a line card and associated peripheral equipment on an end office switch which serves as the hardware termination for the customer's exchange service on that switch and generates dial tone and provides the customer a pathway into the public switched telecommunications network. Each Port is typically associated with one (or more) telephone number(s) which serves as the customer's network address.
49. "Rate Center" means the specific geographic point and corresponding geographic area which have been identified by a given LEC as being associated with a particular NPA-NXX code which has been assigned to the LEC for its provision of Exchange Services.
50. "Rating Point" is the V&H coordinates associated with a particular telephone number for rating purposes.
51. "Routing Point" means a location which a LEC has designated on its own network as the homing (routing) point for traffic inbound to Exchange Services provided by the LEC which bear a certain NPA-NXX designation. The Routing Point is employed to calculate mileage measurements for the distance-sensitive transport element charges of Switched Access services. The Routing Point need not be the same as the Rating Point, nor must it be located within the rate center area, but must be in the same LATA as the NPA-NXX.
52. "Service Control Point" or "SCP" is the node in the CCS network to which informational requests for service handling, such as routing, are directed and processed. The SCP is a real time database system that, based on a query from a Service Switching Point ("SSP"), performs subscriber or application-specific service logic and then sends instructions back to the SSP on how to continue call processing.
53. "Service Provider Number Portability" or "SPNP" means the ability of users of telecommunications services to retain existing telephone numbers when

switching from one LEC to another but remaining in the same geographic area.

54. "Signal Transfer Point" or "STP" performs a packet switching function that routes signaling messages among SSPs, SCPs, Signaling Points ("SPs"), and other STPs in order to set up calls and to query databases for advanced services.
55. "Switched Access" service means an offering of facilities for the purpose of the origination or termination of traffic from or to Exchange Service customers in a given area pursuant to a Switched Access tariff. Switched Access services include: Feature Group A, Feature Group B, Feature Group D, Toll Free Service, and 900 access. Switched Access does not include traffic exchanged between LECs for purpose of local exchange interconnection.
56. "T-1/DS1 (4-Wire) Capable Loops" are Loops that will support full duplex transmission of isochronous serial data at 1.544 Mbps.
57. "Tariff" means and includes tariffs, price lists, catalog pages, and similar documents filed with the FCC or the Commission that designate rates, terms and conditions for the offering of services.
58. "Toll Free Service" means service provided with any dialing sequence that invokes toll-free (*i.e.*, 800-like) service processing. Toll Free Service includes calls to the Toll Free Service 800/888 NPA SAC codes.
59. "Trunk-Side" refers to a Central Office switch connection that is capable of, and has been programmed to treat the circuit as, connecting to another switching entity, for example, another Central Office switch. Trunk-Side connections offer those transmission and signaling features appropriate for the connection of switching entities, and cannot be used for the direct connection of ordinary telephone station sets.
60. "Virtual Collocation" means a collocation arrangement in which the collocator's facilities are terminated into a Wire Center of a LEC and are connected to LEC facilities that are provided and maintained by the LEC on behalf of the collocator for the primary purpose of interconnecting the collocator's facilities to the facilities of the LEC.
61. "Wholesale Prices" are prices determined based on retail rates charged to subscribers for the telecommunications service requested, excluding the

portion thereof attributable to any marketing, billing, collection, and other costs that will be avoided by the LEC, and including any additional costs that will be incurred to provide wholesale services to telecommunications providers.

62. "Wire Center" denotes a building or space within a building which serves as an aggregation point on a given carrier's network, where transmission facilities and circuits are connected or switched. Wire Center can also denote a building in which one or more Central Offices, used for the provision of Exchange Services and access services, are located. However, for purposes of collocation, Wire Center shall mean those points eligible for such connections as specified in the FCC Docket No. 91-141, and rules adopted pursuant thereto.
63. "Wireless Service Provider" or "WSP" means a provider of Commercial Mobile Radio Services ("CMRS") (e.g., cellular service provider, Personal Communications Services provider or paging service provider).

## **I. NETWORK INTERCONNECTION**

Compensation terms for services described in this Section are set forth in the Reciprocal Compensation Section below.

This Section describes the interconnection of the facilities and equipment of TCG and USWC for interconnection of their networks for the transmission and routing of Exchange Service and jointly provided Switched Access service.

The Parties shall reciprocally terminate Local Exchange, IntraLATA Toll and Switched Access traffic, as follows:

### **A. Interconnection Within Each LATA**

The Parties will interconnect with each access tandem in each LATA in which the Parties originate and terminate IntraLATA Toll and Switched Access traffic, as needed or agreed, so as to permit the interexchange of such traffic. The Parties also will interconnect with each other in each and every local calling area in which the Parties originate Local Traffic so as to permit the interexchange of such traffic. However, where multiple local calling areas are served by a single local tandem, the Parties will interconnect with each other at that local tandem for origination and termination of Local Traffic.

The Parties agree to interconnect their networks through existing and/or new facilities between their respective switches.

In addition to the interconnection described above, either Party may establish end office-to-end office or end office-to-tandem or tandem-to-tandem trunk groups. In the case of host-remote end offices, such interconnection:

- a) for origination and termination of Local Traffic, shall occur at the location of the host or remote, at the option of the Party deploying the host-remote end office, without mileage charges if the host option is selected; and
- b) for origination and termination of IntraLATA Toll and Switched Access traffic, shall occur at the location of the host, with applicable tariff charges.

**B. Fixed Points of Interconnection**

Each trunk group between pairs of the Parties' switches and/or routing points for the exchange of Local Exchange, IntraLATA Toll and jointly provided Switched Access Traffic shall be assigned a fixed POI. TCG will be responsible for engineering its network on its side of the POI. USWC will be responsible for engineering the POI frame (if any) and its network on its side of the POI.

This Section is not intended to limit the Parties' options to choose the facilities over which to route their originated Local Exchange and IntraLATA Toll Traffic.

**C. Sizing and Structure of Interconnection Facilities**

The Parties will mutually agree on the appropriate sizing for facilities based on the standards set forth below. The interconnection facilities provided by each Party shall be Alternate Mark Inversion Line Code and Superframe Format Framing ("AMI") at either the DS-1 or DS-3 level, except as modified below.

When interconnecting at USWC's tandems, the Parties agree to establish Binary 8 Zero Sum Extended Super Frame ("B8ZS ESF") two-way trunks where technically feasible for the sole purpose of transmitting 64Kbps Clear Channel Capability ("CCC") data calls between them. In

no case will these trunks be used for calls for which the User Service Information parameter (also referred to as "Bearer Capability") is set for "speech." Where additional equipment is required, such equipment would be obtained, engineered, and installed on the same basis and with the same intervals as any similar growth job for IXC, LEC, or USWC internal customer demand for 64K CCC trunks.

When interconnecting at USWC's digital End Offices, the Parties have a preference for use of B8ZS ESF trunks for all traffic between their networks. Where available, such trunk equipment will be used for these Local Interconnection Trunk Groups and Meet Point Trunk Groups. Where AMI trunks are used, either Party may request upgrade to B8ZS ESF when such equipment is available.

All interconnection facilities between the Parties will be sized according to mutual forecasts and sound engineering practice, as mutually agreed to by the Parties during planning - forecasting meetings.

**Tandem Interconnection:**

1. TCG will separate its local traffic to U S WEST onto two-way trunk groups and its toll traffic to U S WEST onto one-way trunk groups. Both types of traffic will be delivered by TCG to the wire center where U S WEST houses its access tandem.
2. The local trunk groups may be terminated through U S WEST's local tandem, so long as U S WEST has capacity at its local tandem and so long as U S WEST provides B8ZS ESF capability at its local tandem to be used in accordance with the other provisions of this Agreement. In the absence of such capacity or capability, TCG may require termination of local trunk groups through U S WEST's access tandem, but such traffic shall be treated as local traffic for the purposes of reciprocal compensation under this Agreement.
3. All toll trunk groups will be terminated through U S WEST's access tandem or end office.
4. Whenever local traffic sent by TCG to U S WEST's tandem achieves a standard of 512 ECCS, TCG will deliver such local traffic on a separate trunk group to the wire center where U S WEST houses its access tandem. U S WEST may then route

such traffic directly to its end office, without putting such traffic through either its access tandem or its local tandem.

D. Trunking Directionality.

1. Local Interconnection Trunk Groups and Meet Point Trunk Groups, or Combined Interconnection Trunk Groups, will be installed as two-way trunk groups. Separate two-way trunks will be established for Switched Access traffic where one of the Parties is operating as an IXC. Interconnection will be provided using two-way trunks, unless TCG requests the use of one-way trunks.
2. WSP traffic will be delivered either on a separate trunk group or on a Switched Access trunk group. If a Switched Access trunk group is used, the Party delivering the traffic will be responsible for the payment of access charges.

E. Common Channel Signaling and Signaling Protocol

The Parties will interconnect their networks using SS7 signaling, where available, as defined in GR-317 and GR-394, including ISDN User Part ("ISUP") for trunk signaling and Transaction Capabilities Application Part ("TCAP") for CCS-based features in the interconnection of their networks and access to databases such as 800 and Line Information Data Base ("LIDB"), where TCG requests such access from USWC. TCG may establish CCS interconnections with USWC either directly and/or through a third party. The Parties will cooperate in the exchange of TCAP messages to facilitate full interoperability of CCS-based features between their respective networks, including all CLASS features and functions, to the extent each Party offers such features and functions to its own end users. All CCS signaling parameters, as may be deployed by either Party for its use, will be provided, including CPN. Neither Party will be required by the other Party to deploy any CCS signaling parameters not already deployed within its network. All privacy indicators will be honored.



F. Local Interconnection Trunk Arrangements

1. The Parties shall deliver traffic over the Local Interconnection Trunk Group(s) to an access tandem only for those publicly-dialable NPA NXX codes served by end offices that directly subtend the access tandem or to those WSPs that directly subtend the access tandem.
2. Where end office trunking is used, the Parties shall deliver traffic over the Local Interconnection Trunk Group(s) to an end office only for those publicly-dialable NPA NXX codes served by that end office.
3. The source for the routing instructions shall be the LERG, when available, except as specified in Attachment A. In any case, USWC will not be required to route calls destined to TCG NXXs via another LEC tandem.
4. Where either Party delivers over the Local Interconnection Trunk Group miscellaneous calls (i.e., time, weather, NPA-555, Busy Line Verify/Interrupt, 976, 900, Mass Calling Codes) destined for the other Party, it shall deliver such traffic in accordance with the serving arrangements defined in the LERG.
5. Toll Free Service calls will be routed over appropriate trunks carrying Switched Access Traffic unless the end office Party performs the SSP function and the 800 SCP returns an intraLATA POTS-routable number and a CIC of 110. In such a case, these calls will be routed over the appropriate trunk groups carrying Local Exchange or IntraLATA Toll Traffic, if the POTS-routable number returned is located in one of the Party's networks.
6. Neither Party shall terminate Switched Access Traffic over Local Interconnection Trunks.
7. N11 codes (i.e., 411, 611, 911) shall not be sent between the Parties' networks over the Local Interconnection Trunk Groups.
8. Each Party shall establish procedures whereby its operator bureau will coordinate with the operator bureau of the other Party in

order to provide BLV/BLVI services on calls between their respective end users. The Parties will interconnect as follows:

a. For TCG:

BLV and BLVI inquiries to TCG's operator bureaus shall be routed using network-routable access codes published in the LERG.

b. For USWC:

BLV and BLVI inquiries to USWC's operator bureaus shall be routed either:

1. utilizing network-routable access codes published in the LERG over message trunks to the access tandem (if TCG has and utilizes a Carrier Identification Code); otherwise
2. utilizing separate Feature Group D trunks to the TOPS tandem.

