

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND	)	
TRANSPORTATION COMMISSION,	)	
Complainant,	)	DOCKET NO. UT-941464
v.	)	
U S WEST COMMUNICATIONS, INC.,	)	
Respondent.	)	
. . . . .	)	
TCG SEATTLE and DIGITAL DIRECT OF	)	
SEATTLE, INC.,	)	
Complainant,	)	DOCKET NO. UT-941465
v.	)	
U S WEST COMMUNICATIONS, INC.,	)	
Respondent.	)	
. . . . .	)	
TCG SEATTLE,	)	
Complainant,	)	
v.	)	
GTE NORTHWEST INCORPORATED,	)	
Respondent.	)	
. . . . .	)	DOCKET NO. UT-950146
GTE NORTHWEST INCORPORATED,	)	
Third Party	)	
Complainant,	)	
v.	)	
U S WEST COMMUNICATIONS, INC.	)	
Third Party Respondent.	)	
. . . . .	)	
ELECTRIC LIGHTWAVE, INC.,	)	DOCKET NO. UT-950265
Complainant,	)	
v.	)	NINTH SUPPLEMENTAL ORDER
GTE NORTHWEST INCORPORATED,	)	REJECTING TARIFF FILINGS
Respondent.	)	
. . . . .	)	

MEMORANDUM

History of Proceeding

This proceeding concerns the terms and conditions under which competitors for local exchange service [1] will interconnect their local networks so that they can exchange local traffic between their customers. In Docket No. UT-941464, U S WEST Communications, Inc. ("USWC") filed tariff revisions which would have modeled the physical and compensation terms of local interconnection on the company's existing access tariff for interexchange carriers ("IXCs"). The revisions would have merged the terms for local interconnection into that existing access tariff. The USWC tariff filing was consolidated for hearing and decision with complaints against USWC and GTE Northwest Incorporated ("GTE") by ALECs alleging undue prejudice, discrimination, and unjust rates and practices in the provision of interconnection and mutual compensation for terminating one another's local traffic.

On October 31, 1995, the Commission entered the Fourth Supplemental Order in these consolidated dockets, rejecting the USWC tariff filings and ordering refiling, and granting the complaints, in part. The Fourth Supplemental Order concurred in Public Counsel's analysis that new local service entrants should be recognized as co-carriers and treated accordingly. It determined that the IXC access charge compensation model, in which incumbent LECs assess IXCs minutes-of-use charges for using the LECs' local networks for the originating and terminating segments of long distance calls, is not an appropriate mechanism for local exchange companies to compensate each other for terminating one another's local traffic. The Commission ordered instead that mutual traffic exchange, or a "bill and keep" mechanism, be used on an interim basis. Among other relief, The Fourth Supplemental Order ordered USWC to refile tariffs consistent with the terms of the order, and ordered GTE to file a local interconnection tariff. The order required that local interconnection be completed by November 20, 1995.

Various parties filed petitions for reconsideration and clarification. The Commission stayed the November 20, 1995 filing dates. On December 27, 1995, the Commission entered the

Sixth Supplemental Order in these consolidated dockets, clarifying and modifying the Fourth Supplemental Order. The Sixth Supplemental Order required USWC and GTE to file tariffs for local interconnection within 30 days.

On January 16, 1996, the Commission received tariff sheets from GTE, and on January 19, 1996, received tariff sheets from USWC, which purport to be in compliance with the Fourth and Sixth Supplemental Orders. Both companies' tariff sheets state an effective date of January 30, 1996. Shortly after those filings, the Commission received comments in opposition to both filings from the following parties: Commission Staff; Electric Lightwave, Inc.; Teleport Communications Group; and jointly from MCImetro and AT&T. [2]

On January 29, 1996, the Commission entered its Seventh Supplemental Order suspending the effective dates of the USWC and GTE tariff filings so that it might consider the responses of USWC and GTE to the comments. USWC and GTE now have submitted their responses.

#### Commission Decision

The Commission has thoroughly reviewed GTE's January 16, 1996 tariff filing and USWC's January 19, 1996 tariff filing, the comments of other parties, and the responses to those comments. The comments and the responses are summarized below, together with the Commission's decisions on the issues raised.

The Commission rejects both tariff filings. It is clear from the comments and from the incumbent LECs' responses that both tariff filings are unclear and confusing. Neither can be understood without reference to the companies' explanations and interpretations. Neither is entirely in conformity with the Commission's orders in these consolidated dockets. Both companies must rewrite and refile their local interconnection tariffs to clarify the terms and conditions of local interconnection and bring them into compliance with the Fourth and Sixth Supplemental Orders.

Establishing the terms and conditions that will govern a relationship that heretofore did not exist is a difficult process. The Commission is favorably impressed by GTE's generally positive response to the comments regarding its local interconnection tariff filing. GTE has offered to

modify its tariff to meet most of the objections set out in the comments of other parties. The company's response is consistent with the general impression that GTE is attempting to comply with the Commission's orders the business of establishing mutually acceptable interconnection arrangements with other co-carriers in the local service market. For the most part, the Commission is able to accept GTE's offers to rewrite portions of its local interconnection tariff.

USWC's response, for the most part, is intransigent and confrontational. USWC contends that it has complied with the literal meaning of the Commission's orders, that its tariff language is clear enough, and that it knows best how to design its own tariffs and must be free to do so. It insists on placing local interconnection service in its existing switched access tariff, as it did in its original tariff filing.

As is clear from the comments of the other parties, USWC's revised tariff for local interconnection is particularly murky and confusing. That is largely a result of its positioning local interconnection service in the existing switched access service tariff.

USWC's disdainful response to the other parties' comments and its insistence on writing the tariff to reflect positions it unsuccessfully advocated on the merits cause the Commission to conclude that the company is unlikely to file an acceptable tariff for local interconnection within a reasonable period of time unless the Commission is fairly prescriptive in this order. Accordingly, the Commission will order USWC file a separate local interconnection tariff, and will specify the content of that tariff to the extent that appears reasonably necessary to get the company to file an acceptable tariff.

Specifics -- Summary of Comments to Tariff Filings; Responses to Comments; Commission Decisions on Issues Raised in Comments

#### A. GTE's Tariff Filing

As noted above, GTE has filed a separate tariff for local interconnection. It has entitled the tariff "Network Interconnection Access Service."

Objections to GTE's filing generally fall into the following categories: that GTE continues to position local interconnection as an access tariff rather than a co-carrier tariff; that GTE's tariff does not accurately define the terms and conditions for meet point

interconnection; that GTE would impose responsibilities on interconnecting carriers that pertain to policy questions that are the purview of the Commission; and that the tariff does not specify a service interval for fulfilling interconnection requirements.

For purposes of analysis and decision, we have identified the following specific issues raised in the comments and responses.

