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MEMORANDUM

2001 AUG 15 P 4: 21

TO: THE COMMISSION

FROM: Utilities Division

AZ CORP COMMISSION
DOCUMENT CONTROL

DATE: August 15, 2001

RE: IN THE MATTER OF THE APPLICATION OF QWEST CORPORATION F/K/A U S WEST COMMUNICATIONS, INC., FOR APPROVAL OF AGREEMENT FOR INTERCONNECTION, UNBUNDLED NETWORK ELEMENTS, ANCILLARY SERVICES AND RESALE WITH LOCAL GATEWAY EXCHANGE (DOCKET NOS. T-01051B-01-0604 AND T-03883A-01-0604)

On July 30, 2001, Qwest Corporation ("Qwest") f/k/a U S WEST Communications, Inc., filed an Application for approval of an Interconnection Agreement between Local Gateway Exchange ("Gateway"). The term of the Agreement shall be effective upon Commission approval and remain in effect until August 8, 2003. Upon expiration, the Agreement shall remain in force and effect until terminated by either party on one hundred sixty (160) days written notice. The Agreement governs the terms and conditions under which Qwest will offer interconnection services to Gateway.

The Telecommunications Act of 1996 ("1996 Act") directed incumbent local exchange carriers to make their networks available for interconnection and resale by new entrants to the local exchange market. The 1996 Act provides for interconnection and resale agreements to be concluded by voluntary negotiation. This Agreement between Qwest and Gateway was voluntarily negotiated, without resort to arbitration.

Under the terms of the Agreement, Qwest will provide specified local exchange services for Interconnection, Resale, Collocation and Unbundled Network Elements to Gateway. Generally, Qwest services will be made available to Gateway for resale at a twelve (12) percent discount for residential customers and an eighteen (18) percent discount for business customers.

According to the 1996 Act and State Rule, the Commission must approve voluntarily negotiated interconnection and resale agreements if their provisions are non-discriminatory and in the public interest. Staff has reviewed the Agreement and finds it to be non-discriminatory and in the public interest. Qwest is offering the same terms and conditions of the Agreement to all other interested parties. The Agreement is in the public interest because it will act to further competition in the local exchange market in Arizona.

Arizona Corporation Commission

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THE COMMISSION

August 15, 2001

Page 2

Since there are no grounds for rejection of the Agreement pursuant to Section 252(e)(2)(A) of the 1996 Act, Staff recommends that the Commission approve the Interconnection Agreement between Qwest and Gateway.



Steven M. Olea
Acting Director
Utilities Division

SMO:EAA:bsl/MAS

ORIGINATOR: Erinn Andreasen

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 WILLIAM A. MUNDELL
Chairman
3 JIM IRVIN
Commissioner
4 MARC SPITZER
Commissioner
5

6 IN THE MATTER OF THE APPLICATION) DOCKET NOS. T-01051B-01-0604
OF QWEST CORPORATION F/K/A U S WEST) T-03883A-01-0604
7 COMMUNICATIONS, INC., FOR APPROVAL)
OF AGREEMENT FOR INTERCONNECTION,) DECISION NO. _____
8 UNBUNDLED NETWORK SERVICES AND)
RESALE WITH LOCAL GATEWAY)
9 EXCHANGE) ORDER

10 Open Meeting
August 28 and 29, 2001
11 Phoenix, Arizona

12 BY THE COMMISSION:

13 FINDINGS OF FACT

14 1. On July 30, 2001, Qwest Corporation ("Qwest") f/k/a U S WEST Communications,
15 Inc., filed an Application for approval of an Interconnection Agreement between Qwest and Local
16 Gateway Exchange ("Gateway"). The term of the Agreement shall be effective upon Commission
17 approval and remain in effect until August 8, 2003. Upon expiration, the Agreement shall remain
18 in force and effect until terminated by either party on one hundred sixty (160) days written notice.
19 The Agreement governs the terms and conditions under which Qwest will offer Interconnection
20 services to Gateway.

21 2. The Telecommunications Act of 1996 ("1996 Act") directed incumbent local
22 exchange carriers to make their networks available for interconnection and resale by new entrants
23 to the local exchange market. The 1996 Act provides for interconnection and resale agreements
24 to be concluded by voluntary negotiation.

25 3. This Agreement between Qwest and Gateway was voluntarily negotiated, without
26 resort to arbitration.

27 4. Under the terms of the Agreement, Qwest will provide specified local exchange
28 services for Interconnection, Resale, Collocation and Unbundled Network Elements to Gateway.

1 Generally, Qwest services will be made available to Gateway for resale at a twelve (12) percent
2 discount for residential customers and an eighteen (18) percent discount for business customers.

3 5. According to the 1996 Act and Commission Rule, the Commission must approve
4 voluntarily negotiated interconnection and resale agreements, if their provisions are non-
5 discriminatory and in the public interest.

6 6. Staff has reviewed the Agreement and finds it to be non-discriminatory and in the
7 public interest. Qwest is offering the same terms and conditions of the Agreement to all other
8 interested parties. The Agreement is in the public interest because it will act to further competition
9 in the local exchange market in Arizona.

10 7. Since there are no grounds for rejection of the Agreement pursuant to Section
11 252(e)(2)(A) of the 1996 Act, Staff has recommended that the Commission approve the
12 Interconnection Agreement between Qwest and Gateway.

13 CONCLUSIONS OF LAW

14 1. Qwest is an Arizona public service corporation within the meaning of Article XV,
15 Section 2, of the Arizona Constitution.

16 2. The Commission has jurisdiction over Gateway and over the subject matter of the
17 Application.

18 3. The Commission, having reviewed the Application and Staff's Memorandum has
19 determined that the Resale Agreement negotiated between Qwest and Gateway meets the
20 requirements of Section 252(e)(2)(A) of the 1996 Act which governs the approval of voluntarily-
21 negotiated agreements and is in the public interest.

22 4. The Commission maintains jurisdiction over the subject matter of the Agreement
23 and Amendments thereof, to the extent permitted pursuant to the powers granted the Commission
24 by the Arizona Constitution, Statutes, Commission Rule, and the 1996 Act and the Rules
25 promulgated thereunder.

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ORDER

IT IS THEREFORE ORDERED that the Commission hereby approves the Interconnection Agreement between Qwest and Gateway filed on July 30, 2001.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this ____ day of _____, 2001.

BRIAN C. McNEIL
Executive Secretary

DISSENT: _____

SMO:EAA:bsl/MAS

1 SERVICE LIST FOR: Qwest Corporation and Local Gateway Exchange

2 DOCKET NOS. T-01051B-01-0604 and T-03883A-01-0604

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