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# NEW APPLICATION

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BEFORE THE ARIZONA CORPORATION COMMISSION

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**WILLIAM A. MUNDELL**  
Chairman

**JIM IRVIN**  
Commissioner

**MARC SPITZER**  
Commissioner

AZ CORP COMMISSION  
DOCUMENT CONTROL

**IN THE MATTER OF THE  
APPLICATION OF ARIZONA  
TELEPHONE COMPANY AND  
SOUTHWESTERN TELEPHONE  
COMPANY FOR APPROVAL OF A  
WIRELESS INTERCONNECTION  
AGREEMENT WITH NEXTEL WEST  
CORP.**

} DOCKET NO. T-02063A-01- 0057  
} DOCKET NO. T-01072B-01- 0057  
} APPLICATION

Arizona Telephone Company, an Arizona public service corporation and wholly-owned subsidiary of TDS Telecom, and Southwestern Telephone Company, an Arizona public service corporation and wholly-owned subsidiary of TDS Telecom (collectively, "TDS Telecom" or the "Companies") hereby submit this application for approval of a Wireless Interconnection Agreement (the "Agreement") between the Companies and Nextel West Corp., a Delaware corporation ("Nextel"). In support of this application, the Companies state as follows:

**I.**

TDS Telecom is a local exchange carrier which provides telecommunications services in Arizona through its wholly-owned subsidiaries Arizona Telephone Company and Southwestern Telephone Company. The Companies are public service corporations within the meaning of Article 15, Section 2, of the Arizona Constitution, and as such, are regulated by the

1 Arizona Corporation Commission ("Commission").

2 **II.**

3  
4 Nextel is an authorized commercial mobile radio service carrier engaged in the  
5 business of providing mobile radio telecommunications services in Arizona.

6 **III.**

7 On March 1, 2000, the Companies and Nextel entered into a Wireless  
8 Interconnection Agreement which provides for the parties to interconnect their facilities and  
9 interchange traffic for the provision of telecommunications services in Arizona. The Agreement  
10 was reached through voluntary negotiations, without resort to mediation or arbitration, and is  
11 submitted for approval pursuant to Section 252(e) of the Communications Act of 1934, as  
12 amended by the Telecommunications Act of 1996 (the "Act"), and the requirements of A.A.C.  
13 R14-2-1506. A complete copy of the signed Agreement (including appendices) is attached hereto  
14 as Attachment "A" and incorporated herein by this reference.

15 **IV.**

16 Section 252(e) of the Act allows a state commission to reject an agreement reached  
17 through voluntary negotiations **only** if the commission finds that:

- 18 (1) The agreement (or portion thereof) discriminates against a  
19 telecommunications carrier not a party to the agreement; or  
20 (2) the implementation of such agreement or portion is not consistent with the  
21 public interest, convenience and necessity.

22 **V.**

23 Arizona Administrative Code Rule R14-2-1506(C)(1)(b) requires that a request for  
24 approval of an interconnection agreement (i) summarize the main provisions of the agreement;  
25 (ii) set forth the party's position as to why the agreement should be adopted; and (iii) state why  
26 the agreement does not discriminate against non-party telecommunications carriers; is consistent

1 with the public interest, convenience and necessity; and is consistent with applicable state law  
2 requirements.

3  
4 **VI.**

5 Pursuant to the above requirements, the main provisions of the Agreement are  
6 summarized as follows:

7 Section 1. Section 1 of the Agreement provides that the exchange of local traffic  
8 between the Companies and Nextel will be accomplished through interconnection of parties'  
9 existing telephone networks in Arizona.

10 Section 2. Section 2 of the Agreement provides that the default point of  
11 interconnection shall be at an appropriate access tandem, that a party may establish a different  
12 point of interconnection if it does not increase the cost of transporting or terminating calls for the  
13 other party, and that the parties are responsible for the costs of providing trunks from their  
14 respective networks to the point of interconnection. Section 2 also establishes the charges for  
15 terminating and transporting non-local calls by reference to Appendix "A" to the Agreement, and  
16 establishes billing and collection procedures.

17 Section 3. Section 3 of the Agreement authorizes both the Companies and Nextel  
18 to obtain traffic distribution reports from the local exchange carrier tandem provider summarizing  
19 traffic originated by one party and terminated on the other party's network. Where traffic  
20 distribution reports are used for billing, the parties agree to accept those reports as accurate,  
21 subject to the right to audit the reports. Section 3 sets forth procedures for the audit of traffic  
22 reports.