1. Has GTE improperly positioned local interconnection as an access service?

a. Comments and responses

Commission Staff and TCG comment that one of the good aspects of GTE's filing is that it sets out a separate tariff for local interconnection. ELI also believes that the terms and conditions of local interconnection can be made much clearer when set out in a separate tariff.

However, MCImetro and AT&T disagree with GTE's positioning of local interconnection service as an access product. They contend that the service should be offered in its own tariff, Local Interconnection Service.

GTE responds that local interconnection by definition is an access service.  
b. Commission decision

In dealing with local interconnection service separately from its existing services, GTE has taken an approach that is consistent with the letter and spirit of the Commission's orders and that will enable the company to clearly set out the terms and conditions of local interconnection. The Commission will not mandate a title for the tariff.

2. Is there a problem with references to "first point of switching" in Sections 2.1.1 and 2.3?  
Should the tariff clarify the use and definition of "meet point"?

The last sentence in Section 2.1.1 says "Carriers are responsible for the facilities necessary to deliver originating Carrier traffic to the first point of switching at the Telephone Company's end office or access tandem."

The first sentence in Section 2.3 says "Carriers are responsible for delivering Carrier originating traffic to the Telephone Company's first point of switching for traffic termination via switched interconnection trunks."

a. Comments and responses

Commission Staff states that the quoted language seems to imply that carriers must build to GTE's first point of switching, which may not be the most efficient meet point, and seems to imply that the carrier is responsible for facilities on GTE's side of the meet point. Staff recommends deleting the language starting with "first point of switching" and substituting "meet point."

ELI comments that the quoted language combined with Section 2.1.2 dealing with internetwork facilities would require carriers to purchase special access facilities from GTE to carry calls from the meet point to GTE's first point of switching. This type of access arrangement does not represent meet point interconnection. Further, ELI contends that the tariff should clearly define the terms and conditions for local interconnection, including what charges, if any, a carrier incurs for interconnecting at a meet point

TCG argues that GTE's internetwork section defies the Commission's Order on meet point interconnection and that each company should be responsible for its own facilities up to the meet point. TCG suggests that the tariffs make clear that each company will provide its own facilities up to a meet point and that the meet point should be in a mutually agreed upon location.

GTE responds that section 2.1.1 and 2.1.2 must be read together. Section 2.1.1 refers to a through service that must arrive at a first point of switching in GTE's network, but the use of meet point facilities as noted in Section 2.1.2 for reaching GTE's network. To substitute the language "meet point" would confuse the two sections and the difference between a complete service and the internetwork facility of Section 2.1.2.

In response to ELI's comments, GTE states that carriers have the option to obtain special access services from GTE, but are not required to do so. GTE states that the carrier is only responsible for carrying traffic to a mutually agreed meet point.

b. Commission decision

The sections complained of are unclear and must be rewritten. The term "meet point" should

be defined and used to explain where the responsibilities of interconnecting carriers begin and end. The tariff also should state that meet points are to be mutually agreed upon. GTE's clarifications suggest that the company is willing and able to make the necessary clarifications.

The Fourth Supplemental Order requires that "Each company shall be responsible for building and maintaining its own facilities up to the meet point. In addition, each company is responsible for the traffic that originates on its network up to the meet point, and for the terminating traffic handed off at the meet point to the call's destination." [3] The tariff should be just as clear.

3. Should separate trunk groups for toll and local be optional?

The second paragraph of Section 2.1.1 states:

Separate trunk groups will be required for Local/EAS/intraLATA access traffic. The technical details regarding the directions (i.e., one-way or two-way trunking) will be mutually agreed upon . . . .

a. Comments and responses

Commission Staff and ELI recommend that the language in Section 2.1.1 dealing with separate trunk groups be made clearly permissive. Staff recommends the following language:

Separate trunk groups for Local (including EAS) and toll may be used for purposes of distinguishing Local (including EAS) traffic from toll (interexchange traffic for which switched access charges must apply).

MCImetro and AT&T argue that a requirement for separate trunk groups is inconsistent with Section 2.3, which indicates that when a co-carrier submits an order for Interconnection Service with combined local/EAS and intraLATA toll trunk groups, the co-carrier must state the Percentage of Local Usage (PLU). They argue that co-carriers should have the ability to decide how best to configure their networks. They also argue that the requirement is inconsistent with the Sixth Supplemental Order's requirement that the parties negotiate acceptable arrangements and its recognition that accounting methods may be utilized to distinguish between local and toll.

s the section as appropriately requiring separate trunks only for interLATA traffic and allowing for aggregating local, EAS, and intraLATA toll traffic, and as specifying that a PLU must be used in such cases.

GTE accepts the language proposed by staff as additional clarifying language. GTE clarifies that its tariff is intended to allow full trunking options. GTE argues that operational concerns require intraLATA toll to be on trunks separate from interLATA toll and as a practical matter that is how the IXCs are currently connected with GTE.

b. Commission decision

The Commission accepts GTE's offer to clarify the language according to Commission Staff's recommendation.

4. Should the fiber optic facility requirement in Section 2.1.2 be deleted?

Section 2.1.2 requires that "When the Carrier provides the [Internetwork Facility], the facility must be a fiber optic facility."

a. Comments and responses

Commission Staff argues that the requirement that carriers must have fiber optic facility when interconnecting with GTE is too limiting, results in one company picking the technology for another and is inequitable in that it did not require similar standard requirement of GTE.

ELI and MCImetro and AT&T also oppose this requirement.

GTE agrees to delete the sentence.

b. Commission decision

GTE should delete the sentence, for the reasons argued by Commission Staff. The Commission accepts GTE's offer to do so.

5. Should the tariff include specific performance measures?

a. Comments and responses

MCImetro and AT&T argue the tariff should include installation intervals, design objectives, servicing thresholds, mean-time-to repair, etc.

ELI argues that the tariff should include reporting requirements regarding the level of

performance of the network facilities beyond the meet point and clearly defined service intervals with penalties for not achieving the applicable service interval.

GTE responds that it is not current LEC industry practice to list specific performance measures in tariff, but that such elements are appropriately handled through the Access Service Request process. Because installation intervals require that both companies have their facilities in place, and because the other alternative companies do not have interconnection tariffs stating service intervals, the only way to handle such standards is through the service request process.

b. Commission decision

Installation intervals and other performance standards should be part of an interconnection agreement negotiated between the affected parties. GTE states that such details can be handled through the Access Service Request process. The Commission orders GTE to indicate in its tariff that the Access Service Request will result in an interconnection agreement in which details, such as service interval etc., can be agreed upon.

