

**GENERAL
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**In The Matter Of The
Interconnection Agreement
Negotiations Between AT&T
And BellSouth Pursuant To
47 U.S.C. §252**

**AT&T'S DOCUMENTS
SUBMITTED UNDER THE
TELECOMMUNICATIONS
ACT OF 1996**

VOLUME VI

TABS 65 - 124

JULY 17, 1996

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of the)
Interconnection Agreement)
Negotiations Between AT&T)
COMMUNICATIONS OF THE)
SOUTHERN STATES, INC. and)
BELLSOUTH)
TELECOMMUNICATIONS, INC.,)
Pursuant to 47 U.S.C. Section 252)
_____)

DOCKET NO. _____

PETITION BY AT&T FOR
ARBITRATION UNDER THE
TELECOMMUNICATIONS ACT
OF 1996

**INDEX TO AT&T'S DOCUMENTS SUBMITTED
PURSUANT TO THE TELECOMMUNICATIONS ACT OF 1996***

* Documents indexed at Tabs 346 through 435 are not included herein because they have been designated by BellSouth as containing information that is proprietary and confidential to BellSouth. Documents indexed at Tabs 292 through 345 are being submitted in a separate volume because these documents contain information that is proprietary and confidential to AT&T. See AT&T's Stipulated Protective Order, filed today.

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XV	314	3/28/96	Local Operator Services Tactical Plan	200602
	315	3/28/96	AT&T Communications Inc. Total Services Resale	200683
	316	3/28/96	AT&T Communications Inc. Unbundled Loop Combination	200705
	317	4/2/96	Letter from J. Bradbury to S. Lavett	200734
	318	4/4/96	AT&T Unbundled Loop Combination and Interconnection	200735
	319	4/10/96	Memo from J. Bradbury to S. Lavett	200791
	320	4/10/96	Memo from J. Bradbury to S. Lavett	200803
	321	4/16/96	AT&T Communications Inc. Total Services Resale Planning Document	200805
	322	4/16/96	AT&T Communications Inc. Local Network Elements	200828
	323	4/16/96	AT&T Communications Inc. Unbundled Loop Combination and Interconnection	200866
	324	4/29/96	Letter from M. Fawzi to S. Lavett	200895
	325	5/1/96	Total Services Resale Status Document	200897
	326	5/1/96	Total Services Resale Interface Related	200912

XVI	327	5/23/96	Memo from P. Foster to S. Lavett	
	328	5/27/96	Local Account Maintenance Negotiations	200928
	329	5/28/96	Unbundled Network Elements Forecast Team	200937
	330	5/31/96	Letter from K. Taber to S. Lavett	200962
	331	6/5/96	Letter from J. Carroll to C. Coe	200999
	332	6/20/96	Letter from S. Ray to S. Lavett	201011
	333	6/21/96	Letter from J. Carroll to C. Coe	201018
	334	6/21/96	Total Services Resale Box Score	201078
	335	6/25/96	Customer Experience Documentation	201095
	336	6/27/96	Memo from P. Nelson to Executive Team	201112
	337	3/27/96	AT&T Communications Inc. Local Network Elements	201121
	338	3/28/96	AT&T Communications Inc. Total Service Resale	300040
	339	3/00/96	Local Resale Data Transfer Requirements	300078
	340	3/28/96	AT&T Communications Inc. Unbundled Loop Combination	300123
	341	3/27/96	Local Account Maintenance	300156
	342	Undated	Proposed Recovery of Costs Incurred by BellSouth	300184
	343	Undated	BellSouth - AT&T Negotiations Operations Costs Issues	300530
	344	7/3/96	AT&T - BellSouth Negotiation Core Team Issues	300531
	345	7/3/96	AT&T - BellSouth Negotiation Core Team Issues	300542
	346	Undated	Subloop Unbundling Proposal Summary	300558
	347	9/13/95	Proposed GA Billing Arrangements	900001
	348	9/19/95	Proposed Billing Arrangements	900003
	349	10/29/95	Total Service Resale Planning Matrix	900072
	350	11/17/95	Total Service Resale	900141
	351	12/4/95	Memo from Q. Sanders to B. West, et al.	900149
	352	12/8/95	Total Service Resale	900192
	353	12/19/95	Service & Service Ordering	900209
	354	12/19/95	Common Issues	900274
	355	1/22/96	Requirement Status/Agree	900333
	356	1/22/96	Provisioning, Maintenance & Repair	900339
				900415

900499	Fax from M. Imperato to K. Taber	1/30/96	357
900521	Total Service Resale	2/7/96	358
900588	Fax from G. Calhoun to J. Bradbury	3/25/96	359
900593	Fax from S. Lavett to P. Nelson	3/28/96	360
900595	Tennessee Cost Analysis	4/00/96	361
900799	North Carolina Cost Analysis	4/00/96	362
901006	Florida Cost Analysis	4/00/96	363
901236	Georgia Cost Analysis	4/00/96	364
901476	Total Service Resale	4/2/96	365
901525	Total Service Resale - Complete	4/2/96	366
901611	Service & Service Ordering Package	4/2/96	367
901651	Draft Summary	3/28/96	368
901655	Fax from M. Cathey to N. Brown	4/3/96	369
901657	Data Transfer Conference Call	4/2/96	370
901666	Entire Document - Resale	4/11/96	371
901786	Fax from S. Lavett to Sue Ray	4/11/96	372
901791	Fax from M. Cathey to N. Brown	4/11/96	373
901803	BellSouth TSR 4/17/96 Status Report	4/17/96	374
901908	Fax from J. Brinkley to N. Brown	4/17/96	375
901922	Handout from RSA G demo	4/22/96	376
901924	SME Escalation Form	4/22/96	377
901926	SME Escalation Form	4/22/96	378
901932	Resale/Agree	4/23/96	379
901968	Fax from C. Braun to S. Ray	4/29/96	380
901976	Resale/Agree	4/29/96	381
902013	Resale/Obtainable - Pending-Escalated	4/29/96	382
902050	Unbundled/All	4/29/96	383
902161	OLEC-to-BellSouth Ordering Guidelines - Resale	4/29/96	384
902217	BAPCO Services	Undated	385
902258	Resale/Status-None	4/30/96	386

387	5/7/96	SME Escalation Form	902275
388	5/7/96	Fax from S. Lavett to P. Nelson	902276
389	5/14/96	Unbundled/All	902282
390	5/20/96	Letter from V. Atherton to R. Oakes	902395
391	5/22/96	Executive Team Meeting Notes	902397
392	5/21/96	Switched Local Transport Cost Summaries	902399
393	5/21/96	LTR Studies FL & LA	902810
394	5/21/96	Supplemental Response to Initial AT&T Request Question #5	903042
395	5/24/96	BellSouth's Response to Ellison's Supplemental Data Request of 4/24/96	903625
396	5/24/96	BellSouth Response to Ellison's Supplemental Data Request of 4/26/96	903471
397	5/24/96	Resale/All	903640
398	5/24/96	Resale/Agree	903738
399	5/24/96	Resale/Obtainable -Pending - Escalated	903755
400	6/18/96	Resale/Status - None	903817
401	5/24/96	Revised Routing Policy	903822
402	5/28/95	Letter from V. Atherton to R. Oakes	903823
403	5/28/96	Letter from S. Lavett to P. Nelson	903836
404	5/30/96	Letter from Pam to D. Hassebrock, et al.	903831
405	6/4/96	Fax from B. Warren to K. Tabor	903840
406	6/11/96	Letter from V. Atherton from R. Oakes	903844
407	6/11/96	Letter form V. Atherton from R. Oakes	903847
408	6/11/96	BellSouth Response to AT&T 1st Request, Item 1	903851
409	Undated	BellSouth Response to AT&T 1st Request, Item 1	904130
410	Undated	BellSouth Response to AT&T 1st Request, Item 1	904912
411	Undated	BellSouth Response to AT&T 1st Request, Item 1	905116
412	Undated	BellSouth Response to AT&T 1st Request, Item 1	905230
413	Undated	BellSouth Response to AT&T 1st Request, Item 1	905279
414	Undated	BellSouth Response to AT&T 1st Request, Item 1	905282
415	Undated	BellSouth Response to AT&T 1st Request, Item 1	905285
416	Undated	BellSouth Response to Florida Studies Provided In Response to PSC Order	905680

	417	6/14/96	Fax from K. Milner to P. Nelson	905956
	418	6/18/96	Resale/All	905971
	419	6/18/96	Resale/Obtainable-Pending-Escalated	906020
	420	6/18/96	Resale/Agree	906050
	421	6/19/96	Issue Data submitted by C. Weekley re. Response Letter	906072
	422	6/22/96	Letter from R. Barretto to C. Taber	906082
	423	6/30/96	Resale/All	906127
	424	7/1/96	Notes from D. Lee	906234
	425	Undated	Issue Data BellSouth Position	906306
	426	3/28/96	AT&T/BST Local Interconnection Negotiations	300034
	427	4/2/96	AT&T/BST Local Interconnection Negotiations	300273
	428	4/9/96	AT&T/BST Local Interconnection Negotiations	300313
	429	4/17/96	AT&T/BST Local Interconnection Negotiations	300327
	430	Undated	Timelines to Document Agreement	300345
	431	4/22/96	AT&T/BST Local Interconnection Negotiations	300363
	432	Undated	AT&T/BST Local Interconnection Negotiations	300368
	433	5/1/96	AT&T/BST Local Interconnection Negotiations	300371
	434	5/1/96	AT&T/BST Local Interconnection Negotiations	300372
	435	Undated	BellSouth Tennessee Resale Study	300450
XVII	436	5/30/96	Florida Cost Study	700000
XVI	437	Various	Executive Team Meeting Minutes	400000
XI	438	7/15/96	Letter from J. Carroll to S. Schaefer	400218
	439	7/16/96	Letter from J. Carroll to S. Schaefer	400220



W. J. Carroll
Vice President

April 24, 1996

Mr. Charlie Coe

Charlie,

Sorry we have not been able to connect. I wanted to give you a heads up on the attached. It will be hand delivered to Duane later today.

I will continue to try and catch up with you to discuss these current issues.

A handwritten signature in cursive, appearing to be "WJ Carroll".

Attachment

Room 4170
1200 Peachtree Street, NE
Atlanta, GA 30309
404 810-7262

001547



W. J. Carroll
Vice President

4/24/96

DUANE:

A lot of change has taken place since we were in BAMP together in the fall of 1992.

Congratulations on your CEO position. Look forward to

SEEING YOU AGAIN.

Room 4170
1200 Peachtree Street, NE
Atlanta, GA 30309
404 810-7262

001548



William J. (Jim) Carroll
Vice President

Room 4170
1200 Peachtree St., NE
Atlanta, GA 30309
404 810-7262

April 24, 1996

Via Hand Delivery

Mr. F. Duane Ackerman
Vice President & Chief Operating Officer
BellSouth Corporation
1155 Peachtree Street, NE
Room 2010
Atlanta, GA 30309

Dear Duane:

On March 6, you replied to our March 4, 1996 request for negotiations under the Federal Telecommunications Act of 1996. You pointed out that negotiations had been underway for quite some time. In fact, BellSouth has had our requirements for Total Services Resale for over six months without responding to the Electronic Interfaces necessary for pre-service ordering, service order processing and provisioning, and service trouble reporting.

BellSouth continues to delay AT&T's market entry capability. Attached is an escalation request I made to Charlie Coe on April 4, 1996 in connection with this issue. Charlie's response dated April 12, 1996 received April 17, 1996, includes continued delay. We are requesting that BellSouth commit to provide the Electronic Interfaces and be ready for joint testing by July 1, 1996. Please advise.

Regards,

A handwritten signature in dark ink, appearing to be "Jim Carroll".

Attachment

cc: J. Drummond
C. Coe

001549

**Status of AT&T/BellSouth Negotiations under the
Telecommunications Act of 1996 (for states of GA, FL, NC, TN)**

4/4/96

TOTAL SERVICES RESALE

Issue	Status	Action Requested
<u>Electronic Interfaces - General</u>	<ul style="list-style-type: none"> • BellSouth has had requirements for over 6 months with no firm long term solutions. • BS Steering Committee expecting interface business case 5/1. 	<ul style="list-style-type: none"> • Accelerate completion/analysis of business case to support desired 4/15 interface definitions, etc. • Commit to interim EDI arrangements other RBOCs are agreeing to. • Agree to BellSouth/AT&T technical teams working closely, in parallel, immediately to define/develop interfaces.
⇒ Pre-Service Ordering	<ul style="list-style-type: none"> • Some interim (Phase I) pre-ordering interfaces available for joint testing between 4/15-5/1. • No schedule for delivery of long term (Phase II) interfaces. 	<ul style="list-style-type: none"> • Commit to define Phase II (electronic) interfaces by 4/15/96 and be ready for joint testing 7/1/96.
⇒ Service Order processing & provisioning	<ul style="list-style-type: none"> • Phase I interfaces proposed as manual fax/telephone calls. • BellSouth advocating awaiting OBF solution. 	<ul style="list-style-type: none"> • Commit to define Phase II (electronic) interfaces by 4/15/96 and be ready for joint testing 7/1/96.
⇒ Service Trouble reporting	<ul style="list-style-type: none"> • Partial agreement in maintenance area -- agree to provide electronic transfer of Maintenance Trouble Report. • Testing Required. 	<ul style="list-style-type: none"> • Commit by 4/15/96 to provide electronic interfaces testing by 3Q/4Q 1996.

001550



William J. (Jim) Carroll
Vice President

Room 4170
1200 Peachtree St., NE
Atlanta, GA 30309
404 810-7262

April 24, 1996

Via Hand Delivery

Mr. F. Duane Ackerman
Vice President & Chief Operating Officer
BellSouth Corporation
1155 Peachtree Street, NE
Room 2010
Atlanta, GA 30309

Dear Duane:

On March 6, you replied to our March 4, 1996 request for negotiations under the Federal Telecommunications Act of 1996. You pointed out that negotiations had been underway for quite some time. In fact, BellSouth has had our requirements for Total Services Resale for over six months without responding to the Electronic Interfaces necessary for pre-service ordering, service order processing and provisioning, and service trouble reporting.

BellSouth continues to delay AT&T's market entry capability. Attached is an escalation request I made to Charlie Coe on April 4, 1996 in connection with this issue. Charlie's response dated April 12, 1996 received April 17, 1996, includes continued delay. We are requesting that BellSouth commit to provide the Electronic Interfaces and be ready for joint testing by July 1, 1996. Please advise.

Regards,

A handwritten signature in cursive script, appearing to read "J. Drummond".

Attachment

cc: J. Drummond
C. Coe

001551



Southern Region

Jay M. Bradbury
Manager

Room 12W47
Promenade II
1200 Peachtree St., NE
Atlanta, GA 30309
404-810-8005

April 24, 1996

Suzie Lavett
BellSouth
Room ESG 3535 Colonnade Parkway
Birmingham, Alabama 35243

HAND DELIVERED

Dear Suzie:

Listed below are the action items and status from our April 17, 1996, Total Services Resale Maintenance Meeting:

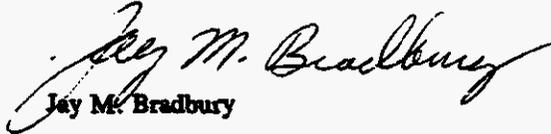
1. I agreed to provide you with the names of BellSouth employees who had previously participated in these meetings. I did so on the afternoon of April 17.
2. You and Bob Anderson agreed to obtain an 800 number for the BellSouth Business Repair Centers in each state that would be dialable from AT&T Work Centers not located in the BellSouth states. This number will be needed before joint testing can begin on July 1, 1996.
3. AT&T will determine and provide BellSouth with an 800 number for mis-directed call referral. This number will be provided prior to the start of joint testing.
4. You and Bob were to internally coordinate an informal out-sourcing proposal Bob made during the meeting. Should you obtain permission to make a formal proposal AT&T will give it timely consideration.
5. Bob was to provide you with TAFI scripts for release to AT&T. You committed to obtain release permission and make the scripts available to AT&T on Tuesday, April 23.
6. Tony Guisto of AT&T was to provide AT&T's trouble ticket data elements to me to pass to you on Friday, April 19. Please find this information at attached to this letter.
7. You agreed to let me know by Monday, April 22, if and when BellSouth would provide its performance standards to be compared with AT&T's Measures of Quality Expectations. I have not heard from you on this.
8. AT&T and BellSouth agreed to hold a meeting on May 2, 1996, to discuss detailed process requirements, process flows, and a draft work center to work center interface agreement. Each agreed to have to process knowledgeable people present and to exchange supporting documents in advance.
9. Bob was to provide you with copies of Center Disaster Recovery Plans. You committed to obtain release permission and make the plans available to AT&T on Friday, April 26.

001552

Continuity of involvement is critical to the timely implementation of the methods, procedures, and systems necessary to meet AT&T customer's maintenance and repair needs. Having only two BellSouth employees, neither of whom had participated in our previous meetings present at this meeting was limiting.

Advance preparation for our next meeting (Item 8 above), and participation by process knowledgeable people will be essential to completing interim methods and procedures prior to the start of joint testing, and the development of a robust electronically bonded interface to meet long term customer needs.

Yours truly,


Jay M. Bradbury

cc: AT&T Core Team Attachment: AT&T Trouble Ticket Data Elements

001553

DATE:
TIME: __: __

AGENT/TECH:
TICKET NO.:

CUSTOMER TELEPHONE #:
CUSTOMER NAME:
CUSTOMER ADDRESS:

CUSTOMER CBR #:

NUMBER OF PHONES IN HOME w/AT&T:
NUMBER OF LINES IN HOME (list any additional to the above)
TROUBLE ON ALL PHONES (Y/N)
TROUBLE EXISTS ON WHICH LINE(S):
REPEAT TROUBLE? (Y/N)
PRIORITY CUSTOMER Y/N
MULTIMEDIA SERVICES: ISDN-BRI__ MAILBOX__

TROUBLE TYPE AND DESCRIPTION:	
No Dial Tone <ul style="list-style-type: none">• Frequency• Current Condition• New Service (Y/N)	Can not call out <ul style="list-style-type: none">• Numbers that can't be called<ul style="list-style-type: none">• Local• Interstate• Intra-state• Specific numbers• What occurs if call is attempted
Can not receive calls <ul style="list-style-type: none">• Location of incoming calls that can not reach this number<ul style="list-style-type: none">• Local• Interstate• Intra-state• Specific numbers• What occurs when a call to this # is attempted?	Transmission/Noise <ul style="list-style-type: none">• Where is the trouble<ul style="list-style-type: none">• Caller• Calling party• Specific number(s) that the trouble is occurring on: _____• Description of Noise:• Is a cordless telephone used (Y/N)• Does the trouble occur when the cordless is disconnected (Y/N)
Memory Services <ul style="list-style-type: none">• Is feature on record as activated (Y/N)• Is the feature being used correctly (Y/N)	Data Transmission Trouble/ISDN-BRI <ul style="list-style-type: none">• Voice• Data• NT1• All
TEST RESULTS: No trouble on line _____ Trouble exists with another service provider _____	DISPATCH Y/N Appointment Necessary Start Time _____ Stop Time _____ Time & Material Used: _____
NIU (Y/N)	INSIDE WIRE VENDORS:

DATE:
TIME: __: __

AGENT/TECH:
TICKET NO.:

TROUBLE ACCEPTANCE:

Commitment of trouble clearance by (Date) _____ (Time) __: __

Access arrangements _____

Maintenance and service charge quote (if applicable) _____

COMMENTS:

4/25 8:34 pm Audix from Jim:

I'm forwarding this message to the Governance Team, and that includes Andre'. Andre', I'll have Alicia, or Kay in her absence, type this up from the voice mail before we delete it in order for it to go to the record. This is a message from Scott for you guys to listen to.

Jim, this is Scott. I told you I'd call you today to keep you posted on our progress regarding the electronic transfer of orders from AT&T to BellSouth. I didn't beep you or call you at home because I don't have significant new information for you other than to tell you that we are closing in on the internal cost quote and project plan for accomplishing EDI and that'll have more specific consensus around going forward or not going forward with that in the next day or two, probably by close of business tomorrow. May not get to you until Monday. So that's the latest, and I hope you have a super weekend, if I don't talk to you tomorrow. Bye-bye.

425JIM2.DOC

001556

*Unbillable Proposal
Issue 2.2.1*

Date: April 25, 1996
To: Sue Ray
From: Craig Steele - CBS - BellSouth
Subject: Unbillables

As promised, following is BellSouth's response to AT&T in reference to the investigation and/or return of messages transmitted to AT&T (Sections 2.2 and 4.2 of AT&T's September, 1995 Data Transfer Requirements).

As we worked through the process, we could not identify where BellSouth could add any value by receiving returns or investigating the messages transmitted to AT&T. BellSouth will make the copy to be transmitted to AT&T when the messages have processed through BellSouth's billing system and reaches BellSouth's Bill Masterfile Job. Therefore, the messages are ready to be formatted to an end user account. Because BellSouth is taking the messages through BellSouth's edit to Bill Masterfile before providing a copy to AT&T, we do not see where BellSouth could assist AT&T with messages erroring in AT&T's billing system.

If AT&T should encounter significant volumes of errored messages where it appears BellSouth could assist in the resolution, BellSouth will be more than happy to discuss this with AT&T at that time.

If you have questions or would like to discuss, please call me on (601) 961-8030.

Craig Steele

Post-It® Fax Note	7671	Date	4-25-96	# of pages	1
To	Sue Ray	From	Craig Steele		
Co./Dept.		Co.			
Phone #		Phone #	205-321-4642		
Fax #	404-810-3131	Fax #	205-321-4462		



Southern Region

Christopher Weekley
Local Services Negotiator

Room 12W44
Promenade II
1200 Peachtree St., NE
Atlanta, GA 30309
404-810-3122

April 26, 1996

Suzie Lavett
BellSouth Telecommunications, Inc.
Room E5G
3535 Colonnade Parkway
Birmingham, Alabama 35243

Faxed to 404-420-0031

Dear Suzie,

The following action items from the AT&T and BellSouth (BST) Maintenance 4/24/96 meeting. Please review and call me at 404-810-3122, if you have any corrections.

Thank you,

Chris Weekley

Maintenance Procedures Item:

B.1. Action Item Cindy (AT&T), by 5/1 obtain Electronic Bonding (EB) flow charts from Linda Mull and be prepared to work through and discuss EB flow charts for next meeting for next meeting on 5/22.

B.3 Action Item Cindy (AT&T) by 5/1, research status updates to trouble tickets in EB mode, how does AT&T receive the updates? Is it flagged?

B.3 Action Item Ed Houppert (BST) by 4/26 initial response, to provide Maintenance procedures on how BST ACAC handles troubles in electronically and manually.

B.6,7 Action Item Ed Houppert (BST) by 5/1, check on types of situations where BST would notify local customers for releases. i.e. cable throws and carrier rolls.

B.11 Action Item Cindy (AT&T) by 5/1, obtain words from TSR on escalations/expedites (possibly be able to adapt/modify wording)

B.11 Action Item Ed Houppert (BST) by 5/1, provide wording on BST escalation procedures for local service.

B.14 Action Item Ed Houppert (BST) by 5/1, provide procedures for close-out of maintenance tickets (re: time and materials, rate tables).

B.19 Action Item Cindy (AT&T) by 5/1, get with Ed Welch to confirm if the job aid designed to assist with misdirected calls under Total Services Resale would be applicable for Unbundled Elements.

001558

MODE = MEMORY TRANSMISSION

START=APR-26 16:48

END=APR-26 16:49

FILE NO.= 237

NO.	COM	ABBR/NTWK	STATION NAME/ TELEPHONE NO.	PAGES	PRG.NO.	PROGRAM NAME
-----	-----	-----------	--------------------------------	-------	---------	--------------

001	OK		94200031	001/001		
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-AT&T SUPPLIER MGMT. -

***** (FAX-950 V1.24) ** -AT&T ASM SOUTH - ***** - 404+810+3131- *****

April 26, 1996

MEMO TO FILE

Subject: Call to Jim Carroll on 4/25/96 from Scott Schaefer - BellSouth

Jim, this is Scott. I told you I would call you today to keep you posted on our progress regarding the electronic transfer of orders from AT&T to BellSouth. I didn't beep you or call you at home because I don't have significant new information to you other than to tell you that we are closing in on the internal cost quote and project plan for accomplishing EDI. I hope to have more pacific consensus around going forward or not going forward with that in the next day or two, probably by close of business tomorrow. It may not get to you until Monday. That's the latest and I hope you have a "chipper" week-end if I don't talk with you tomorrow.

cc: Andre' Mule'

001560

April 26, 1996

MEMO TO FILE

Subject: Call to Jim Carroll on 4/26/96 from Scott Schaefer - BellSouth

Jim, this is Scott Schaefer I wanted to call you and let you know that I had an item escalated yesterday regarding our provision of documentation to you. Let me start by apologizing. We had missed a commitment to deliver -- actually to make documentation available for you guys to come down to Southern Bell Center yesterday and take a look at our cost studies regarding loop, port and usage. We did not meet that commitment. There was confusion on the part of some of the people that had to put the documentation together that was inconsistent with the position and commitment that we made to you through Suzie Lavett. Suzie Lavett was operating in good faith in assuming that we were going to meet that commitment and should have had every reason to believe that, but it did not get done. As a result of that I got a call from Suzie and then one from Preston Foster -- held a conference call this morning. We will have that documentation and instead of coming down here looking at it, we are going to send that documentation to you. We will deliver it to you per your request by the close of business today and hopefully that will make up a little bit for missing the commitment for you to come down here and view it. OK. I'll look forward to talking with you again. Hope you have great weekend and again I think we are making good progress on EDI and I'll have something to you by Monday I believe on that. OK. Have a great weekend See you Jim.

cc: Andre' Mule'

001561

Susan D. Ray
AT&T Local Service Negotiator

Room 12N04
Promenade II
1200 Peachtree St., NE
Atlanta, GA 30309
404-810-3123

April 26, 1996

Craig Steele
BST Carrier Billing Negotiator
15th Floor
600 N. 19th Street
Birmingham, AL 35203

Dear Craig:

This is to confirm our Carrier Billing meeting on May 15, 1996, at 10:00 a.m. in room 64054, Building 600, Alpharetta, GA.

We are looking forward to the CRIS/CLUB demonstration. In addition to the demonstration, we would like to discuss requirement number 2 and the items BellSouth has tabled (pre-bill certification requirements). On requirement number 2, your response indicated that further discussion was needed due to possible volumes. AT&T needs BellSouth to bill one BAN per RAO regardless of volumes. We also would like to continue the pre-bill certification discussions. It may be beneficial to invite Jim Dewar to this meeting since we have worked with him before on pre-bill certification requirements.

Mer Thompson has provided directions for your convenience. If you have questions on them, please call her on 770-750-3926. Again, we are looking forward to meeting with you on May 15, 1996.

Sincerely,



001562

From Birmingham:

1. I20 east to 285
2. 285 north to 400
3. 400 north to Winward Parkway
4. Turn right on Winward Parkway
5. At first light, turn right on North Point Parkway
6. From North Point Parkway, turn left at the third entrance to the AT&T Complex
7. As you enter the complex, the first building you see is the 500 Building
8. Proceed through the Stop at the front of the 500 Building
9. Travelling along the side of the 500 Building, park in the area to your right
10. The 600 Building is the single story building located behind the 500 Building
11. Enter the 600 Building from the brick patio and sign in at the Guard's desk

or

1. I20 east to 75/85
2. 75/85 north to 400
3. 400 north to Winward Parkway
4. Turn right on Winward Parkway
5. At first light, turn right on North Point Parkway
6. From North Point Parkway, turn left at the third entrance to the AT&T Complex
7. As you enter the complex, the first building you see is the 500 Building
8. Proceed through the Stop at the front of the 500 Building
9. Travelling along the side of the 500 Building, park in the area to your right
10. The 600 Building is the single story building located behind the 500 Building
11. Enter the 600 Building from the brick patio and sign in at the Guard's desk

From Downtown Atlanta

1. 75/85 north to 400
2. 400 north to Winward Parkway
3. Turn right on Winward Parkway
4. At first light, turn right on North Point Parkway
5. From North Point Parkway, turn left at the third entrance to the AT&T Complex
6. As you enter the complex, the first building you see is the 500 Building
7. Proceed through the Stop at the front of the 500 Building
8. Travelling along the side of the 500 Building, park in the area to your right
9. The 600 Building is the single story building located behind the 500 Building
10. Enter the 600 Building from the brick patio and sign in at the Guard's desk

If you have any questions, please call me on 770-750-3926.

Mer

001563

April 26, 1996

William J. Carroll
Vice President
Room 4170
1200 Peachtree St., NE
Atlanta, Ga. 30309

Dear Jim:

This letter is in response to your April 24, 1996, letter to F. Duane Ackerman. As you mentioned, AT&T and BellSouth have been jointly and voluntarily discussing AT&T's possible resale of BellSouth services since August of last year. Upon receipt of AT&T's March 4, 1996, letter, BellSouth immediately formed a negotiation team (Attachment I) and our companies began formal negotiations under the Telecommunications Act of 1996. BellSouth has dedicated substantial resources to this effort and continues to add resources as new issues surface. BellSouth has committed to support AT&T's entry into the local market via resale using processes in place today to accommodate all resellers' entry into that market.

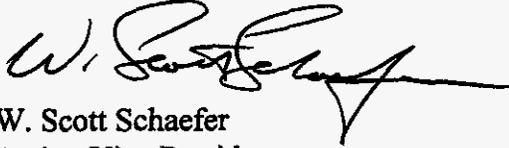
We acknowledge AT&T's request for BellSouth to provide certain operational functions via specific methods such as the use of EDI for the delivery of orders to BellSouth. Although BellSouth believes EDI is not a legal or operational requirement for AT&T to enter the market as a reseller in good faith we are investigating the potential implementation of the interface AT&T desires. This investigation will conclude in the next few days and a formal position regarding BellSouth's use of EDI will be provided to AT&T at that time.

Joint AT&T/BellSouth subject matter expert meetings on this and other elements of ongoing negotiations have intensified greatly since negotiations began under the Telecommunications Act of 1996. BellSouth and AT&T are both working to ensure resources involved in negotiations are employed as effectively as possible. Per your request on our phone call April 24, 1996, Attachment II provides two examples of instances where BellSouth was ready to negotiate but AT&T representatives were not prepared.

001564

BellSouth is committed to conducting our negotiations in an expeditious manner and look forward to a successful conclusion. Martha McDonald of my office is working with your assistant to schedule time next week for us to discuss negotiation issues. I look forward to seeing you then.

Sincerely,



W. Scott Schaefer
Acting Vice President
InterConnection Services

cc: F. Duane Ackerman
Charles B. Coe

001565

AT&T/BST Local Interconnection Negotiation Teams

BellSouth Executive Committee Scott Schaefer Quinton Sanders Alan Price	
Core Facilitation Team	
<i>Team Leader:</i> Suzie Lavett	(404) 529-7496, Fax (404) 420-0031 (205) 977-0104, Fax (205) 977-0164
<i>Pricing/Cost:</i> Bob Scheye	(404) 420-8327, Fax (404) 420-0031
<i>Legal:</i> Mary Jo Peed	(404) 335-0705, Fax (404) 614-4054
<i>Project Manager:</i> Ann Butler	(404) 529-6516, Fax (404) 529-7074
Suzie Lavett, Overall Team Leader - Operations Negotiations	
<i>Center Op., CARE, Electronic</i> <i>Comm.:</i> Kathleen Massey (770) 451-8439, Fax (770) 986-2287 <i>Network Op.:</i> Beth Carnes (404) 529-0088, Fax (404) 522-7570 <i>Billing:</i> Craig Steele (601) 961-8030, Fax (601) 961-8025 <i>IT:</i> Shirley Wilcox (205) 985-8013, Fax (205) 403-1284 <i>ACAC:</i> Ed Houppert (404) 614-4957, Fax (404) 873-6069 <i>Unbundled F&F:</i> Jerry Latham (205) 977-1070, Fax (205) 977-8241 <i>Unbundled Ntwk:</i> Vic Atherton (205) 977-5041, Fax (205) 977-7222 <i>Rights of Way:</i> Irma Bowers (205) 972-2353 <i>Operator Svcs.:</i> Ruth Wilson (404) 529-2672 <i>Regulatory:</i> Ken Minzenberger (404) 420-8938, Fax (404) 885-9920 <i>Security:</i> Jimmy Preau (404) 614-1063, Fax (404) 872-7184 <i>911:</i> Val Sapp (205) 321-2109	
Note: Suzie Lavett sits on Jan Hester's Operational Issues Team	

AT&T Executive Committee Jim Carroll Ron Shurter	
Core Facilitation Team	
<i>Team Leader:</i> Preston Foster	(404) 810-8545, Fax (404) 810-8477
<i>Local Svc. Org.:</i> Mason Fawsi	(404) 810-8574
<i>Gov. Affairs:</i> Greg Follensbee	(404) 810-7550
<i>Legal:</i> Sylvia Anderson	(404) 810-8070
<i>Cust. Conn. (Op.):</i> Pam Nelson	(404) 810-3100, Fax (404) 810-3131
<i>Pricing/Cost:</i> Neil Brown	(404) 810-7269, Fax (404) 810-8477
Pam Nelson, Overall Team Leader - Operational Negotiations	
<i>Operations:</i> Jay Bradbury (404) 810-8005, Fax (404) 810-3131 <i>Operations, Provisioning & Maintenance:</i> Cindy Clark, TBD, Maryann Imperato <i>Product & Services:</i> Kathy Taber, Mike Triebert, Mike Lacy, Kirk Odegaard, Stephanie Marinac <i>Billing, LAM (CARE), Security & Access Billing:</i> Sue Ray, Peggy Doyle, Mer Thompson	
<i>Interconnection:</i> Robert Oakes (404) 810-8286, Fax (404) 810-3131 <i>Interconnection:</i> Hal Echols, Chris Weekly, Paul Lator, Fred Perrin, Jim Pierson	

AT&T/BST Local Interconnection Negotiations

The April 11, 1996 meeting (initial unbundled network elements meeting) surfaced questions regarding several requirements, such as the parameters of various requested unbundled loops (e.g. "Voice Grade PBX") and access to BellSouth's infrastructure. AT&T was unable to add any substance to these requirements. A good bit of discussion centered around what these and other requirements might mean. Also, the AT&T Operator Services requirements provided by AT&T were discussed and the BellSouth expert provided BellSouth's position during this meeting. AT&T representatives actually expressed doubt that this section of the requirements would apply because AT&T will probably use its own Operator Services platform.