9. Notice of Changes

If a Party makes a change in its network which it believes will materially affect the interoperability of its network with the other Party, the Party making the change shall provide at least ninety (90) days advance written notice of such change to the other Party.

G. Meet Point Trunking Arrangements

1. In meet point trunking arrangements, either Party can provide the tandem transport and switching functions and either Party may use Meet Point Trunks to send and receive Feature Group B and D ("FGB" and "FGD") calls from Switched Access customers who are connected to the other Party's access tandem. Switched Access customers will direct which Party will provide each function based on Access Service Requests ("ASRs") placed with both Parties.

2. Two-way trunks will be established to enable TCG and USWC to jointly provide FGB and FGD Switched Access services.
3. The Parties will use facilities and two-way trunk groups separate from the Local Interconnection Trunk Groups for Meet Point Trunks (unless Combination Interconnection Trunk Groups are used as described below). Where separate facilities are used for Meet Point Trunks, neither Party will charge the other Party for these facilities, including multiplexing and Cross Connects.
4. In the case of Switched Access services provided through either Party's access tandem, neither Party will offer blocking capability for Switched Access customer traffic delivered to the other Party's tandem for completion on that Party's network. Neither Party shall have any responsibility to ensure that any Switched Access customer will accept traffic the other Party directs to the Switched Access customer.
5. The tandem Party in meet point trunking arrangements shall direct traffic received from Switched Access customers directly to the other Party's end office where such connection exists and is available. Where no end office connection exists or is available, traffic received from Switched Access customers shall in all cases be sent to the other Party's tandem under which the end office is homed.

Traffic sent to Switched Access customers shall in all cases be routed from the end office through only one tandem of either Party to the Switched Access customer. The Parties understand and agree that the Switched Access customer may select which Party's access tandem is used for traffic sent to the Switched Access customer. Proof of such selection shall be in the form of ASRs from the Switched Access customer.

The Parties agree to cooperate in determining the future technical feasibility of a switch vendor supported method of routing originating meet point traffic via a tandem of one Party and a tandem of the other Party for the purpose of delivering such traffic to the Switched Access customer (e.g. Carrier Identification Parameter (CIP)). If such an arrangement is found to be technically feasible, the Parties will cooperate in implementing the arrangement, including the adoption of

appropriate compensation terms. USWC agrees that it will make any necessary modifications of its tariffs to implement any of the items in this subsection. Such modifications will be made within 30 days of a determination by the Parties of the feasibility and availability of such an arrangement, including appropriate compensation terms.

6. The Parties will provide CCS to one another, where and as available, in conjunction with two-way Meet Point Trunk Groups. The Parties will provide all CCS signaling including Charge Number, originating line information ("OLI"), etc. For terminating FGD, either Party will pass CPN if it receives CPN from FGD carriers. All privacy indicators will be honored. Where available, network signaling information such as Transit Network Selection ("TNS") parameter (CCS environment) and CIC/OZZ information (non-CCS environment) will be provided by the end office Party wherever such information is needed for call routing or billing. Where CIC/OZZ or TNS information has not been provided to the end office Party, the tandem Party will route originating Switched Access traffic to the IXC using available translations. The Parties will make reasonable efforts to obtain any necessary CIC/OZZ codes directly from Switched Access customers who use such codes. The Parties will follow all OBF adopted guidelines pertaining to TNS and CIC/OZZ codes, unless the Parties agree otherwise.
7. CCS shall be used in conjunction with Meet Point Trunks, except multifrequency ("MF") signaling must be used on a separate Meet Point Trunk Group for originating FGD access to Switched Access customers that use MF FGD signaling protocol. For terminating FGD access from Switched Access customers that use MF FGD, the tandem Party will, as a first choice, complete those calls to the end office provider over the CCS Meet Point Trunk Group.
8. All originating Toll Free Service calls for which the end office Party requests that the tandem Party perform the SSP function (e.g., perform the database query) shall be delivered to the tandem Party using GR-394 format over the Meet Point Trunk Group. Carrier Code "0110" and Circuit Code of "08" shall be used for all such calls.

9. All originating Toll Free Service calls for which the end office Party performs the SSP function, if delivered to the tandem Party, shall be delivered by the end office Party using GR-394 format over the Meet Point Trunk Group for calls destined to IXCs, or shall be delivered by the end office Party using GR-317 format over the Local Interconnection Trunk Group for calls destined to end offices that directly subtend the tandem or the designated LATA-wide tandem to which the calls are delivered.
10. Originating Feature Group B calls delivered to either Party's tandem shall use GR-317 signaling format unless the associated FGB carrier employs GR-394 signaling for its FGB traffic at the serving access tandem.

H. Combination Interconnection Trunk Groups

1. The Parties agree to work cooperatively to combine all functionalities of Local Interconnection Trunk Groups and Meet Point Trunk Groups on a single Combination Interconnection Trunk Group at any feasible point of interconnection where either Party desires, except in connection with the LATA-wide terminating option. If local and toll traffic are combined in one trunk group, TCG must provide a measure of the amount of local and toll traffic relevant for billing purposes to USWC. USWC will be allowed to audit the traffic reported if it has reason to believe the reported measurement is not accurate.
2. The initial decision as to whether the use of Combination Interconnection Trunk Groups is feasible, including a determination of switched software compatibility, ordering procedures and billing procedures, will be made no later than eight months from the effective date of this Agreement.
3. If the use of Combination Interconnection Trunk Groups is found to be not feasible at that time, a review of such feasibility and a further decision on the use of Combination Interconnection Trunk Groups will occur at six month intervals at either Party's option through the term of the Agreement.
4. At the time that the use of Combination Interconnection Trunk Groups is determined to be feasible, and ordering and billing procedures have been established:

- a) any new trunk groups may be ordered using the Combination Interconnection Trunk Group option; and
- b) the Parties will work together in good faith to complete the conversion from the use of separate Local Interconnection Trunks and Meet Point Trunk Groups to the use of Combination Interconnection Trunk Groups within 6 months from that time. There shall be no charges by either Party for this conversion.

I. Control Office Functions

The Parties shall share responsibility for all Control Office functions for trunks carrying Local Exchange and IntraLATA Toll Traffic, and both Parties shall share the overall coordination, installation, and maintenance responsibilities for these trunks and trunk groups.

The end office Party is responsible for all Control Office functions for the Meet Point trunks, and shall be responsible for the overall coordination, installation, and maintenance responsibilities for these trunks.

J. Testing and Trouble Responsibilities

At the time of installation of interconnection trunks, and at no additional charge, the Parties will cooperatively install and test the trunks. Additionally, TCG and USWC shall:

1. Cooperatively plan and implement coordinated repair procedures for the Meet Point and Local Interconnection Trunks and facilities to ensure trouble reports are resolved in a timely and appropriate manner.
2. Provide trained personnel with adequate and compatible test equipment to work with each other's technicians.
3. Notify each other when there is any change affecting the service requested, including the due date.
4. Coordinate and schedule testing activities of their own personnel, and others as applicable, to ensure its interconnection trunks/trunk groups are installed per the interconnection order,

to ensure that the trunks/trunk groups meet agreed-upon acceptance test requirements, and to make commercially reasonable efforts to place the trunks/trunk groups in service by the due date.

5. Perform sectionalization to determine if a trouble condition is located in its facility or its portion of the interconnection trunks prior to referring the trouble to each other.
6. Advise each other's Control Office if there is an equipment failure which may affect the interconnection trunks.
7. Provide each other with a trouble reporting number to a work center that is staffed 24 hours a day/7 days a week.
8. Provide to each other test-line numbers and access to test lines, including a test-line number that returns answer supervision in each NPA-NXX opened by a Party.
9. Based on the network architecture, the Parties agree to the mutual exchange of test calls to ensure the proper recording of usage records in each company's switch, where applicable. These tests are repeatable on demand by either Party upon reasonable notice.

K. Interconnection Forecasting

1. The Parties agree that during the first year of interconnection, joint forecasting and planning meetings will take place no less frequently than once per quarter.
2. The Parties shall establish joint forecasting responsibilities for traffic utilization over trunk groups. Intercompany forecast information must be provided by the Parties to each other four times a year. The quarterly forecasts shall include:
  - a. (1) tandem Local Interconnection and Meet Point Trunks;
  - (2) tandem-subtending Local Interconnection and end office equivalent Meet Point Trunk requirements; and

(3) direct end office interconnection trunks

for a minimum of three (current and plus-1 and plus-2) years;

- b. The use of Common Language Location Identifier (CLLI-MSG), which are described in Bellcore documents BR 795-100-100 and BR 795-400-100;
  - c. A description of major network projects anticipated for the following six months that could affect the other Party. Major network projects include trunking or network rearrangements, shifts in anticipated traffic patterns, or other activities that are reflected by a significant increase or decrease in trunking demand for the following forecasting period. This planning will include the issues of network capacity, forecasting and compensation calculation, where appropriate.
- 3. If differences in quarterly forecasts of the Parties vary by more than 24 additional DS0 two-way trunks for each Local Interconnection Trunk Group, the Parties shall meet to reconcile the forecast to within 24 DS0 trunks.
  - 4. If a trunk group is under 75 percent of centum call seconds (ccs) capacity on a monthly average basis for each month of any three month period, either Party may request to resize the trunk group, which resizing will not be unreasonably withheld. If a resizing occurs, the trunk group shall not be left with less than 25 percent excess capacity. In all cases, grade of service objectives identified below shall be maintained.
  - 5. Each Party shall provide a specified point of contact for planning, forecasting and trunk servicing purposes.

L. Interconnection Grade Of Service

A blocking standard of one half of one percent (.005) shall be maintained during the average busy hour for final trunk groups carrying jointly provided Switched Access traffic between an end office and an



access tandem. All other final trunk groups are to be engineered with a blocking standard of one percent (.01).

M. Interconnection Deployment

The Parties agree to develop and implement engineering guidelines which will encourage the economic deployment of increasingly robust and diverse interconnection between their networks. The Parties agree that these guidelines, when developed, will form the basis for creation of additional direct trunk groups to end offices. The Parties agree to establish these additional direct trunk groups to end offices, subject to the availability of facilities and trunk equipment, as soon as the traffic volumes between any two switches or Routing Points reaches a total volume equivalent to 512 CCS in the busy hour per month for a period of two consecutive months. However, the Parties may choose not to establish these trunks only by mutual agreement.

N. Interconnection Trunk Servicing

Orders to and from the Parties to establish, add, change or disconnect trunks shall be processed by use of an Access Service Request ("ASR") using an electronic ordering interface, when available, as the means of transmitting such orders. The Parties agree to cooperate in the establishment of an electronic interface to exchange orders.

Orders that comprise a major project shall be submitted at the same time, and their implementation shall be jointly planned and coordinated. In this context, major projects are those that require the coordination and execution of multiple orders or related activities between and among the Parties' work groups, including but not limited to the initial establishment of interconnection trunk groups and service in an area, NXX code moves, re-homes, facility grooming, or network rearrangements.

O. Network Management

1. Protective Controls. Either Party may use protective network traffic management controls such as 7-digit and 10-digit code gaps on traffic toward each other's network, when required to protect the public switched network from congestion due to facility failures, switch congestion or failure or focused overload. The

Parties will immediately notify each other of any protective control action planned or executed.