6. Should "directly connected trunk groups" be defined?

The last sentence of Section 2.3 provides:

When separate trunk groups are ordered by the Carrier for local/EAS, intraLATA toll and interLATA access, the Carrier assumes total responsibility to ensure that the proper jurisdictional traffic is sent over the appropriate trunk group. Directly connected trunk groups are required unless other arrangements are established pursuant to a contract. ...

a. Comments and responses

Commission Staff argues that the reference to directly connected trunk groups in Section 2.3 is unclear and recommends that the term be defined in the tariff.

MCImetro and AT&T also question what the term means and question whether trunk groups must be connected at a tandem or end office.

GTE responds that the term "directly connected trunk groups" means connections directly between a given carrier's network and

GTE's network, e.g. a GTE end office or GTE tandem. GTE states that the section is meant to exclude other LEC/ALEC tandem or other transiting connections with commingled traffic, which create problems for recognizing the terminating traffic. It states that it included the condition to avoid an inter-tandem situation between USWC and an ALEC which would allow toll traffic to be terminated for free because GTE cannot separate out the ALEC traffic from other traffic. It states that it currently requires separate direct trunks with all toll carriers and USWC, but that it is willing to negotiate indirect routing provided the Data Distribution Center is employed so that proper access charge billing can occur.

b. Commission decision

GTE's clarification is satisfactory. It does not appear necessary to require GTE to define the phrase at this time.

7. Must interconnecting companies file calling areas that conform to GTE's boundaries?

Section 2.3 provides that it is the interconnecting co-carrier's "responsibility to: by tariff or price list filing, establish exchange and local calling areas that conform to existing GTE-NW exchange boundaries, by tariff or price list filing, establish EAS routes that match the existing Telephone Company EAS routes, assign NXX codes exclusively to a single exchange, and establish rate centers in each such exchange with V and H coordinates that are compatible to those of the Telephone Company."

a. Comments and responses

Commission Staff recommends deleting the quoted language. Staff argues that ALECs should not be prohibited from defining different local calling areas for their customers, provided that they pay GTE access charges for what would be toll traffic under existing calling area boundaries. Staff argues that there are sufficient restrictions already in place to separate toll from local traffic going over the interconnection facilities. It argues that the market, not GTE, should determine ALEC pricing. While it currently is necessary to mirror underlying calling areas so that routing, billing and rating of messages is accurate, it is possible that near-term solutions may develop that will eliminate that necessity.

MCImetro & AT&T also object to this section.

ELI objects that this is a policy question that is the purview of the Commission and subject to change over time.

GTE responds that it is repeating requirements from the

Fourth Supplemental Order into its tariff. It quotes passages in the order to the effect that the ALECs have stated that for at least the present they will establish local calling areas and rate centers conforming to existing LEC EAS and exchange boundaries. GTE argues that it is only defining what traffic will be deemed local and keep intercompany arrangements, and that its tariff does not limit the carrier from having different exchange boundaries or rate center assignments, but does define traffic from these new exchanges to be toll in nature. It argues that the language Commission Staff wishes removed from Section 2.3 is specific to the sentence which follows it: "If the Carrier does not conform to the conditions listed above, all of the Carrier's usage will be rated as toll" (or switched access).

b. Commission decision

The quoted language is unnecessary and must be deleted. It is not appropriate for the tariff of one company to dictate the conditions of a tariff or price list of another company. In its order, the Commission identified the plans of TCG and ELI to copy the existing calling areas for two reasons: first, to point out that it was unnecessary for the companies to undertake an EAS proceeding (as suggested by WITA) and second, to establish that the new LECs were prepared to recognize a clear dividing line between traffic that would be handled as part of a local interconnection agreement and toll traffic subject to existing requirements.

Given that the next sentence also relates to the quoted language, it also must be deleted.

8. Is GTE's obligation to the interconnecting carrier sufficient?

GTE's responsibility under the tariff is set out in a single sentence, at Section 2.4: "It is the Telephone Company's responsibility to comply with the Access Service Request received from the Carrier."

a. Comments and responses

Commission Staff recommends replacing the quoted language with language that requires the company to maintain its part of the interconnected network.

MCImetro and AT&T argue that GTE's obligation should be expanded to cover the full responsibilities under the tariff, including standard installation intervals, service repairs intervals and other performance standards.

GTE includes a copy of the Access Service Request form and contends this procedure will ensure a customized approach. The Company is willing to accept the staff's replacement language as

an addition to its proposed language.

b. Commission's decision

The Commission agrees with Commission Staff's recommendation. We accept GTE's offer to add Staff's proposed language as additional language.

9. Should damages associated with the inappropriate routing and tracking of traffic be determined by GTE?

The third paragraph in Section 2.3 provides:

When separate trunk groups are ordered by the Carrier for local/EAS, intraLATA toll and interLATA access, the Carrier assumes total responsibility to ensure that the proper jurisdictional traffic is sent over the appropriate trunk group. Directly connected trunk groups are required unless other arrangements are established pursuant to a contract. This responsibility is subject to audit by the Telephone Company and damages may be assessed as deemed reasonable and necessary by the Telephone Company.

The fourth paragraph in Section 2.3 provides:

When the carrier submits an order for Interconnection Service with combined local/EAS and intraLATA toll trunk groups, the Carrier must state the Percentage of Local Usage (PLU). This responsibility is subject to audit by the Telephone Company and damages may be assessed as deemed reasonable and necessary by the Telephone Company.

a. Comments and responses

ELI does not object to GTE's provisions in Section 2.3 that a company be audited to ensure that traffic is routed over appropriate trunks and that Percentage Local Use traffic is stated accurately. However, the company does object to GTE unilaterally determining damages. It recommends that damages be determined by WUTC.

MCImetro and AT&T argue that if an audit function must be in the tariff, it should also include a claims process to settle disputes.

GTE responds that it is willing to share the results of its audits with the carrier before any action is taken. It sees no need to involve the Commission in this process. GTE assumes that carriers, confronted with misbilled traffic, will voluntarily make appropriate payments.

b. Commission decision

We agree with ELI that GTE should not be permitted to unilaterally determine damages. This is an issue that can be dealt with in an interconnection agreement. The Commission directs GTE to delete the damages language in both of the paragraphs.

10. Is the definition of end user too vague?

"End User" is defined in Section 2.6 as "any customer that is not a carrier, except that a carrier shall be deemed to be an end user to the extent that the carrier uses telecommunications service for administrative purposes."

a. Comments and responses

Commission Staff argues that the reference to "administrative purposes" in the definition is not clear.

GTE responds that "administrative purposes" is well understood and means internal telecommunications purposes as opposed to inputs to retail services.

b. Commission decision

The Commission agrees with GTE that the definition is sufficiently clear.

11. Should there be additional definitions?

a. Comments and responses

MCImetro and AT&T argue that additional terms such as co-carrier, co-location and unbundled loops need to be defined.