Again during April 24, 1996, conference call to address AT&T's Resale and Local Interconnection security requirements, the AT&T expert was not familiar with the requirements and in fact had never seen them. Although we jointly developed a view of what most requirements meant, the BST representatives were not confident that the group's interpretation would match the writer's intent. In fact, this has happened in the past. Additionally, the AT&T expert believed that at least one requirement shown for resale did not apply in the resale environment.

001567

 **BELLSOUTH**

BellSouth Telecommunications, Inc.
Room ~~4511~~ 4511
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375

William J. Carroll
Vice President - AT&T
Room 4170
1200 Peachtree St., NE
Atlanta, Ga. 30309



NOV 14 1988
ATLANTA, GA



U.S. POSTAGE
METER 417521
00274

001568



Southern Region

Cindy Clark
Local Services Negotiator

Room 12W45
Promenade II
1200 Peachtree St., NE
Atlanta, GA 30309
404-810-3119

April 26, 1996

Suzie Lavett
BellSouth
Room E5G
3535 Colonnade Parkway
Birmingham, AL 35243

FAX Delivery

Suzie,

I am sorry that I missed your call yesterday. Your message indicated that you would be available today to discuss my concerns regarding the telephone number reservation process documentation which I received from Shirley Wilcox on 4/23/96. I hope we will be able to work together today.

As we have discussed in our negotiations meetings, AT&T desires an electronic interface for telephone number reservation. Although not specifically stated in the documentation provided on 4/23, I assume this manual process represents the interim process proposed by BellSouth.

This proposal is not satisfactory to meet AT&T's requirements for an interim solution to telephone number assignment. AT&T must be able to offer the customer an ordering experience at parity with ordering process experienced by BellSouth end user customers. As an integral part of the initial contact with the customer, the telephone number reservation system must be a smooth, expedient process. This solution has several defects which render it unsatisfactory.

1. BellSouth has about 200 CILLI codes in the state of Georgia. The proposal suggests that we could be responsible for administration of 200 separate lists of 100 reserved numbers for the state of Georgia. Additionally, as part of the administration function, each telephone number would have to be dated to insure that as reservations expire, unused numbers are deleted from the lists. As an interim solution to manage the nine state BellSouth area, the concept of administering paper lists becomes unworkable.
2. This proposed reservation system would impair AT&T's ability to move/balance work load among workcenters that are geographically separate.
3. Quality control for this process would be costly and time consuming, if even possible.

001569

4. Although we have discussed reservation of vanity numbers, vanity number reservation is not addressed in the process outlined by BellSouth.

We have discussed this process many times in our meetings. AT&T has always maintained that this concept would need to be enhanced to make it acceptable as an interim solution. Since this proposal has not evolved into a more useable process, we must now consider other options.

AT&T's proposal for the interim period is that our representative call for a TN reservation for each customer requiring a telephone number. Although this procedure still does not provide parity, the simplicity of the process makes it more acceptable as an interim solution.


Cindy Clark

001570

MODE = TRANSMISSION

START=APR-26 13:49

END=APR-26 13:50

NO.	COM	ABBR/NTWK	STATION NAME/ TELEPHONE NO.	PAGES	PRG.NO.	PROGRAM NAME
001	OK		94200031	002		

-AT&T SUPPLIER MGMT. -

***** (FAX-950 V1.24) * -AT&T ASM SOUTH - * * * * * 404+810+3131- *****

ATTN: (12-87)

2

ALIGN WITH
TOP OF
DOCUMENT

AT&T FACSIMILE TRANSMISSION

NO. OF PAGES

TIME 1:00

4-26

TODAY'S DATE

FROM: Cindy Clark

LOCATION

TELEPHONE FACSIMILE

(404) 810-3131

TELEPHONE FACSIMILE

(404) 810-3119

TELEPHONE VOICE

TO: Suzie Lavett

LOCATION

TELEPHONE FACSIMILE

(404) 420-0031

TELEPHONE VOICE

(404) 529-7496

COMMENTS

Suzie - Please call me when you receive
Cindy

ALIGN WITH
TOP OF
DOCUMENT

001571

High-level Estimate

? 200 manhours X ?

4/26/96

Memo To: Sue Ray

From: Shirley Wilcox

Subject: Order of Magnitude
Estimate for Customized
Unrated Message Format

Sue, we have an order of magnitude estimate of 200 manhours for customizing the daily usage files to provide AT&T unrated messages. I must note a caveat. This estimate is based on the assumption that BST will not be furnishing messages that do not bill to AT&T accounts.

The spreadsheet of issues for the daily usage files is still being reviewed internally and will be provided to you early next week.

Let me know if you have any questions.

Shirley

001572

Lisa:
? Do you understand this

Thursday, April 25, 1996

Response to AT&T (Lisa Caro) EMR Expectations letter**Item 1**

At this time, BellSouth does not know of any other Category/Group/Record types than those listed on the chart that will be sent to AT&T.

BellSouth agrees that the header record will be in the 202001 format and the trailer record will be in the 202002 format with an OCN added in positions 26-29. BellSouth will pursue having the OCN placed in this position on the BellCore EMR record via our METRG representation.

BellSouth will populate in indicator fields in accordance with the chart with the exception of Indicator 19 for Rated data. 3 is an invalid for this field in this environment (we will not send interlata traffic).

Item 2

ICS adjustment records are used for adjustments of Intercompany Settlements between companies participating in CMDS. They aren't applicable to this environment.

Item 3

Yes, BellSouth concurs.

Item 4

Yes, BellSouth concurs.

Item 5

Yes, BellSouth concurs.

Item 6

Not that BellSouth is expecting to send.

001573

CONFIRM.DOC

Control Records Page 1

Issue 3.4.10.

ODUF Confirmation Record (RIPC03)

Category	01-02	x(2)	RI
Group	03-04	x(2)	PC
Record Type	05-06	x(2)	03
Date Created - Year	07-08	9(2)	
Date Created - Month	09-10	9(2)	
Date Created - Day	11-12	9(2)	
Invoice Number	13-14	9(2)	
filler	15-16	9(2)	
From RAO	17-19	9(3)	
Send To RAO	20-22	9(3)	
Billing RAO	23-25	9(3)	
Operating Company Number	26-29	9(4)	
filler	30-65	9(36)	
Total Sent Messages	66-72	9(7)	
Total Sent Revenue	73-82	9(8).99	
Number of Accepted Messages	83-89	9(7)	
Amount of Accepted Revenue	90-99	9(8).99	
filler	100	9(1)	
Number of Rejected Messages	101-107	9(7)	
Amount of Rejected Revenue	108-117	9(8).99	
filler	118-137	9(20)	
Pack Status Code	138-139	9(2)	
Return Code 1	140-141	x(2)	
Return Code 2	142-143	x(2)	
Return Code 3	144-145	x(2)	
Return Code 4	146-147	x(2)	
Return Code 5	148-149	x(2)	
Return Code 6	150-151	x(2)	
Return Code 7	152-153	x(2)	
Return Code 8	154-155	x(2)	
Return Code 9	156-157	x(2)	
Return code 10	158-159	x(2)	
filler	160-175	x(16)	

BellSouth is pursuing approval of this record by BellCore as an EMR Standard record.

Lisa:

I assume this
is the Control
Record action item.

001574

Rec'd 6:30 PM
4/26/96
JLB

Memorandum

DATE: April 26, 1996
TO: Neil Brown
FROM: Mary Jo Peed
RE: AT&T Data Request
CC: Scott Schaefer; Alan Price; Hank Anthony; Suzie Lavett

Attached hereto are the following documents responsive to AT&T's data request no. 5. We are continuing to determine whether BellSouth has any other documents responsive to this request.

- Unbundled loop studies for GA, FLA, NC, TN and LA
- Unbundled port studies for GA, FLA, NC, TN and LA
- Residence and Business Usage for GA, FLA, NC, TN and LA

These documents are being provided pursuant to the confidentiality agreement executed by Suzie Lavett and Preston Foster. The documents should be viewed only by individuals associated with the negotiation process.

001575



Preston G. Foster
District Manager
Strategic Planning - Market Entry

Room 10140
1200 Peachtree St.
Atlanta, GA 30309
404 810-8548
FAX: 404 810-8477
ATTMail!pfoster

April 26, 1996

Dear Scott:

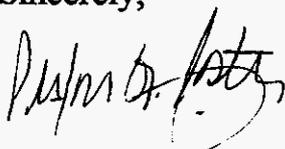
As communicated in my voice mail message to you of 4/25/96, this is to confirm AT&T's intent to seek mediation regarding BST's denial of AT&T's 4/4/96 request to BST for service specific avoided cost studies.

As you know, we have been in negotiations for the resale of local services, prescribed by the Telecommunications Act of 1996, since March 4, 1996. BST's position, that the requested information is not relevant to these negotiations -- and that the requested information will not be provided, seriously hampers AT&T's ability to negotiate on avoided cost. BellSouth's refusal to share service specific information has the effect of forcing AT&T to "fish" for BST's avoided costs. Sharing the requested information would enable AT&T to speak directly to the cost issues at the negotiating table. Given AT&T's commitment to protect the confidentiality of the requested information, BellSouth's refusal to provide the information unnecessarily delays the negotiations process.

We look forward to resolving this issue and getting our negotiations back on track. Feel free to call me at any time on 404-810-8548.

001576

Sincerely,

A handwritten signature in dark ink, appearing to read "Preston G. Foster". The signature is written in a cursive style with a large, sweeping initial "P".

Preston G. Foster
Lead Negotiator
AT&T

Cc: W. J. Carroll
C. Coe
S. Lavett

001577

cost/mule

MFR TELEPHONE CALL FROM MARY JO PEED ON APRIL 26, 1996 AT 5:48P

April 26, 1996

Mary Jo Peed returned my earlier call re: AT&T's documentation request of 4/4 and the "Timelines and Process for Competing the Documentation Request Agreement." I asked Mary Jo whether the documents that are being delivered to Neil Brown today respond to AT&T's request of 4/4. She stated they respond to data requests #'s 5 and 7 for GA, FL, NC, TN and LA and are as follows:

Unbundled Loop Studies
Unbundled Port Studies
Residential and Business Usage Data

She stated BellSouth will be using a docket manager to look for additional data responsive to #5 and 7. I also asked whether BellSouth has reconsidered its position with respect to data requests #1, 3, 4, and 8. She stated BellSouth still considers those items not relevant to the negotiations and will not provide them.

I told her AT&T disagrees.

Process for Completing Agreement - Mary Jo and I agreed to prompt turnarounds of "agreed to" materials to facilitate reaching the goals set forth in paragraph 1, Timelines to Document Agreement. We will discuss further at the next Core Team Meeting.

cc: Andrea' Mule'

001578



Southern Region

Jay M. Bradbury
Manager

Room 12W47
Promenade II
1200 Peachtree St., NE
Atlanta, GA 30309
404-810-8005

April 29, 1996

Suzie Lavett
BellSouth
Room E5G 3535 Colonnade Parkway
Birmingham, Alabama 35243

VIA FACSIMILE

Dear Suzie:

RE: Local Maintenance Electronic Bonding

Until recently, BellSouth has repeatedly asserted that, with the exception of testing, they were ready to implement an interface that would provide capabilities to AT&T's work centers that were at parity with those available to BellSouth's Residence Repair Centers (RRC) and Business Repair Centers (BRC), by using the existing IXC EB Gateway.

During our April 17, 1996, Total Services Resale Maintenance Meeting, we had significant discussion concerning BellSouth's provisioning and development of local maintenance electronic bonding. Bob Anderson's description of the capabilities of the electronic bonding as being several steps backwards from the existing capabilities in BellSouth's centers was in sharp contrast to BellSouth's previous assertions.

Bob's description of the status and plans for local maintenance electronic bonding clearly does not represent an existing or planned interface designed to provide AT&T's centers and end users with a parity maintenance and repair experience. The disparity Bob describes places AT&T in a grossly disadvantaged position, and is totally unacceptable.

Bob stated that 82% of repair requests handled in the RRCs are entered into and flow through the Trouble Analysis Facilitation Interface (TAFI) system. Bob reported that TAFI provided real or near real-time interfaces to many other systems and databases in BellSouth, including various testing systems, CRIS, BOCRIS, PREDICTOR, and others which allow verification and testing of customer records, features, translations, facilities, etc. Bob indicated that clearing times using TAFI were routinely less than 40 minutes, and that using TAFI a Customer Service Analyst (CSA) could clear as many as 17 tickets an hour.

Bob said the remaining 18% are handled from a manual screening pool using the Loop Maintenance Operations Support (LMOS) system. Bob reported that requests in the manual screening pool might wait up to 2½ hours before being picked up for screening and testing. Bob stated that using LMOS a Maintenance Analyst (MA - a higher pay grade employee) could only clear 9 tickets an hour and that average clearing time was greater than double that of the TAFI tickets.

Bob reported that the existing and planned local maintenance electronic bonding interface to the RRCs and BRCs was only to LMOS, not to TAFI, and that therefore AT&T customer's reports would all be handled from the manual screening pool. This will not meet AT&T's requirements or provide parity for AT&T customers.

As I reported, AT&T has recognized the complexity and level of design effort necessary to implement a new local maintenance electronic bonding interface to the newest generation of operations support systems being provided in its own local work centers, and the potential for local maintenance volumes to exceed the

001579

capacities of the existing IXC EB Gateway facilities. AT&T's implementation schedule does not call for the testing or use of local maintenance electronic bonding until late 4Q96 or possibly 1Q97, well after we have entered the local market.

We recommend that BellSouth utilize this additional interval to redesign its interface to provide AT&T with access to the TAFI system, and any future systems BellSouth might deploy, to provide parity for AT&T customers.

During the interim period methods and procedures for a telephonic work center to work center interface which will allow BellSouth to enter and clear AT&T customer's troubles using TAFI can be negotiated. AT&T believes an interim arrangement can be negotiated which will be acceptable to AT&T, more efficient for BellSouth than the LMOS only interface it has designed, and not disadvantage AT&T customers.

At our May 2, 1996, meeting AT&T expects BellSouth to commit to develop and implement for testing on December 2, 1996, a local maintenance electronic bonding interface providing capabilities to AT&T's work centers, including testing, that were on parity with those available to BellSouth's Residence Repair Centers (RRC) and Business Repair Centers (BRC). Further AT&T expects BellSouth to be able to commit to interim telephonic methods and procedures for the interval from the planned start of joint local market entry interface testing on July 1, 1996, until local maintenance electronic bonding is fully implemented.

Yours truly,



Jay M. Bradbury

cc: AT&T Core Team

001580

MODE = MEMORY TRANSMISSION

START=APR-29 08:51

END=APR-29 08:54

FILE NO. = 245

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002	OK	#	94200031	002/002		

-AT&T SUPPLIER MGMT. -

***** (FAX-950 V1.24) ** -AT&T ASM SOUTH - ***** - 404+810+3131- *****

001581

April 30, 1996

RECEIVED
MANDAY
MAY 6, 1996
NO POSTMARK
IN ATTACHED
ENVELOPE

Mr. William J. Carroll
Vice President
Room 4170
1200 Peachtree St., NE
Atlanta, Ga. 30309

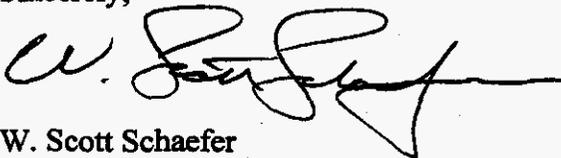
Dear Jim:

This letter is in response to your April 23, 1996, letter to Charlie Coe. First, let me assure you that BellSouth is taking AT&T's resale and local interconnection negotiations very seriously and is committed to the successful conclusion of this process. Regarding your question as to our willingness to negotiate discount levels, BellSouth is actively working to establish discount levels in accordance with the Telecommunications Act of 1996 and is in detailed dialogue with AT&T on this subject. To date, we have provided the AT&T Price/Cost Team representatives with Georgia and Tennessee avoidable cost studies, unbundled loop and port studies for Florida, Georgia, Louisiana, North Carolina and Tennessee as well as residence and business usage studies for the same five states.

BellSouth has dedicated substantial resources to the AT&T negotiations and continues to add resources as needed. Both companies must be committed to using our joint resources efficiently to reach agreement in the allotted time. BellSouth commits to involving the right experts when needed and needs for AT&T to commit that its representatives will be prepared for the subjects to be discussed in each meeting.

Attached are comments regarding the issues listed in your letter. I look forward to meeting with you on May 7, 1996.

Sincerely,



W. Scott Schaefer
Acting Vice President
InterConnection Services

cc: Charles B. Coe
Suzie Lavett
Allan Price

001582

Issue	Comment
Non-disclosure Agreement	BellSouth has received AT&T's reply to our April 17, 1996 memo. Mary Jo Peed needs to discuss with Sylvia Anderson some of the issues raised in AT&T letter for clarification.
LEC to LEC Agreement	We understand AT&T position but have no change to BellSouth's position.
Network Operations & Interconnection for Total Services Resale (TSR)	We are working through AT&T's detailed requirements with frequent meetings and exchange of information. The joint Core Team is putting a process in place to begin moving items of agreement into legal agreement language and to more efficiently escalate items of disagreement to the Core Team. The process includes a timeline to meet our goal of reaching agreement by July 17, 1996.
Electronics Interfaces	BellSouth committed to a May 15 date for delivery of its electronic interface plans but will probably beat the date by several days. We cannot commit to a joint test date until our electronic interface position is finalized.
Services Available for Resale	On April 17, 1996, BellSouth provided AT&T with a copy of its Louisiana resale tariff. On April 23, 1996, AT&T was advised that the Louisiana tariff provides a complete list with one exception. Lifeline service is not shown as an exception because that service is not offered in Louisiana.
Routing of Operator Services, DA, Repair to AT&T Platform	AT&T advised BellSouth that it did not agree with the technical limitation BellSouth had identified. BellSouth asked for a meeting of technical subject matter experts (SMEs) to discuss alternatives for providing this function for AT&T. BellSouth is very disappointed in the results of the conference call that took place April 25, 1996. The AT&T SMEs had no new information and no new alternatives to share with BellSouth. AT&T focused on how many classes of service BST uses and how many OLECs BST expects to be in service in its serving areas. These were not questions for the technical resources pulled for this conference call. BellSouth has not identified a method for routing operator, DA or repair calls from AT&T end users via resale of BST services to AT&T's platform.
Unbundled Elements	BellSouth is working with AT&T to understand its needs and identify gaps. Additional meetings are being scheduled. The process described above for Network Operations and Local Interconnection for TSR will also apply for the unbundled elements negotiations.



William J. (Jim) Carroll
Vice President

Room 4170
1200 Peachtree St., NE
Atlanta, GA 30309
404 810-7262

April 23, 1996

Via Hand Delivery & Facsimile

Mr. Charlie B. Coe
Group President -Customer Operations
BellSouth Telecommunications, Inc.
675 W. Peachtree Street, NE
Suite 4514
Atlanta, GA 30375

Dear Charlie:

On April 17, I received your letter dated April 12, regarding our meeting of Thursday, April 4, not Friday, April 5. First, we have agreed to disagree in connection with the requirement to negotiate exchange access under the Telecommunications Act of 1996. However, we did agree to continue discussing Exchange Access issues requiring substantial progress.

Additionally, our cost/price team's negotiations initiated under the Act with respect to specific resale discount percentages have simply referred to the positions our two companies have taken in various Public Service Commission proceedings under various state laws. To date in our negotiating sessions, as I covered with you on April 4, we have also been discussing cost principles and making requests for cost data. On April 4, I did not escalate our cost/price discussion nor did I request discounts at that time. It is our intent to continue these negotiations in a win-win manner to the point of putting discount requests on the table. Please confirm BellSouth's willingness to negotiate the discount issue.

Candidly, I am concerned that BellSouth is not taking seriously AT&T's efforts and rights under the Act to resale BellSouth's services given your statement that BellSouth is in the retail business and is not interested in developing a wholesale business.

In connection with the attachment to your letter labeled draft, I have the following comments/thoughts:

001584

Charlie, we continue to experience delays in some requests for data and/or positions on issues. In many cases, this appears to be related to not having the right people available at the table. This has been escalated to Scott Schaefer.

I have confirmed a couple of hours of your time on May 14 to calibrate on progress/issues. I would be happy to bring the other key members of my executive team, Ron Shurter and Loretta Cecil, if you feel it would be helpful.

Regards,

A handwritten signature in black ink, appearing to be "Jim", written in a cursive style.

001585

Non-disclosure Agreement: Again, this agreement is signed and it is our intent to only request information that is relevant to the negotiations and for you to respond with pertinent information consistent with our request. On April 17, Mary Jo Peed provided AT&T with a written response to AT&T's April 4 document request. This letter also raises issues concerning the confidentiality agreement. We will respond letter this week.

LEC to LEC Agreements: Based on your refusal to provide these, we disagree. AT&T must understand **all** existing interconnection agreements, as well as the cost data underlying such agreements, in order to negotiate in good faith for cost-based, nondiscriminatory terms. We have proceeded to request these via the PSC's. We will consider mediation and/or arbitration.

Network Operations & Interconnection for Total Services Resale/Total Services Resale: Do not understand your response. I have a call into you for a clarification.

Electronic Interfaces: This response obviously misses the requested April 15, 1996 date for commitment and does not respond to the requested date of July 1, 1996 for joint testing.

Services Available for Resale: BellSouth is to provide a definitive list of any services not available for resale on April 23. We will consider and respond when we have your list.

Routing of Operator Services, DA, Repair to AT&T Platform: As we'd discussed on April 4, this was not an escalation, simply a status report. From your response, I now assume you agree that from a technical perspective the line class codes are not a limitation. I am also assuming by your response that you're willing to provide, subject to agreement on cost. Please let me know if my assumption is correct.

Unbundled Network Elements: Agree with your response and as we discussed on April 4, this is an area that will require significant progress for us to reach agreement. I do expect to reach agreement in this area by July 15, 1996 on the unbundling of the seventeen elements we have requested, as well as specific implementation timeframes for network operations and interconnections.

001586

April 30, 1996

Mr. William J. Carroll
Vice President
Room 4170
1200 Peachtree St., NE
Atlanta, Ga. 30309

Dear Jim:

In a letter dated April 26, 1996, BellSouth advised AT&T that evaluation of AT&T's proposed EDI interface for transmitting local service requests was near completion. Based on the results of that evaluation, BellSouth is now prepared to move forward with EDI implementation, subject to the following parameters:

Scope:

Our discussions to date have centered primarily around resale. However, BellSouth intends to complete both resale and facilities-based ordering scenarios simultaneously. Specifically, we initially will support an interface for residence and business basic exchange services, as well as number portability and listings, that includes service order transmission and firm order confirmation.

Timeline:

As I am sure you are aware, standard EDI implementations generally proceed in phases, the first of which includes the negotiation of the transaction sets to be used and the detailed definition of data requirements. BellSouth is prepared to begin intensive negotiations with AT&T to jointly develop these elements. BellSouth has assigned the necessary technical experts to this project and those experts are available to work with AT&T on a priority basis beginning May 6, 1996. Specific arrangements can be coordinated by the BellSouth/AT&T core negotiating team.

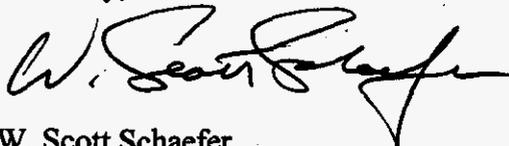
001587

The overall completion date for the EDI effort is dependent upon the completion of Phase One. Therefore, BellSouth is unable to commit to a final implementation date at this time. However, a preliminary view indicates the overall time line will be no more than three months from the time the Phase One work begins.

It is BellSouth's understanding from discussions with AT&T last week that AT&T's request for an electronic ordering interface will be satisfied by BellSouth's implementation of an EDI arrangement for local service requests. BellSouth, therefore, expects that AT&T will withdraw this issue from its petition before the Georgia Public Service Commission. In addition, BellSouth would expect AT&T's support in the Operations and Billing Forum (OBF) of the specific EDI development being pursued by BellSouth as a result of AT&T's request. BellSouth also understands that AT&T has indicated a willingness to pay for the electronic interfaces being requested. Rather than developing separate charges, BellSouth's intention is to net the appropriate costs against the avoided costs associated with resale.

Finally, BellSouth must take issue with AT&T's continued assertion that no response or progress on electronic interfaces for pre-service ordering and service trouble reporting. BellSouth has, in fact, developed pre-ordering interfaces to access information from two systems for a May 1, 1996, availability date, which was the original commitment to AT&T. In addition, the existing IXC gateway for electronic trouble reporting continues to be available for AT&T's use as a reseller.

Sincerely,



W. Scott Schaefer
Acting Vice President
InterConnection Services

cc: Suzie Lavett

001588



April 30, 1996

1200 Peachtree St., NE
Atlanta, GA 30309

Suzie Lavett
Lead Negotiator
Room E56
3535 Colonnade Parkway
Birmingham, AL 35243

Dear Suzie:

Listed below are the action items BellSouth agreed to respond to during our April 18, 1996, Products and Services conference call:

- BellSouth to investigate the availability of matrices on Custom Calling Features - Feature Interactions (1. Two Different Customers - each with an "Active" feature and 2. Same Customer - both features are "Active").
- BellSouth to verify the status of the business plan on ISMDI - (Interswitch).
- BellSouth to provide a service description and ordering procedures for Memory Call.
- BellSouth to investigate read/write capabilities for LIDB.

AT&T's action items from the conference call are:

- AT&T to contact Ken Coursey at BellSouth to discuss centrex issues.
- AT&T to refer the requirement of "0+ TLN is ported" to the Unbundled Loop discussions.

AT&T commits to complete their action items by May 10, 1996. We would appreciate it if BellSouth would commit to the same completion date.

Sincerely,

Kathy Sabar

001589

BellSouth
Telecommunications

April 30, 1996

Fax to: Sue Ray
Fax #: 404 810-3131
From: Suzie Lavett
Subject: Status of Action Items

Following is the current status of action items from your April 15, 1996 and April 23, 1996, letters:

1. Resale Account Maintenance requirements have been updated on the tracking document.
2. Shirley Wilcox is still investigating how to provide a completions report (OUTPLOC (Direct/Connect)). We thought we had an answer but hit a roadblock and have had to attack from another angle. Will provide status in our next conference call. Are you now the point AT&T person on this issue instead of Cindy Clark?
- ✓ 3. Ed Welch forwarded the LSR for PIC only to you last week.
4. BellSouth has confirmed that it will continue to accept PIC changes via CARE from IXCs for AT&T end users via resale of BST local services. We could not identify any reason to change the way the end user's chosen IXC provides the PIC change request to BST.
5. As discussed in the Friday, April 19, 1996, conference call, BellSouth will provide daily rated usage to AT&T in order to utilize system edits and deliver a quality product to its resale customers. During the Monday, April 29, 1996, conference call Shirley Wilcox provided AT&T with a cost estimate for BST a provided program to strip the rating before sending the data to AT&T. AT&T was not interested in bearing this development cost. How do you want to proceed on this issue?
6. On April 26, 1996, Shirley Wilcox faxed to you BST's reply to an earlier question that BST can populate the miscellaneous text code via AT&T's requirements.
7. On April 26, 1996, Craig Steele provided to you BST's position regarding the return to BST of messages AT&T's system could not process. Craig took that position back for internal BST review per your call Monday, April 29, and advised me today that he could find no reason to change the position previously provided to AT&T. How do you want to proceed on this issue?
8. On April 26, 1996, Shirley Wilcox faxed to you BST's analysis of AT&T's EMR Rated and Unrated Expectations for discussion during the April 29, 1996 conference call.
9. BellSouth is still reviewing its position on the rating and billing of collect, etc., call from an AT&T end user via resale of BST local services and will provide a position or status on the next conference call.

001590

Sue, I have talked to the BST SMEs about the need for the SME teams to escalate issues to the Core Team where they can identify no way to move negotiations forward. Shirley and Craig may contact you late this week or early next week about two or three items they have taken back for review a second or third time and are not making progress on.

Please give me a call at 404 529-7496 if you have any questions.

cc: Shirley Wilcox
Craig Steele

001591

April 30, 1996

Via Fax to: Suzie Lavett
BellSouth Core Team Leader

At yesterday's AT&T/BellSouth Cost/Price Negotiations meeting, I committed to try to provide to BellSouth a more limited and focused version of our April 4 Data Request, along with the rationale for needing the data. Scott Schaefer and Bob Scheye committed to reconsider BellSouth's position on not responding to certain items.

AT&T requests that you provide Item 1, Retail Service Cost Studies. I believe that Bob Scheye implied that BellSouth does not have Item 2, Wholesale Service Cost Studies. To the extent that such Wholesale studies do exist or are developed AT&T requests that you provide them. The underlying details and descriptions of specific cost elements and whether or not they have been included or excluded is essential to meaningful dialogue on avoidable costs relating to wholesale discounts for TSR. We cannot judge the quality of your avoidable cost studies nor negotiate in good faith for a wholesale discount without the understanding that would be gained from the requested data.

Items 3 and 4 may be set aside for now. AT&T will evaluate the responses to 1 and 2 to determine whether there is a need for pursuing 3 and 4.

You have partially responded to Item 5, TSLRIC for Unbundled Network Elements and Item 7, associated Methodology. Wayne Ellison provided a request for back-up detail on these Items.

Item 8, copies of all existing Interconnection Agreements, are still required since AT&T would expect to obtain interconnection at rates, terms, and conditions which are equal to or better than those provided to any other party. Any other provision would be discriminatory to AT&T.

Suzie, at tomorrow's Core Team meeting, please deliver responses, inasmuch as possible, to Items 1 and 2 and to Wayne Ellison's request for back-up data, and please advise just when and what else will be available. Also please provide the Cost Contact within BellSouth so we can meet with that person on Thursday, May 2, to further understand what you provide tomorrow and to review bulk material which resides at BellSouth Center or elsewhere.

Thank you for expediting these matters. I will look forward to seeing you tomorrow.

Neil E. Brown

Cc: Preston Foster, Sylvia Anderson, AT&T Cost/Price Team

001592

AT&T/BAPCO MEETING

Tuesday, April 30, 1996

10:00 - 12:00

1200 Peachtree St.

Room 2W08

Promenade II

Attendees:

AT&T

**Kathy Taber
Jay Bradbury
Mike Lacy
Jim D'Angelo
Pam Nelson**

BAPCO

**Dan Thompson
David Scobey
Rook Barretto**

AGENDA

Welcome

**Listings
(see attached)**

Future Meetings/Conference Calls

001593

LISTINGS	
	Overview
	For Business, AT&T requires one basic white page listing and one basic yellow page listing in BAPCO's directory, included in the wholesale price of a business line.
	For Residence, AT&T requires one basic white page listing in BAPCO's directory included in the wholesale price of the residence line.
	The types of directory services BAPCO will provide to CLECs
	The number and names of the directories
	AT&T requires the ability to resell enhanced white pages listings including Semi-private, Private, and Additional
	Publications schedules and sufficient notification of deadlines
	Heading information
	NPA/NXX references and directory overlap - white and yellow
	Directory listing rules - white and yellow
	Types of white page listings customer may order (e.g. bold, indented)
	Directory close information - white and yellow and Customer Information (Guide) Pages
	Directory delivery information - white and yellow
	Number of local directories customer may have
	Recycle AT&T Customer's directories and books
	Process and any restrictions for foreign directories
	Process BAPCO has in place to handle directory listing requests, forms
	Process BAPCO has to verify listing information
	Are directory listing feeds mechanized?
	AT&T parity placement in Customer Information (Guide) Pages
	In-language directory availability
	Will AT&T have real-time access to the directory listings database?
	BAPCO is to obtain concurrence from AT&T prior to 3rd party sales of listings. AT&T will participate in the revenue from 3rd party sales of listings.

