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**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

ARB 533

|  |   |       |
|--|---|-------|
| In the Matter of                           | ) |       |
|  | ) |       |
| MCI WORLDCOM COMMUNICATIONS                | ) |       |
| INC. and VERIZON NORTHWEST INC.            | ) | ORDER |
|  | ) |       |
| First Interconnection Agreement, Submitted | ) |       |
| for Commission Approval Pursuant to        | ) |       |
| Section 252(e) of the Telecommunications   | ) |       |
| Act of 1996.                               | ) |       |

**DISPOSITION: INTERCONNECTION AGREEMENT APPROVED**

On March 1, 2004, MCI WorldCom Communications Inc. (MCI) and Verizon Northwest Inc. (Verizon) submitted an Interconnection Agreement (Agreement) for approval pursuant to Section 252(e) of the Telecommunications Act of 1996. On March 22, 2004, the Commission staff (Staff) filed Comments recommending that the Agreement be approved. No other comments were filed in this proceeding.

**Background.** The Interconnection Agreement submitted by the Parties was entered into by Rhythms Links Inc. (Rhythms) and Verizon, formerly known as GTE Northwest Incorporated, effective November 28, 2001. The Agreement was negotiated during the pendency of bankruptcy proceedings of Rhythms NetConnection, Inc., and its affiliates, including a party to the Agreement. In light of those proceedings, the Agreement was not filed with the Commission. Subsequently, the Agreement was assigned to MCI which itself entered bankruptcy proceedings in the United States Bankruptcy Court for the Southern District of New York (Bankruptcy Court). Under the bankruptcy order, MCI was directed to choose a single Interconnection Agreement under which to operate in Oregon.

However, the nature of the original agreement between Verizon and Rhythms precludes the immediate adoption of the uniform MCI-Verizon Interconnection Agreement:

The terms of this Agreement include, among other things, line splitting provisions with respect to applicable assets and sites purchased by MCI WORLDCOM Communications Inc. from Rhythms Links Inc. However, the terms of MCI WORLDCOM Communications Inc.'s other existing interconnection agreement do not include line splitting and other needed provisions.... Verizon and MCI WORLDCOM Communications Inc. are in the process of amending their interconnection agreement that applies to non-Rhythms assets and sites so that it includes line splitting and other needed provisions. Upon completion and execution of such an amendment, MCI WORLDCOM Communications Inc. intends to operate the Rhythms assets and sites pursuant to the terms of such other interconnection agreement and will, thereby, be in a position to terminate this Agreement.<sup>1</sup>

**Staff Comments.** Staff notes that the Commission may reject an agreement only if the agreement or a portion thereof discriminates against a nonparty telecommunications carrier or if the agreement is not consistent with the public interest, convenience and necessity. Staff also notes that the Agreement has a termination date of November 27, 2003, and continues in effect until cancelled or terminated as provided for in the Agreement. Staff interprets the Agreement as having no initial termination clause and is thus terminable upon 90 days notice as provided in Section 2.2 of the Agreement. Staff states that it has been advised by the Parties that, once this Agreement has been approved, the Parties will amend the Interconnection Agreement whose amendment was approved in ARB 422 and terminate the instant Agreement. Staff asserts that, until the Commission approves a further amendment in ARB 422, the terms of this Agreement apply only to those assets acquired by MCI from Rhythms. Although Staff finds the instant Agreement to be "unusual and unique," it concludes that the Agreement does not appear to discriminate against telecommunications carriers who are not parties to the Agreement. Finally, in Staff's view, the Agreement does not appear to be inconsistent with the public interest, convenience and necessity and recommends approval.<sup>2</sup>

**Commission Decision.** Upon reviewing the record in this case, we find that the Agreement between MCI Worldcom Communications Inc., as successor to Rhythms Links Inc., and Verizon Northwest Inc. does not discriminate against telecommunications carriers who are not parties to the Agreement. We further find that the Agreement is not inconsistent with the public interest, convenience and necessity.

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<sup>1</sup> Verizon Transmittal Letter dated February 27, 2004, pp. 1-2.

<sup>2</sup> *Comments*, pp. 1-2.

**ORDER**

IT IS ORDERED that the Interconnection Agreement between MCI Worldcom Communications Inc., as successor to Rhythms Links Inc., and Verizon Northwest Inc., is APPROVED.

Made, entered, and effective \_\_\_\_\_.

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**Lee Beyer**  
Chairman

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**John Savage**  
Commissioner

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**Ray Baum**  
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to applicable law.