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PCIA Personal Communications Industry Association

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Federal Communications Commission
Office of Secretary

January 30, 1998

Magalie Roman Salas, Esq.
Secretary
Federal Communications Commission
1919 M Street, N.W.; Room 222
Washington, D.C. 20554

Re: *Clarification of the Commission's Rules on Interconnection Between LECs and Paging Carriers*, CCB/CPD No. 97-24 ("SWBT clarification request")

Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; First Report & Order, CC Docket Nos. 96-98, 95-185 ("interconnection reconsideration order")

Formal Complaints of AirTouch Paging against GTE, File Nos. E-98-08, E-98-10

Dear Ms. Salas:

On January 29, 1998, Robert L. Hoggarth and Angela E. Giancarlo of the Personal Communications Industry Association ("PCIA"), Christine M. Crowe, representing PCIA, Judith St. Ledger-Roty and Bill Wigington of Paging Network, Inc., Mark Stachiw of AirTouch Paging, and Denis M. Doyle of Arch Communications Group, Inc., met with Pat Donovan, Edward Krachmer and Tamara Preiss of the Competitive Pricing Division of the Common Carrier Bureau. In the course of the meeting, the participants discussed certain issues related to the above-referenced proceedings. The participants did not discuss the status or substance of complaint proceedings.

A written presentation was provided to Mr. Donovan, Mr. Krachmer and Ms. Preiss during the meeting and served as the basis for our discussion. A copy of that presentation is attached hereto. Also attached are copies of the three state commission decisions referenced on page 5 of the presentation. Pursuant to Section 1.1206(b) of the Commission's rules, two copies of this letter are being filed with the Secretary's office. In addition, copies of this filing also are being delivered to the individuals listed below.

Kindly refer questions in connection with this matter to the undersigned.

Respectfully submitted,

Angela E. Giancarlo

Angela E. Giancarlo, Esq.
Industry Affairs Manager

cc: P. Donovan
E. Krachmer
T. Preiss
J. Poltronieri
T. Power

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List ABCDE

• 500 Montgomery Street • Suite 700 • Alexandria, VA 22314-1561 •
• **Tel:** 703-739-0300 • **Fax:** 703-836-1608 • **Web Address:** http://www.pcia.com •

PRESENTATION OF THE PERSONAL COMMUNICATIONS INDUSTRY ASSOCIATION ON PAGING INTERCONNECTION

500 Montgomery Street
Suite 700
Alexandria, VA 22314
(703) 739-0300

THE COMMISSION'S CONCLUSION THAT PAGING CARRIERS ARE ENTITLED TO TERMINATING COMPENSATION IS CORRECT BOTH AS A MATTER OF LAW AND POLICY

- Paging carriers' right to compensation for the transport and termination of telecommunications traffic, and the prohibition against LEC charges for their facilities used to transport local telecommunications traffic to the point of interface ("POI") are rooted in the Communications Act of 1934 (the "Act"), as amended.

- The FCC's rules implementing the Act correctly codify these policies.

- The Act provides that Paging Companies are entitled to terminating compensation.

  — Section 251(b)(5) of the Act requires LECs to establish reciprocal compensation arrangements with all telecommunications carriers for the transport and termination of telecommunications.

  — The Act defines the term "telecommunications carrier" as "any provider of telecommunications services" (excluding aggregators of telecommunications services) and defines the term "telecommunications service" as the "offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used."

  — Paging carriers clearly meet these definitions.

- The Commission has correctly determined that paging carriers are entitled to terminating compensation.
  - Section 51.703(a) provides that "Each LEC shall establish reciprocal compensation arrangements for transport and termination of local telecommunications traffic with any requesting telecommunications carrier."
  - Section 51.703(b) provides that "A LEC may not assess charges on any other telecommunications carrier for local telecommunications traffic that originates on the LEC's network."
  - The Commission has correctly found that paging companies, as "telecommunications carriers" within the meaning of the Act, are entitled to terminating compensation.
  - The Commission has also determined that LECs are prohibited from charging for facilities used to transport their traffic.

- The 8th Circuit expressly upheld Section 51.703 as it relates to LEC-CMRS interconnection and specifically affirmed the Commission's lawful jurisdiction over this issue. No one has appealed the 8th Circuit's decision in this regard.