001594

Yellow Pages	
	Overview
	Phase I: AT&T contracts with BAPCO to use its Yellow Page advertising process, BAPCO is AT&T's agent, BAPCO representative designs ad with AT&T customer, BAPCO bills customer, AT&T gets 20% commission.
	Phase II: Same as Phase I except AT&T requests a bill feed from BAPCO for all Yellow Pages advertising services performed on our behalf so that we may place these charges on the customers bill.
	Wholesale Prices which reflect avoided costs
	BAPCO rep "brands" for AT&T
	Provide the ability to waive charges for handicapped customers
	Provide a process to verify and document a customer's exempt status
	Publication schedules for directories, close dates for ads, ad renewal schedules, distribution schedules and policies.
	Processing of local customer orders for enhanced directory and yellow page advertising including: service order fields, process for handoff of service order information from BellSouth to BAPCO.
	Access to BAPCO's advertising database
	Access to planned advertising offers, e.g., Electronic Yellow Pages
	BAPCO's process for national advertisers
	Ad close dates
	Types of ad treatments, availability, and pricing
	Ad renewal process

001595



Southern Region

Jay M. Bradbury
Manager

Room 12W47
Promenade II
1200 Peachtree St., NE
Atlanta, GA 30309
404-810-8005

May 1, 1996

Beth Carnes
BellSouth
Room 25E58 SBC 675 West Peachtree St
Atlanta, Georgia 30375

VIA FACSIMILE

Dear Beth:

RE: Line Class Code Usage - Routing of Calls to AT&T Platforms

During our conference call of April 25, 1996, we discussed the BellSouth Billing and Routing Guide. You indicated that this guide was used by BellSouth whenever a new central office was turned up for service, and that the class of service/line class code translations it contained covered all of the retail service offerings in the BellSouth General Subscriber Tariffs.

I asked if the Guide could be shared with AT&T, or if not the whole Guide, sufficient information extracted from it and shared to allow AT&T and BellSouth to continue joint implementation of routing calls to AT&T's Directory Assistance, Operator Services and Repair Services Platforms.

You committed to let me know what could be released by Tuesday, April 30, what could be shared with AT&T. I called yesterday and left word, but have not heard back from you.

You and your SMEs have agreed there is no technical reason that AT&T's requirements can not be met. Additionally, Charlie Coe in his April 12, 1996, letter to Jim Carroll also indicated that there was no technical barrier.

Given the removal of the perceived technical barrier, AT&T is eager to move forward with the implementation of its requirements. Please advise me by Friday, May 3, of the information that will be shared with AT&T, and of BellSouth's schedule for implementing the necessary classes of service.

Yours truly,


cc: AT&T Core Team

001596

MODE = MEMORY TRANSMISSION

START=MAY-01 17:26

END=MAY-01 17:26

FILE NO. = 028

NO.	COM	ABBR/NTWK	STATION NAME/ TELEPHONE NO.	PAGES	PRG.NO.	PROGRAM NAME
001	OK	*	95227570	001/001		

-AT&T SUPPLIER MGMT. -

001597

Mason Fawcett

5/1/96

Memo for Record

Tues

4/30 4:25 AM

SL

S. Lovett called and left the following message HI Mason, this is
 " I appreciate the information you sent us and spreadsheet.
 I need to get some clarification about what we're
 talking about here and what month 1 is Is
 month 1 November when ~~we~~ you're in full production
 or is it July when we're testing and doing geoup. Based
 on previous discussions, we had thought that July 1
 would be small volumes tens to several hundred and
 the numbers provided are quite a bit larger please
 call so we can clarify and talk about this. My # is 5297492

Wed

5/1 8:45 AM

I left S. Lovette a message in her Atlanta office
 clarifying the volume projections I faxed her in
 November when we went into full production. However,
 the ramp up figures previously provided by J. Bradley
 for the period July → October 96 were still
 valid. I did state that this is based on best
 info to date, but that based on overwhelming
 consumer reaction to AT&T's new Internet offering and
 announcement, demand could differ

001598



1200 Peachtree St., NE
Atlanta, GA 30309

May 2, 1996

Rook Barretto
Director-LEC/BST Interface
BAPCO
Room 270
59 Executive Park South, N.E.
Atlanta, GA 30329

Dear Rook:

We appreciated meeting with the BAPCO executive team on Tuesday. We thought Tuesday's discussions were very helpful and we look forward to establishing a relationship that will meet both AT&T's and BAPCO's needs.

Listed below are the action items we agreed to respond to during our April 30, 1996. Directory/Listings meeting:

- BAPCO will provide AT&T with directory coverage areas for major directory areas.
- BAPCO will provide the Yellow Page Heading book with AT&T as soon as it is available.
- BAPCO will provide state by state listings of items that are free and those items for which there is a charge, i.e., enhanced listings.
- AT&T will determine its position on placing its name on BAPCO's directory covers without its associated logo.
- BAPCO will provide publication schedules for the four states in which AT&T is a certified CLEC: FL, GA, TN, and NC.
- BAPCO will work on the ability for AT&T to submit Call Guide Information for the Atlanta directory August 12th cutoff.
- BAPCO will contact Kathy to set up a meeting to discuss advertising and publishing options outside of the BAPCO area.

AT&T commits to complete its action item by our next meeting, May 14, 1996. We would appreciate it if BAPCO would commit to the same completion date. Please call me to confirm.

Sincerely,


Kathy Taber
404/810-3102

001599

To: Sue Ray
for 404 810-3131
phone 404 810-3123

From: Craig Steels
205 321-4642

I will mail the originals of these to you.

Craig

ⓐ BELLSOUTHMay 2, 1996

Sue Ray
AT&T Local Service Negotiator
Room 12N04
Promenade II
1200 Peachtree St. NE
Atlanta, GA 30309

Dear Sue,

One of the questions that had been asked by AT&T in one of our data transmission conference calls was when will BST be recording 100% of local calls. While BST will be providing detail local records related to usage sensitive local service, it does not process usage associated with "flat rated" services. BellSouth currently has no plans in the foreseeable future to support such processing so switch recording capability is not relevant to our negotiations.

If you wish to discuss this further, please call me at 205 321-4642.

Sincerely,



Manager - Billing

001601

May 2, 1996

Sue Ray
AT&T Local Service Negotiator
Room 12N04
Promenade II
1200 Peachtree St. NE
Atlanta, GA 30309

Dear Sue:

You had indicated a desire to discuss pre-bill certification requirements in our meeting scheduled for May 15. While BST feels quality billing is essential, we still feel a discussion of a process such as this is premature. BST is committed to quality billing in CRIS as well as CABS but is not in a position to discuss AT&T pre-bill certification requirements of CRIS billing at this time. Therefore, the meeting on May 15 should consist of the CLUB/diskette demonstration and billing format issues only.

If other issues surface that need discussion at this meeting, please let me know.

Sincerely,

Craig Steele

Billing Manager

*Copy BST
sent me*

Sue Ray

001602

4:45pm. Thursday, May 2, 1996 - Notes from Neil Brown call with Sylvia Anderson and Mary Jo Peed.

I got a call from Mary Jo Peed and she told me that BellSouth was preparing some material to fax to me tomorrow on the five states where we have started negotiations. They were preparing copies of some material from their cost of service studies in those five states and were including the categories of cost in each of the studies. I connected Sylvia Anderson in and she was on the call the whole time as well.

I told Mary Jo that I understood they had committed to provide us redacted studies and that what she was now describing did not fulfill what she had actually committed in the Wednesday, 4/1/96 Core team meeting.

Mary Jo said that BellSouth had people working overtime to prepare a summary and that this was all that BellSouth was willing to provide.

I asked if BellSouth would give us a distribution of the costs, the percentage breakdown of the cost that go into each cost line in each study.

She said she could not commit to do that and asked me to talk to Frank Kolb about that tomorrow when I talk with him.

I told her I would talk to Frank and ask him if he will provide that percentage breakdown.

Sylvia Anderson also made it clear that what Mary Jo Peed was now promising to deliver did not fulfill what she had committed to do at the Core Team Meeting but that we would look at it and get back to BellSouth after we had a chance to evaluate what they fax tomorrow.

Mary Jo committed to send the Fax as early as possible tomorrow with the recognition that we wanted to look at it before we talk with Frank Kolb. We are also going to talk to Frank Kolb about additional data requested by Wayne Ellison as support and backup to the high level summary study results that BellSouth provided to us last weekend on their loop, port and usage studies.

001603

BAPCO
file

May 3, 1996

To: Kathy Taber
From: Rook Barretto

I enjoyed the opportunity to meet with you and your coordinates at AT&T regarding the new relationship to be formed between our companies. To better prepare us for our next session, I would seek clarification regarding some of the questions handed out at the end of the meeting.

With regard to the first question, it would be helpful to us to better understand AT&T's philosophy on this topic. For example, what relationship do you perceive to exist between you as a local service provider and the directory advertising of a business in a city?

Could you also further elaborate on what is meant by the statement that "BAPCO rep "brands" for AT&T" (question 4)? It would also assist us to gain a better understanding regarding waving charges for handicap customers and exempt status. This is currently outside of anything we do today, and I would seek your assistance in clarifying the issue (question 5 & 6). Finally, if you would elaborate on what is meant by "access to planned offerings, e.g., electronic Yellow Pages" (question 10).

We are actively working on the follow-ups from our last meeting. While we will probably not have all of the information ready for our next meeting, we will bring the items we have completed.

I look forward to seeing you again on May 14th.

Attachment

cc: David Scobey
Dan Thompson
Garry Daniel

Rook

001604



Southern Region

Susan D. Ray
Local Service Negotiator

Room 12N04
Promenade II
1200 Peachtree St., NE
Atlanta, GA 30309
404-810-3123

May 3, 1996

Suzie Lavett
Lead Negotiator
Room E56
3535 Colonnade Parkway
Birmingham, AL 35243

Dear Suzie:

Listed below is the status on BellSouth's action items as of our April 29, 1996, Data Transfer Conference call:

STATUS - OPEN

- BellSouth to verify their position on "rated/unrated" information. AT&T needs "unrated" messages except on incollects and Information Service Providers, i.e. 900, 976, etc.

BellSouth's original position was to forward all messages as "rated". BellSouth will provide the requested messages in "unrated" format for a charge. BellSouth provided an Order of Magnitude estimate (high-level Time and Charge estimate) for 200 man-hours (\$110.00 an hour if contracted or \$69.00 an hour for non-contracted - worse case approximately \$22,000).

By May 2, 1996, BellSouth (Karen Mosey) will provide AT&T (Sue Ray) with Implementation timeframes.

AT&T (Peggy Dole/Lisa Caro) will take the information back to the BU but told BellSouth that our position was for BellSouth to incur the charges. BellSouth stated that in order for them to provide us with quality data that they needed the messages to go through all of BellSouth's edits. Therefore, the charge was to program the system to change the "ratings" at the end of the process.

BellSouth agreed to take AT&T's position back to their decision makers.

001605

STATUS - CLOSED

- **Issue 1.2 - BellSouth (Karen Mosey) will determine if the miscellaneous text code can be populated via AT&T's requirements. Karen Mosey stated that "yes" BellSouth could populate via AT&T's requirements.**

STATUS - OPEN

- **Issue 2.2.1. - BellSouth (Shirley Wilcox) provided BellSouth's proposal on handling "unbillables". AT&T does not agree with BellSouth's position on handling "unbillables" which is basically that if/when we receive a significant volume of errored messages, BellSouth will work with us at that time. Lisa Caro explained that we need an up-front mechanized process to return errored messages. BellSouth does not believe there will be any errored messages except in very unusual circumstances.**

BellSouth is taking AT&T's position back to their decision makers.

STATUS - OPEN

- **Issue 2.2.2. - At this time, BellSouth cannot record the Flat-rate service usage required by AT&T. AT&T (Lisa Caro) is determining if AT&T can forego this information until recording is possible by BellSouth. AT&T can forego this information in the interim. However, AT&T needs flat-rate service usage simultaneously with BellSouth's implementation of the capability within their systems. BellSouth (Susie Lavett and Craig Steele) is verifying the status on this issue and will status AT&T (Sue Ray) 5/2/96.**

STATUS - OPEN

- **Rates to be applied from AT&T local customers to BellSouth local customers (collect, billed to BST's customers 3rd numbers or BST's customers calling cards) - AT&T's position is that the "Originating" Carriers rates apply. BellSouth's position is that since they own the facilities, their rates would apply. BellSouth (Shirley Wilcox) will prepare a written position/policy paper on this issue by 5/2/96.**

STATUS - OPEN

- **Issue 4.2.5. - See issue 2.2.1**

001606

Listed below is the status on AT&T's action items as of our April 29, 1996, Data Transfer Conference call:

STATUS - OPEN

- AT&T to verify their position on "rated/unrated" information. AT&T needs "unrated" messages except on incollects and Information Service Providers, i.e. 900, 976, etc.

See Information under BellSouth "rated/unrated" issue.

STATUS - OPEN

- Issue 1.2 - BellSouth proposed that the OCN be populated in positions 26-29 or 28-31 in the Header/Trailer record. AT&T (Lisa Caro) is working this issue and will provide status on our May 9, 1996, conference call.

STATUS - OPEN

- Issue 3.2. - BellSouth would like a copy of the detailed record edits AT&T plans on utilizing. AT&T (Lisa Caro) is working this issue and will provide status on our May 9, 1996, conference call.

STATUS - OPEN

- Issue 3.4.10. - BellSouth (Karen Mosey) defined their control records and sent them to AT&T (Sue Ray). AT&T's SME (Lisa Caro) is in the process of reviewing BellSouth's control records.

STATUS - OPEN

- Issue 4.2.4.1. - Same as Issue 3.2.

STATUS - OPEN

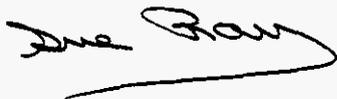
- EMR Rated and Unrated Expectations - BellSouth reviewed AT&T's EMR Expectations. BellSouth agrees with the EMR Expectations. BellSouth is adding an OCN in positions 26-29. BellSouth said AT&T could ignore it if we didn't want to use it. AT&T (Lisa Caro) is working this issue and will provide status on our May 9, 1996, conference call.

001607

Attached is the detailed EMR matrix that Lisa Caro discussed on the conference call. BellSouth will review it and provide status on our May 9, 1996, conference call.

As you are aware, we are concerned with BellSouth's inability to meet AT&T's requirements, especially in the "rated/unrated," returning unbillables, and "originating carrier rate" areas. Please respond to the open items by the dates specified so we can discuss them on our next conference call scheduled for May 9, 1996.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lisa Caro", with a long horizontal flourish extending to the right.

001608

LOCAL SERVICE MATRIX			
COMPANY NAME:			
TYPE OF SERVICE/CALL	SERVICE AVAILABLE	UNRATED STANDARD	POTENTIAL DEVIATIONS
Flat Local Call Sent Paid		10-01-31 MT = 1 RC = 4,5	
Measured Local Call Sent Paid		10-01-31 MT = 1 RC = 4,5	
Flat Lifeline Local Call Sent Paid		10-01-31 MT = 1 RC = 4,5	
Measured Lifeline Local Call Sent Paid		10-01-31 MT = 1 RC = 4,5	
Intralata Sent Paid		10-01-01 MT = 1 RC = 4,5	
Directory Assistance		10-01-32	
Directory Assistance Call Completion		10-01-01 or 10-01-31 Indicator 24 = 3	

001610

LOCAL SERVICE MATRIX			
COMPANY NAME:			
TYPE OF SERVICE/CALL	SERVICE AVAILABLE	UNRATED STANDARD	POTENTIAL DEVIATIONS
Busy Line Verification		10-01-35	
Busy Line Interrupt		10-01-37	
Recorded Announcements/ Information Provider		10-01-16 NPA NXX = Line # = Service/Phrase =	
Header and Trailer		20-20-01/20-20-02 From RAO = Send To/Billing RAO = 119	

LOCAL SERVICE MATRIX				
COMPANY NAME:				
TYPE OF SERVICE/CALL	SERVICE DESCRIPTION	SERVICE AVAILABLE	UNRATED STANDARD OR EXPECTATION	POTENTIAL DEVIATIONS
Directory Assistance by Appointment			10-01-32 Type of DA Service = 2	
Directory Assistance Multiple Listings			10-01-32 Type of DA Service = 1	
Information Call Completion	customer calls the DA operator for a name and address instead of the phone number		? FOR NANCY	
Enhanced Directory Assistance	customer calls the Local DA operator and asks for a number outside the NPA		10-01-32	Rochester sends 01-01-32 and Indicator 26 = 1

LOCAL SERVICE MATRIX			
COMPANY NAME:			
TYPE OF SERVICE/CALL	SERVICE AVAILABLE	UNRATED STANDARD OR EXPECTATION	POTENTIAL DEVIATIONS
Telecommunication Relay Service		Indicator 24 = 1	
Pre Bill Credits		03-01-XX	
Attempts		Indicator 18 = 2 or 3	
No Charge DA		10-01-32 Indicator 30 = 9	
No Charge No AMA		10-01-01,18,31,32,35,37,80,81 Indicator 30 = 9	
611		10-01-01,31 Indicator 30 = 9	
811		10-01-01,31 Indicator 30 = 9	
911		10-01-01,31 Indicator 30 = 0	
Enhanced 911 - outbound call from a 911 center to a client or customer		To NXX = 911 last 3 digits of line # = From NXX	

001613

LOCAL SERVICE MATRIX			
COMPANY NAME:			
TYPE OF SERVICE/CALL	SERVICE AVAILABLE	UNRATED STANDARD OR EXPECTATION	POTENTIAL DEVIATIONS
Signalling Irregularity		10-01-01,18,31,32,35,57,80,81 Indicator 30 = 9	
Free Call (Call Code 074)		? for Pacific	

LOCAL SERVICE MATRIX			
COMPANY NAME:			
TYPE OF SERVICE/CALL	SERVICE AVAILABLE	UNRATED STANDARD OR EXPECTATION	POTENTIAL DEVIATIONS
Collect Automated		MT = 4, RC 6	
Collect Non-Automated		MT = 4, RC = 1,3	
Third Number Automated		MT = 2, RC = 6	
Third Number Non-Automated		MT = 2, RC - 1,3	
Sent Paid Operator Assisted		MT = 1, RC = 1,3	
Calling Card Automated		MT = 3, RC = 6	
Calling Card Non-Automated		MT = 3, RC = 1,3	
Time & Charge		Indicator 12 = 1	

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LOCAL SERVICE MATRIX			
COMPANY NAME:			
TYPE OF SERVICE/CALL	SERVICE AVAILABLE	UNRATED STANDARD OR EXPECTATION	POTENTIAL DEVIATIONS
Busy Redial Per Use		42-50-01 pos 168 - 172 = 00001	
Call Return Per Use		42-50-01 pos 168 - 172 = 00002	
Call Trace Per Use		42-50-01 pos 168 - 172 = 00003	
3 Way Calling Per Use		42-50-01 pos 168 - 172 = 00004	
Auto Redial Per Use		42-50-01 pos 168 - 172 = 00005	

COMPANY SPECIFIC SERVICES/CALLS		
COMPANY NAME:		
TYPE OF SERVICE/CALL	EMR RECORD	UNIQUE IDENTIFIERS
1.		
2.		
3.		
4.		
5.		
6.		
7.		

001617

COMPANY SPECIFIC SERVICES/CALLS		
COMPANY NAME:		
TYPE OF SERVICE/CALL	EMR RECORD	UNIQUE IDENTIFIERS
8.		
9.		
10.		
11.		
12.		
13.		
14.		

12:15 pm, Friday, May 3, 1996 - Notes from Mike Guedel call with Frank Kolb

I spoke with Frank Kolb of BellSouth and we have set up a meeting for 2:30pm on Tuesday, 5/7/96, to discuss cost studies. The meeting will take place at BellSouth, 675 West Peachtree St. Frank said that both he and his attorney, Mary Jo Peed, would attend. I told him that Neil Brown, myself and Wayne Ellison would join for AT&T. We will bring an attorney as well.

I spoke to Frank about the information that we needed: First, we are looking for responses to the supplemental data requests that Wayne Ellison provided at the last Cost/Price Meeting. Second, I advised Frank that we would bring some of the BellSouth Loop/Port/Usage cost books and have specific questions about them, in addition to what Wayne Ellison had asked for.

Frank said that would be okay.

I also told Frank we were still awaiting the cost line items that Mary Jo Peed had committed to expedite today.

Frank assured me they would be sent sometime today.

I asked Frank for the percentages associated with the cost line items. Frank would not commit on that.

Frank said he would have to see how the BellSouth report broke out.

Frank suggested that a lot of the avoidable costs would be in the non-recurring versus the recurring cost structures, but he wouldn't be able to make a determination of the percentages until he looked at how everything broke out.

I told him we would like to look at those percentages on Tuesday.

It is now 12:45pm and the cost studies have not arrived.

001618

5:40 pm, Friday, May 3, 1996 - Voice Mail from Mike Guedel to Neil Brown

“Neil, this is Mike Guedel. We finally got a transmission from Mary Jo Peed. It consists of one page of data, actually just one page of words. It provides cost categories for three services. One is Ringmaster®, one is Custom Calling®, and the other is TouchStar®. It also has some cost categories for service orders and one word definitions of cost categories, no more detail than that.”

“Absolutely no numbers, absolutely no percentages, and no designations of the states, jurisdictions or anything. Just one general one page form. We will fax it to you. I am going to have Joy send this to the appropriate people here including Art; sending a copy to Sylvia also so she has a copy Monday morning. We will probably need to talk about it at that point in time.”

“That is about all I know about it Neil. I am going to take a copy of it home. If you want to call me at home over the weekend, that is fine. My number there is 770-565-6944.”

001619

Mary Jo Peed
General Attorney

BellSouth Telecommunications, Inc.
Legal Department - Suite 4300
675 West Peachtree Street
Atlanta, Georgia 30375 0001
Telephone 404.335.0705
Facsimile 404.658.3988

May 3, 1996
VIA FACSIMILE

Sylvia E. Anderson
Promenade I
1200 Peachtree Street, N.E.
Atlanta, GA 30309

Re: April 4 and April 29 Data Requests

Dear Sylvia:

The purpose of this letter is to convey BellSouth's position in regards to the above mentioned data requests. As you and I know, there are a number of outstanding issues surrounding these two requests. It is BellSouth's hope that we can put a number of these issues to rest.

BellSouth believes that the April 4, 1996 data request no. 1 concerning the LRIC cost studies of a number of BellSouth's retail services is not relevant to the negotiations. BellSouth has provided the cost studies and workpapers that were prepared by the company to determine the costs avoided by providing a retail service on a wholesale basis. It is my understanding that there has been little to no discussion regarding the substance of these studies between the two cost teams. Further, AT&T's own cost study regarding the avoided costs is a fully distributed cost study based upon ARMIS data. It seems to me to be inconsistent that AT&T would present a fully distributed cost study as evidence of the appropriate discount for wholesale services yet demand LRIC data from BellSouth.

BellSouth's position regarding the LRIC cost studies of our retail services has not changed. However, as I stated Wednesday at the core team meeting, BellSouth has been working hard toward finding a compromise regarding request no. 1. As such and in the spirit of good faith negotiations, BellSouth will provide to AT&T the cost categories for the services delineated in data request no. 1. These documents should be faxed to Mr. Brown's office sometime today

As to the follow up requests Neil Brown sent to Suzie on April 29, 1996 after his review of the loop, port and usage studies provided Friday, April 26, 1996, BellSouth is not, at the present time, ready to respond to these requests. I have requested that

Frank Kolb call Neil Brown and set up a meeting in order for BellSouth and AT&T to discuss these requests. The agenda for this meeting will be as follows: to go through each of the requests to understand the purpose of the inquiry and to determine whether there is a common understanding of the information that was provided to AT&T; to determine whether AT&T's inquires go to the methodology of the studies or simply to the calculations made within the studies; and lastly, to determine, how each of the requests is relevant to the determination of the price for the network elements requested by AT&T. BellSouth is of the opinion that this meeting must take place in that the requests submitted are to a level of detail somewhat troubling to BellSouth in the context of the negotiations. If it is concluded that AT&T is concerned about the methodology, BellSouth would agree to an examination of BellSouth's cost studies by an independent auditor selected by BellSouth and paid for by AT&T.

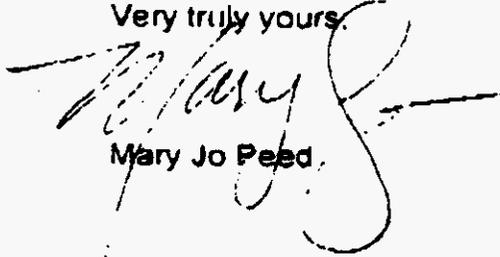
Neil indicated on Wednesday, that there may be a need for me to clarify a statement that I made in my April 17, 1996 letter to you as that letter relates to data request no. 2. Data request no. 2 concerned wholesale TSLRIC or LRIC studies for the retail services on the matrix attached to the data request. I responded that BellSouth had provided the Tennessee and Georgia avoided cost study and that the similar studies for Florida and North Carolina had not been completed. I then stated that "to the extent that AT&T is requesting data other than the resale cost studies similar to the Georgia study, BellSouth does not have any responsive data." I want to clarify, based on Neil's comments on Wednesday, that BellSouth does not have any data responsive to data request no. 2. BellSouth has not performed TSLRIC or LRIC wholesale studies. BellSouth has performed avoided cost studies and has provided to AT&T those that are complete.

Lastly, I also want to clarify BellSouth's position that, at present, there are no related proceedings ongoing in any of the BellSouth states and will not be unless the negotiations fail, which I believe that they will not, and AT&T or BellSouth files for arbitration in any or all of the BellSouth states. I also understand this to be AT&T's position, although, in rereading your letter, dated April 23, 1996, I became a little less sure, because of your statement in the last sentence in the first paragraph on page 2. Would you be so kind as to clarify your position on this issue.

001621

It looks like it will be a lovely weekend here in Atlanta. I hope you will be here to enjoy it.

Very truly yours,



Mary Jo Peed

cc: Scott Schaefer
Suzie Lavett
Bob Scheye
Frank Kolb

001622



**BELLSOUTH
STRATEGIC DEVELOPMENT CORE BUSINESS
11A15 Southern Bell Center
675 W. Peachtree Street, NE
Atlanta, GA 30375**

[Handwritten signature]

Date: 5/6/96

Number of pages including cover sheet 3

MESSAGE TO:

Preston Foster

Phone #:

404-810-8548

Fax #:

410-810-8477

FROM:

Michelle Brightwell
(404) 529-5250

Jan Hester
(404) 614-4945

Keith Milner
(404) 529-5489

Cindy Preston
(404) 529-5538

Krista Tillman
(404) 420-6336

Gloria Calhoun
(404) 529-5579

Lydia Hunten
(404) 529-2659

Ellen Mitchell
(404) 330-0420

Bob Scheye
(404) 420-8327

Tom Woodliff
(404) 529-6177

Dwayne Crumley
(404) 529-5948

Lamar May
(404) 529-0522

Sara Murray
(404) 420-8164

Charlotte Shannon
(404) 420-6338

*Suzie Lawitt
(404) 529-7496*

Ken Culpepper
(404) 529-6203

David Meyers
(404) 614-4955

Jennifer Moon
(404) 529-6687

William Suitt
(404) 529-6125

REMARKS			
<input checked="" type="checkbox"/> Urgent	<input type="checkbox"/> For your review	<input type="checkbox"/> Reply ASAP	<input type="checkbox"/> Please comment
			001623

BellSouth Telecommunications, Inc.

Memorandum**DATE:** May 6, 1996**TO:** Preston Foster**FROM:** Suzie Lavett 

As you are well aware, AT&T's "requirements" concerning electronic interfaces have been an ongoing topic of discussion in the BellSouth - AT&T operational negotiating sessions. Demand -- both volume and its associated timeline -- is a critical factor in the decision to expend the resources (people and dollars) required to develop and deploy more mechanized interfaces. Since an accurate forecast is so integral to BellSouth's plans for more sophisticated operational interface arrangements, additional data as described herein is being requested.

On April 2, 1996, in a memo from Jay Bradbury, AT&T provided BellSouth with volume projections associated with AT&T's entry into the local service market, indicating that entry would likely occur in the July time frame, with volume "ramping up" to approximately 1,000 customers per day by year end 1996, and 3,000 per day by mid year 1997 (+ or - 20%). Then on April 30, 1996, Mason Fawzi provided a "new lines per day" forecast that appeared to reflect different numbers and had no reference to a specific entry date, rather indicated "month 1, month 2," etc. Subsequent conversations have indicated that month 1 is likely to represent the November, 1996 time frame.

As we have previously discussed, long before AT&T provided any forecast data, BellSouth acknowledged the appropriateness of providing certain interfaces electronically and advised AT&T that such interfaces were either under development or currently available, specifically:

- daily usage information (developed and ready for deployment a/o 3/31/96)
- electronic trouble reporting (previously developed and currently available)
- serving central office and feature availability (developed and ready for deployment 5/1/96)

As you know, we at BellSouth have developed operational interfaces to accommodate the initial entry of alternative local service providers and are committed to modifying those interfaces to encompass more mechanization as the competitive local exchange service market evolves and national standards are established. BellSouth also committed

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to assess the resource requirements associated with provision of "pre-ordering" information such as ATLAS (for telephone number assignment) prior to receipt of AT&T's demand forecast, and that effort is currently in progress. In addition, during negotiations with AT&T, BellSouth agreed to pursue use of EDI, in lieu of the fax process, for transmittal of service requests.

When one considers the scope of developing and deploying such extensive electronic interfaces and the commensurate expense involved, the criticality of an accurate demand forecast becomes readily apparent. It would assuredly be imprudent for BellSouth to continue to work toward these and other electronic interfaces unless significant and protracted resale demand exists. Additionally, an accurate forecast is essential in order for BellSouth to be properly staffed to handle activity associated with requests generated by new entrants, either reseller or facility based entities. Consequently, we are requesting that AT&T provide BellSouth with a revised forecast (+ or - 5%) that encompasses the following:

- Projected "total service" resale order volume, residence vs. business, by month by state from date of entry through December, 1997
- Projected "unbundled loop," "unbundled port," and "combined unbundled loop and port volume" by month by state from date of entry through December, 1997
- Plans for "switch deployment" -- timing and state -- since this information would directly impact the longevity of resale and the need for electronic interfaces to support that mode of operation

Please provide this information by May 13, 1996 so that we may take it into account in both our Center staffing plans and in further planning of appropriate electronic interfaces. Should you wish to discuss, please contact me at either (205) 977-0104, or (404) 529-7496.

001625



William J. (Jim) Carroll
Vice President

Room 4170
1200 Peachtree St., NE
Atlanta, GA 30309
404 810-7262

May 6, 1996

Via Hand Delivery and Facsimile

F. Duane Ackermann
Vice-Chairman and Chief Operating Officer
BellSouth Communications, Inc.
Atlanta, GA

Dear Mr. Ackerman:

Pursuant to Section 252 of the Telecommunications Act of 1996, AT&T Corp. ("AT&T") requests the commencement of negotiations for interconnection to enable AT&T to provide competing telecommunications services, including local service, in the Commonwealth of Kentucky. This request includes all interconnection issues identified in Sections 251 and 252 of the Act, including the prices and terms for interexchange access, the resale of services, and the network elements used for the origination and completion of local exchange and interexchange services traffic.

Interconnection negotiations commenced on March 4, 1996 in the States of Florida, Georgia, North Carolina, and Tennessee, and on April 15, 1996 for the State of Louisiana. During the initial negotiating meeting held between AT&T and BellSouth on March 11, 1996, our companies agreed that it is appropriate to negotiate the majority of issues on a regional basis and only separately negotiate those issues that vary on a state by state basis. Therefore, it is AT&T's view that the negotiations for the Commonwealth of Kentucky will become a part of the regional negotiations, recognizing that the official commencement date for the Louisiana negotiations for purposes of Section 252 (b) (1) of the Act is May 6, 1996.

While negotiations are progressing, there are a significant number of issues to resolve.

Very truly yours,

A handwritten signature in dark ink, appearing to be "J. Drummond", written over a large, stylized loop.

cc: J. Drummond
C. Coe
S. Schaefer
L. Cecil
R. Shurter

001626



William J. (Jim) Carroll
Vice President

Room 4170
1200 Peachtree St., NE
Atlanta, GA 30309
404 810-7262

May 6, 1996

Via Hand Delivery and Facsimile

F. Duane Ackermann
Vice-Chairman and Chief Operating Officer
BellSouth Communications, Inc.
Atlanta, GA

Dear Mr. Ackerman:

Pursuant to Section 252 of the Telecommunications Act of 1996, AT&T Corp. ("AT&T") requests the commencement of negotiations for interconnection to enable AT&T to provide competing telecommunications services, including local service, in the State of Alabama. This request includes all interconnection issues identified in Sections 251 and 252 of the Act, including the prices and terms for interexchange access, the resale of services, and the network elements used for the origination and completion of local exchange and interexchange services traffic.