GTE responds that such terms are not used and not needed in this tariff.

b. Commission decision

The terms are not used in the tariff. We agree with GTE on this issue, and will not require the additional definitions.

12. Should the tariff apply to all companies?

a. Comments and responses

WITA expresses a concern as to whether the interconnection tariff applies to companies with EAS routes outside the existing 206 area code. It argues that the record of the case did not address how routes outside the 206 area would be affected, and

the companies involved with those routes were not parties to the proceeding. It argues that it is premature for GTE to establish terms and conditions in its interconnection tariff that would automatically apply to traditional EAS routes throughout the State of Washington. In addition, WITA reiterates its belief that existing EAS routes need to be examined.

Other parties generally congratulated GTE for not making a distinction between new LECs and incumbents.

b. Commission decision

It does not appear that WITA's concerns require any Commission action at this time. If GTE clarifies meet point interconnection and follows the Commission's orders correctly, its local interconnection tariff should not change how incumbents interconnect for EAS purposes. WITA's concerns may need to be considered when USWC and GTE file a permanent interconnection tariff detailing an interconnection charge based on capacity.

B. U S WEST's Tariff Filing

Unlike GTE, USWC did not file a separate tariff for local interconnection. It added a new section to its Switched Access Tariff, entitled "Local Network Interconnection Services," and filed revised pages modifying other sections of its Switched Access Tariff to apply to ALECs as well as IXCs. The new section, in its entirety, is as follows:

16. Local Network Interconnection Services

16.1 Local Interconnection Service

For an interim period, U S WEST Communications (USWC) will provide interconnection of facilities at a mutually-agreed-upon meet-point for the purpose of terminating local exchange (including EAS) and toll calls from Alternative Exchange Carriers (AEC's). Local traffic will be terminated without charge. All service arrangements will be provided under contractual agreements.

USWC Switched Access rates as set forth in Section 6 preceding, will apply to all toll traffic.

Directory Listings, Operator Services, Transit Services and Directory Assistance will be available to AECs under contractual agreements.

The other parties' comments generally are of four types:

1. They are concerned that USWC did not file a separate local interconnection tariff.

2. They complain that the new tariff section regarding local interconnection (Section 16) falls far short of defining local interconnection terms and conditions.

3. They are concerned that the new tariff language distinguishes between alternative local exchange companies (ALECs) and incumbent local exchange companies (incumbent LECs), and treats the two groups differently.

4. They complain that new language that USWC has added to its existing access tariff is unclear, or is unnecessary and inconsistent with the directives or intent of the Commission's orders.

In its responses, USWC categorizes the comments in a manner that the Commission finds helpful and will use.

1. Should USWC be required to offer local interconnection service under a separate tariff, rather than as part of the existing Switched Access Tariff?

a. Comments and responses

Commission Staff argues that USWC should file a separate local interconnection service tariff and not "shoehorn" Local Interconnection Service ("LIS") into its existing switched access tariff. It argues that requiring USWC to file a separate local interconnection will greatly improve the likelihood of success in meeting the goals the Commission expressed in the Fourth and Sixth Supplemental Orders. In support of its argument, Staff quotes the following language from page 19 of the Fourth Supplemental Order:

[N]ew entrants [should] be recognized as co-carriers and treated accordingly. The Commission should dismantle any remaining barriers to entry and avoid constructing (or authorizing incumbents to construct) new barriers through decisions on interconnection issues.

Staff also quotes the following language from page 27 of the Fourth Supplemental Order:

The Commission believes it would be a fundamentally misguided strategy to emulate the toll access structure in local exchange interconnection or to make consistency between toll and local access rates an objective in developing an interconnection compensation structure.

Commission Staff also argues that a separate tariff will serve the Commission's goal of letting companies know the ground rules for interconnection, quoting the following language from page 24 the Sixth Supplemental Order:

A tariff will let all companies know what the ground rules are, and will substantially reduce the potential for conflict and delaying tactics.

TCG argues that the inclusion of the interconnection tariff in the interexchange access tariff is fundamentally wrong. It argues that a separate tariff is inconsistent with the Commission's recognition that carriers such as TCG are local co-carriers and that the relationship between co-carriers should be recognized through a process of negotiations and equal treatment.

TCG also objects to liability limitations that would result from treating interconnection as an access product. TCG argues that the question of liability and indemnification should be reciprocal and negotiated by the interconnecting carriers.

ELI argues that the "pigeonholing" of local interconnection into USWC's existing access tariff results in USWC failing to adequately define local interconnection terms and conditions, and in it continuing to discriminate between "alternative exchange carriers" and the incumbent local exchange carriers.

MCImetro and AT&T argue that USWC's positioning of Local Interconnection Service as an access product is contrary to the intent of the Commission's orders. They argue that Local Interconnection Service is a co-carrier arrangement, not an access service.

USWC defends its inclusions of LIS in its existing Switched Access Tariff. It argues that the Commission's order did not specify a separate tariff, and that need for a separate tariff was never an issue before the Commission. It argues that combining the two services in a single tariff is reasonable, because the two services are indistinguishable in terms of technology. It argues that combining them is more efficient, because the majority of terms and conditions are applicable to both toll and local service. It argues that "the company should be free to design its own tariffs, so long as the tariffs are not misleading to consumers and other carriers reading the tariffs." It argues that it will continue to advocate that different rate structures for toll and local carrier access are unsustainable in the long run, and that there should be a transition to cost based interconnection rates that do not depend on shifting end user rates in a competitive environment, or the technology employed by various carriers.

b. Commission decision

The Commission ore a separate interconnection tariff, as GTE has done.

The USWC argument that toll and local access are technically the same is in error. Interconnection occurs at a mutually agreed-upon meet point, while toll service, under the existing tariff, is connected at a "Point of Termination" defined by USWC to be at the customer's premises. [4]

Apart from such technical issues, the terms under which those services are provided are too different to fit within the same tariff. In the Fourth Supplemental Order, the Commission rejected USWC's original proposal to include local interconnection as part of a restructured local access and transport service in which the same rates would be applied to toll and local access, for reasons set out in that order.

USWC's attempt to hold onto a position that the Commission has rejected results in much of the murkiness of the revised tariff filing that is complained of by the other parties (see below), and results in a tariff that violates the Commission's orders.

Plugging LIS into the existing switched access tariff makes ALECs "customers" of USWC under the tariff, [5] obligating them to a series of "customer" obligations that do not appear to be reciprocal to USWC. [6] That is inconsistent with the Fourth Supplemental Order's policy statement that ALECs and incumbent LECs are co-carriers and should so treat one another. [7] As noted above, plugging LIS into the switched access tariff creates a conflict between the "Point of Termination" at customer premises that is used for toll access and the "mutually agreed-upon meet point" that the Commission has ordered for interconnection.

