DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

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TONYA CLARK

DON HOWELL

STEPHANIE MILLER

DAVE SCHUNKE

JOE CUSICK

WAYNE HART

DAVID SCOTT

WORKING FILE

FROM:WELDON STUTZMAN

DATE:MAY 4, 1998

RE:CASE NO. GTE-T-98-1; INTERCONNECTION AGREEMENT BETWEEN STERLING INTERNATIONAL FUNDING, INC., DBA RECONEX AND GTE NORTHWEST

On February 23, 1998, GTE Northwest, Inc. (GTE) and Sterling International Funding, Inc., dba RECONEX jointly submitted an interconnection agreement for approval by the Commission.  The agreement was reached through voluntary negotiations and was submitted to the Commission for approval pursuant to Section 252(e) of the Telecommunications Act of 1996.

On April 1, 1998, the Commission issued a Notice of Petition and Notice of Modified Procedure.  The Commission Staff filed comments during the comment period.  The Staff recommended that the Commission not approve the agreement because it specifically provides that “RECONEX shall not resell basic exchange residential service.”  Staff believes this provision to be inconsistent with the resale requirements of the Telecommunications Act.  As an alternative to denying approval of the agreement, Staff suggested the Commission make approval contingent upon GTE making its residential service available for resale to RECONEX, or to allow the agreement to become effective after 90 days by operation of law.  See 47 USC 252(e)(4).

On April 24, 1998, GTE filed facsimile comments in response to Staff’s comments.  GTE contends that Section 252(a)(1) specifically allows parties who voluntarily negotiate an interconnection agreement to disregard certain provisions of the Act, including the resale requirement.  GTE points out that the parties voluntarily negotiated the agreement, and the agreement allows RECONEX to immediately obtain from GTE numerous services besides the resale of basic residential service.  GTE contends the Commission should allow the parties the benefit of this bargain by approving the agreement.  GTE’s responsive comments are attached to this memorandum.

Commission Decision

Should the interconnection agreement between GTE and RECONEX be approved as filed?

Should the agreement be rejected by the Commission, or approved on the condition that the prohibition on the resale of basic exchange residential service be removed?

Should the agreement be allowed to become effective by operation of law without any action by the Commission?

Weldon Stutzman

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