Interconnection negotiations commenced on March 4, 1996 in the States of Florida, Georgia, North Carolina, and Tennessee, and on April 15, 1996 for the State of Louisiana. During the initial negotiating meeting held between AT&T and BellSouth on March 11, 1996, our companies agreed that it is appropriate to negotiate the majority of issues on a regional basis and only separately negotiate those issues that vary on a state by state basis. Therefore, it is AT&T's view that the negotiations for the State of Alabama will become a part of the regional negotiations, recognizing that the official commencement date for the Louisiana negotiations for purposes of Section 252 (b) (1) of the Act is May 6, 1996.

While negotiations are progressing, there are a significant number of issues to resolve.

Very truly yours,

A handwritten signature in black ink, appearing to read "J. Drummond".

cc: J. Drummond
C. Coe
S. Schaefer
L. Cecil
R. Shurter

001627

May 6, 1996

Via Fax to: Ron Shurter

Ron,

The attached page is what BellSouth sent after hours on Friday, 5/3/96, as the product of "two days of overtime." Mary Jo Peed had reported on Thursday that BellSouth would renege on its commitment to provide "redacted" studies and had elected instead to have people work overtime to produce summaries of the cost studies' cost elements. When I asked Mary Jo to provide a distribution for the cost elements, she said she could not commit to do that and requested that this be discussed with Frank Kolb. Frank said he would have to wait and see how the cost elements break down by category. This item will be discussed further with Frank tomorrow afternoon.

At the moment, I do have some folks on the way to BellSouth to review some Tennessee LRIC data pursuant to the regulatory case. Tomorrow morning at the weekly Cost/Price meeting, we will submit written justification for our initial data request and Wayne Ellison's supplemental request distributed at last week's meeting. Tomorrow afternoon several folks will meet with Frank Kolb to pursue data on BellSouth's Loop/Port/Usage summaries provided Friday night, 4/26/96, and to discuss AT&T's request for a percentage distribution of costs, by element, by service, by state.

By tomorrow night we will have a rather good handle on whether or not to go to mediation. I will let you know.



Neil Brown

Attachment

001628

A. Cost Categories included in RingMaster studies

- I. Central Office
 - Processor use
 - Memory
 - RTU Fees
 - Translations
- II. Advertising
- III. Product Management

B. Cost Categories included in Custom Calling Services (flat-rated) studies

- I. Central Office
 - Special Circuitry
 - Switch use
 - Processor use
 - Memory
 - RTU Fees
 - Translations
- II. Product Management

C. Cost Categories included in TouchStar Services (flat-rated) studies

- I. Central Office
 - Special Circuitry
 - Switch use
 - Processor Use
 - Memory
 - RTU Fees
 - Translations
- II. SS7 Network use
- III. Product Management
- IV. Advertising

D. Cost categories included in Service Order cost studies

- I. Business Office
- II. Cable & Wire Assignment
- III. Number Administration
- IV. Line Translation
- V. Central Office Installation
- VI. Material
- VII. Computer

001629

Mule, Andre J

From: NEBROWN[SMTP:rondo!poscotch!NEBROWN@lgamgw]
Sent: Monday, May 06, 1996 4:15 PM
To: poscotch!DRIPLEY; poscotch!NEBROWN; poscotch!PANELSON; attmail!crafton; attmail!gregan; attmail!lerma; attmail!lgamgw!ajmule; attmail!lgamgw!follensb; attmail!lgamgw!kmcneely; attmail!lgamgw!cecil; attmail!lgamgw!rbriney; attmail!lgamgw!sanderson; attmail!rhshurter; attmail!tye; csgat1!augier; csgat1!bjenkins; csgat1!dberger; csgat1!jcarroll; csgat1!mfawzi; csgat1!pfoster; csgat1!rcavallo; law1200a!gcoker; law1200a!winegard; lgamgw!wellison
Cc: poscotch!AHUTTON; poscotch!CNTAYLOR; poscotch!CUMMINGS; poscotch!GUEDEL; poscotch!JAKING; poscotch!JUANITA; poscotch!KSCHLAGE; poscotch!LEHNERTZ; poscotch!MHARPER; poscotch!renz; poscotch!SUELLIS; poscotch!VDORAN; poscotch!WAKING; poscotch!wkendall
Subject: Rationale for Supplemental Data Request



RATIONA2.DOC

Team:

Attached is the rationale for Wayne Ellison's supplemental data request on BellSouth's Loop/Port/Usage study summaries. This will be discussed and delivered at the Cost/Price meeting tomorrow, along with the written rationale for the original data request.

Neil

001630

**Rationale for Additional Supporting Data relating to
BellSouth Cost Submission to AT&T Provided April 26, 1996
Pursuant to 4/4/96 Data Request, Items 5 and 7**

The follow-up requests regarding the BellSouth April 26 cost submission serve several purposes. They seek information necessary to better understand and evaluate BellSouth's study methodology. They further seek information that will allow AT&T to evaluate the appropriateness of BellSouth unit cost inputs and assumptions, and fully identify included expenses. Finally, they request data that may allow AT&T to estimate costs of included network elements not separately identified within the provided studies.

AT&T's requests therefore go to both methodology and calculations, as well as various study assumptions, but do not prejudice any of these factors. We will use the requested information to achieve a detailed understanding of BellSouth's stated level of network element costs, compare BellSouth's studies to other industry data, test the impact of various study assumptions, and possibly propose study modifications. AT&T will also use the data to the extent permitted to estimate costs of underlying network elements.

Question No. 1 - Seeks informational material necessary to evaluate special loop carrier studies requested in Question No. 2. Information is not requested for similar AT&T systems as AT&T equipment information is generally available to us from AT&T equipment courses.

Question No. 2 - Seeks information regarding several special studies, as well as other study input assumptions that materially affect study results. Requested special studies estimate material, labor, and engineering costs for copper and fiber cable, pole lines, conduit, and subscriber carrier systems. Back-up is also requested regarding plant utilization (fill), plant mix assumptions, and factors used to adjust costs for various points in time.

Question No. 3 - Seeks information regarding use of the INTPGINV cost input. It appears that this cost element is provided as input to the loop study but never used.

Question No. 4 - Annual cost factors greatly impact study results. The annual charge factors included in the loop studies must therefore be evaluated to determine if only proper expenses have been included, and whether the amount of each included expense has been correctly identified. If the proposed BellSouth factors are subsequently found to be in error, the underlying annual cost data must be used in conjunction with other data to develop more suitable results.

Question No. 5 - The "levelization factor" is neither precisely defined nor documented in the April 26 submission, yet has a measurable and potentially significant impact on study results. Further knowledge of this factor is therefore necessary for complete study understanding.

001631

File: rationa2

Question No. 6 - Seeks documentation for loop distributions greater than 12KFT. Relative distributions greater than 12KFT were not provided in the summary results, but were used to arrive at a composite loop over 12KFT. This single composite loop has a greater than 50% weight on study results.

This question also seeks representative loop sample results. The requested results will allow AT&T to determine how loop sample results were translated into cost parameters, determine the extent to which disaggregated loop data is available to determine individual network element costs, and determine on a real time basis limitations to potential study modifications, should such modifications be dictated.

Question No. 7 - Seeks description of cost analysis tool used to provide usage costs. This additional information is necessary to fully understand the scope and nature of BellSouth's usage cost outputs, to obtain a full understanding of the usefulness of these cost outputs for various pricing decisions, and to determine the ability of the model to provide greater disaggregation of network element costs than provided by the included summaries.

Question No. 8 - Seeks unit cost files underlying usage study results. These files will permit AT&T to evaluate basic cost assumptions. They may also provide insight regarding disaggregated network element costs for services provided on a full time basis.

001632



Cindy Clark
Local Services Negotiator

Room 12W45
Promenade II
1200 Peachtree St., NE
Atlanta, GA 30309
404-810-3119

May 7, 1996

Suzie Lavett
BellSouth
Room E5G
3535 Colonnade Parkway
Birmingham, AL 35243

Fax Delivery

Suzie,

This letter is a follow-up to our Total Services Resale Provisioning Meeting on 5/3/96. I've outlined the action items below along with some events subsequent to our meeting.

- BellSouth to provide the RSAG application contract for AT&T's signature. (Complete)

I did receive the agreement via fax this morning. After the agreement is finalized, our next steps will be to build our systems interfaces and allow access to user SMEs to test the functionality. Randy Jenkins and I talked this morning and we are laying the groundwork for these next steps now.

- BellSouth to provide a proposal for passing service order completions to AT&T—Shirley Wilcox.

We have discussed possibilities to close this gap for several months now. I spoke with Shirley Wilcox this morning about progress on this item. We agreed that BellSouth's commitment to develop the EDI interface for data transfer may now make EDI the appropriate solution to pursue for completion data. In our EDI meetings scheduled for 5/15 and 5/16, we will jointly set priorities for development, if completions are included as a high priority, we will be able to focus our efforts toward EDI for closure of this gap.

- BellSouth to provide a description of the non-discriminatory training offered to technicians servicing OLEC customers—Beth Carnes to provide by 5/20.
- BellSouth to provide the job aid used by BST negotiators to determine if dispatch will be required—Kathy Massey to provide by 5/20.
- BellSouth to provide documentation on the process for reservation of vanity numbers—Kathy Massey to provide by 5/20.
- BellSouth to provide the current procedure used to notify BellSouth's end-user of jeopardy status affecting due date—Kathy Massey by 5/20.

001633

- BellSouth to update the interval guide for simple services to include "switch as is" interval—Kathy Massey to provide by 5/16.
- BellSouth to provide an Interval guide for complex services—Kathy Massey to provide by 5/16.

As we discussed in our meeting, of the action items for Kathy, the interval guide for complex services is the most urgent. Kathy indicated that she did not know that AT&T requested this guide in earlier meetings and she committed to provide to AT&T on May 9. I have spoken to Kathy subsequently, and she indicated that the project was more complex than she anticipated and we agreed on a new delivery date of May 16.

- BellSouth to provide latest OLEC handbooks (resale and facility based)—Kathy Massey to provide by 5/20.

We scheduled our next Total Services Resale meeting for 1:30 on May 22. Since the unbundled team is meeting in the morning of May 22 at BellSouth Center, is it possible to schedule the same meeting room for the afternoon? Please call me and we will finalize the arrangements.


Cindy Clark

001634

MODE = TRANSMISSION

START=MAY-09 13:51

END=MAY-09 13:53

NO.	COM	ABBR/NTWK	STATION NAME/ TELEPHONE NO.	PAGES	PRG.NO.	PROGRAM NAME
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-AT&T SUPPLIER MGMT. -

***** (FAX-950 V1.24) ** -AT&T ASM SOUTH - ***** 404+810+3131- *****

FAX

Date: 05/07/96

Number of pages including cover sheet: 3

To:

Andre Mule'

Phone: 404-810-8537

Fax phone: 404-810-5673

CC:

From:

Sylvia Anderson, AT&T

Phone: 404-810-8070

Fax phone: 404-810-8629

REMARKS: Urgent For your review Reply ASAP Please comment

Re: Letter to Mary Jo Peed, General Attorney, BellSouth, re: AT&T's April 4, 1996 Data Request

001636



Sylvia E. Anderson
Chief Commercial Counsel
Southern Region

Promenade I
1200 Peachtree Street, N.E.
Atlanta, GA 30309
404 810-8070
FAX: 404 810-8629

May 7, 1996

VIA U.S. MAIL
AND FACSIMILE TRANSMISSION

Ms. Mary Jo Peed
General Attorney
BellSouth Telecommunications, Inc.
Suite 4300
675 West Peachtree Street
Atlanta, GA 30375-0001

Dear Mary Jo:

Re: AT&T's April 4, 1996 Data Request

For over a month now, AT&T has been asking BellSouth to provide certain cost data, including service specific cost data to enable AT&T to negotiate wholesale discounts for the services delineated by AT&T for Total Services Resale.

During our Wednesday Core Team Meeting, you agreed to provide redacted copies of the original data so that AT&T could at least review the cost categories associated with the delineated services. Indeed, in a letter dated May 3, 1996, you stated:

"BellSouth's position regarding the LRIC cost studies of our retail services has not changed. However, as I stated Wednesday at the core team meeting, Bell South has been working hard toward finding a compromise regarding request no. 1. As such and in the spirit of good faith negotiations, BellSouth will provide to AT&T the cost categories for the services delineated in data request no. 1 (emphasis added). These documents should be faxed to Mr. Brown's office sometime today."

Later that day, AT&T received a one page fax. This document, which was obviously created by BellSouth to respond to AT&T's request for service specific cost studies, is wholly inadequate. Its general nature not only falls short of providing AT&T with a meaningful starting point for understanding costs that will be avoided, it also fails to address, as promised in your May 3, 1996 letter, all the services delineated by AT&T in its data request no. 1. (e.g., Basic Flat Rate, Message Rate, Remote Call Forwarding, Direct Dialing Inward, Basic IntraLATA Toll, and Extended Area Services, WATS, WatsSaver[®], ESSX[®]).

001637

Ms. Mary Jo Peed
Page 2
May 7, 1996

We are very disappointed with your response and troubled by the delay this is causing in our negotiations. Accordingly, AT&T is reviewing its available alternatives, including mediation.

Sincerely,



Sylvia E. Anderson

sea/sgc

cc: AT&T Leadership Team
AT&T Core Team

001638

May 7, 1996

Via Hand Delivery or Air Express to:

Michelle Augier	Sylvia Anderson	Ron Shurter
Jim Carroll	Roger Briney	Mike Lesher
Bob Cavallo	Loretta Cecil	Brenda Kahn
Ray Crafton	Wayne Ellison	Art Lerma
Preston Foster	Greg Follensbee	NEB Managers
Mason Fawzi	Ken McNeely	Pam Nelson
Audra Hurston	Jerry Watts	Jay Bradbury
Jill Williamson	Andre' Mule'	Robert Oakes

Team:

Attached is a draft proposal from Bob Scheye in response to our request last week for him to propose prices for Unbundled Network Elements. **(Please share this with anyone else who would benefit from it. It is not my intention to leave out anyone.)** Mike Guedel and Wayne Ellison are in the process of analyzing this and are meeting with Frank Kolb this afternoon to discuss further and ask questions.

Our new cost computer is in and we are awaiting the updates to the Hatfield model. Wayne Ellison, I invite you to join Jeff King and Karen Cummings in helping us use this tool wisely. Jeff and Karen, I want to be in a position to counter BellSouth proposals with docket quality, cost-based material by late May.

Please refer any comments on the attachment to Mike Guedel on 810-7420 or Wayne Ellison on 810-8068 so that your views and concerns are considered as we explore and question BellSouth further. In fact, if you have substantive input, please provide it via attmail to !nebrown and I will ensure that it becomes part of the record.

Note that this document raises more than just pricing concerns. The technical SMEs as well as Michelle's group may want to have a person or two join us for a "side" meeting to deal primarily with the attachment and potential responses.

Thank you.



Neil E. Brown

Attachment

001639

File: bell_une

Local Interconnection Service

DRAFT

Service: Local Interconnection*

Description: Provides a communications path between an ALEC's Point of Interface and BellSouth end user customers for completion of local calls.

State(s):		Alabama						Florida					
RATE ELEMENTS	Per MOU	Applied Per	Monthly Recurring	Applied Per	Non-Recurring	Applied Per	Per MOU	Applied Per	Monthly Recurring	Applied Per	Non-Recurring	Applied Per	
DS1 Local Channel	--	--	\$133.81	LC	\$866.97	LC - First	--	--	\$133.81	LC	\$866.97	LC - First	
					\$486.83	LC - Add'l					\$486.83	LC - Add'l	
DS1 Dedicated Transport	--	--	\$23.50	per mile	--	--	--	--	\$16.75	per mile	--	--	
			\$90.00	fac. term.	\$100.49	fac. term.	--	--	\$59.75	fac. term.	\$100.49	fac. term.	
DS1 Common Transport	\$0.00004	per mile	--	--	--	--	\$0.00004	per mile	--	--	--	--	
	\$0.00036	fac. term.	--	--	--	--	\$0.00036	fac. term.	--	--	--	--	
Local Switching LS2 (FGD)	\$0.00755	access mou	--	--	--	--	\$0.00876	access mou	--	--	--	--	
Tandem Switching	\$0.00074	access mou	--	--	--	--	\$0.00050	access mou	--	--	--	--	
Information Surcharge	\$0.03216	100 mou	--	--	--	--	--	--	--	--	--	--	
Tandem Intermediary Charge**	\$0.002	access mou	--	--	--	--	\$0.002	access mou	--	--	--	--	
Composite Rate-DS1 Dedicated***	\$0.01978						\$0.01028						
Composite Rate-DS1 Tandem Sw.***	\$0.00991						\$0.01056						

State(s):		Georgia						Kentucky					
RATE ELEMENTS	Per MOU	Applied Per	Monthly Recurring	Applied Per	Non-Recurring	Applied Per	Per MOU	Applied Per	Monthly Recurring	Applied Per	Non-Recurring	Applied Per	
DS1 Local Channel	--	--	\$133.81	LC	\$866.97	LC - First	--	--	\$133.81	LC	\$866.97	LC - First	
					\$486.83	LC - Add'l					\$486.83	LC - Add'l	
DS1 Dedicated Transport	--	--	\$23.50	per mile	--	--	--	--	\$23.50	per mile	--	--	
			\$90.00	fac. term.	\$100.49	fac. term.	--	--	\$90.00	fac. term.	\$100.49	fac. term.	
DS1 Common Transport	\$0.00004	per mile	--	--	--	--	\$0.00004	per mile	--	--	--	--	
	\$0.00036	fac. term.	--	--	--	--	\$0.00036	fac. term.	--	--	--	--	
Local Switching LS2 (FGD)	\$0.00787	access mou	--	--	--	--	\$0.00755	access mou	--	--	--	--	
Tandem Switching	\$0.00074	access mou	--	--	--	--	\$0.00074	access mou	--	--	--	--	
Information Surcharge	--	--	--	--	--	--	\$0.03218	Prem/100 mou	--	--	--	--	
							\$0.01448	Trans/100 mou	--	--	--	--	
Tandem Intermediary Charge**	\$0.002	access mou	--	--	--	--	\$0.002	access mou	--	--	--	--	
Composite Rate-DS1 Dedicated***	\$0.00978						\$0.04164						
Composite Rate-DS1 Tandem Sw.***	\$0.00991						\$0.04177						

*Rates are displayed at the DS1-1.544 Mbps. level. For rates and charges applicable to other arrangement levels, refer to Section E6 of BellSouth Telecommunication's, Inc.'s Intrastate Access Tariff

**The Tandem Intermediary Charge applies only to Intermediary Traffic.

***Assumptions: (1) 9,000 MOU per voice grade equivalent; (2) Transport at 8 miles; (3) Assume DS1 Local Channel for Tandem Switched (Common) Transport.

DS1 Local Channel: denotes a DS1 dedicated transport facility between the ALEC's serving wire center and the ALEC's POI, also called an Entrance Facility. This element will apply when associated with services ordered by an ALEC which utilizes a BellSouth facilities. This element is not required when an ALEC is collocated.

DS1 Dedicated Transport: provides transmission and facility termination. The facility termination applies for each DS1 Interoffice Channel terminated. Can be used from the ALEC's serving wire center to the end users end office or from the ALEC's serving with center to the tandem.

Common Transport: Composed of Common Transport facilities as determined by BellSouth and permits the transmission of calls terminated by BellSouth.

Access Tandem Switching: provides function of switching traffic from or to the Access Tandem from or to the end office switch(es). The Access Tandem Switching charge is assessed on all terminating minutes of use switched at the access tandem.

Compensation Credit (CAP): BellSouth and the ALECs will not be required to compensate each other for more than 105% of the total billed local interconnection minutes of use of the party with the lower total billed local interconnection minutes of use in the same month.

001640

Local Interconnection Service

DRAFT

Service: Local Interconnection* (Cont'd)

Description: Provides a communications path between an ALEC's Point of Interface and BellSouth end user customers for completion of local calls.

RATE ELEMENTS	Louisiana						Mississippi					
	Per MOU	Applied Per	Monthly Recurring	Applied Per	Non-Recurring	Applied Per	Per MOU	Applied Per	Monthly Recurring	Applied Per	Non-Recurring	Applied Per
DS1 Local Channel	--	--	\$133.81	LC	\$866.97 \$486.83	LC - First LC - Add'l	--	--	\$133.81	LC	\$866.97 \$486.83	LC - First LC - Add'l
DS1 Dedicated Transport	--	--	\$16.75 \$59.75	per mile fac. term.	-- \$100.49	-- fac. term.	--	--	\$23.50 \$90.00	per mile fac. term.	-- \$100.49	-- fac. term.
DS1 Common Transport	\$0.00004 \$0.00036	per mile fac. term.	--	--	--	--	\$0.00004 \$0.00036	per mile fac. term.	--	--	--	--
Local Switching LS2 (FGD)	\$0.00869	access mo	--	--	--	--	\$0.00787	access mou	--	--	--	--
Tandem Switching	\$0.00050	access mo	--	--	--	--	\$0.00074	access mou	--	--	--	--
Information Surcharge	--	--	--	--	--	--	--	--	--	--	--	--
Tandem Intermediary Charge**	\$0.002	access mo	--	--	--	--	\$0.002	access mou	--	--	--	--
Composite Rate-DS1 Dedicated***	\$0.01021						\$0.00978					
Composite Rate-DS1 Tandem Sw.***	\$0.01049						\$0.00991					

RATE ELEMENTS	N.Carolina						S.Carolina					
	Per MOU	Applied Per	Monthly Recurring	Applied Per	Non-Recurring	Applied Per	Per MOU	Applied Per	Monthly Recurring	Applied Per	Non-Recurring	Applied Per
DS1 Local Channel	--	--	\$133.81	LC	\$866.97 \$486.83	LC - First LC - Add'l	--	--	\$133.81	LC	\$866.97 \$486.83	LC - First LC - Add'l
DS1 Dedicated Transport	--	--	\$23.50 \$90.00	per mile fac. term.	-- \$100.49	-- fac. term.	--	--	\$23.50 \$90.00	per mile fac. term.	-- \$100.49	-- fac. term.
DS1 Common Transport	\$0.00004 \$0.00036	per mile fac. term.	--	--	--	--	\$0.00004 \$0.00036	per mile fac. term.	--	--	--	--
Local Switching LS2 (FGD)	\$0.01140	access mo	--	--	--	--	\$0.01095	access mou	--	--	--	--
Tandem Switching	\$0.00074	access mo	--	--	--	--	\$0.00074	access mou	--	--	--	--
Information Surcharge	--	--	--	--	--	--	\$0.03741	100 mou	--	--	--	--
Tandem Intermediary Charge**	\$0.002	access mo	--	--	--	--	\$0.002	access mou	--	--	--	--
Composite Rate-DS1 Dedicated***	\$0.01331						\$0.01323					
Composite Rate-DS1 Tandem Sw.***	\$0.01344						\$0.01336					

*Rates are displayed at the DS1-1.544 Mbps. level. For rates and charges applicable to other arrangement levels, refer to Section E6 of BellSouth Telecommunication's, Inc.'s Intrastate Access Tariff

**The Tandem Intermediary Charge applies only to Intermediary Traffic.

**Assumptions: (1) 9,000 MOU per voice grade equivalent; (2) Transport at 8 miles; (3) Assume DS1 Local Channel for Tandem Switched (Common) Transport.

DS1 Local Channel: denotes a DS1 dedicated transport facility between the ALEC's serving wire center and the ALEC's POI, also called an Entrance Facility. This element will apply when associated with services ordered by an ALEC which utilizes a BellSouth facilities. This element is not required when an ALEC is collocated.

DS1 Dedicated Transport: provides transmission and facility termination. The facility termination applies for each DS1 Interoffice Channel terminated. Can be used from the ALEC's serving wire center to the end users and office or from the ALEC's serving with center to the tandem.

Common Transport: Composed of Common Transport facilities as determined by BellSouth and permits the transmission of calls terminated by BellSouth.

Access Tandem Switching: provides function of switching traffic from or to the Access Tandem from or to the end office switch(es). The Access Tandem Switching charge is

assessed on all terminating minutes of use switched at the access tandem.

Compensation Credit (CAP): BellSouth and the ALECs will not be required to compensate each other for more than 105% of the total billed local interconnection minutes of use of the party with the lower total billed local interconnection minutes of use in the same month.

001641

Local Interconnection Service

DRAFT

Service: Local Interconnection* (Cont'd)

Description: Provides a communications path between an ALEC's Point of Interface and BellSouth end user customers for completion of local calls.

State(s): Tennessee

RATE ELEMENTS	Per MOU	Applied Per	Monthly Recurring	Applied Per	Non-Recurring	Applied Per
DS1 Local Channel	--	--	\$133.81	LC	\$866.97	LC - First
					\$486.83	LC - Add'l
DS1 Dedicated Transport	--	--	\$23.50	per mile	--	--
			\$90.00	fac. term.	\$100.49	fac. term.
DS1 Common Transport	\$0.00004	per mile	--	--	--	--
	\$0.00036	fac. term.	--	--	--	--
Local Switching LS2 (FGD)	\$0.01750	access mou	--	--	--	--
Tandem Switching	\$0.00074	access mou	--	--	--	--
Information Surcharge	--	--	--	--	--	--
Tandem Intermediary Charge**	\$0.002	access mou	--	--	--	--
Composite Rate-DS1 Dedicated***	\$0.01941					
Composite Rate-DS1 Tandem Sw.***	\$0.01954					

*Rates are displayed at the DS1-1.544 Mbps. level. For rates and charges applicable to other arrangement levels, refer to Section E6 of BellSouth Telecommunication's, Inc.'s Intrastate Access Tariff

**The Tandem Intermediary Charge applies only to Intermediary Traffic.

***Assumptions: (1) 8,000 MOU per voice grade equivalent; (2) Transport at 8 miles; (3) Assume DS1 Local Channel for Tandem Switched (Common) Transport.

DS1 Local Channel: denotes a DS1 dedicated transport facility between the ALEC's serving wire center and the ALEC's POI, also called an Entrance Facility. This element will apply when associated with services ordered by an ALEC which utilizes a BellSouth facilities. This element is not required when an ALEC is collocated.

DS1 Dedicated Transport: provides transmission and facility termination. The facility termination applies for each DS1 Interoffice Channel terminated. Can be used from the ALEC's serving wire center to the end users end office or from the ALEC's serving with center to the tandem.

Common Transport: Composed of Common Transport facilities as determined by BellSouth and permits the transmission of calls terminated by BellSouth.

Access Tandem Switching: provides function of switching traffic from or to the Access Tandem from or to the end office switch(es). The Access Tandem Switching charge is assessed on all terminating minutes of use switched at the access tandem.

Compensation Credit (CAP): BellSouth and the ALECs will not be required to compensate each other for more than 105% of the total billed local interconnection minutes of use of the party with the lower total billed local interconnection minutes of use in the same month.

001642

Local Interconnection Service

DRAFT

Service: Toll Switched Access

Description: Provides the Switched Local Channel, Switched Transport, Access Tandem Switching, local end office switching and end user termination functions necessary to complete the transmission of ALEC intrastate and interstate calls from outside the BellSouth's basic local calling area.

State(s): All

Rates, Terms and Conditions: In all states, rates, terms and conditions will be applied as set forth in Section E6 of BellSouth Telecommunication's, Inc.'s Intrastate Access Service Tariffs and in Section 6 of the BellSouth Telecommunication's, Inc. Interstate Access Tariff, F.C.C. No.1.

001643

Local Interconnection Service

Service: Service Provider Number Portability-Remote

Description: Service Provider Number Portability (SPNP) is an interim service arrangement provided by BellSouth to ALECs whereby an end user, who switches subscription to local exchange service from BellSouth to an ALEC, is permitted to retain use of the existing BellSouth assigned telephone number provided that the end user remains at the same location.

SPNP-Remote is a telecommunications service whereby a call dialed to an SPNP-Remote equipped telephone number, assigned by BellSouth, is automatically forwarded to an ALEC assigned seven or ten digit telephone number within BellSouth's basic local calling area as defined in Section A3 of BellSouth's General Subscriber Service Tariff. The forwarded-to number is specified by the ALEC.

State(s):	Per Number Ported, each	Additional Capacity for Simultaneous Call Forwarding, per additional path	Per Order, per end user location
	Monthly Rate	Monthly Rate	Nonrecurring Charge
Alabama	\$1.50	\$0.75	\$25.00
Florida	\$1.50	\$0.75	\$25.00
Georgia	\$1.75	\$0.75	\$25.00
Kentucky	\$1.50	\$0.75	\$25.00
Louisiana	\$1.50	\$0.75	\$25.00
Mississippi	\$1.75	\$0.75	\$25.00
N.Carolina	\$1.50	\$0.75	\$25.00
S.Carolina	\$1.50	\$0.75	\$25.00
Tennessee	\$1.75	\$0.75	\$25.00

Local Interconnection Service

DRAFT

Service: Service Provider Number Portability-Direct Inward Dialed (DID)*

Description: Service Provider Number Portability (SPNP) is an interim service arrangement provided by BellSouth to ALECs whereby an end user, who switches subscription to local exchange service from BellSouth to an ALEC is permitted to retain use of the existing BellSouth assigned telephone number provided that the end user remains at the same location.

SPNP-DID provides trunk side access to BellSouth end office switched for direct inward dialing to ALEC premises from the telecommunications network directly to lines associated with ALEC switching equipment.

RATE ELEMENTS	Alabama				Florida			
	Monthly Recurring	Applied Per	Non-Recurring	Applied Per	Monthly Recurring	Applied Per	Non-Recurring	Applied Per
Per Number Ported - Business	\$0.01	each	\$1.00	each	\$0.01	each	\$1.00	each
Per Number Ported - Residence	\$0.01	each	\$1.00	each	\$0.01	each	\$1.00	each
Per Order	--	--	\$25.00	end user location	--	--	\$25.00	end user location
SPNP-DID Trunk Termination	\$13.00	trunk	\$160.00	trunk-init. trunk-sub.	\$15.00	trunk	\$170.00	trunk-init. trunk-sub.
DS1 Local Channel**	\$133.81	LC	\$866.97	LC - First	\$133.81	LC	\$866.97	LC - First
DS1 Dedicated Transport**	\$23.50	per mile	\$486.83	LC - Add'l	\$16.75	per mile	\$486.83	LC - Add'l
	\$90.00	fac. term.	\$100.49	fac. term.	\$59.75	fac. term.	\$100.49	fac. term.

RATE ELEMENTS	Georgia				Kentucky			
	Monthly Recurring	Applied Per	Non-Recurring	Applied Per	Monthly Recurring	Applied Per	Non-Recurring	Applied Per
Per Number Ported - Business	\$0.01	each	\$1.00	each	\$0.01	each	\$1.00	each
Per Number Ported - Residence	\$0.01	each	\$1.00	each	\$0.01	each	\$1.00	each
Per Order	--	--	\$25.00	end user location	--	--	\$25.00	end user location
SPNP-DID Trunk Termination	\$14.00	trunk	\$165.00	trunk-init. trunk-sub.	\$13.00	trunk	\$150.00	trunk-init. trunk-sub.
DS1 Local Channel**	\$133.81	LC	\$866.97	LC - First	\$133.81	LC	\$866.97	LC - First
DS1 Dedicated Transport**	\$23.50	per mile	\$486.83	LC - Add'l	\$23.50	per mile	\$486.83	LC - Add'l
	\$90.00	fac. term.	\$100.49	fac. term.	\$90.00	fac. term.	\$100.49	fac. term.

RATE ELEMENTS	Louisiana				Mississippi			
	Monthly Recurring	Applied Per	Non-Recurring	Applied Per	Monthly Recurring	Applied Per	Non-Recurring	Applied Per
Per Number Ported - Business	\$0.01	each	\$1.00	each	\$0.01	each	\$1.00	each
Per Number Ported - Residence	\$0.01	each	\$1.00	each	\$0.01	each	\$1.00	each
Per Order	--	--	\$25.00	end user location	--	--	\$25.00	end user location
SPNP-DID Trunk Termination	\$13.00	trunk	\$170.00	trunk-init. trunk-sub.	\$13.00	trunk	\$150.00	trunk-init. trunk-sub.
DS1 Local Channel**	\$133.81	LC	\$866.97	LC - First	\$133.81	LC	\$866.97	LC - First
DS1 Dedicated Transport**	\$16.75	per mile	\$486.83	LC - Add'l	\$23.50	per mile	\$486.83	LC - Add'l
	\$59.75	fac. term.	\$100.49	fac. term.	\$90.00	fac. term.	\$100.49	fac. term.

*Rates are displayed at the DS1-1.544 Mbps. level. For rates and charges applicable to other arrangement levels, refer to Section E6 of BellSouth Telecommunication's Inc.'s Intrastate Access Tariff.