2. **Expansive Controls.** Where the capability exists, originating or terminating traffic reroutes may be implemented by either Party to temporarily relieve network congestion due to facility failures or abnormal calling patterns. Reroutes will not be used to circumvent normal trunk servicing. Expansive controls will only be used when mutually agreed to by the Parties.
3. **Mass Calling.** The Parties shall cooperate and share pre-planning information regarding cross-network call-ins expected to generate large or focused temporary increases in call volumes, to prevent or mitigate the impact of these events on the public switched network.
4. **High Volume Calling Trunk Groups.** TCG and USWC shall cooperate to establish separate trunk groups for the completion of calls to high volume customers such as radio station contest lines.

P. Tariffed Services.

Either Party may opt at any time to terminate to the other Party some or all of its traffic via any tariffed service offered by the other Party (within the terms of the other Party's tariff), or any service governed by a contract (within the terms of the contract) between the two Parties. Any such rearrangements resulting from such election shall require appropriate notification to the other Party, joint planning, forecasting and project management.

Q. End User Repair Calls

The Parties will educate their respective customers as to the correct telephone numbers to call in order to access their respective repair bureaus. In the case of misdirected repair calls, neither Party shall make disparaging remarks about the other Party, nor shall they use these repair calls as the basis for internal referrals or to solicit customers to market services, nor shall they initiate any extraneous communications, beyond the direct referral (if any) to the correct repair telephone number. Either Party may respond with correct information

in answering customer questions. The Parties will provide their respective repair contact numbers to one another on a reciprocal basis.

R. Referral Services

When an end user customer changes from USWC to TCG, or from TCG to USWC, and does not retain its original telephone number, and the end user customer (or the customer's new provider on behalf of the customer) requests provision of a referral announcement, the Party formerly providing service to the end user will provide a referral announcement on the abandoned telephone number. This announcement will provide the new number to be dialed to reach this customer. This announcement will be provided for the standard period and on the terms specified in each Party's exchange service tariff in effect as of the date this Agreement is executed.

II. **NONDISCRIMINATORY ACCESS TO NETWORK ELEMENTS**

USWC shall provide TCG access to the following unbundled Network Elements for the provision of telecommunications services by TCG. TCG, at its option, may combine such Network Elements from USWC with elements of its own network to provide such services. USWC's prices charged to TCG will be no greater than the cost of providing the Network Element, including a reasonable profit.

A. Loops.

USWC will make unbundled Basic Loops available as set forth below.

1. **Description of Loop Service.** Loop Service consists of various network elements (including an EICT and an unbundled loop) and that provide for transport between the Network Interface Device ("NID") at an end user premises and a mutually-agreed upon point of interconnection between USWC and TCG in the USWC Wire Center from which the transport is extended. (When the Loop Service is connected to TCG's collocated facility at a USWC Wire Center, the point of interconnection is the POT Bay in the Wire Center.) The Loop Service includes the Network Interface Device, for which there is no separate charge. At its sole discretion, USWC will provide Loop Service over technology that meets the defined parameters for each Loop type.

2. Use and Suitability of Loop Service. Loop Service may not be used to provide any service that would degrade or otherwise adversely affect USWC's network services.
3. Availability of Loop Service. Loop Service is available to TCG from all USWC Wire Centers on a first-come, first-served basis (applicable to all carriers, including USWC) and subject to the availability of facilities at the premises of the TCG end user customer. Certain of USWC's geographical areas are served solely via Digital Loop Carrier. In such areas, ISDN-capable Loops will be provided unless the Digital Loop Carrier does not have the technological capability to provide ISDN to end-users.
4. Interconnection to Service at Central Office POI. TCG must connect Loop Service either:
  - a. via cross connect to a TCG collocated transport facility in the USWC central office from which Loop Service is extended; or
  - b. by means of USWC Special Access Service that terminates at a TCG Point of Presence ("POP") or to a TCG collocated transport facility (via EICT) in another USWC Wire Center; or
  - c. via cross connect to a third party's collocated transport facility in the USWC central office from which Loop Service is extended.
5. Loop Service Prices.

USWC will provide Loop Service at the prices set forth on Exhibit A. The prices set forth on Exhibit A do not include Commission or FCC mandated surcharges or applicable taxes. For partial months, USWC will prorate the monthly charge on a per day rate.

USWC shall charge nonrecurring and monthly recurring rates as set forth on Exhibit A for each Loop, plus applicable EICT charges, and applicable multiplexing charges, if multiplexing is requested. If the Loop and the EICT are ordered by TCG as associated orders, USWC will not impose any nonrecurring

charge for the EICT. All Loop prices include any applicable End User Common Line and Carrier Common Line flat rate equivalent charges.

In addition to Basic Loops, TCG may order Basic Loops with conditioning for ISDN, ADSL/HDSL, and T-1/DS1 (4-Wire), where such conditioning is technically feasible, at no additional charge. However, if the Commission approves and adopts prices for such conditioning in Docket Nos. UT 960369, UT 960370 and UT 960371, or in any other proceeding wherein prices of general applicability are established, those prices shall apply.

A cancellation charge may apply if TCG cancels an order for any type of Loop after provisioning has begun and prior to completion.

6. Assigned Telephone Number. TCG is responsible for assigning any telephone numbers necessary to provide its end users with Exchange Service.
7. Billing and Payment. USWC will bill and TCG will pay Loop Service bills in accordance with USWC's billing, bill dispute resolution, late payment charges and disconnection for nonpayment requirements as set forth in applicable tariff.
8. Ordering. TCG must order Loop Service via service order request forms, and subsequently via an electronic interface using USWC's appropriate system (as soon as that interface is available to any telecommunications carrier). USWC will provide TCG access to this system initially at no charge, unless and until a charge associated with the use of such system is authorized by any state in which the Parties have signed an interconnection agreement, in which case that charge shall be used as an interim rate. At the time the Commission authorizes a permanent rate for this service, if any, such rate will be imposed in accordance with the Commission's order and the Parties will true-up the amounts owed, if any, under the permanent rate. USWC will also provide initial training in its use for ordering Loop Service.
9. Provisioning Intervals. Basic Loops and conditioning will be provided within the same period of time USWC provisions its like exchange service at that time in the same area using similar

facilities requiring field work (wiring). Conditioning for ADSL, HDSL and T-1/DS1 will have intervals identical to the intervals for USWC's provisioning of its own hi-cap services. Intervals for a project (10 or more lines to a single end user premises on a request at the same time) will be established on a negotiated interval basis (not to exceed the intervals USWC provides to itself and its customers).

10. Service Coordination. Loop Service will be provided on the due date and on the same basis that USWC provides similar service to its own customers. Additional service coordination is charged as additional labor billing per USWC's tariff.

The following coordination procedures apply only to Basic Loops ordered as a project (10 or more lines to a single end user premises on a request at the same time):

- a. On each unbundled Loop order, TCG and USWC will agree on a cutover time at least 48 hours before that cutover time. The cutover time will be defined as a 30 minute window within which both the TCG and USWC personnel will make telephone contact to complete the cutover.
- b. Within the appointed 30 minute window, the TCG person will call the USWC person designated to perform cross-connection work and when the USWC person is reached in that interval such work will be promptly performed. If the TCG person fails to call or is not ready within the appointed interval, and if TCG had not called to reschedule the work at least 2 hours prior to the start of the interval, USWC and TCG will reschedule the work order and TCG will pay the non-recurring charge for the unbundled Loops scheduled for the missed appointment. In addition, nonrecurring charges for the rescheduled appointment will apply. If the USWC person is not available or not ready at any time during the 30 minute interval. TCG and USWC will reschedule and USWC will waive the nonrecurring charge for the unbundled Loops scheduled for that interval. If unusual or unexpected circumstances prolong or extend the time required to accomplish the coordinated cut-over, the Party responsible

for such circumstances is responsible for the reasonable labor charges of the other Party. Delays caused by the customer are the responsibility of TCG.

In addition, if TCG has ordered INP or call referral in association with the Basic Loop installation, USWC will coordinate implementation of INP or call referral with the Basic Loop installation; provided, separate INP or call referral nonrecurring charges will apply.

11. Maintenance and Testing. TCG is responsible for receiving and coordinating resolution of all end user trouble reports involving Loop Service. TCG will isolate any trouble to the Loop portion of the service before contacting USWC to report the trouble. USWC will charge TCG additional labor billing charges (at USWC tariffed rates) when the trouble is referred to USWC and the trouble is found to be either on the customer side of the NID or on the TCG side of the POI or collocation POT Bay. In the event that USWC reports no trouble found, and it is subsequently determined that there was a trouble on USWC's side of the POI (excluding an intermittent trouble), TCG will charge USWC additional labor billing charges (at TCG tariffed rates) associated with testing for the trouble. Each Party will provide to the other Party the results of any testing that is undertaken pursuant to this paragraph.
12. Responsibilities of the Parties.
  - a. TCG and USWC will work cooperatively to develop forecasts for unbundled Loop Service. USWC requests an eighteen (18) month forecast of unbundled Loop Service. The forecast will include the specific serving Wire Center that will be requested, plus the specific quantity of each service desired. The forecast will be provided quarterly and will be treated as Proprietary Information under this Agreement.
  - b. The Parties agree that TCG will be the single point of contact for its end user customers.

- c. USWC will not provide repair or other assistance to TCG end user customers (who identify themselves as such) except to refer such persons who call USWC to TCG. TCG will provide USWC with TCG's toll-free service referral number.
- d. If, and only if, TCG's end user customer controls access to the NID, TCG must ensure that USWC has access to the NID at the TCG end user customer's premises.
- e. TCG warrants that for each end user for whom TCG orders disconnection of USWC exchange service, TCG has received proper authorization from that end user to order such disconnection. TCG shall obtain and verify such authorization using standard industry practices, such as in certain circumstances third-party verification.
- f. The Parties agree to abide by existing and future Commission rules that address slamming of local exchange customers by LECs.
- g. If USWC terminates or TCG disconnects any Loop Service, USWC will have no obligation to have any communication with TCG's customer in connection with such termination or disconnection, unless required by an order or rule of the Commission.

B. Transport.

USWC will provide unbundled access to shared transmission facilities between end offices and the tandem switch. Further, USWC will provide unbundled access to dedicated transmission facilities between its central office or between such offices and those of competing carriers. This includes, at a minimum, interoffice facilities between end offices and servicing Wire Centers ("SWCs"), SWCs and IXC POPs, tandem switches and SWCs, end offices or tandems of USWC, and the wire centers of USWC and requesting carriers. USWC will also provide all technically feasible transmission capabilities, such as DS1 and DS3, that TCG could use to provide telecommunications services, provided that the foregoing does not require USWC to unbundle its fiber.



Until the Commission establishes permanent rates, the rates for transport shall be those set forth in Exhibit A, the USWC Interconnection Price List.

