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July 21, 2000

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Mrs. Blanca Bayo, Director
Bureau of Record and Recording
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

Re: Docket No. 960847-TP – Petition by AT&T for Arbitration of Rates, Terms and Conditions of a Proposed Agreement with GTE Florida Incorporated concerning Interconnection and Resale under the Telecommunications Act of 1996

Dear Mrs. Bayo,

(See also 001274-TP)

AT&T Communications of the Southern States, Inc. ("AT&T") hereby submits the attached voluntary agreement entitled "Interim Interconnection Agreement between GTE Florida Incorporated ("GTE") and AT&T Communications of the Southern States, Inc." (the "Agreement") for filing and approval under Section 252 of the Telecommunications Act of 1996. Pursuant to Section 252 (e) of the Act, all agreements concerning access, interconnection, unbundling and network termination adopted by negotiations or arbitration, must be submitted to the Commission for review and approval. The Agreement is interim and provides for AT&T and GTE to continue their interconnection arrangement pursuant to the Interconnection, Resale, and Unbundling Agreement between AT&T and GTE (the "Underlying Agreement") approved by Order No. PSC-97-0585-FOF-TP (May 22, 1997) in the above referenced proceeding.

AT&T and GTE are currently engaged in good faith negotiations to replace the Underlying Agreement with a new interconnection agreement. However, negotiations between GTE and AT&T will not be completed before July 17, 2000, the date that GTE contends the Underlying Agreement ended. The Agreement continues the interconnection between AT&T and GTE from July 18 through January 17, 2001, or until such time, if sooner, that the Commission has approved a new interconnection agreement.

The Agreement meets the standards contained in 47 U.S.C. 252 (e) (2) in that (a) the Agreement does not discriminate against a telecommunications carrier not a party to the agreement, and (b) implementation of the Agreement will be consistent with the

- APP 1
- CAF 1
- CMP 1
- COM 5
- CTR 1
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Mrs. Bayo
July 21, 2000
Page 2

public interest, convenience, and necessity. The Agreement continues in place the interconnection arrangements between AT&T and GTE that the Commission previously approved by Order No. PSC-97-0585-FOF-TP. The Agreement ensures that there will be no interruption of services mutually provided by AT&T and GTE to their customers and therefore, promotes the public interest, convenience and necessity.

By agreement between AT&T and GTE, only one party to the Agreement is filing this letter. AT&T and GTE request that the Commission not modify, supplement, suspend, or otherwise delay implementation of the Agreement.

Sincerely,

Rhonda Merritt
for
Marsha Rule

Enclosure

cc: GTE Florida Inc.

**INTERIM INTERCONNECTION AGREEMENT
BETWEEN
GTE FLORIDA INCORPORATED
AND
AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.**

THIS INTERCONNECTION AGREEMENT (the "Agreement") is entered into on this 26th day of June, 2000, by and between GTE Florida Incorporated ("GTE") and AT&T Communications of the Southern States, Inc. ("AT&T") (GTE and AT&T being referred to collectively as the "Parties" and individually as a "Party"). This Agreement pertains to services provided by GTE and AT&T in the state of Florida (the "State"). This Agreement is subject to approval of the Florida Public Service Commission ("FPSC"). The Parties intend that, regardless of when this Agreement is approved by the FPSC, the effective date of this Agreement shall be July 18, 2000 (the "Effective Date").

RECITALS

WHEREAS, the Parties have previously entered in the Interconnection, Resale and Unbundling Agreement (the "Underlying Agreement") pursuant to Sections 251 and 252 of the Telecommunications Act of 1996 (the "Act");

WHEREAS, the Underlying Agreement was approved by the FPSC in Order No. PSC-97-0585-FOF-TP dated, May 22, 1997, in FPSC Docket No. 960847-TP;

WHEREAS, GTE and AT&T are currently in good faith negotiations regarding an interconnection agreement pursuant to Section 251 and 252 of the Act to replace the Underlying Agreement with a new interconnection agreement (the "New Interconnection Agreement");

WHEREAS, negotiations between GTE and AT&T under Section 252 of the Act for the New Interconnection Agreement will not be completed before July 17, 2000, the date on which GTE contends the Underlying Agreement will terminate (the "Termination Date");