**May not be required if the ALEC is collocated at the ported number end office.

Local Interconnection Service

Service: Service Provider Number Portability-Direct Inward Dialed (DID)* (Cont'd)

Description: Service Provider Number Portability (SPNP) is an interim service arrangement provided by BellSouth to ALECs whereby an end user, who switches subscription to local exchange service from BellSouth to an ALEC is permitted to retain use of the existing BellSouth assigned telephone number provided that the end user remains at the same location.

SPNP-DID provides trunk side access to BellSouth end office switched for direct inward dialing to ALEC premises from the telecommunications network directly to lines associated with ALEC switching equipment.

RATE ELEMENTS	N.Carolina				S.Carolina			
	Monthly Recurring	Applied Per	Non-Recurring	Applied Per	Monthly Recurring	Applied Per	Non-Recurring	Applied Per
Per Number Ported - Business	\$0.01	each	\$1.00	each	\$0.01	each	\$1.00	each
Per Number Ported - Residence	\$0.01	each	\$1.00	each	\$0.01	each	\$1.00	each
Per Order	-	-	\$25.00	end user location	-	-	\$25.00	end user location
SPNP-DID Trunk Termination	\$13.00	trunk	\$160.00	trunk-init.	\$13.00	trunk	\$164.00	trunk-init.
DS1 Local Channel**	\$133.81	LC	\$83.00	trunk-sub.	\$133.81	LC	\$81.00	trunk-sub.
DS1 Dedicated Transport**	\$23.50	per mile	\$866.97	LC - First	\$23.50	per mile	\$486.83	LC - Add'l
	\$90.00	fac. term.	\$486.83	LC - Add'l	\$90.00	fac. term.	\$100.49	fac. term.

RATE ELEMENTS	Tennessee			
	Monthly Recurring	Applied Per	Non-Recurring	Applied Per
Per Number Ported - Business	\$0.01	each	\$1.00	each
Per Number Ported - Residence	\$0.01	each	\$1.00	each
Per Order	-	-	\$25.00	end user location
SPNP-DID Trunk Termination	\$13.00	trunk	\$164.00	trunk-init.
DS1 Local Channel**	\$133.81	LC	\$83.00	trunk-sub.
DS1 Dedicated Transport**	\$23.50	per mile	\$866.97	LC - First
	\$90.00	fac. term.	\$486.83	LC - Add'l
			\$100.49	fac. term.

*Rates are displayed at the DS1-1.544 Mbps. level. For rates and charges applicable to other arrangement levels, refer to Section E6 of BellSouth Telecommunication's Inc.'s Intrastate Access Tariff.

**May not be required if the ALEC is collocated at the ported number end office.

DRAFT

Unbundled Products and Services and New Services

Service: Subscriber Listing Information

Description: Subscriber primary listing information provided at no charge and in an acceptable format will be published at no charge as standard directory listings in an alphabetical directory published by or for BellSouth at no charge to each ALEC end user customer.

State(s): All

**Rates: (1) No charge for ALEC-1 customer primary listings.
(2) Additional listings and optional listings may be provided by BellSouth at rates set forth in BellSouth's intrastate General Subscriber Services Tariffs.**

001647

Unbundled Products and Services and New Services

Service: Access to Numbers

Description: For that period of time in which BellSouth serves as North American Numbering Plan administrator for the states in the BellSouth region, BellSouth will assist ALECs applying for NXX codes for their use in providing local exchange services.

State(s): All

Rates: No Charge

DRAFT

Unbundled Products and Services and New Services

Service: Access to 911 Service *and E911*

Description: Provides a universal, easy-to-remember number which is recognized nationally as the appropriate number to call in an emergency.

Additionally, ALEC-1 must provide a minimum of two dedicated trunk groups originating from ALEC-1's serving wire center and terminating to the appropriate 911 tandem. These facilities, consisting of a Switched Local Channel from ALEC-1's point of interface to it's serving wire center and Switched Dedicated Transport to the 911 tandem, may be purchased from BellSouth at the Switched Dedicated Transport rates set forth in Section E6 of BellSouth Telecommunication's Inc.'s Intrastate Access Service Tariffs.

State(s): All

Rates: Will be billed to appropriate municipality.

001649

DRAFT

Unbundled Products and Services and New Services

Service: 800 Database

Description: Provides for utilization of the BellSouth 800 Service Control Points for obtaining 800 Service routing information.

State(s): All

Rates, Terms and Conditions: In all states, the 800 Database rates, terms and conditions will be applied as set forth in Sections E2, E5, E6 and E13 BellSouth Telecommunication's, Inc.'s Intrastate Access Service Tariffs.

001650

DRAFT

Unbundled Products and Services and New Services

Service: Line Information Database (LIDB)- Storage Agreement

Description: The LIDB Storage Agreement provides the terms and conditions for inclusion in BellSouth's LIDB of billing number information associated with BellSouth exchange lines used for Local Exchange Companies' resale of local exchange service or Service Provider Number Portability arrangements requested Local Exchange Companies' on behalf of the Local Exchange company's end user. BellSouth will store in it's database, the relevant billing number information and will provide responses to on-line, call-by-call queries to this information for purposes of Billed Number Screening, Calling Card Validation and Fraud Control.

Each time an ALECs data is used BellSouth will compensate that ALEC at a rate of 40% of BellSouth's LIDB Validation rate per query as displayed in Attachment C-6 following.

State(s): All

Rates: No Charge

001651

Unbundled Products and Services and New Services

Service: Line Information Database Access Service (LIDB) - Validation

Description: Provides a customer the ability to receive validation of billing information through query of data stored in BellSouth's LIDB data base. See below for additional information.

State(s): All

Rate Elements	Description	Monthly	Non-Recurring
LIDB Common Transport	Provides for transport of the customer's query from the LIDB Location (RSTP) to the data base (SCP). This charge will apply each time the customer requests and receives validation of a BellSouth calling card or requests and receives the status of a billed number associated with a LEC line stored in the BellSouth LIDB.	\$0.00030	-
LIDB Validation	Provides for query of data resident in BellSouth's LIDB. This rate will apply each time a customer requests and receives validation of LEC calling card or requests and receives the status of a billed number associated with a LEC line stored in BellSouth's LIDB. As set forth in Attachment C-5 (LIDB Storage Agreement), preceding, each time an ALEC data is used, BellSouth will compensate that ALEC at a rate of 40% of BellSouth's LIDB Validation rate per query.	\$0.03800	-
Originating Point Code Establishment or Change	Provides for the establishment or change of a customer requested Originating Point Code. This charge will apply each time the customer establishes or changes a point code destination identifying one of his locations or a location of one of his end users.	-	\$91.00
CCS7 Signaling Connections	Rates, terms and conditions for CCS7 Signaling Connections are as set forth in Section E6.8 of BellSouth Telecommunication's Inc.'s Intrastate Access Services Tariff.		

DRAFT

Unbundled Products and Services and New Services

Service: Signaling

Description: Provides for connection to and utilization of BellSouth's Signaling System 7 network for both call setup and non-call setup purposes.

State(s): All

Rate Elements	Monthly Rate	Recurring Rate	Non-Recurring	Applied Per
CCS7 Signaling Connection	\$155.00	-	\$510.00	56 Kpbs facility
CCS7 Signaling Termination	\$355.00	-	-	STP Port
CCS7 Signaling Usage*	-	\$0.000023	-	Call Set Up Msg.
	-	\$0.000050	-	T-Cap Msg.
CCS7 Signaling Usage Surrogate*	\$395.00	-	-	56 Kpbs facility

*Where signaling usage measurement capability exists, CCS7 Signaling Usage will be billed on a per signaling message basis. Where measurement capability does not exist, CCS7 Signaling Usage will be billed on a per 56 Kpbs facility basis.

001653

Unbundled Products and Services and New Services

Service: Operator Call Processing Access Service

Description: Provides Operator and Automated call handling. This includes processing and verification of alternate billing information for collect, calling card, and billing to a third number. Operator Call Processing Access Service also provides customized call branding; dialing instructions; and other operator assistance the customer may desire.

Rate Elements	State(s)	Monthly Recurring	Applied Per
Operator Provided Call Handling	All	\$1.17	Per Work Minute
Call Completion Access Termination Charge This charge will be applicable per call attempt and is in addition to the Operator Provided Call Handling charge listed above.	Alabama	\$0.12	Per Call Attempt
	Florida	\$0.27	Per Call Attempt
	Georgia	\$0.27	Per Call Attempt
	Kentucky	\$0.15	Per Call Attempt
	Louisiana	\$0.10	Per Call Attempt
	Mississippi	\$0.16	Per Call Attempt
	N.Carolina	\$0.39	Per Call Attempt
	S.Carolina	\$0.27	Per Call Attempt
Tennessee	\$0.32	Per Call Attempt	
Fully Automated Call Handling	All	\$0.15	Per Attempt
Operator Services Transport Operator Services transport rates, terms and conditions are as set forth in E6 of BellSouth Telecommunication's, Inc.'s Intrastate Access Service Tariff.			

DRAFT

Unbundled Products and Services and New Services

Service: Directory Assistance Access Service (Number Services)

Description: See below

Rate Elements	Description	State(s)	Monthly Rate
Directory Assistance Call Completion Access Service	Given a listed telephone number at the request of an Access subscriber's end user, BellSouth will provide or attempt to provide from the DA Operator System, call completion to the number requested. This charge will be applied per call attempt.	All	\$0.25
Call Completion Access Termination Charge	This charge will be applicable per call attempt and is in addition to the DACC Access Service charge listed above.	Alabama Florida Georgia Kentucky Louisiana Mississippi N.Carolina S.Carolina Tennessee	\$0.12 \$0.27 \$0.27 \$0.15 \$0.10 \$0.16 \$0.39 \$0.27 \$0.32
Number Services Intercept Access Service	Number Services Intercept Access refers calls from disconnected numbers to the proper number or numbers. This charge will be applied per intercept query.	All	\$0.30
Directory Assistance Service Call	Rates, terms and conditions will be applied as set forth in E9.1.7 for Georgia and as set forth in E9.5.3 for AL,FL,KY,LA,MS,NC,SC,TN of BellSouth Telecommunication's Inc.'s Intrastate Access Service Tariff.		
Directory Transport	Rates, terms and conditions will be applied as set forth in E9.1.7 for Georgia and as set forth in E9.5.3 for AL,FL,KY,LA,MS,NC,SC,TN of BellSouth Telecommunication's Inc.'s Intrastate Access Service Tariff.		
Directory Assistance Interconnection	Rates, terms and conditions will be applied as set forth in E9.1.7 for Georgia and as set forth in E9.5.3 for AL,FL,KY,LA,MS,NC,SC,TN of BellSouth Telecommunication's Inc.'s Intrastate Access Service Tariff.		
Directory Assistance Database Service	Rates, terms and conditions will be applied as set forth in A38.1 of BellSouth Telecommunication's Inc.'s General Subscriber Service Tariff.		
Direct Access to DA Service	Rates, terms and conditions will be applied as set forth in Section 9.3 of BellSouth Telecommunication's, Inc.'s Interstate Access Service Tariff F.C.C. No.1.		

001655

DRAFT

Unbundled Products and Services and New Services

Service: Busy Line Verification and Emergency Interrupt

Description: BellSouth will provide Inward Operator Service for Busy Line Verification and Verification and Emergency Interrupt.

State(s): All

Rates, Terms and Conditions: In all states, rates, terms and conditions will be applied as set forth in Section E18 of BellSouth Telecommunication's, Inc.'s Intrastate Access Service Tariff.

001656

DRAFT

Unbundled Products and Services and New Services

Service: Centralized Message Distribution System - Hosting (CMDS-Hosting)

Description: CMDS-Hosting is the Bellcore administered national system, based in Kansas City, Missouri, used to exchange Message Record formatted message data between host companies.

All messages originating and handled in the BellSouth Region will be billed through the Non-Send Paid Report System described in Attachment C-12 following.

State(s): All

Rate Elements	Description	Monthly
Message Distribution	Message Distribution is routing determination and subsequent delivery of message data from one company to another. Also included is the interface function with CMDS, where appropriate. This charge is applied on a per message basis.	\$0.004
Data Transmission	This charge is applied on a per message basis.	\$0.001

001657

Unbundled Products and Services and New Services

Service: Non-Sent Paid Report System (NSPRS)

Description: NSPRS is a mechanized report system that provides to the Companies within the BellSouth region information regarding Non-Sent Paid message and revenue information.

State(s): All

Rate Elements	Nonrecurring	Applied Per
NSPRS - Inside US	\$0.05	message
NSPRS - Outside US	\$0.16	message

DRAFT

Unbundled Products and Services and New Services

Service: Virtual Collocation

Description: Virtual Expanded Interconnection Service (VEIS) provides for location interconnection in collocator-provided/BellSouth leased fiber optic facilities to BellSouth's switched and special access services, and local interconnection facilities.

State(s): All

Rates, Terms and Conditions: In all states, the rates, terms and conditions will be applied as set forth in Section 20 of BellSouth Telecommunication's Inc.'s Interstate Access Service Tariff, F.C.C. No. 1.

Service: Physical Collocation

Description: Per FCC - (10/19/92 FCC Order, para 39) Physical Collocation is whereby "the interconnection party pays for LEC central office space in which to locate the equipment necessary to terminate its transmission links, and has physical access to the LEC central office to install, maintain, and repair this equipment."

*Probably
Broader
than xmission
eg FT.
- Bob Schaefer*

State(s): All

Rates, Terms and Conditions: To be negotiated

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DRAFT

Unbundled Products and Services and New Services

Service: Poles, Ducts, Conduits and Rights of Way

State(s): All

Rates, terms and conditions: This service will be provided via a Standard License Agreement.

001660

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Unbundled Products and Services and New Services

Service: Unbundled Exchange Access Loop

Description: Provides the connection from the serving central office to a subscriber's premises and is rated on a distance sensitive basis. It is engineered to meet the same parameters as a residence or business exchange access line.

Information relative to multiplexing of the Unbundled Exchange Access Loop is described in Attachment C-16 following.

Rate Elements	Alabama			Florida			Georgia		
	Monthly	Nonrecurring Charges First	Add'l	Monthly	Nonrecurring Charges First	Add'l	Monthly	Nonrecurring Charges First	Add'l
Unbundled Exchange Access Loop	\$25.00	\$24.00	\$68.00	\$17.00	\$71.00	\$25.00	\$25.00	\$71.00	\$25.00
Unbundled Exchange Access IOC									
- Fixed	\$30.00	\$97.00	N/A	\$28.50	\$87.00	N/A	\$32.00	\$105.00	N/A
- 1 - 8 Miles	\$2.05	N/A	N/A	\$1.65	N/A	N/A	\$2.05	N/A	N/A
- 9 - 25 Miles	\$2.00	N/A	N/A	\$1.60	N/A	N/A	\$2.00	N/A	N/A
- Over 25 Miles	\$1.95	N/A	N/A	\$1.55	N/A	N/A	\$1.95	N/A	N/A

Rate Elements	Kentucky			Louisiana			Mississippi		
	Monthly	Nonrecurring Charges First	Add'l	Monthly	Nonrecurring Charges First	Add'l	Monthly	Nonrecurring Charges First	Add'l
Unbundled Exchange Access Loop	\$25.00	\$68.00	\$24.00	\$18.50	\$73.00	\$26.00	\$25.00	\$69.00	\$24.00
Unbundled Exchange Access IOC									
- Fixed	\$30.00	\$93.00	N/A	\$30.00	\$100.00	N/A	\$30.00	\$96.00	N/A
- 1 - 8 Miles	\$2.05	N/A	N/A	\$2.05	N/A	N/A	\$2.05	N/A	N/A
- 9 - 25 Miles	\$2.00	N/A	N/A	\$2.00	N/A	N/A	\$2.00	N/A	N/A
- Over 25 Miles	\$1.95	N/A	N/A	\$1.95	N/A	N/A	\$1.95	N/A	N/A

Rate Elements	N.Carolina			S.Carolina			Tennessee		
	Monthly	Nonrecurring Charges First	Add'l	Monthly	Nonrecurring Charges First	Add'l	Monthly	Nonrecurring Charges First	Add'l
Unbundled Exchange Access Loop	\$30.03	\$70.00	\$25.00	\$25.00	\$69.00	\$23.00	\$25.00	\$69.00	\$23.00
Unbundled Exchange Access IOC									
- Fixed	\$11.85	\$71.87	N/A	\$50.00	\$97.00	N/A	\$30.00	\$96.00	N/A
- 1 - 8 Miles	\$2.15	N/A	N/A	\$2.05	N/A	N/A	\$2.05	N/A	N/A
- 9 - 25 Miles	\$2.15	N/A	N/A	\$2.00	N/A	N/A	\$2.00	N/A	N/A
- Over 25 Miles	\$2.15	N/A	N/A	\$1.95	N/A	N/A	\$1.95	N/A	N/A

*Term Options
(Ground VS
Loop Start) are
non-changeable
terms.
Bob Scheyf*

001661

Unbundled Products and Services and New Services

Service: Channelization System for Unbundled Exchange Access Loops

Description: This new rate element provides the multiplexing function for Unbundled Exchange Access Loops. It can convert up to 96 voice grade loops to DS1 level for connection with the ALEC's point of interface. The multiplexing can be done on a concentrated basis (delivers at 2 DS1 level to customer premise) or on a non-concentrated basis (delivers at 4 DS1 level to customer premise) at the option of the customer.

In addition to the following rates elements, 1.544 Mbps local channel and/or interoffice channel facilities may be required as set forth in E7 of BellSouth Telecommunication's, Inc.'s Intrastate Access Service Tariff for non-collocated ALECs.

State(s)	Alabama			Florida			Georgia		
	Monthly Rate	Nonrecurring First	Charge Add'l	Monthly Rate	Nonrecurring First	Charge Add'l	Monthly Rate	Nonrecurring First	Charge Add'l
Unbundled Loop Channelization System (DS1 to VG), Per System	\$575.00	\$525.00	N/A	\$555.00	\$490.00	N/A	\$555.00	\$490.00	N/A
Central Office Channel Interface (circuit specific plug-in equipment), 1 per circuit	\$1.70	\$8.00	\$8.00	\$1.70	\$7.00	\$7.00	\$1.70	\$7.00	\$7.00

State(s)	Kentucky			Louisiana			Mississippi		
	Monthly Rate	Nonrecurring First	Charge Add'l	Monthly Rate	Nonrecurring First	Charge Add'l	Monthly Rate	Nonrecurring First	Charge Add'l
Unbundled Loop Channelization System (DS1 to VG), Per System	\$540.00	\$495.00	N/A	\$530.00	\$510.00	N/A	\$560.00	\$450.00	N/A
Central Office Channel Interface (circuit specific plug-in equipment), 1 per circuit	\$1.60	\$8.00	\$8.00	\$1.60	\$8.00	\$8.00	\$1.70	\$6.00	\$6.00

State(s):	N.Carollna			S.Carollna			Tennessee		
	Monthly Rate	Nonrecurring First	Charge Add'l	Monthly Rate	Nonrecurring First	Charge Add'l	Monthly Rate	Nonrecurring First	Charge Add'l
Unbundled Loop Channelization System (DS1 to VG), Per System	\$545.00	\$475.00	N/A	\$520.00	\$480.00	N/A	\$530.00	\$520.00	N/A
Central Office Channel Interface (circuit specific plug-in equipment), 1 per circuit	\$1.65	\$7.00	\$7.00	\$1.60	\$6.00	\$6.00	\$1.60	\$8.00	\$8.00

Unbundled Products and Services and New Services

DRAFT

Service: Unbundled Exchange Ports

Description: An exchange port is the capability derived from the central office switch hardware and software to permit end users to transmit or receive information over BellSouth's public switched network. It provides features and functionality such as translations, a telephone number, switching, announcements, supervision and touch-tone capability.

When an Unbundled Port is connected to BellSouth provided collocated loops, cross-connection rate elements are required as set forth in Section 20 of BellSouth Telecommunications's, Inc.'s Interstate Access Service Tariff, F.C.C. No.1.

Alabama			Florida		Georgia	
Rate Elements	Rates	Per	Rate Elements	Rate	Rate Elements	Rate
Monthly			Monthly		Monthly	
Residence Port	\$2.50		Residence Port	\$2.00	Residence Port	\$2.28
Business Port	\$7.00		Business Port	\$4.50	Business Port	\$4.60
PBX Trunk Port	\$7.00		PBX Trunk Port	\$7.50	PBX Trunk Port	\$7.37
tary Service	\$2.00		Rotary Service	\$2.00	Rotary Service	\$2.77
Usage-Mileage Bands			Usage-(STS)		Usage-(STS)	
A (0 miles)	\$0.02	Init.min.	- init. min.	\$0.0275	-setup per call	\$0.02
	\$0.01	Add'l min.	- add'l min.	\$0.0125	- per minute or fraction thereof	\$0.02
B (1-10 miles)	\$0.04	Init.min.				
	\$0.02	Add'l min.				
C (11-16 miles)	\$0.06	Init.min.				
	\$0.04	Add'l min.				
D (17-22 miles & existing LCS described in A3.6 greater than 22 mi.)	\$0.10	Init.min.				
	\$0.07	Add'l min.				
E (23-30 miles)	\$0.10	Init.min.				
	\$0.10	Add'l min.				
F (31-40 miles)	\$0.10	Init.min.				
	\$0.10	Add'l min.				
G (Special Band)*	\$0.10	Init.min.				
	\$0.10	Add'l min.				

*In addition to the local calling described in A3 of BellSouth's General Subscriber Service Tariff, if any wire center in an exchange is located within 40 miles of any wire center in the originating exchange, local calling will be provided from the entire originating exchange to the entire terminating exchange. The usage charges for Band G are applicable for distances greater than 40 miles.

*Port Provides
LT + Dial Tone
+ Measured Usage*

DRAFT

Unbundled Products and Services and New Services

Service: Unbundled Exchange Ports (Cont'd)

Description: An exchange port is the capability derived from the central office switch hardware and software to permit end users to transmit or receive information over BellSouth's public switched network. It provides features and functionality such as translations, a telephone number, switching, announcements, supervision and touch-tone capability.

When an Unbundled Port is connected to BellSouth provided collocated loops, cross-connection rate elements are required as set forth in Section 20 of BellSouth Telecommunications's, Inc.'s Interstate Access Service Tariff, F.C.C. No.1.

Kentucky			Louisiana		
Rate Elements	Rate	Per	Rate Elements	Rate	Per
Monthly			Monthly		
Residence Port	\$3.50		Residence Port	\$2.50	
Business Port	\$10.00		Business Port	\$7.00	
PBX Trunk Port	\$10.00		PBX Trunk Port	\$7.00	
Rotary Service	\$3.50		Rotary Service	\$3.50	
Usage-Mileage Bands			Usage-Mileage Bands		
A (0 miles)	\$0.04	Init.Min.	A (0 miles)	\$0.02	Init.Min.
	\$0.02	Add'l min.		\$0.01	Add'l min.
B (1-10 miles)	\$0.04	Init.Min.	B (1-10 miles)	\$0.04	Init.Min.
	\$0.02	Add'l min.		\$0.02	Add'l min.
C (Greater than 10 miles Limited LCA)	\$0.06	Init.Min.	B (11-16 miles)	\$0.06	Init.Min.
	\$0.04	Add'l min.		\$0.04	Add'l min.
D (1-10 miles beyond Limited LCA)	\$0.04	Init.Min.	C (17-22 miles)	\$0.10	Init.Min.
	\$0.02	Add'l min.		\$0.07	Add'l min.
E (11-16 miles beyond Limited LCA)	\$0.06	Init.Min.	D (23 - 30 miles Basic LCA and Intra Parish Expanded LCA)	\$0.14	Init.Min.
	\$0.04	Add'l min.		\$0.10	Add'l min.
F (17-22 miles beyond Limited LCA)	\$0.09	Init.Min.	E (Greater than 30 miles Basic LCA and Intra Parish Expanded LCA)	\$0.14	Init.Min.
	\$0.07	Add'l min.		\$0.14	Add'l min.
G (23-30 miles beyond Limited LCA)	\$0.09	Init.Min.	F (23 - 30 miles Inter-Parish Expanded LCA)	\$0.14	Init.Min.
	\$0.07	Add'l min.		\$0.10	Add'l min.
H (31-40 miles beyond Limited LCA)	\$0.09	Init.Min.	G (31 - 40 miles Inter-Parish Expanded LCA)	\$0.14	Init.Min.
	\$0.07	Add'l min.		\$0.14	Add'l min.
I (Greater than 40 miles beyond Limited LCA)	\$0.09	Init.Min.	G (Greater than 40 miles Inter-Parish)	\$0.14	Init.Min.
	\$0.07	Add'l min.		\$0.14	Add'l min.

Unbundled Products and Services and New Services

Service: Unbundled Exchange Ports (Cont'd)

Description: An exchange port is the capability derived from the central office switch hardware and software to permit end users to transmit or receive information over BellSouth's public switched network. It provides features and functionality such as translations, a telephone number, switching, announcements, supervision and touch-tone capability.

When an Unbundled Port is connected to BellSouth provided collocated loops, cross-connection rate elements are required as set forth in Section 20 of BellSouth Telecommunications's, Inc.'s Interstate Access Service Tariff, F.C.C. No.1.

Mississippi			N.Carolina		S.Carolina	
Rate Elements	Rates	Per	Rate Elements	Rates	Rate Elements	Rates
Monthly			Monthly		Monthly	
Residence Port	\$3.75		Residence Port	\$2.00	Residence Port	\$2.00
Business Port	\$7.50		Business Port	\$6.00	Business Port	\$6.00
PBX Trunk Port	\$7.50		PBX Trunk Port	\$8.00	PBX Trunk Port	\$8.00
Rotary Service	\$3.75		Rotary Service	\$1.50	Rotary Service	\$1.50
Usage - Mile Bands			Usage - (STS)		Usage - (STS)	
J (0 miles)	\$0.02	Init.min.	- Init.min.	\$0.05	- Basic Svc.Area	\$0.02
	\$0.01	Add'l min.	- Add'l min.	\$0.02	- Expanded Svc.Area	\$0.12
B (1-10 miles)	\$0.04	Init.min.				
C (11-16 miles, existing LCA described in A3.6 greater than 16 miles, and calls to county seat greater than 16 miles)	\$0.02	Add'l min.				
D (17-30 miles)	\$0.06	Init.min.				
	\$0.04	Add'l min.				
E (31-55 miles Biloxi LATA)	\$0.09	Init.min.				
	\$0.07	Add'l min.				
F (31-55 miles Jackson LATA)	\$0.07	Init.min.				
	\$0.07	Add'l min.				
G (56-85 miles Biloxi LATA)	\$0.12	Init.min.				
	\$0.10	Add'l min.				
	\$0.18	Init.min.				
	\$0.14	Add'l min.				

Tennessee		
Rate Elements	Rates	Per
Monthly		
Residence Port	\$4.00	
Business Port	\$10.00	
PBX Trunk Port	\$10.00	
Rotary Service	\$8.50	
Usage - Mile Bands		
A (0-16 miles)	\$0.02	mou
B (17-30 miles)	\$0.05	mou
C (31-30 miles)	\$0.10	mou

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Unbundled Products and Services and New Services

Service: Local Calling Area Boundary Guide

Description: Provided to ALECs to assist in deployment of numbers on their network to conform with BellSouth existing local calling area geographics.

State: All

Rate(s): No Charge

001666

LAW OFFICES

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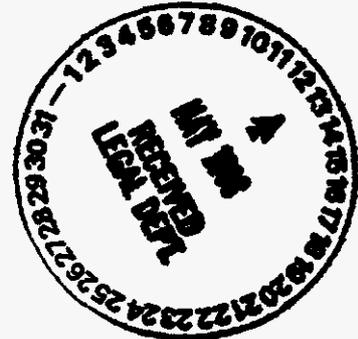
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5/28/96
cc: A. Mull
A. Briney

May 8, 1996



Eddie Roberson
Executive Director
Tennessee Public Service Commission
460 James Robertson Parkway
Nashville, TN 37201

Re: Interconnection Negotiations Under 47 U.S.C. § 252
Between AT&T Communications of the South Central
States, Inc. and BellSouth Telecommunications, Inc.

Dear Mr. Roberson:

Enclosed are the original and ten (10) copies of the Request for Mediation of AT&T Communications of the South Central States, Inc., pursuant to the new Federal Telecommunications Act. As that request states, AT&T has been engaged in negotiations with BellSouth Telecommunications, Inc., pursuant to the Federal Act. Those negotiations have reached a point where, as that Act provides, recourse to mediation by this Commission is appropriate in order to attempt to resolve the issues specified in the request.

Time is of the essence in the negotiation process. Accordingly, we would appreciate your bringing this to the attention of the Commissioners as soon as practicable.

If there are any questions in this regard, please let me know.

We are serving a copy of this request on Guy Hicks for BellSouth.

Yours very truly,


Val Sanford

VS:ka
Enclosures

cc: Guy Hicks, Esq.
Dianne Neal, Esq.
Roger Briney, Esq.
Jim Jenkins

001667

**BEFORE THE
TENNESSEE PUBLIC SERVICE COMMISSION**

IN RE:)
)
Interconnection Negotiations)
under 47 U.S.C. §252 between)
AT&T Communications of the)
South Central States, Inc. and)
BellSouth Telecommunications, Inc.)

DOCKET NO. _____

**REQUEST FOR MEDIATION OF AT&T COMMUNICATIONS
OF THE SOUTH CENTRAL STATES, INC.**

AT&T Communications of the South Central States, Inc. ("AT&T"), pursuant to the Telecommunications Act of 1996 ("the Telecom Act"), 47 U.S.C. §252(a)(2), requests the Commission to mediate whether BellSouth Telecommunications, Inc. ("BellSouth") should provide AT&T during negotiations access to BellSouth cost studies of individual BellSouth services that may be resold by AT&T as provided by 47 U.S.C. §251(c)(4).

The Telecom Act imposes the duty, among others, on incumbent Local Exchange Carriers to negotiate in good faith the particular terms and conditions of interconnection and the wholesale rates for services to be resold. 47 U.S.C. §§251-252. The Telecom Act provides that any party negotiating an agreement may

at any point in the negotiation, ask a State commission to participate in the negotiation and to mediate any differences arising in the course of the negotiation.

47 U.S.C. §252(a)(2).

On March 4, 1996, AT&T initiated negotiations for interconnection as contemplated by the Telecom Act. That request included negotiations as to the wholesale rates that would apply to resold services of BellSouth. Such negotiations have been ongoing since that time.

001668

On April 4, 1996, AT&T sent a data request to BellSouth (See **Attachment 1**) requesting, among other things, copies of studies which BellSouth possessed on the costs for specific BellSouth retail service offerings. Specifically, the following requests were made:

1. For each of the end-user services or service categories listed on Attachment 1, provide the most current BellSouth (for the states of FL, GA, NC & TN) "retail" TSLRIC (Total Service Long Run Incremental Cost) study and/or equivalent cost studies. If retail TSLRIC exchange cost studies are not available for one or more services, provide the most current BellSouth LRIC (Lon Run Incremental Cost) studies for such services.

Provide non-recurring and recurring costs separately by rate element where available and by service option. Provide the requested information separately for residence and business services, where available. Business services costs should also be provided for Single-Line service, Multi-Line service, PBX Trunks, Network Access Register Packages and Coin Telephone service in a format similar to Attachment 1.

3. Provide all other cost studies, including embedded cost studies, prepared by or for BellSouth for the states of FL, GA, NC & TN that identify the "retail" and the "wholesale" costs associated with providing each of the services listed on Attachment 1. Provide recurring and non-recurring costs separately by rate element where available and by service option. Provide the requested information separately for residence and business services, where available. Business services costs should also be provided for Single-Line service, Multi-Line service, PBX Trunks, Network Access Register Packages and Coin Telephone service in a format similar to Attachment 1.

Because the studies requested contain BellSouth's view of the relevant costs for these services, this information is necessary to determine the "costs that will be avoided by the local exchange carrier," a component of the pricing standard for wholesale rates for resold services.

47 U.S.C. §252(d)(3). On April 17, 1996, BellSouth responded to this request by stating:

BellSouth will not provide the data requested in data request nos. 1, 3, 4, and 8. These requests are not relevant to the current negotiations.

See **Attachment 2**. No further explanation was provided (or since has been provided) as to why the information was not relevant to the negotiations between AT&T and BellSouth.

001669

On April 23, 1996, AT&T responded to BellSouth's assertion that the data was not relevant, and urged reconsideration. See **Attachment 3**. Thereafter, AT&T repeatedly sought clarification from BellSouth regarding AT&T's access to the studies requested in AT&T's data requests. See **Attachment 4**, letter from AT&T to BellSouth, dated April 29, 1996, and **Attachment 5**, letter from AT&T to BellSouth, dated April 30, 1996.