C. Ports/Local Switching.

1. The switching network element includes facilities that are associated with the line (e.g. the line card), facilities that are involved with switching the call, and facilities used for custom routing. The local switching network element is comprised of three rate elements:
  - a. Line-related (per line)
    - (1) The switching elements encompass line-side and trunk-side facilities plus the features, functions and capabilities of the switch. This includes the functions of connecting lines to lines, trunks to lines, lines to trunks, lines to switched features, and trunks to trunks. The line-related local switching element includes:
      - (a) Telephone number
      - (b) Directory listing
      - (c) Dial tone
      - (d) Signaling (loop or ground start)
      - (e) On/off hook detection
      - (f) Audible and power ringing
      - (g) Automatic message accounting (AMA) recording
      - (h) Access to 911, operator services, and directory assistance
      - (i) Blocking options (900 services)
    - (2) The switching element does not include vertical services, including custom calling and CLASS features, that are currently offered as finished retail services and are available for resale.
    - (3) The access point for line-side local switching interconnection, depending upon the element, is the

Distribution Frame (DF) or the Digital Cross-connect Bay (DSX) of the USWC designated serving Wire Center.

- (4) Physical traits - line side elements
  - (a) Analog line side port will be two wire POTS type connection at the DF.
  - (b) Digital line side port will be two wire interface per ANSI standard T1.601-1988 ("U" Interface), four wire interface per ANSI standard T1-605-1989 ("T" Interface), or a Meridian Digital Centrex two wire type connection at the DF.
- (5) Until the Commission establishes permanent rates, the rates for line related local switching shall be those set forth in Exhibit A, the USWC Interconnection Price List.

b. Trunk-side local switching element (per minute of use)

The trunk-side local switching interconnection element includes the switching functions of connecting lines to lines, trunks to lines, lines to trunks, lines to switched features, and trunks to trunks.

c. Customized routing

(1) Description

Customized routing will enable TCG to direct particular classes of calls to particular outgoing trunks. TCG can use customized routing to direct its customers' calls to 411, 555-1212, or 0- to its own directory assistance or operator services platform.

(2) Limitations

Because there is a limitation in the technical feasibility of offering custom routing beyond the

capacity of the 1A ESS switch, customized routing will be offered to all competitors on a first-come, first-served basis.

- (3) The price for customized routing will be provided on a case-by-case basis.
- (4) The switching element does not include vertical services, including custom calling and CLASS features, that are currently offered as finished retail services and are available for resale.

D. Cross-connects

USWC will make available unbundled Cross Connects between TCG's collocation arrangements and any interconnection to USWC's unbundled Network Elements. Until the Commission establishes permanent rates, the rates for cross-connects shall be those set forth in Exhibit A.

E. Multiplexing

USWC will make available multiplexing services in connection with USWC's unbundled transport or other USWC services or USWC's unbundled Network Elements, including EICT to other collocators. Until the Commission establishes permanent rates, the rates for multiplexing shall be those set forth in Exhibit A.

F. Nondiscriminatory Access to Databases and Associated Signaling

USWC will make available, as described elsewhere in this Agreement, interconnection to its SS7 signaling network to enable signaling necessary for call routing and completion between the Parties. USWC will also make available unbundled SS7 signaling Links (i.e., A, B, and D Links) for connection to USWC's STPs.

USWC will make available access to Toll Free Service and LIDB databases through its STPs on a per query basis. If any additional databases are determined to be required under TA 1996 as necessary for call routing and completion, USWC will make such databases and associated signaling available to TCG.

USWC offers a network-based calling name delivery service for sale to its own end users. Accordingly, USWC will provide to TCG access to the calling name database used to provide this service.

G. Forecasts for Certain Unbundled Network Elements.

The Parties will cooperate in the provision of forecasts to USWC for relevant unbundled Network Elements.

H. Bona Fide Request Process.

Any request for interconnection or access to an unbundled Network Element that is not already available as described herein shall be treated as a Bona Fide Request.

USWC shall use the Bona Fide Request Process to determine technical feasibility of the requested interconnection or Network Elements and, for those items found to be feasible, to provide the terms and timetable for providing the requested items.

1. USWC will consider and analyze a new request by TCG for interconnection or access to an unbundled Network Element with the submission of a Bona Fide Request hereunder, pursuant to the Bona Fide Request Process in this subsection.
2. A Bona Fide Request shall be submitted in writing and shall, at a minimum, include: (a) a technical description of each requested Network Element or interconnection; (b) the desired interface specifications; (c) each requested type of interconnection or access; (d) a statement that the interconnection or Network Element will be used to provide a telecommunications service; and (e) the quantity requested.
3. Within fifteen (15) business days of its receipt, USWC shall acknowledge receipt of the Bona Fide Request and in such acknowledgment advise TCG of any missing information, if any, necessary to process the Bona Fide Request. Thereafter, USWC shall promptly advise TCG of the need for any additional information that will facilitate the analysis of the Bona Fide Request.

4. Except under extraordinary circumstances, within thirty (30) calendar days of its receipt of the Bona Fide Request and all information necessary to process it, USWC shall provide to TCG a preliminary analysis of the Bona Fide Request. The preliminary analysis shall specify whether or not the requested interconnection or access to an unbundled Network Element is technically feasible and otherwise qualifies as a Network Element or interconnection as defined under TA 1996.
  - a. If USWC determines during the thirty day period that a Bona Fide Request is not technically feasible or that the Bona Fide Request otherwise does not qualify as a Network Element or interconnection that is required to be provided under TA 1996, USWC shall advise TCG as soon as reasonably possible of that fact, and promptly provide a written report setting forth the basis for its conclusion, but in no case later than ten days after making such determination.
  - b. If USWC determines during the thirty day period that the Bona Fide Request is technically feasible and otherwise qualifies under TA 1996, it shall notify TCG in writing of such determination but in no case later than ten days after making such determination.
  - c. As soon as feasible, but not more than ninety (90) days after USWC notifies TCG that the Bona Fide Request is technically feasible, USWC shall provide to TCG a Bona Fide Request quote which will include, at a minimum, a description of each interconnection and Network Element, the quantity to be provided, the installation intervals, and either:
    - (1) the applicable rates (recurring and nonrecurring) including the amortized development costs of the interconnection or the network elements; or
    - (2) the development costs of the interconnection or Network Element and the applicable rates (recurring and nonrecurring) excluding the development costs.

The choice of using option c(1) or c(2) shall be at USWC's sole discretion.

For the purposes of this section, the development costs shall be limited to the actual direct costs incurred in the development of the Network Element. The applicable rates (recurring and nonrecurring) for each Network Element shall be limited to the actual costs incurred plus reasonable shared and common costs and a reasonable profit, as determined by appropriate regulatory bodies or by agreement of the Parties.

5. If USWC has used option c(1) in its Bona Fide Request quote, then within thirty (30) days of its receipt of the Bona Fide Request quote, TCG must indicate its nonbinding interest in purchasing the interconnection or Network Element at the stated quantities and rates, cancel its Bona Fide Request, or seek arbitration.
6. If USWC has used option c(2) in its Bona Fide Request quote, then within thirty (30) days of its receipt of the Bona Fide Request quote, TCG must either agree to pay the development costs of the interconnection or Network Element, cancel its Bona Fide Request, or seek arbitration.

If TCG agrees to pay the development costs and requests USWC to proceed:

- a. USWC will additionally charge those development costs, on a prorated basis (set forth in (c) below), to the next nine parties who place an initial order after TCG for the interconnection or Network Element;
- b. As each additional party places its initial order for the interconnection or Network Element, USWC will refund the appropriate prorated portion of the development costs to parties who have previously paid development costs (as set forth in (c) below); and
- c. The charges and refunds will be made using the proration chart set forth in this Agreement with respect to collocation, except that the period of proration for charges

and refunds shall be 36 months from when USWC first makes the interconnection or Network Element available.

7. If USWC has used option c(2) in its Bona Fide Request quote and TCG has accepted the quote, TCG may cancel the Bona Fide Request at any time, but will pay USWC's reasonable development costs of the interconnection or Network Element up to the date of cancellation.
8. Additionally, if USWC has used option c(2) in its Bona Fide Request quote and USWC later determines that the interconnection or Network Element requested in the Bona Fide Request is not technically feasible or otherwise does not qualify under TA 1996, USWC shall notify TCG within ten business days of making such determination and TCG shall not owe any compensation to USWC in connection with the Bona Fide Request. Any development costs paid by TCG to that point shall be refunded by USWC.
9. If either Party believes that the other Party is not requesting, negotiating or processing any Bona Fide Request in good faith, or disputes a determination, or price or cost quote, it may seek mediation or arbitration.

### **III. NONDISCRIMINATORY ACCESS TO POLES, DUCTS, CONDUITS AND RIGHTS-OF-WAY**

- A. Each Party will provide to the other Party access to its poles, ducts, conduits in, on or under public and private rights-of-ways and property and to the rights-of-way themselves on rates, terms and conditions that are consistent with applicable laws and regulations, including but not limited to, 47 U.S.C. § 224, and that are no less favorable than the rates, terms and conditions available to any competing provider of telecommunications services. USWC shall impute to its own costs of providing telecommunications services (and charge any affiliate, subsidiary, or associate company engaged in the provision of such services) an amount equal to the pole attachment rate for which USWC (or such affiliate, subsidiary, or associate company) would be liable under 47 U.S.C. § 224, unless this obligation imposed by TA 1996 is modified by federal law, in which case USWC will conform to any such modification.

- B. Whenever either Party inquires of the other in writing whether it intends to construct new poles, duct, or conduit or to acquire additional right-of-way, the other Party shall respond within 30 days of receipt of such inquiry to the other Party of such intention. Any entity, including the Parties to this Agreement, that adds an attachment after receiving such notification shall bear a proportionate share of the costs incurred by the owner in making such new pole, duct, conduit, or right-of-way accessible.
- C. Whenever either Party intends to modify or alter its pole, duct, conduit, or right-of-way in or on which the other Party shares or has an existing attachment, it shall provide written notification of such action to the other Party so that the other Party may have a reasonable opportunity to add to or modify its existing attachment. The notified Party, if it adds to or modifies its existing attachment after receiving such notification shall bear a proportionate share of the costs incurred by the other Party in making such pole, duct, conduit, or right-of-way accessible.
- D. Whenever either USWC or TCG obtains an attachment to a pole, duct, conduit or right-of-way of the other Party, it shall not be required to bear any of the costs of rearranging or replacing its attachment, if such rearrangement or replacement is required as a result of an additional attachment or the modification of an existing attachment sought by any other entity (including the owner of such pole, duct, conduit or right-of-way).
- E. The Parties agree to negotiate and execute a separate agreement for pole attachment and conduit usage within 30 days of either Party requesting the other to negotiate such an agreement. Such agreement shall include among its provisions, for the occupancy of conduit, the following:
1. Neither Party will terminate the other Party's occupancy without cause;
  2. Since multiple parties may occupy different innerducts within a conduit, the conduit owner will place innerduct to prepare the conduit for occupancy and proportionately recover such costs through its conduit charge;
  3. The Parties agree that egress from the conduit system should be at the location of the manhole, vault or handhole (collectively



"manhole") nearest to the desired point of egress. If such egress is not feasible, the conduit owner will inform the other Party. Upon that other Party's request:

- a. the Parties will agree to suitable egress at a nearby manhole; or
  - b. the conduit owner will provide a quote, accepted by the other Party, for construction of suitable egress, and the conduit owner will construct such egress; or
  - c. the other Party will construct, under the conduit owner's supervision, suitable egress, with all costs paid by the other Party, including the reasonable cost of the conduit owner's supervision.
4. The charge to TCG for the use of U S WEST's conduit shall be \$0.60 per foot per year.