- Every state commission that has ruled on the matter has upheld the right of paging carriers to terminating compensation. This includes both the prohibition against LEC facilities/transport charges, and the right to compensation for termination of telecommunications. See,

  — The California PUC (Cook Telecom/Pacific Bell)

  — The Oregon PUC (AT&T Wireless/US West)

  — The Minnesota PUC (AT&T Wireless/US West)

- Other states have approved negotiated agreements that establish compensation for carriers providing paging services.

- Paging carriers are entitled to termination compensation under established economic and equitable principles.

  — Paging carriers, like any other telecommunications carrier, simply seek to have charges borne by the appropriate party.

  — The originating carrier (i.e. the LEC serving the customer placing the call) receives the revenue and must bear the cost of delivering local telecommunications traffic to the terminating carrier (in this case, the paging carrier).

  — Paging carriers incur costs in the transport and termination of telecommunications, and should be compensated for those costs in connection with local telecommunications.

  — The originating carrier avoids costs when calls are terminated by paging carriers. In the California PUC proceeding, Pacific admitted that the avoided cost is $.0049 per 20-second call ($.0147 per minute).

  — The sound economic and equitable principle of proportionality dictates that costs for transport and termination be borne in relation to the percentage of use by each originating carrier. This principal is followed where the proportionality of traffic flow is assumed to be 50/50 (LEC-CLEC context) and 20/80 (LEC-broadband CMRS context), or otherwise. It reasonably follows that the principle applies where the traffic flow proportion is 1/99. There is no logical reason for it not to apply where the flow is 0/100. In fact, denying compensation where the proportion of traffic flow is 100/0 is an unfair denial of compensation.

— Other carriers, including those providing messaging services and against whom paging carriers compete, do not pay for the transport to them of LEC-originated traffic. Further, these similarly-situated carriers receive termination compensation from LECs. Competitive parity requires that paging companies be treated equally.

— As telecommunications carriers, paging companies have assumed significant obligations under the Act and are therefore logically entitled to the benefits provided by the Act. For example, like other telecommunications carriers, paging carriers are required to interconnect with other carriers, contribute fully to the universal service fund and to numbering administration cost recovery, and to abide by regulations concerning the use of customer proprietary network information.

— It follows, then, that paging carriers have rights under the Act, including non-discriminatory interconnection and reciprocal compensation.

UNDER § 251(b)(5), PAGING CARRIERS, LIKE OTHER CARRIERS, CONTINUE TO HAVE THE INCENTIVE TO MINIMIZE THE COST OF BOTH THE LEC AND PAGING CARRIER

- Paging networks are efficient because they have been designed and built to provide services in a competitive market – unlike LEC networks that were designed in a rate-of-return environment. Paging carriers must operate efficiently to survive in the competitive market.

- Paging carriers have no incentive to increase their capital costs.

- Inefficient trunk use (e.g. requiring the LEC to install more trunks than are needed to handle the traffic) would result in increased capital costs to the paging carrier. For example, paging carriers would need additional trunk cards, each of which cost in the range of $15,000 to $20,000.

  — Inefficient trunk use would more rapidly lead to requirements for additional switches and, thus, additional capital costs which could not be recovered in the competitive wireless market.

- Paging carriers have the incentive to efficiently place their switch serving the MTA.
  - As mentioned earlier, existing systems are already designed efficiently.
  - Paging carriers are incented to maintain efficient networks because there is a certain portion of traffic that is not subject to the reciprocal compensation provisions of the Act.

- Like price caps, termination compensation, however derived, increases incentives to be efficient.
  - In a competitive market, with the terminating compensation rate fixed, carriers have no incentive to drive their cost above this rate, because costs in excess of the compensation rate would not be compensated.

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Decision 97-05-095 May 21, 1997

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Cook Telecom, Inc., for arbitration pursuant to Section 252 of the Federal Telecommunications Act of 1996 to establish an interconnection agreement with Pacific Bell.	Application 97-02-003 (Filed February 3, 1997)

David M. Wilson and David A. Simpson, Attorneys at Law, for Cook Telecom, Inc., applicant.
Thomas J. Ballo and David Discher, Attorneys at Law, for Pacific Bell, respondent.
Karen Jones, Marc Kolb and Mike Watson, for the Commission's Telecommunications Division.

INTERIM OPINION

1. Summary

We reject the Arbitrated Interconnection Agreement between Cook Telecom, Inc. (Cook or applicant) and Pacific Bell (Pacific or respondent) because it fails to provide for compensation to Cook for the costs that Cook incurs in terminating calls to its paging customers. Accordingly, the agreement fails to comply with Sections 251(b)(5) and 252(d)(2)(A)(i) of the Telecommunications Act of 1996 (Act) and our Rules Governing Filings Made Pursuant to the Telecommunications Act of 1996, Resolution ALJ-168 (Rules). We further order the parties to file an agreement in conformance with this decision.

