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IDAHO PUBLIC
UTILITIES COMMISSION



17933 N.W. Evergreen Pkwy
P.O. Box 1100
Beaverton, OR 97076

December 27, 2000

VZN-T-01-01

Ms. Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
Boise, Idaho 83720

Re: Adoption of AT&T Wireless Services Inc./Verizon Northwest Inc., f/k/a GTE Northwest Incorporated (Verizon) Interconnection Agreement by Washington RSA No. 8 Limited Partnership

Dear Ms. Jewell:

Enclosed for filing with the Commission under Section 252(i) of the Telecommunications Act of 1996 are the original and seven copies of Washington RSA No. 8 Limited Partnership's adoption of the arbitrated Interconnection Agreement between Verizon Northwest Inc. ("Verizon") f/k/a GTE Northwest Incorporated and AT&T Wireless Services Inc. ("Terms"). The enclosure includes an adoption letter signed by both Verizon and Washington RSA No. 8 Limited Partnership which is self-explanatory, and which sets forth the manner in which the Terms will be applied in Washington RSA No. 8 Limited Partnership's case.

As the enclosed letter explains, Verizon is not voluntarily entering the Terms with Washington RSA No. 8 Limited Partnership and does not waive any rights and remedies it has concerning its position as to the illegality or unreasonableness of the Terms. Verizon contends that certain provisions of the Terms may be void or unenforceable as a result of the United States Eighth Circuit court of Appeals July and October, 1997 decisions, the Supreme Court of the United States' decision of January 25, 1999 and the remand of the pricing rules to the United States Eighth Circuit Court of Appeals. Any modification to the underlying Terms shall automatically apply to Washington RSA No. 8 Limited Partnership. Verizon is preserving its legal positions in every respect as to the Terms in the hands of Washington RSA No. 8 Limited Partnership, as well as in the hands of AT&T Wireless Services Inc.

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December 27, 2000
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All parties to Cause are being served with a copy of this letter. If they would like a copy of the adoption agreement, they should contact Renee Willer at 503/645-7909.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred Logan". The signature is fluid and cursive, with the first name "Fred" being more prominent than the last name "Logan".

Fred Logan
Director-Regulatory & Governmental Affairs

c: Mr. Donald J. Evans – Fletcher, Heald, & Hildreth
Scott Miles - Verizon

Steven J. Pitterle
Director - Negotiations
Network Services

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UTILITIES COMMISSION



Network Services
600 Hidden Ridge HQE03B67
P.O. Box 152092
Irving, Texas 75038

Phone 972/718-1333
Fax 972/718-1279
steve.pitterle@verizon.com

December 6, 2000

Mr. John Coonan
Washington RSA No. 8 Limited Partnership
c/o Inland Cellular Telephone Company
103 S. Second Street
Roslyn, WA 98941

Dear Mr. Coonan:

Verizon Northwest Inc., f/k/a GTE Northwest Incorporated ("Verizon"), has received your letter stating that, under Section 252(i) of the Telecommunications Act of 1996 (the "Act"), Washington RSA No. 8 Limited Partnership ("WA 8 LP") wishes to adopt the terms of the Interconnection Agreement between AT&T Wireless Services Inc. ("AT&T") and Verizon that was approved by the Idaho Public Utilities Commission (the "Commission") as an effective agreement in the State of Idaho in Docket No. GTE-T-99-3 (the "Terms").¹ I understand WA 8 LP has a copy of the Terms. Please note the following with respect to WA 8 LP's adoption of the Terms.

1. By WA 8 LP's countersignature on this letter, WA 8 LP hereby represents and agrees to the following three points:
 - (A) WA 8 LP adopts (and agrees to be bound by) the Terms of the AT&T agreement for interconnection with Verizon as it is in effect on the date hereof after giving effect to operation of law, and in applying the Terms, agrees that WA 8 LP shall be substituted in place of AT&T Wireless Services Inc. and AT&T in the Terms wherever appropriate.
 - (B) WA 8 LP requests that notice to WA 8 LP as may be required under the Terms shall be provided as follows:

To : Washington RSA No. 8 Limited Partnership
c/o Inland Cellular Telephone Company
Attention: Mr. John Coonan

¹ These "agreements" are not agreements in the generally accepted understanding of that term. Verizon was required to accept these agreements, which were required to reflect then-effective FCC rules and other applicable law.