WHEREAS, AT&T maintains that interruption of the interconnection between AT&T and GTE under the Underlying Agreement is impermissible under state and federal law, even though GTE contends that the Underlying Agreement will terminate on the Termination Date; and

WHEREAS, in light of the foregoing, and subject to the terms and conditions set forth herein, the Parties agree that this Agreement shall be effective beginning July 18, 2000 (the "Effective Date"), and that the Parties shall have all rights as outlined in the Underlying Agreement pursuant to this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, provisions and covenants herein contained, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Except to the extent inconsistent with the terms and conditions set forth herein, the terms and conditions of the Underlying Agreement are hereby incorporated in their entirety by this reference into this Agreement. All obligations under the Underlying Agreement which expressly survive the termination thereof shall also survive the termination of this Agreement. If any provision in the Underlying Agreement conflicts with this Agreement, this Agreement shall control.

2. The term of this Agreement shall become effective on the Effective Date and shall terminate on January 17, 2001. This Agreement shall be subject to termination by either Party for any of the grounds specified for termination under the Underlying Agreement, or in the event that the FPSC has approved the New Interconnection Agreement prior to January 17, 2001. The Parties have agreed to allow this Agreement to become effective upon execution in order to continue their interconnection prior to approval by the Commission. In light of this, the Parties hereby agree that their obligations pursuant to this Agreement shall remain in effect during the period between the Termination Date and the date when the FPSC approves this Agreement, notwithstanding the Commission's possible initial rejection thereof during such period.

3. By entering into this Agreement, the Parties do not waive any right, and hereby expressly reserve each and all of their rights, to challenge and/or defend the legality of the Underlying Agreement.¹ In addition, subject to the limitations and requirements of Paragraph 5 of this Agreement, by entering into this Agreement, GTE does not waive, and hereby expressly reserves, its rights to assert or continue to assert that: (1) certain of the arbitrated rates, charges and terms included in the Underlying Agreement ("Arbitrated Terms") are unlawful, illegal and improper, including, without limitation, the positions stated in any pending or future GTE court challenge regarding certain of the Arbitrated Terms; (2) the Arbitrated Terms do not afford GTE the opportunity to recover its actual costs, as mandated by the Act and applicable law; (3) the Arbitrated Terms should not become effective until such time as the Commission has established an explicit, specific, predictable, sufficient and competitively neutral universal service mechanism that provides GTE the opportunity to recover its actual costs; (4) certain provisions of the FCC's First, Second, Third and Fourth Report and Order in FCC Docket No. 96-98 and other FCC orders or rules (collectively, the "FCC Orders") are unlawful, illegal and improper; and (5) the Arbitrated Terms and any subsequent adjusted or modified terms, rates, or charges described in paragraph 6 are further subject to change and/or modification retroactive to the effective date of this Agreement resulting from future orders or decisions of any commission, court or other governmental authority having competent jurisdiction that address the following: (a) GTE's unrecovered costs (e.g., actual costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's interim universal service support charge)); (b) the establishment of a competitively neutral universal service system; (c) any and all actions seeking to invalidate, stay, vacate or otherwise modify any FCC Order in effect as of the effective date, or during the term, of this Agreement which impact the Arbitrated Terms, or any subsequent adjusted or modified terms, rates or charges (or the methodology from which they were derived), including, without limitation, the current appeal of the FCC pricing rules pending before the Eighth Circuit Court of Appeals (See Docket No. 96-321) and any appeal of the FCC's new UNE rules; or (d) any other relevant appeal or litigation. By entering into this

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¹ The Parties' reservation of rights and positions regarding the Underlying Agreement are reiterated as if fully set forth herein. In addition, except as otherwise set forth herein, the Parties further expressly reserve their rights in the event that the terms and conditions of the Underlying Agreement are impacted due to changes in legal requirements.

Agreement, AT&T neither agrees with such assertions or contentions of GTE, nor waives and hereby expressly reserves all of its rights to oppose or continue to oppose any and all such assertions or contentions by GTE.

4. GTE expressly reserves its past, present and future rights to challenge and seek review of any and all Arbitrated Terms or any permanent rates, charges or terms established in FPSC Docket No. 990649-TP or any other proceeding, in any court or commission of competent jurisdiction or other available forum. AT&T likewise expressly reserves its past, present and future rights to challenge and seek review of any and all Arbitrated Terms or any permanent rates, charges or terms established in Docket No. 990649-TP or any other proceeding, in any court or commission of competent jurisdiction or other available forum.