2. Background

On February 3, 1997, Cook filed a timely application for arbitration of terms, conditions and rates for interconnection with Pacific. Pacific filed a timely response on February 28, 1997.

Arbitration hearings were held on March 12 and 13, 1997. Opening briefs were filed and served on March 24, 1997, and reply briefs were filed and served on March 31, 1997.

An Arbitrator's Report was filed and served on April 21, 1997. On April 28, 1997, parties filed and served a conformed agreement in compliance with the Arbitrator's Report. On May 2, 1997, parties filed and served comments on the Arbitrator's Report and the conformed agreement.

3. Arbitrated Agreement

The threshold issue is whether applicant is entitled to transport and termination compensation. We conclude, contrary to the Arbitrator's Report, that applicant is so entitled pursuant to the Act.

Under Rule 4.2.4, we may reject an arbitrated agreement or portions thereof that do not meet the requirements of Section 251 of the Act, regulations prescribed under Section 251 by the Federal Communications Commission (FCC), or the pricing standards set forth in Section 252(d) of the Act. Pursuant to Section 252(e)(3) of the Act, we may also reject agreements or portions thereof which violate other requirements of the Commission. For the reasons set forth below, we reject the arbitrated agreement filed by the parties and order the parties to file an agreement in compliance with this decision.

3.1 Act and FCC Regulations

Respondent has a duty under Section 251 "to establish reciprocal compensation arrangements for the transport and termination of telecommunications." (Section 251(b)(5).) Section 252(d) further provides that a State Commission shall not consider terms and conditions for reciprocal compensation just and reasonable unless the "terms and conditions provide for the mutual and reciprocal recovery" of costs "by each carrier." (Section 252(d)(2)(A)(i).)

Applicant is a one-way paging company. Applicant does not originate traffic for termination on respondent's network. Respondent argues that because traffic flows only one-way -- i.e., respondent always terminates traffic on the applicant's network -- and respondent never terminates traffic on its network from the applicant, applicant is not entitled to compensation because such compensation is not "mutual" or "reciprocal" within the meaning of Section 251(b)(5) of the Act.

We disagree. Under Section 251(a) of the Act, respondent has a duty to interconnect with applicant who otherwise qualifies as a "telecommunications carrier" providing "telecommunications service" within the meaning of the Act. (47 U.S.C.§§3(44) & (46)). In fulfilling this duty, respondent has an obligation under Section 251(b)(5) "to establish reciprocal compensation arrangements for the transport and termination of telecommunications." Under Section 252(d)(2) the state is to ensure that "terms and conditions for reciprocal compensation" "provide for the mutual and reciprocal recovery by each carrier of costs associated with the transport and termination on each carrier's network facilities of calls that originate on the network facilities of the other carrier." (emph. added).

In creating these duties, Congress did not carve out an exception with respect to those telecommunications carriers providing a telecommunications service that consisted of one-way paging. To the contrary, Congress broadly required local exchange carriers to interconnect with all providers of communication services meeting the definitional sections of the Act, and to compensate each carrier on reasonable terms and conditions for the costs that it incurs in terminating calls to the called party that originate on the local exchange carrier's network.

Respondent does not dispute that there are costs incurred by applicant in terminating calls to applicant's customers. We do not think that Congress intended a result that, on the one hand, would require respondent to compensate a carrier providing two-way wireless service for the costs that the carrier incurs, but on the other hand, allow respondent to deny compensation to a carrier providing one-way wireless service for the costs that such carrier incurs. To be sure, when respondent terminates calls on its network from cellular and other wireless providers, respondent is compensated for the costs that it incurs in terminating such traffic. We believe that Congress intended that each and every carrier should be compensated for the costs that it incurs in terminating traffic, and did not intend to deny a class of carriers -- in this case, one-way paging -- the right of compensation simply because there is no traffic terminated on the local exchange carrier's network. We fail to discern any public policy that Congress intended to further by denying such compensation to one-way paging carriers when, at the same time, Congress went to such great lengths to grant such carriers the right to interconnect and compete on an equal footing under the Act. We believe that Congress simply recognized that historically, while local exchange carriers have been compensated by competitors for terminating competitors' traffic, the local exchange carrier should reciprocate by compensating competitors for terminating the local exchange carrier's traffic.

Our construction of the Act is consistent with that adopted by the Federal Communications Commission ("FCC"). In Local Competition Provisions of the 1996 Telecommunications Act, First Report and Order, 11 FCC Rcd 15499 (Aug.1, 1996), the FCC promulgated regulations pursuant to the Act that required all LECs [local exchange carriers] to enter into reciprocal compensation arrangements with all CMRS [commercial mobile radio service] providers, including paging providers, for the transport and termination of traffic." Id. at para. 1008. The FCC was careful to expressly specify, and clarify any perceived ambiguity, that paging providers are included in the class of CMRS providers entitled to compensation for terminating traffic. See also id. at para. 1092 ("... paging providers, as telecommunications carriers, are entitled to mutual compensation for the transport and termination of local traffic...") and para. 1093 ("we direct states, when arbitrating disputes under Section 252(d)(2), to establish rates for the termination of traffic by paging providers based on forward-looking economic costs of such termination to the paging provider.") The FCC's policies are consistent with our interpretation of the Act that Congress intended to compensate all carriers, including one-way paging carriers, for terminating traffic.

3.2 Termination and Transport

Respondent next claims that applicant does not transport and terminate traffic, and hence does not qualify for compensation under the Act. We disagree. As discussed above, paging carriers qualify as telecommunication carriers providing telecommunications services within the meaning of the Act. When a caller dials a paging customer, the call is initially transported on the local exchange carrier's network, and then handed off to the paging carrier for ultimate delivery to the called party. As explained by applicant, dedicated trunks pick up land-to-pager calls at [respondent's] tandem offices. These facilites then carry such calls to Cook's terminals. Exhibit 1 (Cook Testimony). In this arbitration, both parties agreed that similar dedicated trunks are used to connect respondent's end-offices to applicant's paging terminals. We agree with applicant that it provides termination and hence applicant should be compensated regardless of whether the interconnection occurs at an end-office or tandem. However, as discussed below, we disagree with applicant that it is entitled to receive compensation for any costs incurred beyond the paging terminal. Cook is only entitled to compensation for its paging-terminal costs, which, for the purposes of this arbitration, we will consider an "equivalent facility" to an end office switch.[1]

From the evidence in this case, Cook provides no transport because Pacific Bell provides the interoffice trunking facilities between its end office and/or tandem and Cook's paging terminal. Therefore, Cook is not entitled to compensation for transport between respondent's end-office or tandem and applicant's paging terminal.[2] Although Cook is not entitled to compensation for transport, neither will it be charged. We note that pursuant to a stipulation discussed below, Pacific will not charge for the facilities it uses to transport calls to Cook because Cook is awarded termination charges in this order.

3.3 Discrimination

Section 251(c)(2) requires nondiscriminatory interconnection for transmission and routing of telephone exchange service and exchange access. Applicant does not provide telephone exchange service or exchange access. Therefore, the nondiscrimination provision of this subsection does not control.

Section 252(i) further requires that respondent:

> "...shall make available any interconnection, service, or network element provided under an agreement approved under this section to which it is a party to any other requesting telecommunications carrier upon the same terms and conditions as those provided in the agreement."

Applicant asserts this obligates respondent to offer applicant the same rates paid to Pac-West Telecom, Inc. (Pac-West),

1 D.92-01-016, 43 CPUC2d 3, 15 (1992); cf. 47 C.F.R. § 51.701(d).

2 However, to the extent Cook owns facilities that connect from respondent's end-offices or tandems to Cook's paging terminals, applicant is entitled to compensation for transport.

as incorporated in the agreement advocated by applicant. We affirm the Arbitrator's findings that this is incorrect. The Pac-West agreement was not approved under the Act. Moreover, applicant is not a competitive local carrier as is Pac-West, and applicant's service is not the same as Pac-West's service. Also, there is no evidence on the record of this proceeding for us to determine whether the rates adopted in the Pac-West agareement are based on cost.

3.4 Public Policy

Congress provided under the Act that local exchange carriers interconnect with, and pay compensation for, the termination of traffic, to all telecommunications carriers that provide telecommunications services. In this case, applicant incurs costs for terminating traffic that originates on the respondent's network. No public policy is served by denying applicant the right to be compensated by the respondent (with which applicant interconnects) on just and reasonable terms for the costs that applicant incurs in transporting and terminating traffic.

3.5. Compensation Rates

Pursuant to Section 252(d)(2)(A), terms and conditions for reciprocal compensation of transport and termination must be based on a reasonable approximation of the additional costs of termination. Having reviewed the cost information submitted on the record, we do not feel confident in establishing final rates at this time. However, we are prepared to establish interim rates.