103 S. Second Street
Roslyn, WA 98941
Telephone number: 509/649-2211
FAX number: 509/649-3300

And to:

Fletcher, Heald & Hildreth
Attn: Mr. Donald J. Evans, Esq.
1300 N. 17th Street, 11th Floor
Arlington, VA 22209
Telephone number: 703/812-0430
FAX number: 703/812-0486

- (C) WA 8 LP represents and warrants that it is a FCC-licensed provider of two-way wireless service, and that its adoption of the Terms will cover services in the State of Idaho only.
2. WA 8 LP's adoption of the AT&T agreement Terms shall become effective upon the date of filing of this adoption letter with the Commission (which filing Verizon will promptly make upon receipt of an original of this letter countersigned by WA 8 LP) and remain in effect no longer than the date the AT&T agreement Terms are terminated or expire. The AT&T agreement is currently scheduled to expire on June 30, 2001.
 3. As the Terms are being adopted by you pursuant to your statutory rights under section 252(i), Verizon does not provide the Terms to you as either a voluntary or negotiated agreement. The filing and performance by Verizon of the Terms does not in any way constitute a waiver by Verizon of any position as to the Terms or a portion thereof, nor does it constitute a waiver by Verizon of all rights and remedies it may have to seek review of the Terms, or to seek review in any way of any provisions included in these Terms as a result of WA 8 LP's 252(i) election.
 4. On January 25, 1999, the Supreme Court of the United States ("Court") issued its decision on the appeals of the Eighth Circuit's decision in *Iowa Utilities Board*. Specifically, the Supreme Court modified several of the FCC's and the Eighth Circuit's rulings regarding unbundled network elements and pricing requirements under the Act. *AT&T Corp. v. Iowa Utilities Board*, 119 S. Ct. 721 (1999). Certain provisions of the Terms may be void or unenforceable as a result of the Court's decision of January 25, 1999, the United States Eighth Circuit Court of Appeals' recent decision in Docket No. 96-3321 regarding the FCC's pricing rules, and the current appeal before the U.S. Supreme Court regarding the FCC's new UNE rules. Moreover, nothing herein shall be construed as or is intended to be a concession or admission by Verizon that any provision in the Terms complies with the rights and duties imposed by the Act, the decisions of the FCC and the Commissions, the decisions of the courts, or other law, and Verizon expressly reserves its full right to assert and pursue claims arising from or related to the Terms.

5. Verizon reserves the right to deny WA 8 LP's adoption and/or application of the Terms, in whole or in part, at any time:
- (a) when the costs of providing the Terms to WA 8 LP are greater than the costs of providing them to AT&T;
 - (b) if the provision of the Terms to WA 8 LP is not technically feasible; and/or
 - (c) to the extent that Verizon otherwise is not required to make the Terms available to WA 8 LP under applicable law.
6. As noted above, pursuant to Rule 809, the FCC gave ILECs the ability to deny 252(i) adoptions in those instances where the cost of providing the service to the requesting carrier is higher than that incurred to serve the initial carrier or there is a technical incompatibility issue. The issue of reciprocal compensation for traffic destined for the Internet falls within this exception. Verizon never intended for Internet traffic passing through a telecommunications carrier to be included within the definition of local traffic and subject to the corresponding obligation of reciprocal compensation. Whatever doubt any party may have had with respect to this issue was removed by the Declaratory Ruling that the Federal Communications Commission (the "FCC") released on February 26, 1999 which, among other things, "conclude[d] . . . that ISP-bound traffic is non-local interstate traffic."² The FCC also reaffirmed that "section 251(b)(5) of the Act and [the FCC] rules promulgated pursuant to that provision concern inter-carrier compensation for interconnected *local* telecommunications traffic."³ Based on the FCC's Declaratory Ruling (among other things), it is clear that Internet traffic is not local traffic. Despite the foregoing, some forums have required reciprocal compensation to be paid. This produces the situation where the cost of providing the service is not cost based. With this in mind, Verizon opposes, and reserves the right to deny, the adoption and/or the application of the provisions of the Terms that might be interpreted to characterize traffic destined for Internet as local traffic or requiring the payment of reciprocal compensation. However, Verizon shall, in any case, comply with the requirement of applicable law with respect to this issue.
7. Should WA 8 LP attempt to apply the Terms in a manner that conflicts with paragraphs 3-6 above, Verizon reserves its rights to seek appropriate legal and/or equitable relief.

² Declaratory Ruling in FCC CC Docket No. 96-98 and Notice of Proposed Rulemaking in CC Docket No. 99-68 (rel. February 26, 1999), fn. 87. The D.C. Circuit Court has recently asked the FCC to explain more fully its reasoning in arriving at this conclusion in the Declaratory Ruling, but it has not rejected the conclusion. The FCC, moreover, has publicly since reiterated the correctness of its conclusion.

³ *Id.* (emphasis in original).

Please sign this letter on the space provided below.

Sincerely,

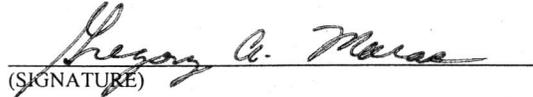
VERIZON NORTHWEST INC., F/K/A GTE NORTHWEST INCORPORATED



Steven J. Pitterle
Director – Negotiations
Network Services

Reviewed and countersigned as to points A, B, and C of paragraph 1:

WASHINGTON RSA No. 8 LIMITED PARTNERSHIP


(SIGNATURE)

Gregory A. Maras, Secretary
(PRINT NAME)
Inland Cellular Telephone Company, It's General Partner

c: R. Ragsdale – Verizon