5. By entering into this Agreement, the Parties do not waive, and hereby expressly reserve, their respective rights to continue to assert that: (a) ESP/ISP traffic (i.e., any traffic bound to any enhanced service provider or Internet service provider) is (or is not) traffic (local or otherwise) for which reciprocal compensation is due under Section 251(b)(5) of the Act and/or Part 51, Subpart H of the FCC Rules; and/or (b) that the Party originating such traffic is (or is not) otherwise obligated to pay the local terminating switching rate for such traffic to the other Party.

6. Except as set forth in paragraph 7, if the Arbitrated Terms or any subsequent permanent rates, terms or charges, or the methodology from which they were derived, are deemed unlawful, are stayed or enjoined, or are adjusted or otherwise modified, in whole or in part, by the FPSC in Docket No. 990649-TP or by any commission, court or other governmental authority having competent jurisdiction in any other rate proceeding, then the Parties shall implement such changes or amendments as follows: Any adjusted or modified rates and charges established pursuant to, or in accordance with, an applicable order ("Original Order") shall be applied prospectively pending the issuance of a final, binding and non-appealable order in the subject proceeding. At such time as an applicable order becomes final, binding and non-appealable, the adjusted or modified rates and charges established therein shall be applied retroactively to the effective date of the Original Order, and the Parties will true-up any resulting over or under billing (the period to which the true-up applies shall be limited to the effective date of the Original Order through the expiration or termination date of this Agreement). Such true-up payments, if any, shall also include interest computed at the prime rate of the Bank of America, N.A. in effect at the date of said final, binding and non-appealable order. Any underpayment shall be paid, and any overpayment shall be refunded, within forty-five (45) business days after the date on which such order becomes final, binding and non-appealable. The Parties agree that the provisions of this Paragraph 6 shall survive the termination, rescission, modification or expiration of this Agreement without limit as to time, and that, except as set forth in paragraph 7, in the event the FPSC establishes permanent rates or charges in any rate proceeding after this Agreement terminates or expires, nothing contained herein shall prohibit a true-up of the effected rates and charges retroactive to the effective date of the Original Order as contemplated by this Paragraph 6 (the period to which the true-up applies shall be limited to the effective date of the Original Order through the expiration or termination date of this Agreement). AT&T and GTE acknowledge that either Party may seek to enforce the provisions of this Paragraph 6 before a commission or court of competent jurisdiction.

7. With respect to the interim deaveraged UNE rates established in Docket No. 990649-TP, the Parties agree that such rates are interim and that they will apply such adjusted and/or modified rates consistent with the terms of Order No. PSC-00-0380-S-TP and the Joint Stipulation incorporated therein. The Parties further agree that, consistent with the Joint Stipulation, such interim deaveraged UNE rates will not be subject to retroactive true-up once the FPSC establishes permanent deaveraged UNE rates in Docket No. 990649-TP.

8. This Agreement constitutes the entire agreement of the Parties pertaining to the subject matter hereof and supersedes all prior agreements, negotiations, proposals, and representations, whether written or oral, and all contemporaneous oral agreements, negotiations, proposals, and representations concerning such subject matter. No representations, understandings, agreements, or warranties, expressed or implied, have been made or relied upon in the making of this Agreement other than those specifically set forth herein.

9. This Agreement shall be solely governed by and interpreted under applicable federal law and Florida law, without regard for any choice of law principles in Florida law.

10. This Agreement may be signed in counterparts and may be transmitted by facsimile.

IN WITNESS WHEREOF, each Party has executed this Agreement and it shall be effective upon the date of execution by both Parties.

GTE FLORIDA
INCORPORATED

AT&T COMMUNICATIONS OF
THE SOUTHERN STATES, INC.

By: Connie Nicholas

By: Michael F. Hydock

Name: Connie Nicholas

Name: Michael F. Hydock

Title: AVP Wholesale Markets -
Interconnection

Title: District Manager, ICA Contract
Negotiations

APPROVED BY LEGAL DEPT.	
<u>TOP</u>	<u>6/26/00</u>
ATTORNEY	DATE