On May 3, 1996, AT&T sent yet another letter to BellSouth recounting the action items that had been discussed in a meeting between the parties on May 1, 1996. Included among these action items was a commitment that BellSouth would allow AT&T to view lists of categories used by BellSouth in its cost studies by providing AT&T with access to redacted service specific cost studies. See **Attachment 6**. The date that had been agreed to by the parties for this access was May 3, 1996. On May 3, 1996, BellSouth responded to AT&T's action item status letter by stating that "BellSouth will provide to AT&T the cost categories for the services delineated in data request no. 1." See **Attachment 7**. That same day, BellSouth faxed a one page document which it had prepared listing the cost categories included in the RingMaster, Custom Calling Services, TouchStar Services and Service Order cost studies with no further explanation. See **Attachment 8**. On May 7, 1996, AT&T sent a letter to BellSouth advising BellSouth that the one page document (**Attachment 8**) was not responsive to AT&T's request. See **Attachment 9**. All totaled, AT&T has expended over four weeks of critical negotiating time with BellSouth regarding access to this important information. The end result is a one page document from BellSouth of insufficient information covering only a few of BellSouth's retail services.

Because AT&T believes that the information requested will significantly enhance the possibility of reaching agreement on what are the appropriate wholesale rates for resold BellSouth services, we are requesting the Commission's assistance in resolving the issue of access to this information. We believe the Commission's involvement is the only way AT&T will be able to obtain the necessary information from BellSouth to which AT&T is entitled under

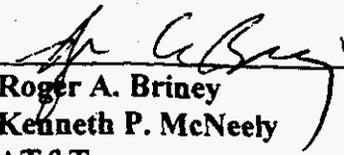
the Telecom Act. This issue is similar to many others that Administrative Law Judge Ralph B. Christian, II has heard and managed in the context of prehearing conferences in numerous dockets. As such he is uniquely qualified to serve as mediator regarding this issue. AT&T requests that Judge Christian be made available as soon as practicable, and no later than early the week of May 13, 1996, to serve as mediator on this issue of access to cost data contained in AT&T's requests 1 and 3.

The Telecom Act does not specify how such mediation is to be conducted. However, mediation is a standard process in alternative dispute resolution and has a well understood meaning in that context. To that end, AT&T proposes that AT&T and BellSouth would each identify a single individual who would have the authority to bind his or her employer, and who could present the views of that employer on this issue. These individuals would present their views on the issue to Judge Christian. He would then mediate the dispute using the usual techniques employed by mediators. In this regard, attached for reference, as **Attachment 10**, is a copy of a pamphlet issued by the American Arbitration Association entitled, "A Guide to Mediation for Business People." AT&T would contemplate that the procedures for the mediation conference described at pages 10-11 of that document would apply.

WHEREFORE, AT&T requests that the Commission expeditiously (no later than early the week of May 13, 1996) direct Judge Ralph B. Christian, II to convene a mediation under §252(a)(2) of the Telecom Act to address the issue of access to the requested BellSouth cost information.



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May 8, 1996

**Attorneys for AT&T Communications
of the South Central States, Inc.**

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CERTIFICATE OF SERVICE

I, Val Sanford, hereby certify that a copy of the foregoing Request has been served on BellSouth by hand delivery, this 8th day of May, 1996.

A handwritten signature in black ink, appearing to read "Val Sanford", with a long horizontal flourish extending to the right.

Attachment
1



Ned E. Brown
Regional Director
Access Management

Room 6002 6146
1200 Peachtree St
Atlanta, GA 30309
404 810-7269

April 4, 1996

Hand Deliver to:
Bob Scheye
Scott Schaefer
Marc Cathey
Suzie Lavett

SUBJECT: Request for Data

As discussed in our last Cost / Price Meeting and in recent Core Team Meetings, AT&T herein requests BellSouth to provide certain data relevant to its costs and interconnection arrangements in the states of Florida, Georgia, North Carolina, and Tennessee.

This request for data is in connection with our negotiations pursuant to the Telecommunications Act of 1996 (the "Act"). We have attempted to restrict this initial request as much as possible to the cost and interconnection information which we believe is essential to negotiate in good faith for cost-based, nondiscriminatory prices.

Although we understand that we differ as to whether or not access pricing is subject to the Act, BellSouth has long taken the position, with which AT&T agrees, that access and interconnection are functionally equivalent. Therefore, all questions which relate to access are equally directed at interconnection.

I will appreciate your expeditious handling of the attached request. Please provide whatever is currently available without waiting to accumulate the answers to all questions.

Thank you in advance for your cooperation.

Sincerely yours,

A handwritten signature in cursive script that reads "Ned E. Brown".

Attachments

Cc: Preston Foster
Andre' Mule'

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Data Needed from BellSouth

For each of the following data requests, provide state specific responses for the states of Florida, Georgia, North Carolina and Tennessee, unless the request sets forth a requirement for a specific state only.

1. For each of the end-user services or service categories listed on Attachment 1, provide the most current BellSouth (for the states of FL, GA, NC & TN) "retail" TSLRIC (Total Service Long Run Incremental Cost) study and/or equivalent cost studies. If retail TSLRIC exchange cost studies are not available for one or more services, provide the most current BellSouth LRIC (Long Run Incremental Cost) studies for such services.

Provide non-recurring and recurring costs separately by rate element where available and by service option. Provide the requested information separately for residence and business services, where available. Business services costs should also be provided for Single-Line service, Multi-Line service, PBX Trunks, Network Access Register Packages and Coin Telephone service in a format similar to Attachment 1.

2. For each of the end-user services or service categories listed on Attachment 1, provide the most current BellSouth (for the states of FL, GA, NC & TN) "wholesale" TSLRIC study and/or equivalent cost studies. If wholesale TSLRIC exchange cost studies are not available for one or more services, provide the most current BellSouth LRIC studies for such services.

Provide non-recurring and recurring costs separately by rate element where available and by service option. Provide the requested information separately for residence and business services, where available. Business services costs should also be provided for Single-Line service, Multi-Line service, PBX Trunks, Network Access Register Packages and Coin Telephone service in a format similar to Attachment 1.

3. Provide all other cost studies, including embedded cost studies, prepared by or for BellSouth for the states of FL, GA, NC & TN that identify the "retail" and the "wholesale" costs associated with providing each of the services listed on Attachment 1. Provide recurring and non-recurring costs separately by element where available and by service option. Provide the requested information separately for residence and business services, where available. Business services costs should also be provided for Single-Line service, Multi-Line service, PBX Trunks, Network Access Register Packages and Coin Telephone service in a format similar to Attachment 1.

4. Provide the TSLRIC of providing switched and non-switched (special) access service in each of the four BellSouth states (FL, GA, NC, TN). If a TSLRIC study is not available, provide the information based on available LRIC studies. This information should be provided separately for the following categories: (1) Local Switching, (2) Tandem Switching, (3) RIC, (4) DS1, (5) DS3. DS1 and DS3 costs should be provided on a per termination basis and on a per mile basis.

5. Provide for each of the four BellSouth states (FL, GA, NC & TN) the TSLRIC cost, if TSLRIC studies are available, or LRIC based service costs if TSLRIC costs are not available, for each of the following Unbundled Network Elements: (1) Network Interface Device, (2) Loop Distribution, (3) Loop Concentrator/Multiplexer, (4) Loop Feeder, (5) Loop Combination, (6) Local Switching, (7) Local Operator Services, (8) Local Directory Assistance, (9) Common Transport, (10) Dedicated Transport, (11) Digital Cross-Connect System, (12) Data Switching Element, (13) SS7 Message Transfer and Connection Control, (14) Signaling Link Transport, (15) SCPs/Databases, (16) Tandem Switching, (17) Advanced Intelligent Network (AIN). (See Attachment 2 for definitions of Unbundled Network Elements.)

6. Provide a copy of BellSouth's Avoidable Cost study supporting the wholesale discounts filed in Georgia in Docket 6352-U.

7. Provide a detailed explanation of the methodologies and assumptions used in developing each of the studies provided in response to questions 1 through 6 above, and all supporting documentation including work-papers and any other information or materials used in preparing the studies.

8. Provide copies of each interconnection agreement between BellSouth in FL, GA, NC and TN and/or its subsidiaries with any and all Local Exchange Companies.

Attachment 1
Company
State

Retail Costs _____
Wholesale Costs _____
(check one)

Exchange Telecommunications Services
By Element with References

EXCHANGE SERVICES	STUDY DATE		TYPE OF STUDY (1)		SERVICE COST		PAGE REFERENCE (3)	
	Business	Residence	Business	Residence	Business	Residence	Business	Residence
1. Basic Flat Rate								
2. Message Rate								
3. Custom Calling Services								
4. TouchStar®								
5. RingMaster®								
6. Remote Call Forwarding								
7. Direct Dialing Inward								
8. WATS								
9. WatsSaver®								
10. ESSX®								
11. Basic IntraLATA Toll								
12. Extended Area Services (2)								

(1) TSLRIC, LRIC, Embedded, Other (specify study type, such as EDA).

(2) Extended area services include the following services by state: RegionServ in TN; Defined Radius Plans in NC; Extended Area Services in FL and GA.

(3) Provide the page references from the study for the Business and Residence costs.

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AT&T Communications, Inc.
Local Network Elements
Local Platform

Proprietary and Confidential Information
Subject to a BellSouth and AT&T
non-disclosure agreement and should not be shared except as provided therein
March 27, 1996

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Unbundled Network Elements

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**Unbundled Network Elements
Local Platform**

I. Introduction:

This document provides an overview, including definitions, of the unbundled network elements which AT&T wishes to purchase either individually or in combinations. This document also includes high level technical requirements to which the incumbent LEC shall adhere in support of the unbundled network element platform, some of the ancillary capabilities needed to provide local service and the operational requirements which must be met to support service. These operational requirements of the LEC include; network engineering, service order provisioning, maintenance and recording. This document will describe how the network platform arrangement will enable carriers to order a combination of unbundled network elements which will allow new entrants to offer local exchange and access services. Though the document will be primarily focused on one combination of network elements which supports switched services, there are other combinations which may be considered for purchase by a new entrant to the local service market. These combinations are also not limited to voice services.

Description:

The network platform arrangement is characterized by the ability to disaggregate and recombine the physical components of the local exchange network into component piece parts called basic network functions or elements. A basic network functions or element can be individually priced, and provided by LECs via tariffs or contracts to competitors. This will enable LEC competitors to purchase individual elements or combinations of elements needed to provide service to local end user customers and other carriers. While the list of network elements contained in this document is envisioned to be those required at this time the list will change as technological advances are made and new services evolve. It is also important to note that the list of network elements will contain network components which may be obtained by new entrants from a supplier other than the LEC or may be self provisioned.

The list of network elements is consistent with existing network architectures and will be adaptable to any future changes, if required. Each network element included within met the following criteria:

- Has a clearly identified interface.
- Is measurable and can be billed, or has the potential for such.

**Unbundled Network Elements
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- Utilizes transmission and/or switching protocol and physical interconnection standards, recommended by the industry.
- Can be provided to a new entrant by another vendor.
- Can be ordered in combinations to facilitate the development of a competitive service offering.

However, offering unbundled network elements alone is not sufficient for new entrants to gain value from this arrangement. There must be provisions for the necessary automated operational interfaces and processes to support competing services. More importantly, there must be agreement on the specifications for these processes between incumbent LEC and the new entrant to ensure seamless high quality service to customers and fair treatment of the new entrant by incumbent LEC in an atmosphere supportive of competition. It is therefore necessary to identify and address the operational interfaces and processes which will support the new entrant's ability to order, provision, maintain and bill a quality competitive service offer for their customers.

In addition to the network elements and the operational interfaces, there are essential ancillary capabilities which the incumbent LEC must make available as part of the combinations or separately to new entrants. These ancillary functions would be available to new entrants via tariffs, contracts, or letters of agreement, depending on the specific ancillary function.

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**Unbundled Network Elements
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II. Unbundled Network Elements

This section provides definitions of the unbundled elements and high level technical requirements for those elements. The primary focus of this section is on the elements which support current switched services. Brief treatment is given to elements which support special services (e.g., private lines) and data services (e.g., frame relay).

As services and technology evolve there will be a need for additional unbundled elements.

1. Network Interface Device

Definition:

The Network Interface (NI) is a termination device which typically resides outside a residential premises and establishes the official network demarcation point. The device features two independent chambers which separates the public network termination from the consumer's inside wiring. This device provides a protective ground connection, and is capable of terminating fiber, coax or twisted pair cable.

Illustrative Requirements:

- The Network Interface (NI) provided by the LEC must meet applicable industry standards for NI.
- The LEC will be responsible for maintaining the NI device.

2. Loop Distribution

Definition:

The loop distribution is typically defined as the portion of the outside plant cable from the network interface (NI) at the customer's premises to the terminal block appearance on the distribution side of a feeder distribution interface (FDI). In case there is a distribution closure near the customer's premises, loop distribution consists of the drop between the distribution closure and the customer's NI and the twisted pair from the closure to the terminal block in the FDI unless a loop concentrator is located at the distribution closure, in which case distribution terminates at the concentrator/multiplexer. For a hybrid fiber-coax (HFC) application loop distribution consists of the outside plant cable connection that runs from the NI at the customer's premises to the fiber node termination, i.e. the point of multiplexing and optical

**Unbundled Network Elements
Local Platform**

to electrical conversion. Typically, loop distribution is copper twisted pair, but can also be coax or fiber, or a combination of these.

Illustrative Requirements:

The loop distribution provided to AT&T customers should be at least at parity in terms of design and performance with those provided to the LEC's own customers. Specific requirements include, but are not limited to:

A. Physical:

- Copper twisted pair facility, non-loaded for DLC and HFC based networks.
- Length of 26-gauge cable should not exceed 9Kft, including bridged tap.
- Total bridged tap length should not exceed 2.5Kft. No single tap should exceed 2.0Kft.
- Multigauge cable should be limited to 2 gauges.
- For single or multigauge cable consisting of 19, 22, or 24 gauge cable, the total length including bridged tap should not exceed 12Kft.

B. Transmission:

The maximum loss and resistance should be limited to 4.7dB and 750 ohms, respectively.

3. Loop Concentrator/Multiplexer

Definition

The digital loop carrier (DLC) equipment, fiber node termination (in HFC applications), channel bank, or similar equipment at which individual subscriber traffic is multiplexed/demultiplexed and/or concentrated/unconcentrated. On the customer end, derived pairs from the loop concentrator/multiplexer are typically terminated on the feeder side of the FDI distribution closure, or on the NI when the equipment is located at or within the customer's premises.

Illustrative Requirements:

The loop concentrator/multiplexer provided to AT&T customers should be at least at parity in terms of design and performance with that provided to the LEC's own customers. Specific requirements include:

A. Transmission:

- Voice Frequency: Support POTS (include. CLASS/LASS and OHT features), Coin, Multiparty, DID, PLAR, FSR, Manual Ring Down services.

**Unbundled Network Elements
Local Platform**

- ISDN: Support basic rate ISDN service.
- DS1: Support DS1 low-speed interface that conforms to CB-119, ANSI T1.102-1993, and Bellcore TR-499 (B8ZS/AMI option).
- OC-3: Support OC-3 high-speed interface that conforms to ANSI T1.106-1988, T1.105-1991, and Bellcore TR-253.
- DS0 Digital Transport (2.4 through 64 Kb/s and Nx64), DS3. HDSL/ADSL.

- Point of Interface: Must support TR-303 DS1 interface to Local Digital Switch. Support of TR-08 modes 1 & 2 DS1 interfaces are optional. Also support Integrated Network Access (INA) DSIs for non-locally switched or non-switched special services.

B. Signaling:

- Line Signaling: Support Loop Start, Ground Start and Reverse Battery signaling for low-speed services.
- ISDN Signaling: Support signaling for basic rate ISDN service.
- Network Signaling: Support channel-associated or common-channel signaling based upon interface requirements of the local switch. TR-303 signaling format must be supported. TR-08 mode 1&2 signaling formats are optional.
- TimeSlot Management Channel (TMC): Support TMC for TR-303 configuration or assignment of switch and feeder DS0 capacity on a per-call basis.

C. Performance:

- Synchronization: Support Loop-timing (recovered clock from OC-3 STS1 or DS1), free-running and hold-over modes.
- Signal Performance: Bit Error Rate (BER) less than 10^{-9} for DS1 rate (excluding burst error seconds).
- Protection Switching: Automatic line switch initiated by signal fail and signal degrade conditions on received OC-3 signal. Automatic path switch initiated by STS1/VT1.5 path fail or path degrade conditions.
- Delay: The transmission delay between DS1 and OC-3 interfaces should be less than 50 microseconds.

D. Operations:

- Provisioning of analog and ISDN lines
- Semipermanent time slot assignment of ISDN D-channels using 4:1 TDM
- Semipermanent time slot assignment of dedicated DS0s for special services

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Local Platform**

- Capability for on-demand circuit testing of switched services
- Capability for on-demand path switching of Embedded Operations Channels (TR-303)
- Autonomous reporting of equipment, environmental, memory, data link and feeder alarms
- Capability for on-demand retrieval of DS1 and ISDN performance monitoring counts
- Provisioning of DS1 and ISDN performance monitoring thresholds
- Capability for on-demand loop-back testing for ISDN lines and DS1 feeder

4. Loop Feeder

Definition:

The medium on which subscriber traffic (multiplexed/concentrated or non-multiplexed/non-concentrated) is carried from the Main Distribution Frame (MDF) or DSX cross-connect panel in a central office or similar environment (e.g. closets in cases of remote sites, or head end in the case of HFC) to the loop concentrator/multiplexer (typically located at or near the feeder distribution interface or in the case of HFC, at the fiber node interface), or the feeder distribution interface in the case of direct twisted pair loops. The medium of the feeder can be copper, coax or fiber, or a combination of these.

Illustrative Requirements:

The loop feeder provided to AT&T customers should be at least at parity in terms of design and performance with that provided to the LEC's own customers. Specific requirements include, but are not limited to:

A. Physical (only one of the following for any application):

- **Copper twisted pair feeder:** Individual twisted pairs between the Feeder Distribution Interface (FDI) and the MDF in the LSO of POTS, data, private line and ISDN services.
- **Metallic T1 feeder:** Requires two conditioned pairs for each T1 line. The T1 lines terminate on DSX1 panels at each end. The function of the metallic T1 feeder is to transport a standard DS1 signal between a DLC remote terminal and the LSO.
- **Fiber feeder:** Single mode fiber pair terminated on Lightguide Cross-connects (LGX) panels at each end,

**Unbundled Network Elements
Local Platform**

with optional SONET OC-3/OC-12 shelves to perform O/E conversion and mux/demux functions. The function of the fiber feeder is to transport standard DS1/DS3 signals between a DLC remote terminal and the LSO.

- Hybrid fiber-coax feeder: A facility that combines a fiber connection from the LSO to a Fiber Node, for transport of voice, data, and video.

B. Transmission:

Maximum loop loss of 8dB (including loop distribution) for twisted pair feeder.

C. Performance:

- Minimum signal-to-noise ratio of 35dB (measured at 1004 Hz).
- No echo cancelers are allowed.
- Maximum of 2 severely errored seconds (SES) per day.
- Maximum down time per year of 10 minutes per DS0.

5. Loop Combination

Definition:

A loop can be considered a combination of the network interface, loop distribution and loop feeder, with or without a loop concentrator/multiplexer. The entire loop is the medium on which subscriber traffic (multiplexed or non-multiplexed, concentrated or non-concentrated) is carried from the MDF or DSX panel in a central office or similar environment (including those at remote sites) up to the termination at the NI at the customer's premise.

Illustrative Requirements:

This combination is one example of how individual network elements can be put together to perform a higher level function. The loop provided to AT&T customers should be at least at parity in terms of design and performance with that provided to the LEC's own customers. In general, the requirements on the loop are a combination of the requirements on the separate loop elements: loop distribution, loop concentrator/multiplexer (if one exists in the loop), and loop feeder.

Note: While this and the previous sections focused on loops for switched services, unbundled loops will also be required for non-switched special services. This should include various options for customer premises to central office connectivity including, but not limited to Voice Frequency twisted pair loops, T-carrier systems, and SONET rings. It will also include for direct connection between customer premises without transiting a LEC central office.

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6. Local Switching

Definition:

An element which provides the functionality required to connect the appropriate originating lines or trunks terminated on the Main Distributing Frame (MDF) or Digital Cross Connect (DSX) panel to a desired terminating line or trunk. This functionality includes, but may not be limited to: signaling, signaling software, digit reception, dialed number translations, routing and recording, call supervision, dial tone, switching, telephone numbers, announcements, calling features and capabilities (including call processing), Centrex, Carrier Pre-subscription (e.g. LD carrier, intralata toll), CIC code portability capabilities, testing and other operational features inherent to the switch and switch software. It also provides access to transport, signaling (ISUP and TCAP), and platforms such as adjuncts, Public Safety Systems (911), operator services, directory services and Advanced Intelligent Network as determined by AT&T. Remote Switching Module functionality is included in the switch function. The switch elements used will be based on the line side features they support. The switch will also be capable of routing traffic to LEC owned network elements as well as non-LEC owned elements.

Illustrative Requirements:

Requirements for the Local Switching Network Element include but are not limited to the following which will be provided at least at parity with the LEC:

- **Screening and Routing:** route calls to end points or platforms (e.g. operator services) on a per customer or per class basis.
- **Provisioning:** activate a new customer or network interconnection on any of the interfaces described below (Note: this list of interfaces is not intended to be all inclusive):

Lines:

Standard Tip/Ring

Coin

On-hook signaling (e.g. Calling Name Delivery)

BRI ISDN

TR08 - Digital Loop Carrier

TR303- Digital Loop Carrier

Direct in Dial to customer PBXs

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Trunks - Note: SS 7 where available, MF where appropriate:

64Kbs Clear Channel trunks using SS7 signaling

CAMA ANI - B911/E911

FG C - IEC Operator

T1 to PBX

PRI to PBX

DS 3

Feature Group B (950 access)

Switched Digital Service at 56 & 64 Kb/s

Future rates and interfaces as available (e.g. optical OC1, OC3)

Note: "Trunk" interfaces may include interfaces to a customer as well as interfaces to another switch.

- **Testing:** perform routing testing (e.g. MLT) and fault isolation.
- **Maintenance:** repair and restore to service a customer line, equipment element or other maintainable elements.
- **Performance:** request and review performance data regarding a customer line, traffic characteristics or other measurable elements.
- **Network Management:** control congestion points such as Radio Station call-ins, network routing overflow, etc.
- **Manual and customer originated trace.**
- **Recording**
- **Essential Service Lines**
- **Telephone Service Prioritization**
- **Relay Services for the handicapped**
- **Soft dial tone where needed by law and other lifeline features.**
- **At least parity of offerings to customers to include, but not limited to:**
- **Residential Features**
- **CLASS/LASS**
- **Business/Centrex (for Centrex equivalent administrative capabilities)**
- **Basic and Primary Rate ISDN**
- **Advanced Intelligent Network Triggers supporting AIN features.**
- **Future telecommunications features to be introduced by the Incumbent LEC**

7. Local Operator Services

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Definition:

Those systems which provide for processing and recording of special call types which include toll calls, public telephone call types as well as other call types requiring operator intervention/assistance. Operator assistance call types would include BLV/EI (busy line verification/emergency interrupt), or provide an intercept functionality to those call types where the caller who dials a number that has been changed or disconnected.

Illustrative Requirements:

- Resale Operator Services from the LEC, branded AT&T utilizing AT&T's rates for both Card and Operator services functions and providing at least at parity for services delivered.
- Resale of LEC's Operator Services Null-Branding and utilizing AT&T's rates for both Card and Operator Services.
- Service deliverables to include the following:
 1. Local call completion - O+ and O-, billed to Calling Cards, Collect, and Third Party
 2. Billable - Time and Charges Etc.

NOTE:

The following is not acceptable to AT&T:

- Resale of LEC local operator service with LEC's branding and LEC's rates for Card and Operator Services.
- Resale of LEC local operator service non-branded and LEC rates for Card and Operator Services.

8. Local Directory Assistance

Definition:

The function for storing customer specific data and then providing assistance functions in obtaining customer listing data.

Illustrative Requirement:

- Directory Assistance branded AT&T.

NOTE:

Resale of LEC Directory Assistance and LEC branded is not acceptable.

9. Common Transport

Definition:

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**Unbundled Network Elements
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An interoffice transmission path (including the equipment and facilities) possibly shared with the LEC and/or other carriers (typically used for switch to switch transport within the LECs network). Common transport is used within the LECs network (not used between networks). This includes:

- Multiplexing functionality
- Grooming functionality (other than that provided by a DCS)
- Redundant equipment and facilities necessary to support protection and restoration
- Cross-office wiring to a DSX or LGX where facilities from a switch, cross-connect, or other service platform are terminated.

Illustrative Requirements:

- Compliance with Bellcore/industry standards (format, interfaces, performance monitoring, alarms, etc.).
- Equipment/interface/facility protection (at least at parity with LEC capabilities).
- Redundant power supply and/or battery back-up (at least at parity with LEC capabilities).
- Spare facilities and equipment necessary to support provisioning/repair DMOQs.
- Performance/availability at least at parity with LEC facilities (at or better than Accunet T1.5/Accunet T45 CO to CO performance/availability specifications)
- Transport equipment/facility provisioning and maintenance provided by the LEC.
- Capability for real-time access to performance monitoring and alarm data affecting (or potentially affecting) AT&T's traffic (upon AT&T's request).
- Interfaces should include DS1, DS3, and SONET at various levels (OC-x).

10. Dedicated Transport

Definition:

An Interoffice Transmission Path (including the equipment and facilities) dedicated to a single carrier. This may include but is not limited to:

- Multiplexing functionality
- Grooming functionality (other than that provided by a DCS)
- Redundant equipment and facilities necessary to support protection and restoration

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- Cross-office wiring to a DSX or LGX where facilities from a switch, cross-connect, or other service platform are terminated.

Distinction can be made between two types of dedicated transport:

Type 1: Transport between the LEC network (including unbundled elements) and another carrier's network (e.g., transport between a LEC switch and an IXC switch).

Type 2: Transport leased from the LEC to connect equipment within the LEC network (e.g. between DSXs in two different LSOs in a local area), or to connect equipment between the LEC network and the AT&T POP (e.g. DSX in the LSO to the AT&T POP for dedicated access).

Illustrative Requirements:

Type 1 Dedicated Transport

- AT&T must be allowed to utilize existing transport facilities between the LEC and a second carrier (an IXC or another CLEC) to carry traffic destined for the other carrier.
- Compliance with Bellcore/industry standards (format, interfaces, performance monitoring, alarms, etc.).
- Equipment/interface/facility protection (at least at parity with LEC capabilities).
- Redundant power supply and/or battery back-up (at least at parity with LEC capabilities).
- Spare facilities and equipment necessary to support provisioning/repair DMOQs.
- Performance/availability at least at parity with LEC facilities (at or better than Accunet Spectrum of Digital services, Accunet T1.5/Accunet T45/Accunet T-155, CO to CO performance/availability specifications)
- Transport equipment/facility provisioning and maintenance provided by the LEC.
- Capability for real-time access to performance monitoring and alarm data affecting (or potentially affecting) AT&T's traffic (upon AT&T's request).
- Interfaces should include DS0 DS1, DS3, and SONET at various levels (OC-x).

Type 2 Dedicated Transport

Transport Technology Options -- The LEC should provide the following transport technology options:

- Currently provided transport services (e.g., T1/T3 transport services)
- SONET Line switched rings - OC-48 (and OC-192 future)
- SONET Path switched rings - OC-3 and OC-12

**Unbundled Network Elements
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- SONET point-to-point transport systems

Existing Transport Service -- The LEC should continue support of current service.

SONET Transport Requirements (applies to rings and point-to-point) include but are not limited to:

- Compliance with SONET and Bellcore standards (format, interfaces, performance monitoring etc.)
- Capability for real-time access to all SONET performance monitoring and alarm information.
- Equipment/interface/facility protection
- Redundant power supply/battery back-up
- Synchronization from both a primary and secondary Stratum 1 level timing source
- Interworking with SONET standard equipment from other vendors
- Data Communications Channel (DCC) connectivity
- Spare facilities and equipment needed to support provisioning/repair DMOQs
- Electronic provisioning control (on request)
- Connectivity between locations designated by AT&T

Performance/availability per the table below for point-to-point service:

Performance			Unavailability	
ES/Day	% EFS/Day	SES/Day	Minutes per month per span	Minutes per year per span
25	99.97	1	< 0.25	< 0.5

SONET Ring Requirements (include but are not limited to):

- Diverse fiber routing and building entrances
- Dual ring interworking support
- No single point of failure
- Protection lock-out and support of extra traffic (Line switched rings only)

Interface Requirements (include but are not limited to):

- Support for the following interfaces (per AT&T's request):
 - DS1 (Extended SuperFrame - ESF)
 - DS3 (C-bit Parity)
 - STS-1 (VT-based) - desired interface at an AT&T service node
 - OC3 or OC-12

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- Physical Point of Termination (POT) between networks
 - DSX1 for DS1s
 - DSX3 for DS3s or STS-1s
 - LGX for OC-3 or OC-12
- AT&T craft provided full time access to the POT

11. Digital Cross-Connect System (DCS)

Definition:

An element which provides automated cross-connection, facility grooming, bridging, point to multipoint connections, broadcast and automated facility test capabilities. The element may also provide multiplexing, format conversion, signaling conversion, etc. Cross-office wiring to a DSX or LGX where facilities from a switch, another cross-connect, or other service platform are terminated are included as part of this element. In cases where automated cross connection capability does not exist a "cross connect system" will be defined as the combination of DSX patch panels and D4 channel banks or other DS0 and above multiplexing equipment used to provision the function of a manual cross connection.

Illustrative Requirements:

- AT&T must be allowed access to all LEC Digital Cross-Connect Systems including but not limited to:
 - DS0 cross-connect with DS1 interfaces
 - DS1/VT1.5 cross-connect with DS1, DS3 and SONET interfaces
- Capability for real-time reconfiguration capabilities.
- Capability for real time access to integrated test equipment and other integrated functionality
- SONET to asynchronous gateway functionality
- Compliance with Bellcore/industry standards (interfaces, performance monitoring, alarms, etc.).
- Equipment/interface protection (at least at parity with LEC capabilities).
- Redundant power supply and/or battery back-up (at least at parity with LEC capabilities).
- Spare facilities and equipment necessary to support provisioning/repair DMOQs.
- Performance/availability at least at parity with LEC
- Capability for real-time access to performance monitoring and alarm data affecting (or potentially affecting) AT&T's traffic (upon AT&T's request).

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- The LEC must continue to administer and maintain the cross-connect including updates to the control software to current available release.

12 Data Switching Element

Definition:

An element which provides data services (e.g. packet transport, frame relay or ATM) switching functionality that is required to connect the facilities from the User to Network Interface (UNI) to either another UNI or to a communications path at the Network to Network Interface (NNI).

Illustrative Requirements:

- Switch features and functionality (e.g., signaling and connection control, broadcast capabilities, traffic shaping/congestion control, etc.) at least at parity with the LEC.
- Standard interfaces (DS0, DS1, fractional T1, DS3, STS-1, OC-3, OC-12, etc.)
- AT&T services must be given equal priority during overflow/congestion conditions.
- Capability for real time access to integrated test equipment and other integrated functionality
- Equipment/interface protection (at least at parity with LEC capabilities).
- Redundant power supply and/or battery back-up (at least at parity with LEC capabilities).
- Spare facilities and equipment necessary to support provisioning/repair DMOQs.
- Performance/availability at least at parity with LEC
- Capability for real-time access to performance monitoring and alarm data affecting (or potentially affecting) AT&T's traffic (upon AT&T's request).
- The LEC must continue to administer and maintain the switch.

13 SS7 Message Transfer and Connection Control

Definition:

Figure 1 depicts SS7 Message Transfer and Connection Control. This element enables the exchange of Signaling System 7 (SS7) messages among switching elements and database elements. It includes all functions of the Message Transfer Part (MTP), Signaling Connection Control Part (SCCP), and the Operations, Maintenance and Administration Part (OMAP) of SS7 commonly performed by Signaling Transfer

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Points (STPs). This element is sometimes referred to as the STP, but it also includes the transport of SS7 messages over signaling links connecting switching elements to STPs, database elements to STPs, and STPs to STPs.

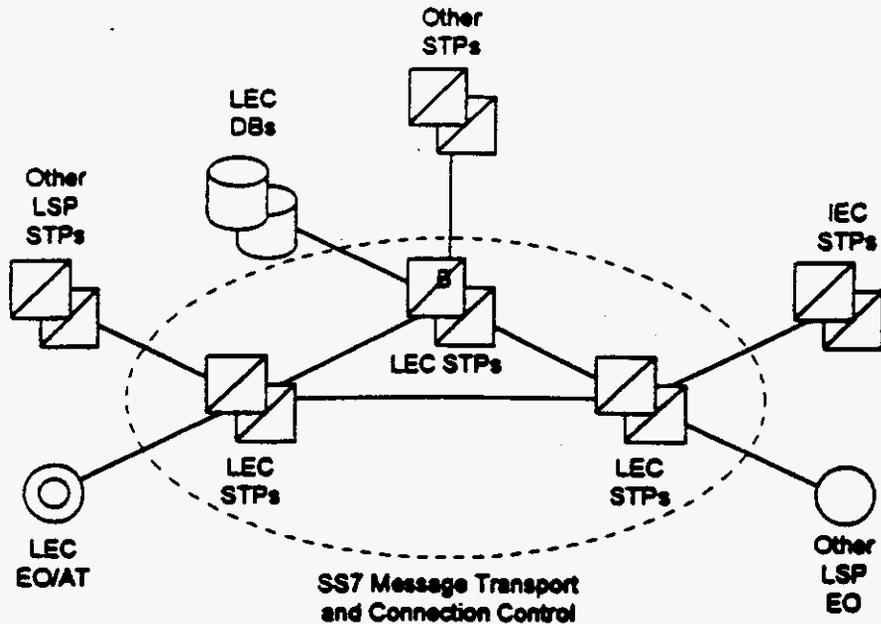


Figure 1. SS7 Message Transfer and Connection Control.