23 In the absence of traffic distribution reports, the parties agree to estimate Nextel  
24 traffic at 42.86% of the traffic billed by the Companies. This arrangement assumes that  
25 approximately 70% of the total traffic between Nextel and the Companies is the Companies'  
26 terminating traffic. The parties further agree to adjust this formula at a later date if they are better

1 able to determine actual minutes of use. In addition, the parties agree to work on a longer term  
2 arrangement whereby each party is able to record and summarize call message details and thereby  
3 invoice the originating party for actual terminating traffic.

4 Section 4. Section 4 of the Agreement states that the Companies and Nextel are  
5 independent contractors, and that neither the Companies nor Nextel are agents, representatives, or  
6 partners of the other.

7 Section 5. Section 5 of the Agreement establishes limitations on the liability of  
8 each party, and affirmatively disclaims all warranties, express or implied, including those of  
9 merchantability and fitness for a particular purpose. Section 5 limits each parties' liability for  
10 claims arising under the Agreement to the amount of the charges billed to the party making the  
11 claim for the month during which the claim arose.

12 Section 6. Section 6 of the Agreement addresses assignment of the Agreement.

13 Section 7. Section 7 of the Agreement establishes a one-year term, with automatic  
14 and successive one-year renewal terms. Either party may elect not to terminate the Agreement by  
15 giving the other party written notice at least 90 days prior to each anniversary date of the  
16 Agreement.

17 The remaining sections of the Agreement contain customary provisions.

## 18 VII.

19 In accordance with Section 252(e) of the Act and A.A.C. R14-2-1506(C)(1)(b),  
20 TDS submits that the Agreement provides no basis for a finding of discrimination or  
21 contravention of the public interest.

22 First, the Agreement does not discriminate against any other telecommunications  
23 carrier. The provisions of the Agreement reflect the requirements of federal and state laws for  
24 physical interconnection that apply to all telecommunications carriers.

25 Second, the Agreement is consistent with the public interest as identified in the  
26

1 pro-competitive policies of the Commission, the State of Arizona, the Federal Communications  
2 Commission, and the United States Congress.

3 The Commission should approve the Agreement because it does not discriminate  
4 against any other telecommunications carrier and it is consistent with the public interest,  
5 convenience and necessity.

6 **VIII.**

7 The terms of the Agreement are consistent with applicable state law and the rules  
8 and regulations of the Commission.

9 **IX.**

10 Because the Agreement was reached through voluntary negotiations, The  
11 Companies request that the Commission issue its order summarily and without hearing, at the  
12 earliest possible date.

13 **X.**

14 All communications regarding this Application should be addressed to the  
15 following representatives of the parties:

16 TDS Telecom:

17 Jeffrey W. Crockett, Esq.  
18 SNELL & WILMER  
19 One Arizona Center  
20 Phoenix, Arizona 85004-2202  
21 Phone: (602) 382-6234  
22 Fax: (602) 382-6070  
23 E-mail: [jcrockett@swlaw.com](mailto:jcrockett@swlaw.com)

24 with a copy to:

25 John E. Zeiler, Manager  
26 External Relations  
TDS Telecom  
Post Office Box 220  
Choctaw, Oklahoma 73020-0220

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Nextel West Corp.:

Ms. Roz Beule  
Nextel Communications, Inc.  
2003 Edmund Halley Drive  
Reston, Virginia 20191  
Phone: (703) 433-8142

**CONCLUSION**

For the foregoing reasons, Arizona Telephone Company and Southwestern Telephone Company respectfully request that the Commission expeditiously process this matter without a hearing and issue an Order granting the Application in its entirety.

**RESPECTFULLY SUBMITTED** this 18th day of January, 2001.

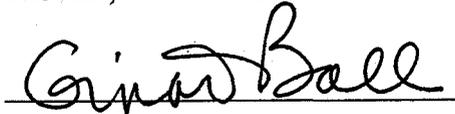
SNELL & WILMER

By   
Jeffrey W. Crockett, Esq.  
One Arizona Center  
400 E. Van Buren  
Phoenix, AZ 85004-2202  
(602) 382-6234

Attorneys for Arizona Telephone Company and Southwestern Telephone Company

ORIGINAL AND TEN copies  
filed this 18th day of January, 2001,  
with:

Docket Control  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007



947363.1

# **ATTACHMENT A**

**WIRELESS INTERCONNECTION AGREEMENT**  
**TDS - ARIZONA**

This Agreement is made effective on the 1<sup>st</sup> day of March, 2000, between Arizona Telephone Company, and Southwestern Telephone Company (collectively, "TDS"), and NEXTEL WEST CORP., a(n) Delaware corporation ("NEXTEL").