The existing switched access tariff has requirements and limitations in USWC's relationship with its customers that are not appropriate in its relationship with co-carriers. For example, the revised tariff states in Section 2.1.4 that USWC will provide access service only after provision has been made for its own telephone exchange services. This may be an appropriate distinction when "access services" are limited, but it is not appropriate to put interconnection for local exchange service being provided by co-carriers on the same second tier with toll access.

Liability provisions in the switched access tariff are appropriate for IXCs as customers but not for ALECs as co-carriers. For example, the tariff would limit USWC's liability (except for willful misconduct) to a pro-rated refund of the charges when it fails to provide service. [8] That provision does not fit well under bill and keep, which does not involve charges. Even if bill and keep is replaced by capacity charges for the termination of local traffic, it will not necessarily be appropriate to limit liability to a refund of charges.

Another example is that USWC's proposed tariff structure

would permit it to change the telephone numbers of its co-carriers. [9] It may be appropriate for USWC to have such control with its IXC customers, but such control is inconsistent with the co-carrier relationship ordered by the Commission for ALECs. If USWC were allowed to change the numbers of an ALEC, the requirement of reciprocity would allow the ALEC to change USWC's numbers. The result would be chaos.

Further attempts to marry local interconnection service with the existing Switched Access Tariff are likely to result only in further delay in getting down to the business of interconnecting and exchanging local traffic. It is time to call a halt to USWC's efforts to do so. The Commission orders USWC to file a separate tariff for local interconnection service.

2. Should the interim compensation mechanism be described as "without charge" or as "bill and keep"?

Original Sheet 16-1, first paragraph, states: "Local traffic will be terminated without charge." That language is repeated in 1st revised Sheet 2-33 paragraph 2.4.7.

a. Comments and responses

Commission Staff argues that the sentence should be amended to say "Local traffic will be terminated on a bill and keep basis."

ELI argues for the same language change. It argues that the language it proposes more accurately reflects the Commission's decision in the Fourth Supplemental Order, specifically the Commission's finding that bill and keep is not a system of interconnection "for free."

USWC responds that the term "for free" is more accurate and descriptive than "bill and keep," and that its decision not to use the latter term is not a violation of any ordering section of the Commission's orders.

b. Commission decision

We agree with USWC that the term "bill and keep" may not be readily understood by companies that were not parties to this proceeding. However, we also believe that USWC's language is misleading in that it does not make it clear that USWC's obligation to terminate traffic without charge on an interim basis is a reciprocal obligation. The Commission's order requires that for an interim period, local traffic will be terminated without charge, provided the interconnecting exchange carrier also terminates USWC local traffic without charge. The Commission

orders USWC to modify the statement to read: "Local traffic will be terminated on a `bill and keep' basis, that is, without charge on a reciprocal basis"; or to use other language that both uses the term "bill and keep" and conveys the reciprocal nature of the obligation.

3. Should USWC's obligation to interconnect be "subject to availability" of facilities?

Second revised Sheet 2-2 paragraph 2.1.2(C) has the following new language:

Subject to compliance with the rules mentioned in (B) preceding, the services offered herein will be provided to customers on a first-come, first-served basis.

Second revised Sheet 2-2 paragraph 2.1.2(D) has the following new language:

The furnishing of service under this Tariff will require certain physical arrangements of the facilities of the Company and is therefore subject to the availability of such facilities and the technical feasibility of providing such services.

a. Comments and responses

ELI argues that the 2.1.2(D) language would improperly indemnify USWC against liability if it failed to provide adequate facilities for terminating local and EAS traffic originating on ELI's network. It argues that this would circumvent the intent of the Fourth Supplemental Order which stated at page 46: "each company shall be responsible for building and maintaining its own facilities up to the meet point." In addition, argues ELI, the Commission's quality of service rule WAC 480-120-515(2)(a) states that local and EAS interoffice trunk facilities shall have a minimum engineering standard of B.01 (P.01) level of service, and a carrier must provide adequate facilities to meet these engineering design standards. It argues that tariff language should not be allowed which would circumvent this requirement.

TCG argues the tariff does not adequately address the subject of quality and timeliness of service and interconnection, and specifically that 2.1.2(C) and (D) provide no promise of adequate or timely service. It argues that instead the interconnecting local carriers should be required to mutually forecast their needs over a six-month period (subject to appropriate penalties for excessive forecasts) and arrange semi-annual planning meetings to ensure availability of facilities.

TCG also argues that subjects such as limitations on liability and indemnification are more appropriately addressed in negotiated contracts.

MCImetro and AT&T also object, arguing that the Commission's orders do not contain such conditional language. They express a concern that this provision will be used by USWC to forestall interconnection.

USWC responds that it still would be subject to the Commission's general quality of service requirements. USWC states that it will attempt to meet carrier demand for interconnection services if there is a facilities problem, but it cannot be compelled to invest in new facilities for the benefit of its competitors without any opportunity to recover. It also argues that the service offerings of the ALECs themselves are subject to availability of facilities. USWC concludes that this provision "is in full compliance with the orders and cannot be rejected."

b. Commission decision

The Commission rejects USWC's proposed language limiting its obligation to provide interconnection service. In proposing this limit, USWC has fundamentally misinterpreted the effect of the interconnection orders. The clear intent of the Fourth Supplemental Order was that each company would be required to build sufficient facilities from meet points back through its network. USWC has an obligation to interconnect with other carriers and deliver the messages originating from the customers of those carriers, set out in Constitution Art. 12, Sec. 19. That section provides that all companies in the business of providing telephone service "shall receive and transmit each other's messages without delay or discrimination." That is a basic duty of every local exchange telephone company in this state, including USWC and its competitors. USWC has an obligation to provide whatever facilities are necessary on its side of meet points to complete local calls that are delivered to it by originating local exchange companies.

USWC's argument that all its competitors offer service subject to the availability of facilities and that it therefore can do the same for interconnection is without merit. That argument confuses the circumstances under which a carrier offers services to its customers and those under which one carrier offers service to another carrier. The Commission will not allow any carrier, regardless of the terms offered to its own customers, to condition its obligation to interconnect at meet points and to complete local calls delivered by originating carriers on the availability of facilities.

USWC's argument that its interconnection obligation is somehow limited because it is not allowed to charge competitors for the cost of building the facilities used in interconnection also is without merit. USWC's argument suggests that it misunderstands the basis on which we adopted mutual traffic exchange as the interim compensation mechanism. The basis for bill and keep was not a connection will not

cause carriers to incur costs. It is clear that, for both interconnecting companies, costs would be lower if they simply offered service to customers on their own network and did not interconnect with other networks. They do not have the option of offering such limited service. Since interconnection requires each carrier to invest in facilities it otherwise would not require, we found it reasonable, on an interim basis, that each carrier bear those costs and receive, in consideration, the use of the other carrier's interconnection facilities. [10] While USWC will not receive monetary payment from ALECs for provisioning terminating facilities on its side of meet points and completing ALECs' calls during the interim period, USWC also is not required to pay ALECs for their interconnection facilities or call termination. The choice of a compensation mechanism, be it mutual traffic exchange or explicit rates, has no bearing on the mutual obligations of each LEC to interconnect with one another and to terminate one another's messages.