**IV. EMERGENCY SERVICES, DIRECTORY ASSISTANCE AND OPERATOR CALL COMPLETION SERVICES (E9-1-1, O-)**

**A. Emergency Services.**

1. Each Party will cooperate to ensure the seamless operation of emergency call networks, including E9-1-1 and 0- emergency calls.
2. Except as otherwise specified in this Agreement, USWC will provide any of the services discussed in this Section in accordance with the rates, terms and conditions of its tariffs.
3. USWC will permit TCG to interconnect to the USWC E9-1-1 tandems which serve the areas in which TCG provides exchange services so that TCG's customers may place calls to Public Safety Answering Points ("PSAPs") by dialing 911.
4. TCG and USWC will work cooperatively, including where necessary, meeting with PSAP operators and/or state, county and municipal government officials, to explain TCG's interconnection with the Public Safety emergency network.

5. USWC will not use information obtained from TCG in connection with establishing and maintaining the E9-1-1 databases for any purpose not directly associated with the operation of the Public Safety emergency network.
6. USWC, as operator of the Automatic Location Identifier ("ALI") database will maintain processes and procedures to receive and process TCG customer information within two business days. USWC will maintain an electronic interface process to permit TCG to electronically update the ALI database with TCG subscriber information at no charge. The Parties further agree to work in industry fora, such as the National Emergency Numbering Association ("NENA"), to establish an industry standard format for transfer of E-9-1-1 customer records.
7. USWC will provide to TCG, at no charge, copies of the current Master Street Address Guides ("MSAGs"), on magnetic tape or diskette, for the counties in which TCG provides Exchange Service, whenever USWC receives an update to the MSAGs. Both Parties agree to work with the MSAG administrator to obtain online read-only access to the MSAGs as soon as possible.
8. Upon approval of its requested modification to the nonpublished number section of its exchange service tariff, USWC will provide TCG with the ten-digit subscriber number for each PSAP which sub-tends each USWC E9-1-1 tandem to which TCG is interconnected so that TCG or its Operator Services contractor may transfer 0- calls to the PSAP. This information will be provided to TCG within ten days of the approval of the modification to USWC's tariff. TCG agrees to hold this information in confidence and will use the information solely for the purpose of routing 0- calls from the TCG Operator Services platform to the PSAPs. In addition, USWC agrees to provide TCG with updates to this information in the same time frame and manner in which that information is provided to USWC's Operator Services work centers.
9. USWC agrees to provide to TCG, at no charge, Selective Router Tandem Location maps which define the boundaries served by all controllers/tandems in the areas where TCG provides Exchange Service. USWC will provide updated maps if and when the maps are changed.

B. Directory Assistance Listings and White Pages

1. Competitive Local Exchange Carrier Listings Service ("Listings") consists of USWC placing the names, addresses and telephone numbers of TCG's end users in USWC's listing database, based on end user information provided to USWC by TCG. USWC is authorized to use Listings in Directory Assistance and as noted below.
2. TCG will provide in standard, mechanized format, and USWC will accept at no charge, one primary listing for each main telephone number belonging to TCG's end user customers. Primary listings are as defined for USWC end users in USWC's general exchange tariffs. TCG will be charged for premium listings, (including, but not limited to, additional, foreign, cross reference, and informational listings) and privacy listings (including non-published, non-list, and no solicitation) at USWC's general exchange listing tariff rates, less applicable wholesale discounts. However, there shall be no explicit charge to TCG associated with the process of delivering Listings information. When utilizing Remote Call Forwarding for local number portability, TCG can list only one number without charge - either the end customer's original telephone number or the TCG-assigned number.
3. USWC will furnish TCG the Listings format specifications. USWC cannot accept Listings with advance completion dates. Large volume activity (e.g., 100 or more listings) on a caption set is considered a project that requires coordination between TCG and USWC. USWC will process all Listings data received from TCG with the same frequency applicable to USWC's processing of its own database information.
4. TCG grants USWC a non-exclusive license to incorporate Listings information into USWC's directory assistance database. USWC may use TCG's Listings and disseminate TCG's Listings to third parties in the following manner:
  - a. Treat the same as USWC's end user listings - No prior authorization is needed for USWC to release Listings to directory publishers or other third parties. USWC will incorporate Listings information in all existing and future

directory assistance applications developed by USWC. TCG authorizes USWC to sell and otherwise make Listings available to directory publishers. USWC shall be entitled to retain revenue associated with any such sales. Listings shall not be provided or sold in such a manner as to segregate end users by carrier.

Upon 60 days notice to USWC, TCG may select to change to the following method for USWC's use of TCG's Listings and dissemination of TCG's Listings to third parties:

- b. Restrict to USWC's directory assistance -- Prior authorization required by TCG for all other uses. TCG makes its own, separate agreements with USWC, third parties and directory publishers for all uses of its Listings beyond DA. USWC will provide Listings to directory publishers (including USWC's publisher affiliate), other third parties and USWC products only after the third party presents proof of TCG's authorization. USWC shall be entitled to charge its tariffed rates associated with any such transaction, but the Parties agree to negotiate a division of these revenues in the future. Listings shall not be provided or sold in such a manner as to segregate end users by carrier.
5. USWC will make available to TCG and its end user customers any specific directory listing options, including, but not limited to, privacy protections, that are available to USWC's own customers. All such options will be made available through the electronic data exchange process used by TCG for Listings.
6. To the extent that state tariffs limit USWC's liability with regard to Listings, the applicable state tariff(s) is incorporated herein and supersedes the "Limitation of Liability" Section of this Agreement with respect to Listings only.
7. USWC Responsibilities
  - a. USWC is responsible for maintaining Listings, including entering, changing, correcting, rearranging and removing Listings in accordance with TCG orders. USWC will make commercially reasonable efforts to ensure Listings

information provided to USWC is properly processed by USWC in an accurate and correct manner and agrees to hold TCG harmless for any errors in Listings information processed by USWC. USWC will accommodate non-published and non-listed Listings in the same manner that USWC accommodates its own customers' information, provided that TCG has supplied USWC the necessary privacy indicators on such Listings.

- b. USWC will include TCG Listings in USWC's Directory Assistance service to ensure that callers to USWC's Directory Assistance service have non-discriminatory access to TCG's Listings.
- c. USWC will incorporate TCG Listings provided to USWC in the white pages directory published on USWC's behalf. TCG's end user customer listings will be commingled with the end user customer listings of USWC.

8. TCG Responsibilities

- a. TCG will make commercially reasonable efforts to ensure Listings information provided to USWC is accurate and correct and agrees to hold USWC harmless for any errors in Listings information provided to USWC. TCG shall be solely responsible for knowing and adhering to state laws or rulings regarding Listings and for supplying USWC with the applicable Listings information.
- b. TCG is responsible for all dealings with, and on behalf of, TCG's end users, including:
  - (1) All end user account activity, e.g. end user queries and complaints.
  - (2) All account maintenance activity, e.g., additions, changes, issuance of orders for Listings to USWC.
  - (3) Determining privacy requirements and accurately coding the privacy indicators for TCG's end user information. If end user information provided by

TCG to USWC does not contain a privacy indicator, no privacy restrictions will apply.

9. USWC will accord TCG's directory listings information the same level of confidentiality which USWC accords its own directory listing information.
10. USWC shall ensure that access to TCG's customer directory information will be limited solely to those employees who immediately supervise or are directly involved in the processing or publishing of listings, directory publication or directory delivery, or in ensuring the accuracy of such information.
11. USWC will not use TCG directory listings for the marketing of telecommunications services by its own employees or those of its telephone operations line of business.
12. USWC agrees to provide TCG's non-published directory records the same protection accorded USWC's non-published directory records with respect to the sale of directory listings to third parties.
13. The Parties agree USWC will maintain in its processes the ability for TCG to ensure the formatting accuracy of the information it transmits to USWC for inclusion in the Directory Assistance database. Listing format errors will be returned to TCG for correction and a total count of listings received and accepted will also be provided. The Parties will work cooperatively through OBF or other industry groups to further define standards for transmittal of directory listing information.

C. Operator Call Completion.

1. The Parties will complete operator-assisted calls to each other's networks.
2. Additionally, at TCG's request, in conjunction with the provision of unbranded directory assistance service, USWC will provide caller-optional directory assistance call completion service which is comparable in every way to the directory assistance call completion service USWC makes available to its own end users.

## **V. NONDISCRIMINATORY ACCESS TO NUMBER RESOURCES**

- A. Each Party will comply with Industry Carriers Compatibility Forum ("ICCF") Central Office Code Guidelines.
- B. Unless the FCC adopts rules in accordance with TA 1996 that differ from the ICCF Central Office Code Administration Guidelines, USWC, where it functions as Number Administrator, will assign NXX codes to TCG, according to those Guidelines, on a basis no less favorable than that on which USWC assigns codes to itself or to any other entity. So long as USWC acts as the Number Administrator, the Parties agree that these Number Administrator functions will be provided without charge.
- C. It shall be the responsibility of each Party to program and update its own switches and network systems to recognize and route traffic to the other Party's assigned NXX codes at all times. Neither USWC nor TCG shall charge each other for changes to switch routing software necessitated by the creation, assignment or reassignment or activation of NPA or NXX codes.
- D. The Parties will each be responsible for the electronic input of their respective number assignment information into the LERG.
- E. Each Party shall be responsible, consistent with its existing practices and any regulatory requirements, for notifying its customers of any changes in numbering or dialing arrangements, including changes such as the introduction of new NPAs or new NXX codes.

## **VI. NUMBER PORTABILITY**

- A. Interim Number Portability.
  - 1. TCG and USWC shall provide remote call forwarding functionality, or other INP capabilities, to each other at no charge, in accordance with the provisions of the FCC's First Report and Order and Further Notice of Proposed Rulemaking, CC Docket No. 95-116 ("FCC Number Portability Order").
  - 2. The costs incurred by TCG and USWC of providing INP shall be recovered through a broad-based cost recovery mechanism, as

described in the FCC Number Portability Order. The costs shall be apportioned on the basis of active local numbers.

3. With regard to the division of Switched Access revenues associated with INP, each Party will bill Switched Access charges for its portion of the call. If the terminating Party is unable to identify the particular IXC carrying the forwarded call, the forwarding Party shall provide the necessary information to permit the terminating Party to issue a bill.

**B. Permanent Number Portability.**

1. Unless otherwise determined by the FCC, the Parties will offer PNP to each other in the service territory in which both Parties offer Exchange Service as soon as technically and operationally feasible. The Parties will complete the transition to PNP in such areas on or before the dates set forth in the FCC's Number Portability Order or any modifications to those dates.
2. Both Parties will urge the FCC to require that any necessary central databases and other shared facilities should be owned and operated by a neutral third party.
3. The Parties agree that Query on Release ("QOR"), in conjunction with location routing number data for SPNP routing, may be implemented within their networks, at each Party's option and consistent with the FCC Number Portability Order, provided that QOR does not materially delay the implementation of PNP beyond the date that an FCC-approved database architecture for PNP is available. If both Parties choose to implement QOR, then the Parties will exchange, at no charge, any signaling messages required to enable QOR functionality between each other's networks.

**VII. LOCAL DIALING PARITY**

- A. The Parties agree that they will provide local dialing parity to each other and will permit each other to have nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listings, with no unreasonable dialing delays. In addition, USWC agrees that it will provide nondiscriminatory access to such services or



information as is necessary to allow TCG to implement local dialing parity in accordance with the requirements of Section 251(b)(3) of TA 1996.

- B. For Local Exchange and IntraLATA Toll Traffic between the Parties, neither Party's end user customers shall be required to dial any access codes or other special or extra digits to reach the end user customers of the other Party.

### VIII. RECIPROCAL COMPENSATION ARRANGEMENTS

- A. The following describes the compensation arrangements for transport and termination of Local Exchange Traffic between the Parties:

- 1. The following compensation rates shall apply for traffic carried from TCG to USWC:

- a. Local calls

For all Local Traffic, the Parties agree to mutual traffic exchange without explicit compensation.

USWC may seek compensation for local traffic exchanged between the parties if USWC can establish that such traffic is out of balance by more than 10%. No explicit compensation shall be required until the Commission has approved an alternate compensation plan.

- b. Toll Calls

Applicable to intraLATA toll calls based on intrastate Switched Access rates as set forth in USWC's Switched Access tariff.

- c. TCG shall pay a transit rate set forth in Exhibit A when TCG uses a USWC access tandem to originate a call to another LEC, a WSP or another TCG end office. If TCG receives a call through USWC's access tandem that originates from another LEC, TCG will not charge USWC any rate elements for this call, regardless of whether the

call is local or toll. TCG will establish an appropriate billing relationship directly with the other LEC.

2. The following compensation rates shall apply for traffic carried from USWC to TCG:

a. Local calls

For all Local Traffic, the Parties agree to mutual traffic exchange without explicit compensation.

TCG may seek compensation for local traffic exchanged between the parties if TCG can establish that such traffic is out of balance by more than 10%. No explicit compensation shall be required until the Commission has approved an alternate compensation plan.

b. Toll Rate

Charges applicable to toll calls are based on intrastate Switched Access rates as described in TCG's intrastate Switched Access tariff. For the mileage-sensitive rate element, if any, mileage is calculated based on the airline miles between the Vertical and Horizontal (V&H) coordinates of the TCG switch where the Local Interconnection Trunk Group terminates and the TCG Routing Point.

c. USWC shall pay a transit rate equal to the rate set in the first sentence of subsection A.1.c., above, when USWC uses a TCG switch to originate a call to another LEC, a WSP or another USWC Central Office.

- B. For intraLATA Toll Free Service calls where such service is provided by one of the Parties, the compensation set forth in subsection A, above, as well as any applicable database query charge set forth in that Party's tariff, shall be charged by the Party originating the call rather than the Party terminating the call. The Parties agree to exchange originating EMR records for intraLATA Toll Free Service calls provided by one of the Parties.
- C. The Parties agree to use reasonable efforts to establish the capability to measure and bill tandem terminating interconnection minutes of use based on usage records made within each Party's network by June 1997. The Parties agree that end-office terminated interconnection may require exchange of originating EMR records. The Parties agree to exchange EMR records where such terminating records are not available. These records, whether developed within each Party's network or exchanged between the Parties, shall form the sole basis for each Party to generate bills to the other Party. The Parties agree to exchange these records at no charge.
- D. Measurement of minutes of use over Local Interconnection Trunk groups shall be in actual conversation seconds. The total conversation seconds over each individual Local Interconnection Trunk Group will be totaled for the entire monthly bill-round and then rounded to the next whole minute.
- E. Each Party, unless the Parties agree otherwise, will provide to the other, within 15 calendar days after the end of each quarter, a usage report detailing traffic volume described in terms of minutes and messages terminated to each other over the Local Interconnection Trunk Groups.
- F. CCS interconnection charges will be applied based on the option for CCS interconnection TCG selects, as follows:
  - 1. If CCS interconnection is from USWC's STPs to TCG' STPs solely for the purpose of exchanging signaling for each Party's Local Exchange Traffic and jointly provided Switched Access traffic, then no charges will apply for such SS7 Links, STP ports or SS7 messages.

2. If TCG connects its end office(s) directly to USWC's STPs, then USWC will apply 50% (one half) of the charges set forth in its tariff.
- G. If TCG elects to use Local Interconnection signaling arrangement option F(1) or F(2), above, in the future for its own Switched Access calls (e.g., FGB or FGD), the Parties agree to renegotiate the rates, terms and conditions prior to such use.
- H. Each Party shall charge the other Party for BLV and BLVI at the rates contained in their respective tariffs.
- I. If either Party terminates Directory Assistance calls over the Local Interconnection Trunk Groups to the other Party, the terminating Party shall charge the other Party for such Directory Assistance calls at the rates contained in its tariff or pursuant to a separately negotiated contract.
- J. A Maintenance of Service charge applies whenever either Party requests the dispatch of the either Party's personnel for the purpose of performing maintenance activity on the interconnection trunks, and any of the following conditions exist:
  1. No trouble is found in the interconnection trunks; or
  2. The trouble condition results from equipment, facilities or systems not provided by the Party whose personnel were dispatched; or
  3. Trouble clearance did not otherwise require a dispatch, and upon dispatch requested for repair verification, the interconnection trunk does not exceed maintenance limits.

If a Maintenance of Service initial charge has been applied and trouble is subsequently found in the facilities of the Party whose personnel were dispatched, the charge will be canceled.

Billing for Maintenance of Service is based on each half-hour or fraction thereof expended to perform the work requested. The time worked is categorized and billed at one of the following three rates:

1. basic time;

2. overtime; or
3. premium time

as defined for billing by USWC in its tariff and by TCG in its tariff.

## **IX. TELECOMMUNICATIONS SERVICES AVAILABLE FOR RESALE**

The Parties shall provide for wholesale purchase of all retail services, except special access/private line, sold to end users at a discount of 17% off of the retail rate, until the Commission determines the permanent avoided cost discount in its cost study proceeding. However, to the extent that a service is offered at a "volume discount," TCG may purchase for resale at the lower of: 1) the tariffed volume discount, or 2) the rate determined by discounting the standard retail rate by 17%. TCG may resell grandfathered services to customers already purchasing the same service from USWC. It may not resell grandfathered services to new customers.

If the tariff for a specific service that TCG purchases from USWC for purposes of resale would pass construction costs associated with that service up-front to an end user, USWC may charge TCG up-front for the construction. If another LEC receives a benefit from the construction, TCG is entitled to recover contribution from the LEC for a share of the construction costs. If, however, construction costs for a particular service are not tariffed for payment up-front, USWC shall recover the construction costs in the recurring price for that service.

## **X. COLLOCATION AND MID SPAN MEETS**

### **A. Physical Collocation.**

USWC will provide for physical collocation of transport and termination equipment necessary for interconnection of TCG's network facilities to USWC's network or access to unbundled network elements at its premises. TCG's right to physical collocation is based upon the terms of TA 1996 and the FCC rules implementing that statute. In the event that TA 1996 or the FCC rules are modified or reversed, the Parties will modify this Agreement with respect to physical collocation consistent with any such modification or reversal of TA 1996 or the FCC rules.

Listed below are the rates that TCG shall pay for physical collocation at USWC's Wire Center premises, along with other terms and conditions that will apply with respect to such physical collocation, beginning with the effective date of this Agreement:

1. Rates

- a. All monthly rates and nonrecurring charges shall be those set forth in Exhibit A, with the following exceptions:
  - (1) Floor space shall be charged at the monthly rate of \$3.00 per square foot; and,
  - (2) Infrastructure charges shall be \$40,000.00 per USWC location.
- b. Infrastructure charges will be prorated and the prorated share refunded to previous collocater(s) as additional collocators use collocated services at that location within 60 months of when the billing for the first collocation space at that location begins, using the following schedule:

<u>Collocator</u>	<u>Nonrecurring Charge</u>	<u>Refund</u>
1st	100%	NA%
2nd	50%	50%
3rd	33.33%	16.67%
4th	25%	8.33%
5th	20%	5%
6th	16.67%	3.33%
7th	14.29%	2.38%
8th	12.5%	1.79%
9th	11.11%	1.39%
10th	10%	1.11%
11th and beyond	0%	

2. Terms

- a. USWC agrees that it shall continue to make physical collocation available under the terms of this Agreement so long as such physical collocation is required under TA 1996 or other applicable law. In the event federal law is modified such that USWC is no longer required to provide

physical collocation, the Parties will cooperate to effect any necessary changes in a commercially reasonable, business-like manner.

- b. USWC will permit TCG to cross-connect TCG's collocated facilities with the facilities of any other LEC collocated at the same USWC premises through the use of an Expanded Interconnection Channel Termination provided by USWC. There will be only one EICT charge for each connection between collocators.
- c. TCG may place Digital Loop Carrier equipment of its choosing in its collocation space, including shared space collocations described below, for connection of TCG's network to USWC's network.
- d. USWC agrees to provide TCG with reasonable advance notice, under the Notice provisions of this Agreement, of any proposed modifications to USWC's tariff regarding physical collocation, except for the addition of Wire Centers and new types of EICTs.
- e. In situations where a building layout permits independently secure facilities, TCG shall have unrestricted and unescorted access to its equipment. If, however, TCG's collocated space is not separately secured, TCG shall provide bonding in reasonable amounts for its personnel having unescorted access privileges and provide USWC the opportunity to review pertinent records (equivalent to that which USWC requires of its own staff) and approve persons for unescorted access using the same standards it uses for USWC's own personnel.
- f. TCG shall pay the cost of construction and maintenance of its collocated space.

B. Shared Space Collocation

Where sufficient space exists, and upon request, USWC will provide for collocation on a shared space basis with each collocator's area defined within the shared space. However, shared space collocation will not be made available in Wire Centers where at least one conventional physical

collocation installation has already been installed. Such defined space shall, at a minimum, be sized to permit the placement of up to two (2) bays of collocator-provided fiber optic facilities and transmission equipment. Access to the collocation space will be via a common entry point and it shall be the sole responsibility of the collocator to provide for any additional security measures to protect its equipment. Such security measures shall be limited to covers or lockable cabinet doors placed directly on the equipment bays of the collocator.

The following charges shall apply for shared space collocation:

1. The recurring charge for two (2) bays in a shared space collocation shall be \$265.00 per month.
2. The nonrecurring charge for two (2) bays in a shared space collocation shall be \$5,300.00.
3. The infrastructure charge for shared space collocation shall be \$25,000.00 and will be refunded on a prorated basis to the first five shared space collocators as additional shared space collocators utilize shared space collocation at that location within 60 months of when the billing for the first shared space collocation space at that location begins, based on the proration schedule set forth above for physical collocation.

If TCG requests and USWC provides a shared collocation arrangement as described above, and no other collocator orders and places its equipment in such shared space arrangement within two (2) years after TCG collocates in such space, USWC reserves the right to reconfigure such space into a suitable single-occupant collocation space. Upon request by USWC, TCG will reasonably agree to such reconfiguration after one year has elapsed from the time TCG has collocated in such space. The reconfigured space shall only be large enough to enclose the two bays of equipment placed by TCG, along with adequate space for access to the cage, and any other safety standards normally applied to physical collocation facilities by USWC. TCG will be charged a prorated monthly collocation space charge based on the square footage of the reconfigured space in proportion to a standard 10 foot by 10 foot collocation space. TCG will not be charged for the cost of reconfiguring the space. If, after two years from the first placement of a shared space collocation arrangement at TCG's request, such arrangements are on average no more than one-third occupied, the Parties agree to



renegotiate USWC's obligation to continue to offer shared space collocation arrangements.

C. Microwave Collocation

Where technically feasible, USWC will provide for physical collocation of microwave equipment, necessary for interconnection of TCG's network facilities to USWC's network or access to unbundled network elements on the roofs of any USWC wire center. Such collocation shall be provided in accordance with the rates set forth in USWC's FCC tariff for microwave collocation.

D. POT Bay Engineering

The Parties agree that TCG will engineer and pre-provision its side of the POT Bay in physical (including shared space) collocation arrangements.

E. Virtual Collocation

USWC will provide for virtual collocation only where and if USWC has demonstrated and the Commission has determined that physical collocation is not practical for technical reasons or because of space limitations.

Rates and terms for virtual collocation will be made available on a reasonable and non-discriminatory basis. Rates for virtual collocation will be approximately the same as physical collocation. The Parties agree to cooperate in selecting equipment and establishing installation and operating procedures for virtual collocation in the event that the use of virtual collocation becomes necessary.

TCG will transfer possession of TCG's virtually collocated equipment to USWC via a no cost lease, terminable at will by TCG. The sole purpose of the lease is to provide USWC with exclusive possessory rights to TCG's virtually collocated equipment. Title to the TCG virtually collocated equipment shall not pass to USWC.

F. Mid-Span Meet Arrangements

The Parties may also choose to interconnect via a Mid Span Meet. Such interconnection shall be limited to facilities provided for the

interconnection of any local exchange or jointly provided switched access traffic between the Parties.

1. **Physical Arrangements of Mid Span Meets:** In a Mid Span Meet, each Party extends its facilities to meet the other Party. The point where the facilities meet is the Mid Span point. Each Party bears its own costs to establish and maintain a Mid Span Meet arrangement. However, the Parties also agree that a technical arrangement for a Mid Span Meet may involve one Party placing and extending its fiber facilities to the Wire Center of the other Party, with sufficient additional length on the fiber to permit the receiving Party to terminate the fiber without requiring splicing of the fiber facilities prior to the terminal equipment in the receiving Party's Wire Center. In this situation, the Parties will negotiate reasonable compensation to be paid to the Party extending the facilities for the associated labor, materials, and conduit space used in extending its facilities beyond a negotiated Mid Span point.
  
2. **Engineering Specifications:** The Parties agree to establish technical interface specifications for Mid Span Meet arrangements that permit the successful interconnection and completion of traffic routed over the facilities that interconnect at the Mid Span Meet. The technical specifications will be designed so that each Party may, as far as is technically feasible, independently select the transmission, multiplexing, and fiber terminating equipment to be used on its side of the Mid Span Meet. Requirements for such interconnection specifications will be defined in joint engineering planning sessions between the Parties. The Parties will use good faith efforts to develop and agree on these specifications within 90 days of the determination by the Parties that such specifications shall be implemented, and in any case, prior to the establishment of any Mid Span Meet arrangements between them. In the event the Parties cannot agree on the technical specifications required, the Parties will, after discussion at the Vice Presidential level, interconnect with each other using one of the other interconnection arrangements defined elsewhere in this Agreement.

Prior to the establishment of any Mid Span Meet arrangement, the Parties agree to jointly develop all additional necessary requirements for such interconnection, including but not limited to such items as control

and assignment of facilities within the fiber Mid Span Meet arrangement, network management requirements, maintenance responsibilities, and operational testing and acceptance requirements for installation of Mid Span Meets.

## **XI. MEET POINT BILLING ARRANGEMENTS**

- A. USWC and TCG desire to submit separate bills, pursuant to their separate tariffs, to interexchange carriers for their respective portions of jointly-provided switched access service.

Based on the negotiated POI, the Parties will agree on a meet point percentage to enable the joint provisioning and billing of Switched Access Services to third parties in conformance with the Meet-Point Billing guidelines adopted by and contained in the Ordering and Billing Forum's MECAB and MECOD documents and referenced in USWC's Switched Access Tariffs. The Parties understand and agree that, in the case where USWC is providing the tandem functionality, MPB arrangements are available and functional only to/from Interexchange Carriers who directly connect with the tandem(s) that TCG sub-tends in each LATA.

- B. The parties will use reasonable efforts, individually and collectively, to maintain provisions in their respective federal and state access tariffs, and/or provisions within the National Exchange Carrier Association ("NECA") Tariff No. 4, or any successor tariff, sufficient to reflect this MPB arrangement, including MPB percentages.
- C. As detailed in the MECAB document, TCG and USWC will exchange all information necessary to bill third parties for Switched Access Services traffic jointly handled by TCG and USWC via the meet point arrangement in a timely fashion. Information shall be exchanged in Exchange Message Record ("EMR") format (Bellcore Standard BR 010-200-010, as amended) on magnetic tape or via a mutually acceptable electronic file transfer protocol. The Parties will exchange records pursuant to this paragraph without additional compensation.
- D. The Parties will agree upon reasonable audit standards and other procedures as required to ensure billing accuracy.

- E. Each company will bill the IXCs the appropriate rate elements in accordance with their respective interstate and intrastate tariffs, as follows:

Rate Element	Billing Company
Carrier Common Line	Dial Tone Provider
Local Switching	Dial Tone Provider
Interconnection Charge	Dial Tone Provider
Local Transport Termination	Based on negotiated BIP
Local Transport Facility (Also called Tandem Transmission per mile)	Based on negotiated BIP
Tandem Switching	Access Tandem Provider
Entrance Facility	Access Tandem Provider

- F. For originating 800/888 traffic routed to an access tandem, the tandem provider will perform 800/888 database inquiry and translation functions and bill the inquiry charge and translation charge (if any) to the interexchange carrier pursuant to tariff.

## **XII. LOCAL INTERCONNECTION DATA EXCHANGE FOR BILLING**

There are certain types of calls or types of interconnection that require exchange of billing records between the Parties, including, for example, alternate billed and Toll Free Service calls. The Parties agree that all call types must be routed between the networks, accounted for, and settled among the parties. Certain calls will be handled via the Parties' respective operator service platforms. The Parties agree to utilize, where possible and appropriate, existing accounting and settlement systems to bill, exchange records and settle revenue.

- A. The exchange of billing records for alternate billed calls (e.g., calling card, bill-to-third, and collect) will be distributed through the existing CMDS processes, unless otherwise separately agreed to by the Parties.
- B. Inter-Company Settlements ("ICS") revenues will be settled through the Calling Card and Third Number Settlement System ("CATS"). Each Party will provide for its own arrangements for participation in the CATS processes, through direct participation or a hosting arrangement with a direct participant.

- C. Non-ICS revenue is defined as collect calls, calling card calls, and billed to third number calls which originate on one service provider's network and terminate on another service provider's network in the same Local Access Transport Area ("LATA"). The Parties agree to negotiate and execute an Agreement within 30 days of the execution of this Agreement for settlement of non-ICS revenue. This separate arrangement is necessary since existing CATS processes do not permit the use of CATS for non-ICS revenue. The Parties agree that the CMDS system can be used to transport the call records for this traffic.
- D. Both Parties will provide the appropriate call records to the intraLATA Toll Free Service Provider, thus permitting the Service Provider to bill its subscribers for the inbound Toll Free Service. No adjustments to bills via tapes, disks or NDM will be made without the mutual agreement of the Parties.

### **XIII. AUDIT PROCESS**

"Audit" shall mean the comprehensive review of:

- A. data used in the billing process for services performed and facilities provided under this Agreement; and
- B. data relevant to provisioning and maintenance for services performed or facilities provided by either of the Parties for itself or others that are similar to the services performed or facilities provided under this Agreement for interconnection or access to unbundled elements.

The data referred to in subsection (B), above, shall be relevant to any performance standards that are adopted in connection with this Agreement, through negotiation, arbitration or otherwise.

This Audit shall take place under the following conditions:

- A. Either Party may request to perform an Audit.
- B. The Audit shall occur upon 10 business days written notice by the requesting Party to the non-requesting Party.
- C. The Audit shall occur during normal business hours.

- D. There shall be no more than one Audit requested by each Party under this Agreement in any 12-month period.
- E. The requesting Party may review the non-requesting Party's records, books and documents, as may reasonably contain information relevant to the operation of this Agreement.
- F. The location of the Audit shall be the location where the requested records, books and documents are retained in the normal course of business.
- G. All transactions under this Agreement which are over 24 months old will be considered accepted and no longer subject to Audit.
- H. Each Party shall bear its own expenses occasioned by the Audit, provided that the expense of any special data collection shall be born by the requesting Party.
- I. The Party requesting the Audit may request that an Audit be conducted by a mutually agreed-to independent auditor. Under this circumstance, the costs of the independent auditor shall be paid for by the Party requesting the Audit.
- J. In the event that the non-requesting Party requests that the Audit be performed by an independent auditor, the Parties shall mutually agree to the selection of the independent auditor. Under this circumstance, the costs of the independent auditor shall be shared equally by the Parties.
- K. The Parties agree that if an Audit discloses error(s), the Party responsible for the error(s) shall, in a timely manner, undertake corrective action for such error(s).
- L. All information received or reviewed by the requesting Party or the independent auditor in connection with the Audit is to be considered Proprietary Information as defined by this Agreement. The non-requesting Party reserves the right to require any non-employee who is involved directly or indirectly in any Audit or the resolution of its findings as described above to execute a nondisclosure agreement satisfactory to the non-requesting Party.

#### **XIV. AUDIOTEXT AND MASS ANNOUNCEMENT SERVICES**

The Parties agree that access to the audiotext, mass announcement and information services of each Party should be made available to the other Party upon execution of an agreement defining terms for billing and compensation of such calls. Services included in this category include 976 calls, whether flat rated or usage sensitive, intra-LATA 900 services and other intra-LATA 976-like services. Such calls will be routed over the Local Interconnection Trunks.

TCG and USWC will work together in good faith to negotiate and execute the agreement for billing and compensation for these services within 90 days of the execution of this Agreement. The Parties agree that their separate agreement on audiotext and mass announcement services will include details concerning the creation, exchange and rating of records, all of which will occur without any explicit charge between the Parties, as well as a process for the handling of uncollectibles so that the originating Party does not have any responsibility for uncollectibles.

Until such time that such an agreement is executed, TCG may choose to block such calls, or TCG will agree to back-bill and compensate retroactively for such calls once the subsequent agreement is executed retroactive to the effective date of this Agreement.

##### **A. Usage Sensitive Compensation.**

All audiotext and mass announcement calls shall be considered toll calls for purposes of reciprocal compensation between the Parties.

Compensation will be paid based on the compensation for toll calls referenced in this Agreement with respect to reciprocal compensation between the Parties, except that such compensation shall be paid by the Party terminating the call, rather than the Party originating the call.

##### **B. Billing and Collection Compensation.**

Billing and collection compensation will be dealt with in the agreement referenced in this section.

## **XV. DISPUTE RESOLUTION AND BINDING ARBITRATION**

The Parties agree that in the event of a default or violation hereunder, or for any dispute arising under this Agreement or related agreements the Parties may have in connection with this Agreement, the Parties shall first confer to discuss the dispute and seek resolution prior to initiating any dispute resolution action, or before authorizing any public statement about or authorizing disclosure of the nature of the dispute to any third party. Such conference shall occur at least at the Vice President level for each Party. In the case of USWC, its Vice President for InterConnect, or equivalent officer, shall participate in the meet and confer meeting, and TCG Regional Vice President, Western Region, or equivalent officer, shall participate. In the event the Parties cannot resolve the dispute, they will employ the following procedure:

- A. Any controversy or claims arising out of or relating to Agreement or any breach hereof, shall be settled by arbitration in accord with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). Such arbitration shall be held in the State where the dispute arises or any other location to which the Parties agree. Written notice of intent to arbitrate shall be served on the opposing Party at least twenty (20) business days prior to the filing of such notice at the appropriate AAA regional office.
- B. The Parties agree to request an expedited hearing before the AAA and, if the AAA can arrange such, the hearing shall commence within sixty (60) days of the filing of the arbitration claim. If the AAA is not able to arrange for the hearing to be held within sixty (60) days of such filing, then the hearing shall commence on the AAA's first available date thereafter, but within ninety (90) days of the original filing of the arbitration claim.
- C. Each party shall bear its own costs and attorneys' fees except in the case where one Party has refused to arbitrate and is later required to do so. In that case, the party which had refused to arbitrate shall bear the entire cost of arbitration.
- D. The judgment upon the award rendered may be entered in the highest Court of the forum capable of rendering such judgment, either State or Federal, having jurisdiction and shall be deemed final and binding on both of the Parties.



**XVI. FORCE MAJEURE**

Neither Party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: fire, explosion, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, or ordinance of any government or legal body; strikes; or delays caused by the other Party or any other circumstances beyond the Party's reasonable control. In such event, the Party affected shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interference (and the other Party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such Party's obligations relate to the performance so interfered with). The affected Party shall act in good faith to avoid or remove the cause of non-performance and both Parties shall proceed to perform with dispatch once the causes are removed or cease.

**XVII. COMMISSION DECISION**

This Agreement shall at all times be subject to such review by the Commission or FCC as permitted by TA 1996. If any such review renders the Agreement inoperable or creates any ambiguity or requirement for further amendment to the Agreement, the Parties will negotiate in good faith to agree upon any necessary amendments to the Agreement.

**XVIII. TERM OF AGREEMENT**

This Agreement shall be effective for a period of two and one-half (2 1/2) years, and thereafter the Agreement shall continue in force and effect unless and until a new agreement, addressing all of the terms of this Agreement, becomes effective between the Parties. The Parties agree to commence negotiations on a new agreement no less than six (6) months before the end of two and one-half (2 1/2) years after this Agreement becomes effective.

**XIX. EFFECTIVE DATE**

This Agreement shall become effective upon approval by the Commission.

**XX. AMENDMENT OF AGREEMENT**

TCG and USWC may mutually agree to amend this Agreement in writing. Since it is possible that amendments to this Agreement may be needed to fully satisfy the purposes and objectives of this Agreement, the Parties agree to work cooperatively, promptly and in good faith to negotiate and implement any such additions, changes and corrections to this Agreement.

**XXI. LIMITATION OF LIABILITY**

Except as otherwise provided herein, neither Party shall be liable to the other in connection with the provision or use of services offered under this Agreement for indirect, incidental, consequential, special damages, including (without limitation) damages for lost profits, regardless of the form of action, whether in contract, indemnity, warranty, strict liability, or tort.

**XXII. INDEMNITY**

Each Party shall indemnify and hold the other harmless from any liabilities, claims or demands (including the costs, expenses and reasonable attorney's fees on account thereof) that may be made by third parties for:

- a) personal injuries, including death, or
- b) damage to tangible property

resulting from the sole negligence and/or sole wilful misconduct of that Party, its employees or agents in the performance of this Agreement. Each Party shall defend the other at the other's request against any such liability, claim or demand. Each Party shall notify the other promptly of written claims or demands against such Party of which the other Party is solely responsible hereunder.

**XXIII. ASSIGNMENT**

Each party may assign this Agreement to a corporate affiliate or an entity under its common control or an entity acquiring all or substantially all of its assets or equity by providing prior written notice to the other Party of such assignment or transfer. Neither Party, however, may assign or transfer

(whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to any other third party without the prior written consent of the other Party. Consent to such assignment may not be unreasonably withheld. Any attempted assignment that is not permitted is void ab initio. Without limiting the generality of the foregoing, this Assignment shall be binding upon and shall inure to the benefit of the Parties' respective successors and assigns.

#### **XXIV. CONTROLLING LAW**

This Agreement was negotiated by the Parties in accordance with the terms of TA 1996 and the laws of each of the states where service is provided hereunder. It shall be interpreted solely in accordance with the terms of TA 1996 and the applicable state law in the state where the service is provided.

#### **XXV. DEFAULT**

If either Party believes the other is in breach of the Agreement or otherwise in violation of law, it shall first give sixty (60) days' notice of such breach or violation and an opportunity for the allegedly defaulting Party to cure. Thereafter, the Parties shall employ the Dispute Resolution and Arbitration procedures set forth in this Agreement.

#### **XXVI. NONDISCLOSURE**

A. All information, including but not limited to specifications, microfilm, photocopies, magnetic disks, magnetic tapes, drawings, sketches, models, samples, tools, technical information, data, employee records, maps, financial reports, and market data, (i) furnished by one Party to the other Party dealing with customer specific, facility specific, or usage specific information, other than customer information communicated for the purpose of publication of directory database inclusion, or (ii) in written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as "Confidential" or "Proprietary", or (iii) communicated orally and declared to the receiving Party at the time of delivery, or by written notice given to the receiving Party within ten (10) days after delivery, to be "Confidential" or "Proprietary" (collectively referred to as "Proprietary Information"), shall remain the property of the disclosing Party. A Party who receives Proprietary Information via

an oral communication may request written confirmation that the material is Proprietary Information. A Party who delivers Proprietary Information via an oral communication may request written confirmation that the Party receiving the information understands that the material is Proprietary Information.

- B. Upon request by the disclosing Party, the receiving Party shall return all tangible copies of Proprietary Information, whether written, graphic or otherwise, except that the receiving Party may retain one copy for archival purposes.
- C. Each Party shall keep all of the other Party's Proprietary Information confidential and shall use the other Party's Proprietary Information only in connection with this Agreement. Neither Party shall use the other Party's Proprietary Information for any other purpose except upon such terms and conditions as may be agreed upon between the Parties in writing.
- D. Unless otherwise agreed, the obligations of confidentiality and non-use set forth in this Agreement do not apply to such Proprietary Information as:
  - 1. was at the time of receipt already known to the receiving Party free of any obligation to keep it confidential evidenced by written records prepared prior to delivery by the disclosing Party; or
  - 2. is or becomes publicly known through no wrongful act of the receiving Party; or
  - 3. is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to the disclosing Party with respect to such information; or
  - 4. is independently developed by an employee, agent, or contractor of the receiving Party which individual is not involved in any manner with the provision of services pursuant to the Agreement and does not have any direct or indirect access to the Proprietary Information; or
  - 5. is disclosed to a third person by the disclosing Party without similar restrictions on such third person's rights; or

6. is approved for release by written authorization of the disclosing Party; or
  7. is required to be made public by the receiving Party pursuant to applicable law or regulation provided that the receiving Party shall give sufficient notice of the requirement to the disclosing Party to enable the disclosing Party to seek protective orders.
- E. **Effective Date Of This Section.** Notwithstanding any other provision of this Agreement, the Proprietary Information provisions of this Agreement shall apply to all information furnished by either Party to the other in furtherance of the purpose of this Agreement, even if furnished before the date of this Agreement.

**XXVII. EXECUTION IN DUPLICATE**

This Agreement may be executed in duplicate copies, and, upon said execution, shall be treated as an executed document.

**XXVIII. MOST FAVORABLE TERMS AND TREATMENT**

The Parties agree that the provisions of Section 252(i) of TA 1996 shall apply, including state and federal interpretive regulations in effect from time to time.

**XXIX. NOTICES**

Any notices required by or concerning this Agreement shall be sent to the Parties at the addresses shown below:

USWC  
Director Interconnection Services  
1600 7th Ave, Room 3002  
Seattle, WA 98191

TCG  
Jim Washington  
Vice President, Carrier Relations  
Princeton Technology Center  
429 Ridge Road  
Dayton, NJ 08810

Michael Morris  
Vice President, Regulatory and External Affairs  
201 North Civic Drive, Suite 210  
Walnut Creek, California 94596

Each Party shall inform the other of any changes in the above addresses.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.

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U S WEST Communications

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Jim Washington  
Regional Vice President  
Western Region  
TCG  
On behalf of  
TCG Seattle

**APPENDIX A  
U S WEST and TCG INTERCONNECTION RATES  
WASHINGTON**

**INTERCONNECTION - LOCAL EXCHANGE**

**Local Call Termination**

**BILL & KEEP**

**Entrance Facility**

	Proposed Price Recurring	Proposed Price Nonrecurring
DS1, Electrical	\$99.78	\$563.92
DS3, Electrical	\$404.24	\$668.95

**Direct Trunked Transport**

	Proposed Price Fixed	Proposed Price Per Mile
DS1 - 0 Miles	None	None
DS1 - Over 0 to 8	\$41.72	\$0.67
DS1 - Over 8 to 25	\$41.72	\$0.84
DS1 - Over 25 to 50	\$41.73	\$2.97
DS1 - Over 50	\$41.73	\$3.49
DS3 - 0 Miles	None	None
DS3 - Over 0 to 8	\$283.30	\$13.83
DS3 - Over 8 to 25	\$284.17	\$15.03
DS3 - Over 25 to 50	\$291.31	\$39.19
DS3 - Over 50	\$293.91	\$44.74

**Multiplexing, per arrangement**

	Price Recurring	Price Nonrecurring
DS3 to DS1	\$218.58	\$418.45

**Local Transit Traffic Rate**

	Price
Tandem Switching, per MOU	\$0.006000

**COMMON CHANNEL SIGNALLING ACCESS SERVICE**

**Entrance Facility**

	Price Recurring	Price Nonrecurring
DS1	\$99.78	\$563.92
DS3	\$404.24	\$668.95

**Direct Link Transport**

	Price Fixed	Price Per Mile
DS0 - 0 Miles	None	None
DS0 - Over 0 to 8	\$20.89	\$0.13
DS0 - Over 8 to 25	\$20.88	\$0.10
DS0 - Over 25 to 50	\$20.88	\$0.10
DS0 - Over 50	\$20.89	\$0.17
DS1 - 0 Miles	None	None
DS1 - Over 0 to 8	\$41.72	\$0.67
DS1 - Over 8 to 25	\$41.72	\$0.84
DS1 - Over 25 to 50	\$41.73	\$2.97
DS1 - Over 50	\$41.73	\$3.49

**Direct Link Transport**

	Price Fixed	Price Per Mile
DS3 - 0 Miles	None	None
DS3 - Over 0 to 8	\$283.30	\$13.83
DS3 - Over 8 to 25	\$284.17	\$15.03
DS3 - Over 25 to 50	\$291.31	\$39.19
DS3 - Over 50	\$293.91	\$44.74

<b>CCS Link -- First Link</b>	None	\$504.68
<b>CCS Link -- Each additional Link</b>	None	\$72.42
<b>STP Port -- Per Port</b>	\$208.57	None
<b>Multiplexing</b>		
DS1 to DS0	\$221.08	None
DS3 to DS1	\$218.58	None

**APPENDIX A  
U S WEST and TCG INTERCONNECTION RATES  
WASHINGTON**

**PHYSICAL AND VIRTUAL COLLOCATION**

See federal interexchange tariff for equivalent service

**ANCILLARY SERVICES**

**Directory Assistance**

Price per Call -- Facilities-Based Providers

<b>Price Recurring</b>
\$0.34

**Unbundled Loops**

2-wire DS0 EICT  
4-wire DS0 EICT

<b>Price Recurring</b>	<b>Price Nonrecurring</b>
\$13.37	Retail minus 17%

\$1.41      \$339.61  
\$1.79      \$339.61