TDS is a local exchange carrier acting through its subsidiary telephone companies in Arizona. NEXTEL is a commercial mobile radio service carrier operating in Arizona. TDS and NEXTEL desire to interconnect on an indirect basis for the purpose of exchanging traffic between the parties' customers.

In consideration of the mutual covenants contained in this Agreement, the parties agree as follows.

**SECTION I**  
**SCOPE OF AGREEMENT**

This Agreement shall cover local interconnection arrangements between NEXTEL's network in Arizona and TDS' network in Arizona. The exchange of non-local traffic between other portions of TDS' network and NEXTEL's network will be accomplished using the existing toll telephone network. The designations "local" and "non-local" shall be as defined by federal law.

**SECTION II**  
**TRAFFIC EXCHANGE**

The default point of interconnection shall be at an appropriate access tandem. Each party shall be responsible for the cost of providing the trunks from its network to the point of interconnection for the calls which that party originates. Either party shall be allowed to establish a different point of interconnection for the calls which that party originates, provided that the new point of interconnection does not increase the cost of transporting or terminating calls for the other party. Each party shall bill the other for calls which the billing party terminates to its own customers and which were originated by the billed party. Applicable charges are set forth on the attached pricing schedule, Appendix A, which is incorporated by reference. The billed party shall pay the billing party for all charges properly listed on the bill. Such payments are to be received within thirty (30) days from the effective date of the statement. The billed party shall pay a late charge on the unpaid amounts that have been billed that are greater than thirty (30) days old. The rate of the late charge shall be the lesser of 1.5% per month and the maximum amount allowed by law. The billed party shall pay the billing party the reasonable amount of the billing party's expenses related to collection of overdue bills, such amounts to include reasonable attorney's fees. Neither party shall bill the other for traffic that is more than 180 days old.

### SECTION III USAGE REPORTS

If applicable, TDS may obtain a monthly traffic distribution report from the LEC Tandem provider summarizing traffic originated by Company and terminating to TDS. This information may be used by TDS for invoicing Company for terminating traffic to TDS. If applicable, Company may obtain a monthly traffic distribution report from the LEC Tandem provider, or others, summarizing traffic originated by TDs and termination to Company. This information, or similar information, may be used by Company for invoicing TDS for termination traffic to Company.

In the absence of a traffic distribution report noted previously, the parties have determined that at the present time it is difficult to determine the precise amount of traffic delivered by TDS to Company; therefore, the Parties have agreed to estimate the Nextel traffic at 42.86% of the traffic billed by TDS. This arrangement assumes that approximately 70% of the total traffic between Company and TDS is TDS' terminating traffic. If at a later date it is determined that the parties may more precisely determine the minutes of use("MOU") from TDS to the Company, the formula shall be adjusted, or a bill will be sent to TDS based on useage reports reflecting the actual MOU from TDS to The Company. Partied agree to work toward a longer term arrangement, when technically and economically feasible, whereby each Party is able to record and summarize call message details and thereby invoice the originating Party for actual traffic terminating to itself.

If said traffic distribution reports are used for billing, the Parties agree to accept these reports as an accurate statement of traffic exchanged between the parties, subject to the right to audit the reports. Such right to audit shall be waived if not exercised within one hundred eighty (180) days of receipt of the reports. Either party may perform an audit of the others party's network usage records or other records relevant to the subject matter of this Agreement. The parties agree that audits will be performed no more than one time per calendar year unless the previous audit revealed material error. Each party shall bear the expense of any audit requests. Such an audit shall be conducted by the requesting party or an independent auditor of the requesting party and shall be conducted on the premises of the audited party during normal business hours.

### SECTION IV INDEPENDENT CONTRACTORS

The parties to this Agreement are independent contractors. Neither party is an agent, representative, or partner of the other party. Neither party shall have the right, power or authority to enter into any agreement for or on behalf of, or incur any obligation or liability of, or to otherwise bind the other party. This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the parties or to impose any partnership obligation or liability upon either party.

## SECTION V LIABILITY

### A.

Neither party nor any of their affiliates shall be liable for any incidental, consequential or special damages arising from the other party's use of service provided under this Agreement. Each party shall indemnify and defend the other party against any claims or actions arising from the indemnifying party's use of the service provided under this Agreement, except for damages caused by the sole recklessness of the indemnified party.

### B.

Neither party makes any warranties, express or implied, for any hardware, software, goods, or services provided under this Agreement. All warranties, including those of merchantability and fitness for a particular purpose, are expressly disclaimed and waived.

### C.

In any event, each party's liability for all claims arising under this Agreement, or under the use of the service provided under this Agreement, shall be limited to the amount of the charges billed to the party making a claim for the month during which the claim arose.