Cook's witness, Trout, introduced a cost study which purportedly arrived at a forward-looking cost of 2.4 cents per page. Trout's study assumed a network designed to serve 50,000 customers that would each generate 70 pages per month. His study included the costs for the paging terminal, for the paging transmitters, and for the facilities linking them together. Cook requests the termination rate that Pacific pays to Pac-West Telecom under an agreement submitted to the Telecommunications Division in Advice Letter 18115,.that would result in 0.95 cents compensation per page (less than Trout's cost estimate).

Pacific's witness Scholl testified that Trout's cost study was flawed and that after making adjustments, a more appropriate estimate would be from 0.006 to 0.088 cents per page depending on the type of paging terminal used and on the capacity assumptions for that paging terminal. Scholl argues that Trout's study did not conform to the consensus costing principles established in D.95-12-016. Scholl's adjustments exclude costs associated with paging transmitters and with the facilities that link the transmitters with the paging terminal. Scholl argues that these portions of the paging network are not traffic-sensitive and therefore should not be included in the TSLRIC of termination just as local loop facilities are not included the TSLRIC of termination in the wireline context. Also, Scholl attempts to eliminate costs that are not directly associated with paging service, such as voice features. Additionally, Scholl argues that Pacific should not have to compensate Cook for traffic sent over Type 1 (end-office) interconnections because Pacific avoids no costs by sending traffic that way.

We share Pacific's concerns that Cook has not submitted an acceptable cost study which is consistent with our adopted consensus costing principles adopted in D.95-12-016. Pacific's argument to limit the cost study to paging-specific features, to traffic originated by Pacific, and to traffic-sensitive elements is compelling. We are also concerned that Cook's study used a terminal which had excess capacity. Cook's cost study does not convince us to adopt the termination rates negotiated by Pacific Bell and Pac-West Telecom nor those rates established in arbitrations between Pacific and wireline CLCs as reasonable approximations of Cook's additional costs of termination. Furthermore, although we are not bound by the FCC's determination on this issue, we note that First Report and Order presumes that a paging company's additional costs of termination would be less than those of the incumbent LEC, warns against the economic harm of imposing a rate based on the LEC's costs for termination, and specifically directs state commissions not to use the termination proxies established in the Order for establishing a paging carrier's termination rates (paragraphs 1092, 1093).

Pacific's adjustments to Cook's cost study appear to be reasonable, based on the record in this proceeding. Therefore, on an interim basis, we will accept Pacific's adjusted cost figure, 0.088 cents per page, based on an appropriately sized paging terminal, to set the termination rate. Pacific will pay the same rate to Cook regardless of whether the traffic is sent over a Type 2A (tandem) or a Type 1 connection.

We emphasize that these rates are interim. Therefore, we will keep this proceeding open to take further evidence to set a forward looking compensation rate which is consistent with our consensus costing principles. The assigned arbitrator will issue an ALJ ruling to set out a schedule for the second phase of the proceeding.

3.6 Rejection of Arbitrated Agreement and Filing of Agreement Consistent with the Terms of This Decision

For the reasons discussed, the arbitrated agreement does not meet the requirements of Sections 251(b)(5) and 252(d)(2). We therefore reject the agreement, and direct the parties to submit a new agreement that provides compensation to the applicant for its transport and termination of calls.

At the direction of the arbitrator, both parties previously presented a "dueling clause" agreement with sections that would be included or deleted as a consequence of the outcomes of the Arbitrator's Report (Ex. 20). We direct the parties to use that "dueling clause" agreement to file a new agreement that complies with the findings in this decision. In the dueling clause agreement, compensation for use of local paging interconnection facilities (Section 3.2 of the agreement) depended upon the basis for our finding. To clarify our position, we find that Cook is not entitled to reciprocal compensation pursuant to the terms of the Pac-West agreement. Therefore, the alternate language for Section 3.2 which determines that Cook is entitled to reciprocal compensation on terms other than those in the Pac-West agreement, should be adopted. The resulting section 3.2 provides for the recurring facilities charges to be apportioned between the parties based on the each party's relative amount of originating traffic sent over those facilities. Consequently, Cook will not be assessed recurring charges for the facilities.

Findings of Fact

1. Applicant is a one-way paging company.
2. Applicant terminates traffic that originates on the respondent's network and provides termination of telecommunications.
3. Applicant incurs costs for terminating traffic that originates on the respondent's network.
4. The Pac-West agreement was not approved under the Act.
5. Applicant does not provide the same service as PacWest.
6. No public policy objectives are met by denying compensation to applicant for the cost of terminating calls that originate on respondent's network.
7. Cook submitted a cost study that estimates the termination cost as 2.4 cents per page.
8. Cook requests the termination rates negotiated between Pacific Bell and Pac-West Telecom in Advice Letter 18115. Under those terms, Cook would be compensated at aproximately 0.95 cents per page.
9. We have no evidence in this case that the rates adopted in the Pac-West agreement with Pacific are based on cost.

10. Cook's cost study does not comply with our consensus costing principles established in D.95-12-016.

11. Cook's cost study includes costs for the paging terminal, the paging transmitters, and the facilities that connect them.

12. Cook's cost study includes costs for features that can be used for non-paging service.

13. Cook's cost study includes costs for equipment that can be used for other purposes than terminating Pacific-originated traffic.

14. Based on the record in this proceeding, Pacific's adjustments to Cook's cost study are reasonable to set rates on an interim basis.

15. Pacific makes adjustments to Cook's cost study to arrive at a cost ranging from 0.006 to 0.088 cents per page depending on the paging terminal selected and the capacity assumptions employed.

<u>Conclusions of Law</u>

1. Congress' intent in providing mutual compensation under the Act was to ensure that carriers that historically had not been compensated for terminating calls originating on the local exchange carrier network henceforth be compensated.

2. Paying compensation to one-way paging companies for terminating traffic is consistent with the Telecommunications Act of 1996, as well as FCC orders and regulations implementing the Act.

3. Cook's arguments did not convince us to adopt the termination rates negotiated by Pacific Bell and Pac-West Telecom nor those established in arbitrations between Pacific and wireline CLCs as reasonable approximations of Cook's additional costs of termination.

4. Pacific's cost estimate of 0.088 cents per page should be adopted as the rate for compensation to Cook for local termination on an interim basis.

:ific's refusal to pay compensation on Type 1
.s unreasonable because Cook still incurs termination
paging terminal.
:ific shall pay the same compensation to Cook for local
'egardless of whether the parties are interconnected by
ype 2A connection.
›k should only be entitled to compensation for its
al costs which, for the purposes of this arbitration,
sidered an equivalent facility to an end office

ed on the facts in this arbitration, Cook is not
itled to compensation for transport. However, if and
s facilities that connect from a Pacific Bell end
dem to a Cook Paging Terminal, then Cook will be
ompensation for transport.
Interconnection Agreement between Cook Telecom, Inc.
ell should be rejected because it is inconsistent with

ew agreement should be submitted that conforms with

s order should be effective today.

O R D E R

IS ORDERED that:
suant to the Telecommunications Act of 1996, the
terconnection Agreement Between Cook Telecom, Inc. And
(U 1001 C)," dated and filed April 28, 1997, is

parties shall jointly file, within 10 days of the
›rder, the Interim Conformed Interconnection Agreement
s described in Ordering Paragraph 5 below. The
base their agreement on the "dueling clause"

agreement (Exhibit 20) and make the following changes to that agreement:

a. The sections of the conformed agreement shall reflect our determination that Cook is entitled to reciprocal compensation.

b. Section 3.2 of the agreement shall reflect our determination that Cook Telecom, Inc. is not entitled to the terms of the Pac-West agreement.

c. The termination compensation rate in the pricing Schedule in Attachment III shall be as follows:

0.088 cents per Local Paging Call

3. The agreement as described in Ordering Paragraph 2 above shall become effective when filed.

4. The assigned arbitrator shall issue a Ruling to establish a procedural schedule for the establishment of final rates for local transport and termination.

5. The parties shall submit the Interim Conformed Interconection Agreement to the Commission's Administrative Law Judge Division on electronic disk in hypertext markup language format. Further, within 10 days of the date of this order, Pacific Bell shall enter the Conformed Interconnection Agreement in its world wide web server, and provide information to the Administrative Law Judge Division Computer Coordinator on linking the Conformed Interconnection Agreement on Pacific Bell's server with the Commission's web site.

6. This proceeding shall remain open to set final rates for local transport and termination.

This order is effective today.

Dated May 21, 1997, at Sacramento, California.

P. GREGORY CONLON
President
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
RICHARD A. BILAS
Commissioners

I dissent.

/s/ JOSIAH L. NEEPER
Commissioner