Illustrative Requirements:

This element shall provide access to all other elements connected to the LEC SS7 network. These include:

- LEC switching systems.
- LEC databases.
- Other LSP switching systems.
- Other LSP STPs.
- Other IEC STPs.
- Other (3rd-party-provided) STPs.

This element shall include options to connect AT&T local switching systems or STPs to the LEC SS7 network. These options shall include:

- A-link access from AT&T local switching systems.
- D-link access from AT&T local STPs.

These options shall also include the option for AT&T to define the Signaling Points of Interconnect (SPOIs), as well as the option for the LEC to define the SPOIs.

These options shall also include interoffice and intra-office diversity of facilities and equipment, such that

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- No single failure of facilities or equipment causes the failure of both links in an A-link layer.
- No two concurrent failures of facilities or equipment causes the failure of all four links in a D-link layer.

This element shall provide all functions of the MTP as specified in ANSI T1.111. This includes:

- Signaling Data Link functions, as specified in ANSI T1.111.2.
- Signaling Link functions, as specified in ANSI T1.111.3.
- Signaling Network Management functions, as specified in ANSI T1.111.4.

This element shall provide all functions of the SCCP necessary for Class 0 (basic connectionless) service, as specified in ANSI T1.112. In particular, this includes Global Title Translation (GTT) and SCCP Management procedures, as specified in T1.112.4.

This element shall provide all functions of the OMAP commonly provided by STPs, as specified in ANSI T1.116. This includes:

- MTP Routing Verification Test (MRVT).
- SCCP Routing Verification Test (SRVT).

This element shall meet or exceed the following performance requirements:

- MTP Performance, as specified in ANSI T1.111.6.
- SCCP Performance, as specified in ANSI T1.112.5.

14. Signaling Link Transport

Definition:

This element is a set of one, two, or four dedicated 56 kbps transmission paths among AT&T-designated Points of Interconnection (POIs), satisfying an appropriate requirement for physical diversity.

Illustrative Requirements:

A signaling link shall consist of a 56 kbps transmission path or other rates as defined by ANSI standards between AT&T-designated POIs.

A signaling link layer shall consist of one, two, or four signaling links, as follows:

- An A-link layer shall consist of two links.
- A B-link, D-link, or E-link layer shall consist of four links.

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- A C-link or F-link layer shall consist of one link.

A signaling link layer shall satisfy interoffice and intra-office diversity of facilities and equipment, such that

- No single failure of facilities or equipment causes the failure of both links in an A-link layer.
- No two concurrent failures of facilities or equipment causes the failure of all four links in a B-link, D-link, or E-link layer.

15. SCPs/Databases

Definition:

A node in the signaling network to which informational requests for service handling, such as routing, are directed and processed in real time.

Example databases include (not limited to):

- Line Information Database (LIDB)
- Emergency Services Databases
- Toll Free Number Portability Database
- Local Number Portability Database

Illustrative Requirements:

- Access to databases containing service handling/routing information.
- Database queries must receive equal priority as those of the incumbent LEC/other companies.
- Database queries must receive equal reliability, availability, and performance as that provided to the incumbent LEC/other companies (must be at least at industry standard levels).
- Database access using TCAP messages routed via STPs must be supported.
- Detailed tracking of usage and call termination point must be supported.
- Database dips resulting in a call terminating with the incumbent LEC should not be charged to AT&T.
- The ability to allow AT&T to update appropriate databases with their end user information.
- Procedures are required for validating that information supplied by AT&T is accurately provisioned in LEC databases.

16. Tandem switching

Definition:

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The establishment of a temporary communications path between two switching offices through a third (the tandem) switch. Typically, the tandem switch is used to connect end offices, other tandems, or to provide connection to IXC, ICO and CLEC switches. The tandem switch may also be used to provide SSP capabilities when these capabilities are not available in the EO.

Illustrative Requirements:

The requirements include, but are not limited to:

- signaling
- screening and routing
- recording
- access to AIN functionality
- access to Operator Services and Directory Assistance as appropriate
- access to Toll Free number portability database as appropriate
- must support all trunk interconnections discussed under "Network Interconnection/Trunking" (e.g., SS7, MF, DTMF, DialPulse, ISDN, DID, DN-RI, CAMA-ANI (if appropriate for 911), etc.)
- access to PSAPs where 911 solutions are deployed and the tandem is used for 911
- transit traffic to/from other carriers

17. Advanced Intelligent Network (AIN)

Definition:

AIN is a network architecture that is designed to provide a means for carriers to offer advanced features and services independent of the local switch vendor. Specification of specific points in the call model (i.e. triggers) at which the end office suspends call processing and launches an SS7 TCAP query to a database allows for application logic to be separated from the switching platform in a standard manner across all switch types that are AIN capable.

Illustrative Requirements:

- Provisioning of LEC end office AIN triggers initiated via service order from AT&T
- Interconnection of AT&T and LEC SS7 networks for exchange of AIN TCAP messages between LEC end offices and AT&T service control points (SCP).

The provisioning process and interfaces negotiated with the LEC must allow for provisioning of all triggers currently available to the LEC for offering AIN-based services (i.e.

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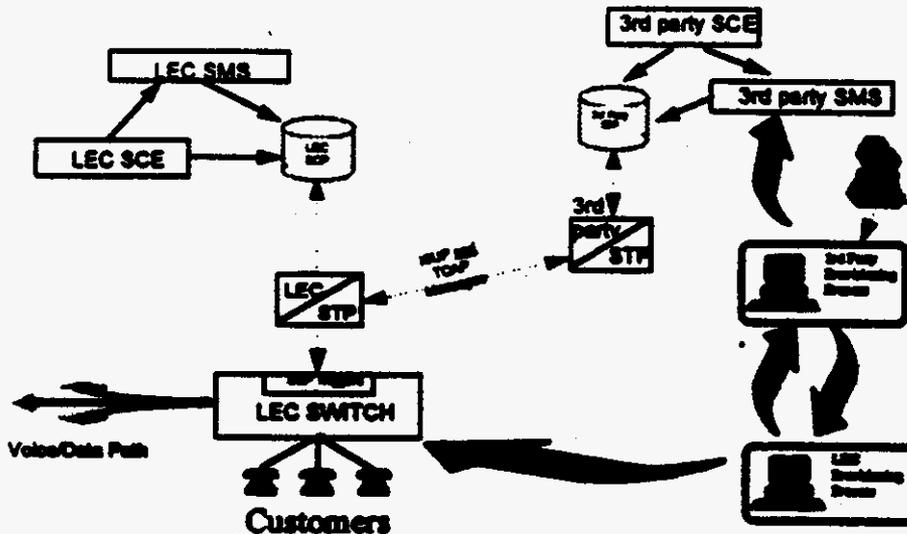
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Off-Hook Immediate, Off-Hook Delay, Private EAMF Trunk, Shared Interoffice Trunk (EAMF, SS7), Termination Attempt, 3/6/10, N11, Feature Code Dialing, Customer Dialing Plan, Automatic Route Selection) in a manner which is at least at parity with the LEC's own capabilities in terms of performance and provisioning interval.

Figure 1 depicts the interconnection arrangement proposed. The AT&T SCP resides within the AT&T SS7 network which is interconnected via inter-network signaling links (D-links) to the LEC SS7 network. Queries originating in the LEC SSP traverse the LEC SS7 network and are routed via the D-links to the AT&T SS7 network, destined for the AT&T SCP. Service logic is applied at the SCP and a response returned via the reverse path described above to the LEC SSP with further call handling instructions.

Figure 1

**IMPLEMENTATION OF SINGLE IN-SERVICE PROVIDER ENVIRONMENT
TRIGGER PROVISIONING**



III. Ancillary Capabilities

In addition to the basic requirements on unbundled network elements presented in section II, there are ancillary capabilities required to offer service in an unbundled environment. This section discusses some of the key ancillary capabilities. This section is intended to be representative of the types of requirements AT&T will have on ancillary capabilities, but it is not intended to be an exhaustive treatment of all required capabilities. As a general rule, AT&T requires that the LEC provide all ancillary capabilities needed to offer services at parity performance to those offered by the LEC.

1. 911 & E911

Definitions:

Basic 911 - collect 911 calls from one or more local exchange switches and route the call to the correct Public Safety Answering Point (PSAP).

Local switches may each be connected to the PSAP.

Local switches may connect to a Basic Service Provider Location which will forward calls to the PSAP.

E911 - uses customer location information (ALI/DMS database) to provide greater routing flexibility.

Only 911 tandems are required to have trunks to the PSAP(s).

Requires coordination of name, address, telephone and other special information from the local service provider impacted by Remote Call Forwarding

Illustrative Requirements:

Basic 911 -- Ability to route 911 traffic to the appropriate PSAP with at least a parity level of performance the LEC provides their end users.

E911 -- Ability to route 911 to the appropriate PSAP with at least a parity level of performance the LEC provides their end users. Also, requires a feed from the service order process to update the ACI/DMS database with the end user's information.

2. Network Interconnection

Definition:

Network Interconnection gives the new entrant the ability to connect components of their network or of networks leased from other vendors to the incumbent LEC's network. This interconnection is necessary for the new entrant to

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originate calls which will terminate on or transit the LEC network and to receive calls which originated on the network of another carrier.

Illustrative Requirements:

- Interconnection must be made available upon AT&T's request at all technically and logically feasible interfaces.
- Provisioned cooperatively and efficiently without use or user restrictions (e.g. Option for two-way trunking, no unnecessary trunk group fragmentation by traffic types, etc.)
- No loss of feature functionality.
- Agreed upon disaster recovery & network management procedures.
- Allows for the transiting of traffic to and from other carriers (IXCs, CLECs, Independent Companies, Cellular Providers) through the LEC tandem.

3. Rights-Of-Way

Definition:

Equal Access to Conduits, Pole Attachments, Rights of Way and Other Pathways (Commonly referred to as Rights-of Way).

Rights-of-way can be described as any system or pathway which may carry or house lines, facilities, or equipment used in the completion of telephone local exchange and toll traffic. These pathways may run under or above streets, traverse private property, enter multi-unit buildings and are required to reach end users. These R-O-W and OSP structure are currently owned or controlled by the LEC.

Illustrative Requirements

Highlights:

- LEC must make owned/controlled conduits, pole lines, R-O-W and other pathways available to AT&T on an equal basis
- LEC must provide open access to current pole-line and conduit prints, and availability, provide maps of manhole locations, and allow manhole/conduit break-outs, and audits to confirm usability
- LEC must provide access to building entrance conduits to reach new customers

Additional Clarification:

Any incumbent local exchange telephone company must provide any telecommunications carrier requesting access with equal

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and nondiscriminatory competitively neutral access to; without limitation, any pole, pole attachment, duct, conduit, entrance facilities, equipment rooms, remote terminals, cable vault, telephone closet, right-of way, and any other pathways on terms and conditions equal to that obtained by the incumbent LEC. Any incumbent local exchange carrier having equipment on, over, or under public or private property must permit the use of such equipment by any other telecommunications carrier on an equal and non-discriminatory basis. The incumbent local exchange telephone company must provide information on the location of and availability to access conduit, poles, etc., and other pathways on an equal and nondiscriminatory basis to any telecommunications carrier requesting such information within 10 workdays after the request. Any authorization to attach to poles, overloading requirements, or modifications to the conduit system or other pathways to allow access to and egress from the system shall not be hindered/restricted or unreasonably withheld or delayed. Such access and use shall be on terms and conditions identical to those the local exchange carrier provides to itself and its affiliates for the provision of exchange, exchange access and interexchange services.

4. Performance

Definition:

As used in this section, performance refers to performance, reliability and availability. This includes all system/network performance parameters including both those directly observed by the customer (e.g., voice quality) and those which are indistinguishable contributors to overall service performance (e.g., database performance in responding to queries).

Illustrative Requirements:

- For all unbundled elements, the LEC must provide levels of performance which will allow services provided over the unbundled elements to perform at parity with the same/similar services provided to LEC customers (this is a minimum).
- The LEC must (on demand) demonstrate parity performance.
- All unbundled elements must meet applicable industry standards (e.g., Bellcore TR-NWT-000499, TR-NWT-000418, TR-NWT-000057, GR-303-CORE, GR-334-CORE, etc.)
- The LEC must work with AT&T to determine appropriate performance allocations across unbundled elements.

5. Protection/Restoration/Disaster Recovery

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Definition:

This section refers specifically to requirements on the use redundant network equipment/facilities for protection, restoration, and disaster recovery. Requirements on disaster recovery procedure are covered elsewhere.

Illustrative Requirements:

- The LEC must provide protection, restoration, and disaster recovery capabilities at parity with those capabilities provided for their own services/equipment (e.g., equivalent circuit pack protection ratios, and facility protection ratios).
- AT&T services and unbundled elements must be given equal priority in protection, restoration, and disaster recovery schemes.
- AT&T services and unbundled elements must be given equal priority in the used of spare equipment and facilities.

6. Power

Definition:

The equipment used to power the unbundled elements. This includes commercial power feeds, cables, busses, batteries, generators, power conditioning equipment, over-voltage protection devices, and over-current protection devices.

Illustrative Requirements:

Power distribution arrangements for unbundled elements must be at parity with what the LEC provides for it's own equipment (e.g., equivalent levels of redundancy and battery back-up).

7. Security

Illustrative Requirements:

- Assure logical and physical integrity of network elements and their interconnecting data networks and subtending OSSs.
- Assure the capability to meet public safety and legal process demands (ex.: wire taps, trap installation, traces, subpoenas, etc.).
- Provide the ability to utilize, under AT&T direction, any current or future fraud prevention, detection or control functionality embedded within the network element.

8. Network Validation Operations Readiness Testing:

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It is expected that as AT&T initiates new service offerings or new interfaces with the network elements the LEC will test with AT&T to insure that all services and associated operational processes function appropriately. This testing will also be required when new technology is introduced into the network.

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IV. Unbundled Element Platform

As discussed in the introductory section of this document, a new entrant must be able to purchase unbundled network elements either individually or in combination to create competitive local service offers (e.g. local, toll and exchange access services). This section will focus on one such combination involving the purchase of the loop (which is simply a combination of the four sub-loop elements as described in section II) and the switch. The purchase of the switch allows the new entrant also to use the remaining unbundled network elements described in section II on an optional basis. This combination of contiguous network elements can be ordered on an individual line/customer basis as opposed to the "shared" network elements (e.g., transport, databases, etc.) which are usage based and not associated with a specific end user. When this loop/switch combination is implemented, the new entrant must have the option to include with the switch any or all of the shared elements. When purchasing network elements in combination the new entrant will have access to all features and capabilities of each individual component as described in section II of this document.

It is AT&T's expectation that this combination of loop and switch elements will be provisioned with a single order that specifies the type of end user service (e.g. voice grade switched, ISDN, etc.) this combination must support. The ordering vehicle will contain the appropriate FIDs which will allow the new entrant to also order the optional network elements when ordering this combination. This provisioning method is akin to the feature group concept when ordering access services from a local exchange company. When ordering access, an IXC, rather than order each component (carrier common line, local switching and transport) separately, orders Feature Group D access which is a combination of these components. This is the same concept which will apply to ordering a combination of unbundled network elements for local exchange service.

For existing customers who simply wish to change their local service provider this method of ordering will accomplish the change with no physical changes required in the existing network infrastructure. It shall not be necessary for new entrants to collocate equipment in the ILECs central office to connect the unbundled loop combinations to the unbundled local switch. If shared network elements are used, the ILEC will be responsible for all engineering, provisioning and maintenance of these elements to ensure they support the agreed upon grade of service. Performance data on these elements will be shared with AT&T on a real time basis or an agreed upon regularly scheduled interval depending on which element(s) are involved.

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It is useful to think of unbundled network element combinations as a mechanism to order groups of elements where these elements need to be logically associated. Two examples of this are a combination of the sub-loop elements to create the entire loop, and the combination of the loop and the switch to provide service to end users. All other unbundled network elements are options which are not part of the loop/switch combination (with the exception of the signaling which cannot be separated from the switch) and are ordered separately. Once switching is selected either as part of a combination or as a standalone network element the new entrant has the option to access the incumbent's transport, databases, operator services, AIN platform, etc. or to purchase any of these functions from another vendor or provide them itself.

Though this document only addresses two combinations, this does not prevent a new entrant from ordering other combinations, or an individual element that the new entrant may need now or in the future to compete successfully in the marketplace. Also, the existence of a combination does not prevent a new entrant from subsequently disaggregating that combination to substitute a self-provided or competitor-provided component.

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V. Unbundled Platform Operations Requirements

A. Provisioning

1. AT&T requires a real-time Electronic Communication interface to the ILEC for ordering and provisioning. (i.e. Electronic Access to SAG or its equivalent) The same interface must be used for the ordering/provisioning of single unbundled elements/combinations and service ordered from resale tariffs.
2. AT&T requires agreement on identification and description of all elements related to providing local service.
3. AT&T requires the ability to order any defined element using agreed upon ordering/provisioning codes.
4. AT&T requires that particular combinations of elements, hereafter referred to as combinations, be identified and described so that they can be ordered and provisioned as combinations, and not require the enumeration of each element within that combination on each provisioning order.
5. AT&T requires that appropriate ordering/provisioning codes be established for each identified combination.
6. When purchasing switching capabilities, AT&T requires the ability to obtain telephone numbers on-line from the ILEC, and to assign these numbers with AT&T customer on-line. This includes vanity numbers. Reservation and aging of numbers remain the responsibility of the ILEC.
7. When purchasing switching capabilities, AT&T requires the ability to order all available features on that switch.
8. AT&T requires the ability to have the LEC end office AIN triggers initiated via a service order from AT&T.
9. AT&T requires that when combinations are ordered where the elements are currently interconnected and functional, those elements will remain interconnected and functional.
10. AT&T requires a list/description of all services and features available to street address detail, including: Type of Class 5 Switch by CLLI, line features availability by LSO, and service and capacity availability by LSO. AT&T further requires a complete layout of the data elements that will be required to provision all such services and features.

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12. AT&T requires information about the certification process for: DA Exempt, Prison Services, Lifeline, Hotel, etc.
13. AT&T requires the ILEC to identify areas where Centrex is available, including type of Centrex, and a definition/explanation of ordering and provisioning requirements.
14. AT&T requires the ILEC to describe the details and requirements on handling NPA-NXX splits with the understanding that they are controlled by the owner of the NPA-NXX.
15. AT&T and the Incumbent Local Service Provider will negotiate a standard service order/disconnect order format.
17. The ILEC must provide an initial electronic copy and a hard copy of the service address guide (SAG), or its equivalent, on a going forward basis. Updates are expected as changes are made to the SAG.
18. AT&T requires the ability to determine customer's existing service and feature configuration.
19. AT&T requires the ability to suspend/restore service at the AT&T local customer's request. The use of Suspend/Restore order-types would be used for the suspension and restoration of service based on non-payment/payment.
20. AT&T requires that the ILEC provide at the time of order completion notification of the local features/services/elements/combinations that were provisioned for all AT&T local customers. This applies to all types of service orders and all elements. In addition, AT&T requires the ILEC provide any customer status which qualifies the customer for a special service (e.g. DA exempt, lifeline)
21. AT&T requires the ability to block 800, 900, 976, 700 calls, etc. by line or trunk on an individual service basis.
22. AT&T requires the ability to order and provisioning for inter and intralata line PIC (2 PIC) where applicable.
23. AT&T requires that AT&T's local customers be able to retain their existing ILEC provided telephone number without loss of feature capability and ancillary services such as, but not exclusively: DA, 911/E911 capability. Both AT&T and the ILEC will work cooperatively on

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exceptions. The format of the data required for interim Local Number Portability must be provided to AT&T.

24. AT&T requires a complete definition of the rules for directory assistance listing (ordering data elements).
25. AT&T requires the ILEC to list AT&T in the front of the directory as a local service provider for that area with all appropriate information and telephone numbers.
26. AT&T requires from the ILEC the following for directory services: A free white and yellow pages listing for each customer, rules for white and yellow pages listing and types of listings (this includes cut off date for printing), areas that are covered by the white and yellow pages, and directory update, order, re-order and delivery processes. AT&T requires directory listings schedules, both an initial electronic copy and a hard copy, that will be updated by the access provider, a list of yellow page headings by directory, and the process established to receive updates to the above information whenever changes occur.
27. When necessary, AT&T requires the "real time" ability to schedule installation appointments with the customer on-line and access to the ILEC's schedule availability.
28. AT&T requires the ILEC to provide an intercept message that includes the new AT&T number, when appropriate.
29. AT&T requires the ILEC to provide nondiscriminatory training for all employees who handle AT&T local service customers.
30. AT&T requires a copy of the ILEC tariff/contract that AT&T will use to order service.
31. AT&T requires cooperative practices and processes for law enforcement and annoyance handling.
32. AT&T requires a jointly developed process with the ILEC to conduct Busy Line Verification (BLV) and Busy Line Interrupt (BLI).
33. AT&T requires "real-time" response for: Firm order confirmation, due date availability/scheduling, dispatch required or not, identify line option availability by LSO (such as, Digital Copper, Copper Analog, ISDN, etc.), completion with all service order and time and cost related fees, rejections/errors on service order data element(s), jeopardies against the due date, missed appointments, additional order charges (construction charges), order status, validate street address detail, and electronic notification of the local line options

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that were provisioned, at the time of order completion, by the ILEC for all AT&T local customers. This applies to all types of service orders and all elements.

34. AT&T requires the same intervals and level of service currently being performed by the ILEC (parity).
35. AT&T requires negotiated performance metrics with the ILEC. Results to be reviewed quarterly or on an as needed basis.
36. AT&T requires the ILEC to notify AT&T if a customer requests changes to their service at the time of installation. Specific scenarios and a process to handle changes will be required.
37. AT&T requires the ILEC to provide all test and turn-up procedures in support of the unbundled elements/combinations/services ordered by AT&T.
38. AT&T requires the ILEC to notify AT&T prior to disconnect of any AT&T unbundled element/combination/service.
39. AT&T requires expedite and escalation processes for ordering and provisioning.
40. AT&T requires a joint operational understanding (work center and systems), and a change control process.
41. AT&T requires, for provisioning, a process for the management of misdirected service calls.
42. AT&T requires the ILEC to provide engineering information on all unbundled elements/combinations used for data, private line, foreign exchange, voice, etc. This would include the information that would normally be provided on records such as the detailed design layout records for loops and circuits.
43. AT&T requires provisioning support 24x7.
44. AT&T requires that all notices, invoices, and documentation provided to the customer at the customer's premises by the ILEC's field personnel be branded AT&T.
45. AT&T requires all T&N charges associated with an installation to be provided at the same time the supplier notifies AT&T of the installation's completion.
46. AT&T requires the ability to test or have the ILEC test all elements/combinations.

not have the power to render a binding decision. A mediator does not hold evidentiary hearings as in arbitration but conducts informal joint and separate meetings with the parties to understand the issues, facts, and positions of the parties. The separate meetings are known as caucuses. In contrast, arbitrators hear testimony and receive evidence in a joint hearing, based on which they render a final and binding decision, known as an award.

In joint sessions or caucuses with each side, a mediator tries to obtain a candid discussion of the issues and priorities of each party. Gaining certain knowledge or facts from these meetings, a mediator can selectively use the information learned from each side to:

- reduce the hostility between the parties and help them engage in a meaningful dialogue on the issues at hand;
- open discussions into areas not previously considered or inadequately developed;
- communicate positions or proposals in understandable or more palatable terms;
- probe and uncover additional facts and the real interests of parties;
- help each party to understand better the other parties' views and evaluations of a particular issue, without violating confidences;
- narrow the issues and each party's positions, and deflate extreme demands;
- gauge the receptiveness for a proposal or suggestion;
- explore alternatives and search for solutions;
- identify what is important and what is expendable;
- prevent regression or raising of surprise issues; and
- structure a settlement to resolve current problems as well as to meet future needs of the parties.

What types of dispute can be resolved by mediation?

Any type of civil dispute can be resolved by mediation. The disputes handled in mediation by the AAA have been varied. Mediations have been conducted in business disputes in the computer and construction fields, in disputes between labor and management, and in the insurance industry, to name a few. Just about any type of dispute that parties want resolved quickly and inexpensively can be submitted to mediation.

The AAA has established Commercial Mediation Rules, Construction Industry Mediation Rules, Family Mediation Rules, and Dispute Resolution Procedures for Insurance Claims, all of which

lay out the guidelines for the mediation process. Copies of these rules are available through the AAA at no charge.

What are the benefits of mediation?

The benefits of successfully mediating a dispute to settlement vary, depending on the needs and interests of the parties. The most common advantages are:

- Parties are directly engaged in negotiating the settlement.
- The mediator, as a neutral third party, can view the dispute objectively and can assist the parties in exploring alternatives that they might not have considered on their own.
- Because mediation can be scheduled early in the dispute, a settlement can be reached much more quickly than in litigation.
- Parties generally save money through reduced legal costs and less staff time.
- Parties enhance the possibility of continuing a business relationship with each other.
- Creative solutions or accommodations to special needs of the parties may become a part of the settlement.

In the interest of swift and low-cost dispute resolution, arbitrations pending under the Commercial, Construction Industry, or Accident Claims Arbitration Rules of the American Arbitration Association can be submitted to mediation under the applicable mediation rules *at no additional administrative fee*.

When can mediation take place?

Mediations can originate in different ways. First, mediation can occur when a dispute initially arises and before a lawsuit is ever filed. Second, mediation can occur as an adjunct procedure to pending litigation. That is, as soon as the parties file a lawsuit, they can use mediation in an effort to resolve the dispute at the inception of litigation or at any time thereafter but prior to a trial being held. Third, mediation can occur during or immediately after a trial but before a decision is announced by a judge or jury. Fourth, mediation can occur after a judgment has been rendered in litigation. There might be a disagreement over the meaning or manner of carrying out a judgment, or concern about the possibility of lengthy court appeals. The parties can seek the assistance of a mediator to help them resolve these problems.

WHO ARE THE MEDIATORS?

AAA mediators are carefully selected attorneys, retired judges, and experts in various professional and business fields. Each candidate has been trained by the AAA in mediation skills and closely evaluated to determine the level of skills attained. Only very respected and experienced individuals are selected and trained by the AAA to be mediators. The mediators on its panel are chosen to serve on a particular case based on their expertise in the area of the dispute.

How long does scheduling a mediation take?

Once the parties have agreed to submit their dispute to mediation and have executed the appropriate forms, the mediation can be conducted on the first mutually available date. A typical time frame to schedule a hearing once all documentation has been received is three to six weeks. Of course, the parties may agree to have their mediation set for an earlier or later date depending on the circumstances of their case.

How does it work?

The First Step—the Agreement to Mediate

Since mediation is voluntary, the parties must agree in writing that their dispute will be conducted under the applicable mediation rules of the AAA. This may be accomplished in a number of ways:

Requests for Mediation The parties can provide for the resolution of future disputes by including a mediation clause in their contract or other written agreement. A typical mediation clause reads as follows: "The parties hereby submit the following dispute to mediation under the Commercial Mediation Rules of the American Arbitration Association." The clause may also provide for the qualifications of the mediator, the method of payment, the locale of meetings, and any other item of concern to the parties. When a party files a Request for Mediation with the AAA, the requesting party must forward a copy of the mediation clause contained in the contract under which the dispute arose. A facsimile of the Request for Mediation can be found on page 7.

Submission to Mediation Where the parties did not provide in advance for mediation, they may submit an existing dispute to mediation by the filing of a submission form that has been duly executed by the parties or their authorized representatives. A facsimile of the Submission to Dispute Resolution can be found on page 9.

AN ALTERNATIVE SUBMISSION PROCESS Any party may request the AAA to invite other parties to join in a submission to mediation, arbitration, or another form of alternative dispute resolution. This request may be made by a letter or a telephone call. Upon receipt of the names, telephone numbers, and addresses of the parties to be contacted and a brief description of the dispute, the AAA will write to the other parties to explain the program, enclosing a submission form and a copy of the rules. Within ten days of sending that letter, an AAA representative will telephone the other parties to further explain the program and answer questions. Although several telephone calls might be necessary to gain a submission, this has proven to be a most effective way of obtaining an agreement.

American Arbitration Association

MEDIATION RULES
REQUEST FOR MEDIATION

DATE: _____

TO: Name _____
of this case or file the request in

Address _____

City and State _____ ZIP Code _____

Telephone () _____ Fax _____

The undersigned party to an agreement contained in a written contract, dated _____ providing for mediation, hereby requests mediation hereunder.
 (Attach the mediation clause or quote it hereunder.)

NATURE OF DISPUTE: _____

CLAIM OR RELIEF SOUGHT: (amount, if any) _____

TYPE OF BUSINESS: Filing Party _____ Responding Party _____

MEDIATION LOCALE REQUESTED: _____
City and State

You are hereby notified that copies of our mediation agreement and of this request are being filed with the American Arbitration Association at its _____ office, with the request that it commence the administration of the mediation.

Signed _____ Title _____
When he signed for a representative

Name of Filing Party _____

Address to be used in connection with this case _____

City and State _____ ZIP Code _____

Telephone () _____ Fax _____

Name of Representative _____

Representative's Address _____

City and State _____ ZIP Code _____

Telephone () _____ Fax _____

To initiate proceedings, please send three copies of this request with the administrative fee, as provided for in the rules, to the AAA. Send the original request to the responding party.

Form 100-1002

requently, once the letter has been sent and telephone contact has been made by the AAA, the parties have further discussion leading to a settlement. If the other parties do not agree to submit the matter to dispute resolution, there will be *no charge* to the filing party, except that, if the case settles after AAA involvement but prior to submission to dispute resolution, the filing party will be charged a \$150 filing fee.

The document initiating mediation, whether in the form of a Request for Mediation or a Submission, is filed with the AAA and should include a brief description of the nature of the dispute, together with the appropriate administrative fee (see the fee schedule on page 14). The parties are also free to conduct the mediation through correspondence in lieu of an oral presentation, provided all of the necessary information is included.

Upon receipt of a properly filed Request or Submission form, the AAA assigns the case to a *case administrator*. It is the function of the administrator to appoint a mediator, to make the necessary arrangements for the scheduling of a meeting between the mediator and the parties, and to be generally at the disposal of both the parties and the mediator, offering whatever assistance is required in accordance with the applicable rules.

The Second Step—Selection of the Mediator

Upon receiving the Request for Mediation or the Submission to Dispute Resolution, the administrator will appoint a qualified mediator to serve on the case. The parties will be provided with a biographical sketch of the mediator. The parties are instructed to review the sketch closely and advise the Association if they have any objections to the appointment. Since it is essential that the parties have complete confidence that the mediator will be fair and impartial, the Association will replace any mediator not acceptable to the parties.

The Third Step—Preparing for the Mediation Session

A party should do the following to prepare for mediation:

1. Define and analyze the issues involved in the dispute.
2. Recognize the parameters of the given situation (e.g., what one can realistically expect, time constraints, available resources, legal ramifications, business or trade practices, costs, etc.).
3. Identify your needs and interests in settling the dispute.

8. Gather and be ready with facts, documents, and sound reasoning to support your claims.
9. Anticipate the other party's needs, demands, positions, version of facts, and strengths and weaknesses.
10. Focus on the interests, not the position, of each party.
11. Develop your strategies and tactics in discussing issues, presenting proposals, testing other parties' positions, etc.

The Fourth Step—the Mediation Conference

The parties should come to the mediation conference prepared with all of the evidence and documentation they feel will be necessary to discuss their respective cases. Although it is unusual for a party to be represented by an attorney, they are of course permitted to do so. This is a matter of personal preference. It is also not customary to present witnesses in a mediation.

At the outset, mediators describe the procedures and ground rules covering each party's opportunity to talk, order of presentation, decorum, discussion of unresolved issues, use of caucuses, and confidentiality of proceedings.

After these preliminaries, each party describes how it views the dispute. The initiating party discusses its understanding of the issues, the facts surrounding the dispute, what it wants, and why. The other party then responds and makes similar presentations to the mediator. In this initial session, the mediator gathers as many facts as possible and clarifies discrepancies. The mediator tries to understand the perceptions of each party, their respective interests, and their positions on the issues.

When joint discussions have reached a stage where no further progress is being made, the mediator often meets with each party in caucuses. While holding separate sessions with each party, the mediator may shuttle back and forth between parties and bring them to joint sessions at appropriate intervals. During each caucus, the mediator clarifies each party's version of the facts, priorities, and positions, loosens rigid stances, explores alternative solutions, and seeks possible tradeoffs. The mediator probes, tests, and challenges the validity of each party's positions. The mediator serves not as an advocate but as an "agent of reality." The mediator must make each party think through its demands, priorities, and views, and deal with the other party's arguments.