## SECTION VI ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of, parties hereto and their respective successors and permitted assigns. Any assignment by either party of any right, obligation, or duty, in whole or in part, or of any interest, without written consent of the other party shall be void, except that either party may assign this Agreement or any rights and obligations thereunder without the other party's consent to any entity that the assigning party controls, is controlled by, or is under common control with or to any entity which acquires or succeeds to all or substantially all of the business or assets of the assigning party whether by consolidation, merger, sale, or otherwise, or in connection with a financing transaction.

## SECTION VII TERM OF AGREEMENT

This Agreement shall commence on the effective date stated on the first page, and shall terminate one (1) year after the effective date. This Agreement shall renew automatically for successive one (1) year terms, commencing on the termination date of the initial term or latest renewal term. The automatic renewal shall take effect without notice to either party, except that either party may elect not to renew and terminate by giving the other party written notice of its intention not to renew at least ninety (90) day's prior to each anniversary date.

SECTION VIII  
THIRD PARTY BENEFICIARIES

This Agreement is not intended to benefit any person or entity not a party to it and no third party beneficiaries are created by this Agreement.

SECTION IX  
GOVERNING LAW, FORUM, AND VENUE

This Agreement shall be interpreted under the laws of the State of Arizona. Disputes arising under this Agreement, or under the use of service provided under this Agreement, shall be resolved in state or federal court in Arizona.

SECTION XI  
ENTIRE AGREEMENT

This Agreement incorporates all terms of the agreement between the parties. This Agreement may not be modified except in writing signed by both parties. This Agreement is a result of a negotiation between the parties, and it was jointly drafted by both parties.

SECTION XII  
NOTICE

Notices, bills and payments shall be effective when received or within three (3) business days of being sent via first class mail, whichever is sooner, in the case of NEXTEL to:

Business Name: NEXTEL Communications, Inc.  
Mailing Address: 2003 Edmund Halley Drive  
Shipping Address:  
City/State/Zip Code: Reston, VA 20191  
Attention: Bob Edgerly, Sr. Numbering & Industry Affairs  
Contact Phone Number: 730-433-8157

Notices shall be effective when received or within three (3) business days of being sent via first class mail, whichever is sooner, in the case of TDS to:

Business Name: TDS TELECOMMUNICATIONS CORPORATION  
Mailing Address: P.O. Box 22995  
Shipping Address: 9737 Cogdill Road, Suite 230  
City/State/Zip Code: Knoxville, TN 37933-0995 (37932 for shipping)  
Attention: Linda Lowrance  
Contact Phone Number: (865) 671-4758

Bills and payments shall be effective when received or within three (3) business days of being sent via first class mail, whichever is sooner, in the case of TDS to:

Business Name: TDS TELECOMMUNICATIONS CORPORATION  
Mailing Address: P.O. Box 5158  
City/State/Zip Code: Madison, WI 53705-0158  
Attention: Accounting Center

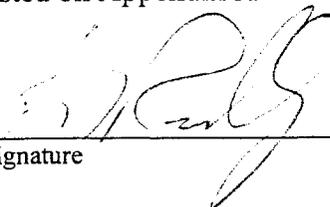
and to such other location as the receiving party may direct in writing.

NEXTEL shall ensure bills and payments reference the specific TDS company name(s) for which traffic is being billed or paid (see Appendix A for company list).

SECTION XII  
MISCELLANEOUS

This Agreement is not an interconnection agreement under 47 USC 251(c). The parties acknowledge that TDS is entitled to a rural exemption as provided by 47 USC 251(f) and TDS does not waive such exemption.

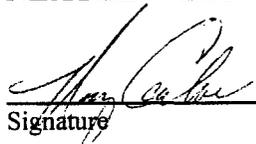
TDS TELECOMMUNICATONS Corporation, as agent for the Arizona corporations listed on Appendix A

  
Signature \_\_\_\_\_ (date) 2/29/00

Printed name and title:

\_\_\_\_\_  
\_\_\_\_\_

**NEXTEL WEST CORP.**

  
Signature \_\_\_\_\_ (date) 3-16-00

Printed name and title:

Nancy Carlsen  
Director, Telco Mgmt

Signature Page to Wireless Interconnection Agreement relating to the Exchange of Local Traffic.

**APPENDIX A - PRICING**

**TDS TELECOMMUNICATIONS CORPORATION AND NEXTEL WEST CORP.  
Wireless Interconnection Agreement - Arizona**

Transport and Termination of Non-Local Calls: per Applicable Tariffs

<u>Company</u>	<u>\$/MOU *</u>
Arizona Telephone Company	\$ 0.044050
Southwestern Telephone Company	\$ 0.031905

\*Symmetrical Rates