4. Should the standard order interval for toll access service be applied to interconnection service?

1st revised Sheet 5-22 at the last paragraph in 5.4 adds the following new language: "The standard order interval for Local Interconnection Service is the same as the interval for standard Feature Group D Switched Access Service."

a. Comments and responses

Commission Staff argues that the new language should be deleted. It argues that "Standard Interval" is governed at Original Sheet 5-8(a) where something called a Service Interval Guide is obliquely referenced to 5.2.1 preceding, which says that a copy may be obtained from a U S WEST Account Representative. It argues that the Commission order said to interconnect, and it is inappropriate to insert a paragraph that has the effect of completely removing important conditions from the tariff. It argues that this provision has the effect of removing from the tariff the important question of how long a competitor has to wait to obtain interconnection from USWC.

ELI also objects to the treatment of service order intervals, although for a different reason. ELI does not object to tying the interconnection interval to the interexchange access interval, but it is concerned that the consequences for USWC's failure to meet deadlines are inappropriate. The policy is that, if USWC cannot provide service on time, the customer is allowed to cancel service without paying a cancellation charge. ELI argues that, once the point of interconnection is mutually agreed should be a clearly defined service interval and penalties for not achieving that deadline.

USWC responds that it has simply integrated local network interconnection service into its existing system of service intervals and has not removed any existing requirements. Any

penalties are more appropriately addressed in carrier specific contract arrangements.

b. Commission decision

There really are two issues here. First, how should the deadlines for establishing interconnection service be set? Should they be set by tariff, by USWC in its Service Interval Guide, or by negotiation between the two companies? A negotiated deadline would allow for arrangements that are flexible and depend on the specific circumstances. A tariffed deadline would protect competitors from tactical delay by the incumbent. The second issue is the penalties that should apply if USWC fails to meet whatever deadline is adopted. The current penalty for missing deadlines is that USWC loses the customer. That penalty makes no sense in the context of interconnection. It might well be seen by USWC as a reward rather than a penalty.

We order USWC to delete the language tying interconnection deadlines to Feature Group D deadlines and penalties. USWC's proposal, in which deadlines ultimately are determined by its own service guide, would allow it to dictate deadlines to its competitors, and would provide no meaningful penalty for failure to meet even those deadlines. Our order requires that USWC and competing carriers treat each other as co-carriers. This requires that deadlines and penalties be a matter for negotiation, not a matter for one party to dictate to another. The Commission recognizes that this arrangement raises the potential for abuse by carriers who might wish to use delay in either negotiation or installation as a business strategy. The Commission is prepared to act promptly on any complaints should such problems emerge.

5. Should the terms and conditions for local interconnection service distinguish between alternative or new local exchange carriers and the incumbent local exchange carriers?

USWC's tariff would define "local interconnection service" and "alternative exchange carrier" in such a way that the tariff would not appear to apply to interconnncal exchange carrier whose service area does not overlap USWC's.

a. Comments and responses

Commission Staff argues that language in the definitions of "Local Interconnection Service (LIS)" and "Local Network Interconnection Service (LNIS)" at Original Sheet 2-58.1 results in the tariff discriminating between ALECs and interconnecting incumbent LECs. It argues that the definitions should be revised to unambiguously apply to interconnecting incumbent LECs as well as ALECs, both now and in the future.

ELI argues that the Commission intended to require non-discriminatory interconnection when it adopted, at page 42 of the

Fourth Supplemental Order, the ALECs' position that all companies must adopt the same compensation mechanism for all local interconnection, including EAS traffic. It argues that USWC's proposed tariff continues to discriminate between ALECs and the incumbent LECs. It cites the same example as Commission Staff -- the cited definitions do not indicate that these arrangements also pertain to other incumbent local exchange carriers for the mutual exchange of EAS traffic.

USWC responds that it originally excluded incumbent LECs from its definition of alternative exchange carriers because it proposed an interim universal service charge that would not apply to incumbents. It argues that its definition of AEC would not exclude an incumbent LEC operating in USWC's "territory." It states that it intends for all locally rated traffic to be charged at the same rates.

b. Commission decision

We order USWC to revise its local interconnection tariff to apply unambiguously to interconnecting incumbent LECs as well as ALECs, both now and in the future. The effect of USWC's definitions is to treat differently LECs that compete with USWC and LECs that do not compete with USWC, since the tariff would not apply to non-competing LECs. That treatment is inconsistent with the Commission's finding in the Fourth Supplemental Order that "there is no essential difference between ALEC local traffic and incumbent LEC local traffic within a local calling area, including an EAS area." The distinction that USWC's tariff appears to make with the Fourth Supplemental Order.

6. Should local interconnection service be characterized in the tariff as "interim"?

Original Sheet 16-1, first paragraph, and 1st revised Sheet 2-33 paragraph 2.4.7, begin: "For an interim period, USWC will provide interconnection...."

a. Comments and responses

TCG argues that it should be made clear that the only aspect of the tariff that is "interim" in nature is the "bill and keep" character of compensation, and that other aspects of the tariff will not be interim in nature.

USWC responds that its intent was to apply the term "interim" only to the compensation mechanism. It submits revised tariff sheets making this change.

b. Commission decision

USWC's revised local interconnection tariff should reflect the change USWC has offered to make, eliminating the misplaced

modifier.

7. Can USWC require that all interconnection services be provided under contract?

Original Sheet 16-1 (in its first paragraph) would require that "all service arrangements will be provided under contractual arrangements." 1st revised Sheet 2-33 paragraph 2.4.7 references Original Sheet 16-1 and repeats the contractual arrangements requirement.

a. Comments and responses

Commission Staff argues that the contractual arrangements provision is unnecessary and that it will have the effect of removing interconnection arrangements from Commission oversight. Staff notes that The Commission ordered the companies to file an interconnection tariff, not language that simply references contractual agreements that will not be subject to mandatory Commission oversight. Contracts between carriers have not been required by rule or otherwise in the past.

ELI also objects to the language, arguing that one of the purposes of a tariff is to limit the need for contractual agreements. It cites the Sixth Supplemental Order, at page 24: "A tariff will let all companies know what the ground rules are, and will substantially reduce the potential for conflict and delaying tactics."

MCImetro and AT&T argue that the "under contractual agreements" language of should be clarified, because it is unclear what the provision refers to. MCImetro and AT&T also argue that many of the provisions of the proposed tariff are "subject to mutual agreement," and that this language lends itself to putting co-carriers into a take-it-or-leave-it situation, giving USWC a great tool to exercise its monopoly power.

USWC responds that it is the generic "ground rules" applicable in all circumstances that are set out in the tariff, and that the tariff cannot address the specific circumstances of each interconnection arrangement. USWC argues that a contract is absolutely necessary to specify the technical requirements, the meet point locations, the specific interconnection location, and other matters unique to a specific interconnection. It suggests that the term "Service Agreement" might be used in place of "contractual agreement." It argues that in complex inter-company arrangements it is impossible to reduce every conceivable issue to tariff language, and that service agreements are commonly used to flesh out as necessary general tariff terms and conditions.

b. Commission decision

We agree with USWC that it is appropriate to require a contract to memorialize matters unique to a specific interconnection. The Commission's interconnection orders have emphasized negotiations. This approach is consistent with the approach of the recently-passed federal Telecommunications Act of 1996. Details such as specific locations of meet points, deadlines, penalties, methods for accounting for toll and local traffic, etc., require negotiation between the two carriers, and a contract is a reasonable outcome of such negotiation. However, the Commission, as did Congress in the Telecommunications Act of 1996, recognizes that it may be difficult or impossible to resolve all issues in a timely manner through negotiation. The Commission has ordered the tariffing of term that the parties were unable to resolve satisfactorily through negotiation and that are general in nature. Further disagreement over details shall be handled through mediation and arbitration consistent with federal law.

8. Should the tariff specify that directory listings, operator services, transit services, and directory assistance will be offered to ALECs under the same conditions as currently provided to incumbent LECs?

The last paragraph of Original Sheet 16-1 would require that "Directory Listings, Operator Services, Transit Services and Directory Assistance will be available to AECs under contractual agreements."

a. Comments and responses

Commission Staff argues that the two "contractual agreements" provisions in Original Sheet 16-1, in the first paragraph and in the last, taken together appear to imply that at least two contracts, possibly more, will have to be developed, that it is unclear whether the second sentence is a complete list, and that the language raises concerns that it may be difficult to ensure Directory Listings, Operator Services, Transit Services and Directory Assistance, and E911 will be provided under the same conditions as currently provided to incumbent LECs.

MCImetro and AT&T argue that the last paragraph of Original Sheet 16-1 is inconsistent with the Fourth Supplemental Order's requirement, at page 57, that the listed offerings must be made available to co-carriers on the same terms and conditions that USWC offers to other incumbent LECs. It contends that the terms and conditions must be tariffed.

USWC responds that these are optional services that may be of interest to ALECs. Nothing prohibits parties from negotiating a contract for these services.

b. Commission decision

We determined in the Fourth Supplemental Order that to ensure that USWC, GTE, and all other LECs can continue to be in compliance with WAC 480-120-042, USWC and GTE must include in their directories and directory databases all listings of telephone subscribers that are submitted to them by companies serving the same area served by the directory or database. The order directed both companies to include simple listings of ALEC customers in their published directories at

The order required USWC and GTE to provide other directory assistance, line identification data base (LIDB), and operator services to ALECs on the same terms and conditions as they are provided to other LECs. We did not require USWC to offer them under tariff.

We expect USWC to comply with our order and with its statutory obligations and not discriminate among competing and non-competing LECs in negotiating contracts for these services. It should not be necessary to tariff that requirement, or to tariff the general terms and conditions for those services. Tariffing the services would ensure that they are provided without unreasonable discrimination, and the Commission will revisit the need to tariff the general terms and conditions for those services if we receive complaints of discrimination.

MCImetro and AT&T's argument raises the question of how the new entrants that negotiate for these services will know whether the terms and conditions that USWC proposes to them are nondiscriminatory. Clearly, in negotiations USWC must provide information to carriers that will allow them to determine whether USWC is offering them the services under substantially the same terms and conditions as USWC makes the services available to independent traditional LECs and other ALECs.

#### 9. Limitations on liability and indemnification.

##### a. Comments and responses

TCG expresses concern about limitations on liability, such as those in 2.1 of the tariff, and argues that limitations on liability and indemnification should be symmetrical and reciprocal in nature and are more appropriately addressed in negotiated contracts.

USWC responds that nothing in the tariff precludes carriers from negotiating different limitations on a carrier specific basis.

##### b. Commission decision

This issue arises only because USWC has applied the access service liability standards to local interconnection service. Since we have ordered USWC to offer interconnection under a separate tariff, the liab of the access tariff are irrelevant. However, TCG's more general point is a good one.

Liability and indemnification provisions are properly a subject of negotiation between the interconnecting carriers. These provisions may not necessarily limit USWC's liability to the extent of its traditional services. It may well be that provisions common in other business agreements, such as liquidated damages, are most appropriate. Therefore, the Commission orders USWC to provide in the interconnection tariff that limitations on liability and indemnification will be reciprocal on the interconnecting carriers and that the carriers are free to negotiate appropriate contract provisions.

10. Should the reference to seven-digit dialing be removed from the definition of extended area service?

2nd revised Sheet 2-54 has new language defining the term EAS: "The term 'Extended Area Service' denotes mandatory, two-way seven-digit local calling service between exchanges that provides the ability to call from one exchange . . . ."

a. Comments and responses

Commission Staff argues that the words "seven-digit" should be deleted, because it is possible that in the future ten-digit dialing may be implemented in Seattle. The proposed tariff defines extended area service as "mandatory, two-way seven-digit local calling service between exchanges..."

USWC responds that its definition of extended area service is the same as the one in WAC 480-120-405(2) and that, if and when the WAC definition changes, the tariff definition should be changed.

b. Commission decision

USWC's proposed tariff language is acceptable, for the reasons set out in the company's response.

11. Should the interconnection tariff include a requirement for separate trunk groups for local and toll traffic?

1st revised Sheet 5-7.2 paragraph 5.2(B) states that "When the customer orders Local Interconnection service, the customer must specify Local Transport, Local Switching and LIS trunks (as described in Section 16, following). When ordering LIS to the Access Tandem or to the Local Tandem, the customer must specify separate trunk groups for local traffic and toll traffic."

a. Comments and responses

Commission Staff argues that there are several problems with

this language. First, it is unclear in that Section 16 does not describe LIS trunks at all. Second, it is not clear why it is necessary to specify Local Transport, Local Trunking, and LIS trunks. Staff argues that the entire paragraph should be deleted.

ELI makes similar arguments. It argues that, furthermore, these rate elements should not apply given that the Commission ordered meet point interconnection and bill and keep compensation for the exchange of local and EAS traffic.