An effective mediator knows that demands and priorities shift as ideas meet opposition, different facts are considered, and underlying circumstances change. By exposing the soundness of flat conclusions, a party may reappraise and modify its positions. In effect, the mediator increases the perception of each party about its own

case as well as the other side's case, and builds a settlement range within which the parties can assess the consequences of continuing or resolving the dispute. By having the parties focus on the risks and burdens of litigation, the mediator creates in the minds of the parties the idea that there are alternatives to seek. The parties articulate these possibilities by moving toward tradeoffs and acceptable accommodations.

During the final caucuses and joint sessions, the mediator narrows the differences between the parties and obtains agreement on minor and major issues. The mediator reduces a disagreement into a workable solution. At appropriate times, the mediator makes suggestions about a final settlement, stresses the consequences of failing to reach agreement, emphasizes the progress that has been made, and formalizes offers to gain an agreement. The mediator acts as a facilitator to keep discussions focused and avoid new outbreaks of disagreement. The mediator often has the parties negotiate the final terms of a settlement in a joint session. Also, the mediator verifies the specifics of an agreement and makes sure the terms are comprehensive, specific, and clear in the final session.

The Fifth Step—the Settlement

When the parties reach an agreement, they should reduce the terms to writing and exchange releases. They may also request that the agreement be put in the form of a consent award, for which the AAA will make the arrangements.

If the mediation fails to reach a settlement of any or all of the issues, the parties may submit to binding arbitration. Such arbitration would be administered under the appropriate arbitration rules, copies of which are available through the AAA at no charge. In accordance with the rules, the information offered in mediation cannot be used in arbitration (or in subsequent litigation).

Administrative Fees

The case filing or set-up fee is \$300. This fee is to be borne equally or as otherwise agreed by the parties.

Additionally, the parties are charged a fee based on the number of hours of mediator time. The hourly fee is for the compensation of both the mediator and the AAA and varies according to region. Check with your local office for specific availability and rates.

There is no charge to the filing party where the AAA is requested to invite other parties to join in a submission to mediation. However, if a case settles after AAA involvement but prior to dispute resolution, the filing party will be charged a \$150 filing fee.

The expenses of the AAA and the mediator, if any, are generally borne equally by the parties. The parties may vary this arrangement by agreement.

Where the parties have attempted mediation under these rules but have failed to reach a settlement, the AAA will apply the administrative fee on the mediation toward subsequent AAA arbitration, which is filed with the AAA within ninety days of the termination of the mediation.

Deposits

Before the commencement of mediation, the parties shall each deposit such portion of the fee covering the cost of mediation as the AAA shall direct and all appropriate additional sums that the AAA deems necessary to defray the expenses of the proceeding. When the mediation has terminated, the AAA shall render an accounting and return any unexpended balance to the parties.

Refunds

Once the parties agree to mediate, no refund of the administrative fee will be made.

How can I get more information?

The nearest AAA office can provide you with additional information or a copy of the rules. The AAA also publishes *Business Mediation—What You Need to Know*, by Robert Coulson, which explains in greater detail how mediation can effectively resolve business disputes. The AAA has also produced two videotapes, *Mediation: Negotiating Settlements* and *Mediation of a Construction Dispute*, that illustrate the mediation process. The Department of Publications in New York can be contacted regarding any of this material.

The American Arbitration Association

The services in administration of arbitration described in this booklet, as well as administration of labor-management and international-trade arbitration, represent one aspect of Association activities. Its other chief functions are education, promotion, and research into the uses of arbitration for settling all types of dispute.

For these purposes, the AAA was founded in 1926 as a private, not-for-profit organization "to foster the study of arbitration, to perfect its techniques and procedures under arbitration law, and to

advance generally the science of arbitration." In line with this purpose, the Association conducts programs at universities and law schools, bar associations, labor unions, trade associations, and civic organizations of all kinds. Special research projects are also undertaken, often at the request of member organizations, to help adapt arbitration procedures to the needs of particular industries.

Among the Association's publications are a quarterly magazine, a quarterly letter on legal issues, a quarterly bulletin for members, specialized books, videotapes, and pamphlets on arbitration practice and procedure, and outlines for teaching arbitration and arbitration law courses.

The educational aspects of Association work are supported by tax-deductible contributions and membership fees. Its membership rolls include companies, labor unions, trade associations, civic groups, foundations, and organizations of all kinds, as well as individuals who believe in arbitration. It is inherent in the impartial nature of the Association that in the conduct of arbitration members and nonmembers are treated equally; no advantage accrues to any party from membership in the AAA, *insofar as case administration is concerned*.

Nevertheless, there are many advantages in joining the Association. Members of the AAA receive certain regular and special publications, and have access to the Association's research and educational facilities. For many member organizations, these services are a valuable asset, often making it possible for corporation counsel and other staff members to use their time much more profitably. But, above all, membership makes it possible for the American Arbitration Association to assist the business community at large with many stand-by services that cannot be paid for on a case-by-case basis. Business people who would like more information about how arbitration serves them, and on how they may participate, are invited to address their inquiries to the AAA's Membership Department.

AAA Offices

- AZ Phoenix (85012-2365) • Harry Kaminsky**
333 East Osborn Road, Suite 310 • (602) 234-0950/230-2151 (Fax)
- CA Irvine (92714-6220) • Lori S. Markowicz**
2601 Main Street, Suite 240 • (714) 474-5090/474-5087 (Fax)
- Los Angeles (90010-1108) • Jerrold L. Murase**
3055 Wilshire Boulevard, Floor 7 • (213) 383-6516/386-2251 (Fax)
- San Diego (92101-5278) • Dennis Sharp**
525 C Street, Suite 400 • (619) 239-3051/239-3807 (Fax)
- San Francisco (94104-1113) • Charles A. Cooper**
417 Montgomery Street • (415) 981-3901/781-8426 (Fax)
- CO Denver (80264-2101) • Mark Appel**
1660 Lincoln Street, Suite 2150 • (303) 831-0823/832-3626 (Fax)
- CT East Hartford (06108-3240) • Karen M. Jalkut**
111 Founders Plaza, Floor 17 • (203) 289-3993/282-0459 (Fax)
- DC Washington (20036-4104) • Garylee Cox**
1150 Connecticut Avenue, NW, Floor 6 • (202) 296-8510/872-9574 (Fax)
- **Office of National Affairs • Thomas R. Colosi**
1730 Rhode Island Avenue, NW, Suite 512 • (202) 331-7073/331-3356 (Fax)
- FL Miami (33131-2501) • René Grafals**
99 SE Fifth Street, Suite 200 • (305) 358-7777/358-4931 (Fax)
- Orlando (32801-2742) • Mark Sholander**
201 East Pine Street, Suite 800 • (407) 648-1185/649-8668 (Fax)
- GA Atlanta (30345-3203) • India Johnson**
1975 Century Boulevard, NE, Suite 1 • (404) 325-0101/325-8034 (Fax)
- HI Honolulu (96813-4714) • Keith W. Hunter**
810 Richards Street, Suite 641 • (808) 531-0541/533-2306 (Fax)
In Guam, (671) 477-1845/477-3178 (Fax)
- IL Chicago (60601-7601) • David Scott Carfello**
225 North Michigan Avenue, Suite 2527 • (312) 616-6560/819-0404 (Fax)
- LA New Orleans (70130-6101) • Deann Gladwell**
650 Poydras Street, Suite 1535 • (504) 522-8781/561-8041 (Fax)
- MA Boston (02110-1703) • Richard M. Reilly**
133 Federal Street • (617) 451-6600/451-0763 (Fax)
- MI Southfield (48034-7405) • Mary A. Bedikian**
Ten Oak Hollow Street, Suite 170 • (313) 352-5500/352-3147 (Fax)
- MN Minneapolis (55402-1092) • James R. Deye**
514 Nicollet Mall, Suite 670 • (612) 332-6545/342-2334 (Fax)
- MO Kansas City (64106-2110) • Lori A. Madden**
1101 Walnut Street, Suite 903 • (816) 221-6401/471-5264 (Fax)
- St. Louis (63101-1614) • Neil Moldenhauer**
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Country Road, Suite 603 • (516) 222-1660/745-6447 (Fax)
New York (10020-1203) • Carolyn M. Penna
140 West 51st Street • (212) 484-4000/307-4387 (Fax)
Syracuse (13202-1376) • Deborah A. Brown
205 South Salina Street • (315) 472-5483/472-0966 (Fax)
White Plains (10601-4485) • Marion J. Zinman
34 South Broadway • (914) 946-1119/946-2661 (Fax)

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428 East Fourth Street, Suite 300 • (704) 347-0200/347-2804 (Fax)

OH Cincinnati (45202-2809) • Philip S. Thompson
441 Vine Street, Suite 3308 • (513) 241-8434/241-8437 (Fax)
Middleburg Heights (44130-3490) • Audrey Mendenhall
17900 Jefferson Road, Suite 101 • (216) 891-4741/891-4740 (Fax)

PA Philadelphia (19102-4106) • Kenneth Egger
230 South Broad Street, Floor 6 • (215) 732-5260/732-5002 (Fax)
Pittsburgh (15222-1207) • John F. Schano
Four Gateway Center, Room 419 • (412) 261-3617/261-6055 (Fax)

RI Providence (02903-1082) • Mark Bayliss
115 Cedar Street • (401) 453-3250/453-6194 (Fax)

TN Nashville (37219-2111) • Sheila R. Barton
221 Fourth Avenue North • (615) 256-5857/244-8570 (Fax)

TX Dallas (75240-6620) • Helmut O. Wolff
Two Galleria Tower, Suite 1440 • (214) 702-8222/490-9008 (Fax)
Houston (77002-6707) • Therese Tilley
1001 Fannin Street, Suite 1005 • (713) 739-1302/739-1702 (Fax)

UT Salt Lake City (84111-3834) • Kimberly L. Curtis
645 South 200 East, Suite 203 • (801) 531-9748/531-0660 (Fax)

WA Seattle (98101-2511) • Neal M. Blacker
1325 Fourth Avenue, Suite 1414 • (206) 622-6435/343-5679 (Fax)

001722

Issue: BellSouth/AT&T Executive Sessions on TSP-Network Operations
Date: 5/24/96
Place: AT&T INCONNECTION

Participants: Name Title

Notes: Material used in 5/24/96 Session

Submitted By:

Name: JAY BRADBURY
Tel: 404 810-8005

**Unbundled Network Elements
Local Platform**

- 47. AT&T and the ILEC agreements on the flow of CARE records for correct provisioning and billing to IXCs.
- 48. Any new electronic interface will have no negative impact on existing interfaces AT&T may have with the LEC today for traditional services.
- 49. AT&T requires a process to expedite an order on a customers behalf.

Illustrative Service Assurance Requirements:

Synopsis of Measure Of Quality for ILEC Performance

	Threshold	Metric
	MAINTENANCE	
1	Time To Repair (1) <= 8 hours <= 24 hours	85% 95%
2	Average Time To Repair (1)	10.5 hours
3	Repeat Trouble Reports (2)	3%
4	Troubles per 100 access lines (3)	<= 1.4
	PROVISIONING	
5	Percent Installation Commitment Met (4)	99.5%
6	Time To Install - all orders <= 2 days	95%
7	Firm Order Confirmation Sent - 24 hours from the time of receipt of an AT&T order	99.5%
8	Installed Correctly (No troubles with 30 days)	<= 2%
9	Missed Appointments (5) (To Customer's Location)	0%

For **Maintenance**, the access vendors have reported data to the FCC. Based on 1994 Y-T-D figures, the suggested thresholds for Average Time To Repair and Trouble per 100 Lines are Best-In-Class or better. The worst performance for Average Time To Repair is 37.8 (US West) and the average for all RBOCs is 22.3 hours. The worst performance for Trouble per 100 Lines is 3.22 (NYNEX) and the average for all RBOCs is 2.52. Other metrics are new and Best-In-Class figures will be established with our own providers after collecting data for three full months.

For **Provisioning**, the access vendors have reported data to the FCC on Percent Installation Commitment Met only. Based on the 1994 Y-T-D figures the suggested thresholds for it is Best-In-Class. The worst performance is 97.3 (US West) and

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**Unduplicated Network Elements
Local Platform**

the average for all RBOCs is 98.6%. Other metrics are new and Best-In-Class figures will be established with our own providers after collecting data for three full months.

Definitions

Performance is measured on a monthly basis, unless otherwise noted.

1. Repair is when service is restored by the ILEC on troubles reported by AT&T, not necessarily on the same architecture, but with the same or improved service quality. Average Time To Repair is the average time (in hours) to repair all troubles (less customer reasons). Initial plus repeat troubles are included in the base.
2. Repeat Rate is based on any ILEC troubles reported by AT&T on an access line that occurs more than once in the current report month plus the previous report month. Multiple troubles on a single access line reported within this two month period, regardless of quantity or trouble disposition, is considered a single repeat event. The divisor of this metric will be the number of troubles reported to the ILEC by AT&T (excluding customer reasons) in the two month period.
3. Initial plus repeats are include in the base. Troubles less customer reasons comprise the base of troubles.
4. On Time measurements starts when the ILEC receives an order at their first gateway to when the customer has service.
5. Missed Appointments measures those times when the ILEC, through no fault of the customer, missed the appointment time made by AT&T for AT&T's end-user customer.

B. Maintenance

AT&T requires that the Incumbent LEC (ILEC) maintain AT&T's customers in a manner that is timely, consistent and at parity with the ILEC's customers. At a minimum, the quality of the leased elements should match that of the ILEC's own elements and in general conform to all applicable Bellcore and ANSI requirements specific to the type of service to be provided.

AT&T requires the ILEC establish and staff a Maintenance Center to act as AT&T's single point of contact (SPOC) for all maintenance functions and should operate on a 24 hour day, 7 days a week basis.

**Unbundled Network Elements
Local Platform**

All trouble shooting will be performed by the ILEC and the ILEC will be responsible for the reported trouble until turned back to AT&T.

AT&T requires an escalation process be established for resolving maintenance troubles.

The ILEC should perform a Mechanized Loop Test (Quick Test) at the request of the AT&T work center while the work center is on line.

AT&T requires the ILEC to honor all dispatch requests on a 24 hour by 7 day basis.

AT&T requires a real-time industry standard electronic interface (EBI) to perform the following functions:

- Trouble Entry
- Obtain Trouble Report Status
- Obtain Estimated Time To Repair (ETTR) and ILEC Ticket Number
- Trouble Escalation
- Network Surveillance - Performance Monitoring (i.e., proactive notification of "auto detects" on network outages from the local supplier)

AT&T requires the ILEC to provide progress status reports so that AT&T maintenance work centers will be able to provide end user customers with detailed information and an estimated time to repair (ETTR).

AT&T requires parity with the ILEC regarding knowledge of any engineering changes associated with the incumbent's element technologies.

The ILEC will close all trouble reports with AT&T. AT&T will close with the end user. The ILEC's outside technicians will clear to the network interface and provide callback from the fault location to AT&T.

The ILEC will transfer any misdirected calls received from AT&T customers to the AT&T work center 800 number.

AT&T requires that all maintenance charges (time and materials, by customer, per event) be provided verbally at ticket close out. The ILEC will use an AT&T branded form that will be signed by the customer, capture all maintenance and service charges incurred by the customer and be forwarded or faxed to the AT&T work center by the end of the day when the repair is completed.

AT&T requires pre-screening of any ILEC activities that will incur charges to AT&T. This includes authorization by AT&T

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Local Platform**

if a dispatch is required to the customer premises as well as verification on actual work completed.

AT&T requires the ILEC develop a formal process to track, analyze and continuously improve service levels.

AT&T requires negotiated performance metrics with the ILEC to be reviewed quarterly or on an as needed basis.

All ALIT/SLIT (Auto / Subscriber Line Tests) tests performed on AT&T customers that result in a failure will be reported to AT&T.

AT&T requires an AT&T branded, or at a minimum a non branded, customer-not-at-home card be left at the customers premises when an AT&T customer is not at home for an appointment.

AT&T will coordinate dispatches to the customer premises. This includes re-dispatches for customer not-at-home.

The ILEC will ensure that all applicable alarm systems that support AT&T customers are operational and the supporting databases are accurate so that equipment that is in alarm will be properly identified. The ILEC will respond to AT&T customer alarms consistent with how and when they respond to alarms for their own customers.

AT&T requires individual Emergency Restoration and Disaster Recovery Plans be developed. The Plans should outline methods for the restoration of each central office in the local network provider territory as well as contain site specific restoration alternatives which could be implemented based on the magnitude of the disaster. Each plan should incorporate at a minimum the following elements:

ILEC Single Point of Contact single point of contact (SPOC)

- Responsible for notification of AT&T work center
- Responsible for the initiation of the ILEC's restoration plan
- Status and problem resolution during the entire restoration process

Restoration Equipment Dispatch Plan

- Documented procedure on how the equipment will be dispatched to restoration site
- Estimated maximum time for the restoration equipment to arrive on site

AT&T requires prior notification, with the option to influence the decision (time frame - TBD), of any scheduled maintenance activity performed by the local supplier that

may be service affecting to AT&T local customers (i.e., cable throws, power tests, etc.).

AT&T requires knowledge of the criteria and process used for handling facility and power outages on an agreed upon severity and priority basis.

C. Recording

AT&T requires that records of our recorded messages be received on a daily basis.

DMOQs for the receipt of these records are as follows:

- 99% of the usage must be received within five days,
- 99.95% within ten days.

The ILEC will take corrective action if the agreed to DMOQs are not being met.

ILEC will provide reports quantifying the number of records discarded or rejected during processing.

ILEC will do detailed recording of all AT&T usage including local, intralata toll interlata calls and usage sensitive CLASS/LASS features.

ILEC will also provide the following records for access and mutual compensation billing:

- All originating (completed and incomplete) calls routed to an IXC.
- All terminating calls received from an IXC.
- All terminating calls received from the ILEC, other CLECs Cellular MTSOs and Independent companies.

All records received for access or mutual compensation billing will carry the carrier identification code of the distant carrier to allow AT&T to generate the proper billing to that carrier.

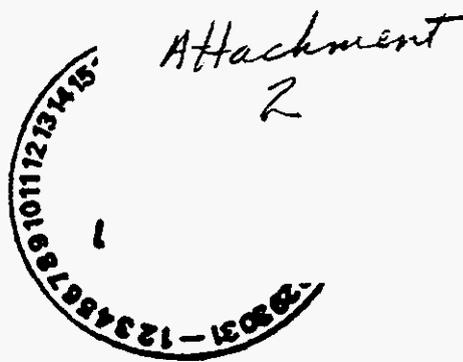
AT&T prefers to receive all records in the raw AMA format. If this is not available then an EMI/EMR format for record exchange is acceptable.

The medium for receiving these records will be mechanized via the currently used connect direct transfer protocol.

AT&T would like to have the access and mutual compensation records separated from the customer usage records.

Mary Jo Peed
General Attorney

Attachment
2



BellSouth Telecommunications, Inc.
Legal Department - Suite 4300
675 West Peachtree Street
Atlanta, Georgia 30375-0001
Telephone: 404-335-0705
Facsimile: 404-688-3988

April 17, 1996

Sylvia E. Anderson
Promenade I
1200 Peachtree Street, N.E.
Atlanta, GA 30309

Re: Neil Brown's document request of April 4, 1996; and
Matters Regarding the Confidentiality Agreement

Dear Sylvia:

In response of Mr. Brown's document request of April 4, 1996, BellSouth will provide whatever data it may have in response to data request no. 5 regarding network elements that are technically feasible of being unbundled and that would be responsive to the requirements of section 251(c)(3). BellSouth will also provide whatever data BellSouth may have in response to data request no. 7. BellSouth has already provided the data associated with data request no. 6.

As to data request no. 2, BellSouth has not completed its Florida and North Carolina Resale Cost Study. BellSouth will only provide its Tennessee Resale Cost Study if AT&T will ensure that the data will not be shared with any AT&T representative associated in any way with the Tennessee regulatory proceeding regarding resale. It is BellSouth's position that the Tennessee regulatory proceeding is not a "related proceeding" under the confidentiality agreement executed by Suzie and Preston. To the extent that AT&T is requesting data other than the resale cost studies similar to the Georgia study, BellSouth does not have any responsive data.

BellSouth will not provide the data requested in data request nos. 1, 3, 4, and 8. These requests are not relevant to the current negotiations.

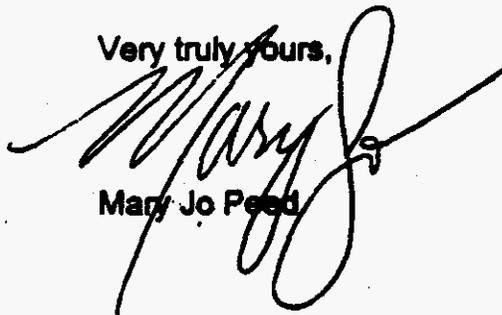
Sylvia, I am somewhat concerned about the implementation of the confidentiality agreement that was executed between the two parties and therefore, I believe that some clarification may be appropriate. BellSouth believes that it is very important that

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the exchange of information between our two companies conform to the language of the confidentiality agreement and that the information exchanged not be used for any other purpose or by any other AT&T or BellSouth personnel not associated with the negotiations process. In that regard, I request that AT&T provide to BellSouth a list of the individuals associated with the negotiations process and that AT&T agree that only those persons listed will be provided with the confidential data. I will ensure that BellSouth will do the same. Further, if any of the individuals associated with the negotiations process are also involved in any state or federal regulatory proceeding unrelated to the negotiations, that these individuals be charged with the responsibility of keeping the knowledge and use of that data separate. There may be instances where AT&T or BellSouth may request the same data in a regulatory proceeding unrelated to the negotiations. In these cases, the companies must agree to utilize the discovery process of the appropriate regulatory agency to gain access to the data.

Lastly, I believe it is essential that we clarify the meaning of a "related proceeding" under the confidentiality agreement signed by Suzie and Preston. It was BellSouth's understanding that a related proceeding meant a proceeding that could occur under the Telecommunications Act of 1996 and thus began subsequent to the negotiation period. There are currently no such related proceedings. I would ask that AT&T formally concur in this understanding.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mary Jo Peed", written in a cursive style. The signature is positioned above the printed name.

Mary Jo Peed

cc: Suzie Lavett
Bob Scheye

001730

Mrs. Mary Jo Peed
Page 2
April 23, 1996

functionally equivalent, this data is relevant as evidence of the cost of interconnection and relates to Bell South's obligations to provide cost-based pricing for interconnection pursuant to the Act.

With respect to Data Request No. 8, AT&T's request for interconnection agreements between BellSouth and any Local Exchange Companies (LECs), section 252 (a) (1) of the Act provides that "any interconnection agreement negotiated before the date of the enactment of the Telecommunications Act of 1996" between an incumbent LEC and any telecommunications carrier "shall be submitted to the State commission under subsection (e) of this section" (emphasis added). Subsection (e) (2) (A) authorizes the State commission to reject such a pre-existing agreement if it "discriminates against a telecommunications carrier not a party to the agreement." Finally, section 252 (i) mandates that "any interconnection, service, or network element provided under an agreement approved under this section" be made available "to any other requesting telecommunications carrier upon the same terms and conditions..."

Furthermore, Section 251 (c) (2) (C) obligates BellSouth to provide interconnection that "is at least equal in quality to that provided by the local exchange carrier to itself or to any subsidiary, affiliate, or any party to which the carrier provides interconnection" (emphasis added). AT&T is entitled to these same interconnection arrangements. A review of their terms will enable AT&T to determine if any of these existing agreements will meet its needs for interconnection. The relevance of these agreements to these negotiations couldn't be plainer. Providing telecommunication carriers such as AT&T with access to these agreements facilitates meaningful negotiations and affords prospective entrants an alternative while they pursue their own negotiations.

In summary, AT&T requests that BellSouth reconsider its decision to withhold the requested data discussed above. Without access to this data, it will be impossible for AT&T to negotiate the wholesale pricing for resold services and nondiscriminatory interconnection contemplated by the Act. We request that you provide the remaining data requested by AT&T in its April 4, 1994 letter at our Core Team meeting tomorrow.

Your letter also states that BellSouth will provide the data that responds to Data Request Nos. 5 and 7. Please provide this data tomorrow at our Core Team meeting. In addition, your letter states the Florida and North Carolina Wholesale TSLRIC Cost Studies are not complete. Please provide these as well promptly upon their completion.

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Ms. Mary Jo Peed
Page 3
April 23, 1996

CONFIDENTIALITY AGREEMENT

With respect to your concern that AT&T may not adhere to the terms and conditions of the Confidentiality Agreement, I can assure you that AT&T will adhere to its obligations under that agreement and any other agreement into which we enter, including any such agreement entered into in connection with any regulatory proceeding. As to your view that the meaning of a "related proceeding" under the Confidentiality Agreement means a proceeding contemplated by the Telecommunications Act of 1996, we agree. Accordingly, please release Data Request No. 2, the withheld Tennessee Cost Studies, upon receipt of this letter.

Finally, as to your request that the parties exchange lists of individuals associated with the negotiations process, I am troubled by this request. Mary Jo, our companies have already spent a great deal of time on procedural matters, including the negotiation, approval and execution of the Confidentiality Agreement. This agreement already prescribes standards for the disclosure, protection and treatment of confidential information exchanged by the parties. Your request is inconsistent with those standards, and is likely to impose further delay in these negotiations by delaying release of the requested information while AT&T assembles a list of those AT&T personnel involved in negotiations. AT&T sees no need to modify further the existing Confidentiality Agreement, which was reviewed and approved by BellSouth and AT&T Executive Team established for these negotiations.

Let's avoid any further delay in negotiating substantive issues.

Sincerely,



Sylvia E. Anderson

sea/sgc

Attachment

cc: AT&T Leadership Team
AT&T Core Team

001733

Attachment

FILE BELL SOUTH NEGOTIATION

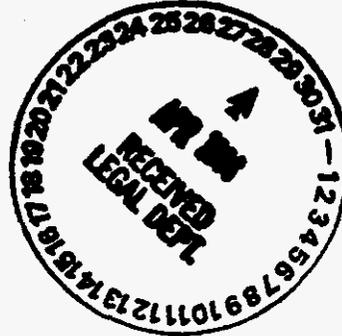
+



Sylvia E. Anderson
Chief Commercial Counsel
Southern Region

Promenade I
1200 Peachtree Street, N.E.
Atlanta, GA 30309
404 810-8070
FAX: 404 810-8629

April 29, 1996



Ms. Mary Jo Peed
General Attorney
BellSouth Telecommunications, Inc.
675 West Peachtree Street, Suite 4300
Atlanta, GA 30375-0001

Dear Mary Jo:

This confirms what we discussed in our telephone conversation on April 26, 1996, regarding AT&T's data request of April 4, 1996 and your response of April 17, 1996.

After a lot of confusion which you acknowledged, BellSouth finally agreed to deliver certain data which BellSouth previously committed to providing. During our telephone conversation, you confirmed that BellSouth would be delivering data that responds to Data Requests Nos. 5 and 7. You described this data as unbundled loop studies, unbundled port studies, and residential and business usage data. You also stated that BellSouth will be using a docket manager to identify additional data that may be responsive to Data Requests Nos. 5 and 7. Please provide any such data promptly.

You also confirmed that BellSouth has not changed its position with respect to Data Requests Nos. 1, 3, 4 and 8 and that BellSouth will not be providing AT&T with any of this data. AT&T strongly disagrees with your position that this data is not relevant to the negotiations. For instance, BellSouth's quantification of its own costs for each of its services obviously is an appropriate starting point for identifying costs that will be avoided. The failure to provide the service specific cost studies requested by AT&T makes it impossible to engage in meaningful negotiations on BellSouth's avoided costs.

Sincerely,

Sylvia E. Anderson
Sylvia E. Anderson

sea/sgc

cc: AT&T Leadership Team

AT&T Core Team

bcc: R. Briney ✓
G. Coker
R. Douglas
D. Winegard

001734

Attachment

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April 30, 1996

Via Fax to: Suzie Lavett
BellSouth Cor

At yesterday's AT&T/BellSouth Cost/Price Negotiations meeting, I committed to try to provide to BellSouth a more limited and focused version of our April 4 Data Request, along with the rationale for needing the data. Scott Schaefer and Bob Scheye committed to reconsider BellSouth's position on not responding to certain items.

AT&T requests that you provide Item 1, Retail Service Cost Studies. I believe that Bob Scheye implied that BellSouth does not have Item 2, Wholesale Service Cost Studies. To the extent that such Wholesale studies do exist or are developed AT&T requests that you provide them. The underlying details and descriptions of specific cost elements and whether or not they have been included or excluded is essential to meaningful dialogue on avoidable costs relating to wholesale discounts for TSR. We cannot judge the quality of your avoidable cost studies nor negotiate in good faith for a wholesale discount without the understanding that would be gained from the requested data.

Items 3 and 4 may be set aside for now. AT&T will evaluate the responses to 1 and 2 to determine whether there is a need for pursuing 3 and 4.

You have partially responded to Item 5, TSLRIC for Unbundled Network Elements and Item 7, associated Methodology. Wayne Ellison provided a request for back-up detail on these Items.

Item 8, copies of all existing Interconnection Agreements, are still required since AT&T would expect to obtain interconnection at rates, terms, and conditions which are equal to or better than those provided to any other party. Any other provision would be discriminatory to AT&T.

Suzie, at tomorrow's Core Team meeting, please deliver responses, inasmuch as possible, to Items 1 and 2 and to Wayne Ellison's request for back-up data, and please advise just when and what else will be available. Also please provide the Cost Contact within BellSouth so we can meet with that person on Thursday, May 2, to further understand what you provide tomorrow and to review bulk material which resides at BellSouth Center or elsewhere.

Thank you for expediting these matters. I will look forward to seeing you tomorrow.



Neil E. Brown

Cc: Preston Foster, Sylvia Anderson, AT&T Cost/Price Team

001735

TOTAL P. 02



CSG Market Development

1200 Peachtree St.
Atlanta, GA 30309

May 3, 1996

Suzie Lavett
BellSouth
3535 Colonnade Parkway
Room E5G
Birmingham, AL 35243

(VIA FAX 404-420-0031)

Dear Suzie:

Below, as information and for action, are items from our May 1, 1996 joint Core Team Meeting. They are:

1. Preston Foster, AT&T's Lead Negotiator, and Neil Brown, AT&T's Lead Cost Negotiator, followed up on their April 4, 1996 request for service specific avoided cost studies. Brown reiterated the need for service specific avoided cost studies in order to understand, relative to each service available for resale, which costs are avoided. AT&T needs this information to determine the appropriate wholesale pricing. Suzie Lavett, BST's Lead Negotiator, said that BellSouth was revisiting which studies would be made available and which studies they considered not relevant. BST will, however, allow AT&T to view lists of categories used by BST in their cost studies on Friday, May 3, 1996 by providing AT&T with access to redacted service specific avoided cost studies (blocking out specific numbers). BST committed to provide Neil with a contact by Thursday, May 2 for details regarding review of such redacted cost studies.
2. Regarding Wayne Ellison's request for additional information on the unbundled cost studies, Suzie will have Frank Kolb call Neil on Thursday to work out details.
3. Regarding the pre-ordering interface for reservation of telephone numbers, BST is checking on alternatives. They'll report back next Wednesday.
4. Local Maintenance Electronic Bonding escalation was tabled. We agreed to review the escalation form and bring it up to date.
5. Regarding rates to be applied to TSR calls from AT&T customers lines to BST customers lines when calls are made collect, third number, or billed to BST calling cards, BST is reviewing current work, and will report next Wednesday.

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6. Regarding PIC changes, Suzie will review progress, review the wording of the escalation form, and report back Wednesday.
7. Pam and Suzie agreed to review all action items introduced today plus the five that have already been escalated, by no later than Tuesday.
8. We discussed Scott Schaefer's 4/30 letter to Jim Carroll of AT&T regarding electronic interface. AT&T questioned whether EDI was being offered as the ultimate solution or as the interim solution as previously discussed. BST said that they viewed EDI as their long-term solution. AT&T reiterated that real-time electronic interface at parity with BST was the requirement. AT&T agreed to provide a written response to Scott Schaefer's letter by Friday, May 3, 1996.
9. BST would like AT&T to withdraw its request for electronic interface from the Georgia PSC. AT&T stated that they were not sure if BellSouth's proposed EDI implementation would meet long term needs. AT&T agreed to consider withdrawal of this issue from Georgia PSC petition if all of its needs are met in terms of substance and timing (including the provision of real-time interfaces by July 1, 1996).
10. We agreed to have the SMEs meet on Monday, May 6, 1996 for a thorough review of the electronic interface/EDI issue, and provide a status report to the Core Team on Wednesday. We agreed to weekly status reports thereafter.
11. Regarding the Louisiana Resale Tariff, AT&T agreed to provide BST with a list of questions by Monday, May 6. BST to respond by Wednesday.

Thank you for your attention to these matters. