

ORIGINAL

OPEN MEETING

MEMORANDUM



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TO: THE COMMISSION

2001 NOV 28 A 11: 59

FROM: Utilities Division

AZ CORP COMMISSION
DOCUMENT CONTROL

DATE: November 28, 2001

RE: IN THE MATTER OF THE APPLICATION OF VERIZON CALIFORNIA, INC. - ARIZONA F/K/A GTE CALIFORNIA, INC. - ARIZONA FOR APPROVAL OF A RESALE AGREEMENT WITH NOW COMMUNICATIONS, INC. (DOCKET NOS. T-01846B-01-0804 AND T-03746A-01-0804)

On October 12, 2001, Verizon California, Inc. - Arizona ("Verizon") f/k/a GTE California, Inc. - Arizona, filed an Application for approval of a Resale Agreement between Verizon and NOW Communications, Inc. ("NOW"). The term of the Agreement shall be effective upon Commission approval and shall remain in effect until August 23, 2003. Upon expiration, the Agreement shall remain in force and effect until terminated by either party on ninety (90) days written notice. The Agreement governs the terms and conditions under which Verizon will offer interconnection services to NOW.

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 Verizon and NOW was voluntarily negotiated, without resort to arbitration.

Under the terms of the Agreement, Verizon will provide specified local exchange services for Resale to NOW. Generally, Verizon services will be made available to NOW for resale at a ten point nine (10.9) percent discount for residential and 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. Verizon 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

DOCKETED

NOV 28 2001

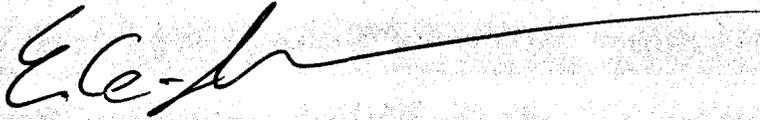
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THE COMMISSION

November 28, 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 Verizon and NOW.

A handwritten signature in black ink, appearing to read 'EGJ', with a long horizontal line extending to the right.

Ernest G. Johnson
Director
Utilities Division

EGJ:EAA:rdp/JMA

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 OF) DOCKET NOS. T-01846B-01-0804
VERIZON CALIFORNIA, INC. - ARIZONA) T-03746A-01-0804
7 F/K/A GTE CALIFORNIA, INC. - ARIZONA)
FOR APPROVAL OF A RESALE AGREEMENT) DECISION NO. _____
8 WITH NOW COMMUNICATIONS, INC.)
9 _____) ORDER

10 Open Meeting
December 18 and 19, 2001
11 Phoenix, Arizona

12 BY THE COMMISSION:

13 FINDINGS OF FACT

14 1. On October 12, 2001, Verizon California, Inc. ("Verizon") f/k/a GTE California,
15 Inc., filed an Application for approval of a Resale Agreement between Verizon and NOW
16 Communications, Inc. ("NOW"). The term of the Agreement shall be effective upon Commission
17 approval and shall remain in effect until August 23, 2003. Upon expiration, the Agreement shall
18 remain in force and effect until terminated by either party on ninety (90) days written notice. The
19 Agreement governs the terms and conditions under which Verizon will offer interconnection
20 services to NOW.

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
23 entrants to the local exchange market. The 1996 Act provides for interconnection and resale
24 agreements to be concluded by voluntary negotiation.

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

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ORDER

IT IS THEREFORE ORDERED that the Commission hereby approves the Resale Agreement between Verizon and NOW filed on October 12, 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: _____

EGJ:EAA:rdp/JMA

1 SERVICE LIST FOR: Verizon California, Inc. and NOW Communications, Inc.

2 DOCKET NOS. T-01846B-01-0804 and T-03746A-01-0804

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14 Arizona Corporation Commission
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