TCG argues that there is no need for a company to specify local transport or local switching as required by section 5.2(B) because the interconnecting company will provide its own transport and local switching. It also argues that the Commission's orders make it clear that separate facilities may be one option, but this option should not be made mandatory.

MCImetro and AT&T argue that 5.2(B)'s requirement that each order for LIS have a separate trunk group for local and toll traffic conflicts with the Sixth Supplemental Order, which specifically states at page 18 that USWC and the co-carriers should negotiate an acceptable arrangement, and which recognized that accounting methods can be utilized to distinguish between local and toll traffic.

USWC responds that the first sentence anticipates the adoption of Local Transport Restructure in the ongoing general rate case. It offers the following revision if the Commission should conclude that such anticipation is inappropriate:

When a customer orders Local Interconnection Service to the Access Tandem or to the Local Tandem, the customer must specify separate LIS trunk groups for local traffic and toll traffic.

USWC argues that a tariff requirement for separate trunk groups for local and toll traffic is in compliance with the Sixth Supplemental Order, "and cannot be rejected." USWC quotes the following language from that order:

The Commission reiterates its position that companies must continue to be able to distinguish between toll and local traffic. In requiring that distinction, the Commission takes no position on the preferred method of distinguishing between kinds of traffic ... The Commission is not mandating how the distinction between toll and local is made. [6th Supp, 17-18]

b. Commission decision

We order USWC to delete the provision requiring separate trunks. The method for distinguishing between local and toll must be a matter for negotiation between the parties. USWC's selective reading of the Sixth Supplemental Order distorts its clear intent. The material USWC omits from the above quote includes specific statements rejecting USWC's contention on reconsideration that the only solution is separate trunks, and recognizing that there are accounting methods that can account for toll and local traffic. The quote also omits the following sentence: "[The Commission] leaves it up to the ingenuity of interconnecting parties to resolve the details." USWC's attempt to unilaterally impose its solution does not comply with the Sixth Supplemental Order.

12. Should USWC be allowed to require a single point of interconnection per customer premises?

1st revised Sheet 2-6 paragraph 2.1.5 provides that "Access service has only one Point of Termination per customer premises."

a. Comments and responses

TCG argues that the tariff should allow for more than one point of interconnection. It argues that the proposed tariff is ambiguous in this regard, and the above language seems to preclude more than one point of interconnection per company even if both companies agree to more than one point of interconnection.

USWC responds that it does not require a single point of interconnection; it requires a single point of termination per customer premises.

b. Commission decision

This is another issue that arises only because USWC is attempting to include interconnection in its existing switched access tariff. "Point of Termination" is a concept applied to access services. It has no relevance under the Commission's requirement for mutually agreed-upon meet point interconnection. Requiring a separate local interconnection tariff will eliminate the ambiguity.

13. Does the proposed tariff require ALECs to obtain 800 database service from USWC?

a. Comments and responses

TCG expresses concern with ambiguity in paragraph 5.2(A) with regard to the 800 Database. It argues that the section seems to imply that other local carriers have no choice but to take USWC's 800 Database service. TCG states that it intends to provide its own 800 Database service and should not be precluded

from doing so.

USWC argues that the tariff merely offers the service but does not require carriers to purchase it.

b. Commission decision

This issue is another artifact of putting interconnection in the toll access tariff. It is rendered moot by our decision that interconnection must be offered under a separate tariff.

FINDINGS

Having discussed above in detail the evidence concerning all material matters, and having stated findings and conclusions, the Commission now makes the following summary of these facts. Those portions of the preceding detailed findings pertaining to the ultimate findings are incorporated herein by this reference.

1. For the reasons set forth above, the Commission finds that the tariff revisions filed by GTE on January 16, 1996, are unclear and are not in accordance with the Commission's Fourth and Sixth Supplemental Orders in these consolidated dockets, and that the tariff revisions should be rejected.

2. For the reasons set forth above, the Commission finds that the tariff revisions filed by USWC on January 19, 1996, are unclear and are not in accordance with the Commission's Fourth and Sixth Supplemental Orders in these consolidated dockets, and that the tariff revisions should be rejected.

O R D E R

THE COMMISSION ORDERS:

1. The tariff revisions filed by GTE on January 16, 1996, are rejected in their entirety. GTE is ordered to file tariff revisions in the form found appropriate in the Fourth and Sixth Supplemental Orders in these consolidated dockets and in this order.

2. The tariff revisions filed by USWC on January 19, 1996, are rejected in their entirety. USWC is ordered to file tariff revisions in the form found appropriate in the Fourth and Sixth Supplemental Orders in these consolidated dockets and in this order.

3. The tariffs required by this order shall be tariffed and filed no later than fourteen (14) days after entry of this order, with a stated effective date at least five (5) working days after the filing date.

4. The refiled tariff pages shall bear the notation that the tariffs are filed by authority of the Commission's NINTH

SUPPLEMENTAL ORDER IN DOCKET NOS. UT-941464, et al.

5. The compliance filing required by this order is strictly limited in scope to effectuate the terms of the Commission's decisions and orders in these consolidated dockets.

6. The Commission retains jurisdiction over the subject matter and the parties to effectuate the provisions of this order.

7. All outstanding motions consistent with this order are deemed granted. Those inconsistent with this order are deemed denied.

DATED at Olympia, Washington, and effective this            day  
of March 1996.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

SHARON L. NELSON, Chairman

RICHARD HEMSTAD, Commissioner

WILLIAM R. GILLIS, Commissioner

Endnotes:

1. The term "local exchange company" ("LEC") refers to telecommunications companies (carriers) that provide local exchange service. Sometimes it is used to refer only to the LECs that historically have provided local exchange service.

New competitors of historical LECs in the local exchange service market are called by various names, including "alternative local exchange company" ("ALEC"), "alternative exchange carrier" ("AEC"), "competitive local exchange carrier" ("CLEC"), and "new LEC." Although historical LECs for the most part maintain traditional service territories where they do not compete against one another, they are not prohibited from competing against one another.

2. The Commission also received comments in opposition to U S WEST's filing from NEXTLINK Washington, successor to Tel-West, which was not a party.

3. At page 46.
4. Section 2.6.
5. Section 2.6.
6. See Section 2.3.
7. Pg. 19.
8. Section 2.1.3(A).
9. Section 2.1.12.
10. The Commission also has recognized that the costs incurred by each interconnecting carrier will not necessarily be equal. That factor, plus the lack of sufficient record evidence on port charges, led us to order USWC and GTE to develop cost-based capacity charges and file them by July 1, 1996. We expect those charges to reflect the nature of interconnection costs, i.e., fixed costs of interconnection facilities, and to provide for recovery of those costs based on the capacity required by the interconnecting carrier. We also expect ALECs to provide interconnection service to USWC and GTE under a capacity-based rate structure.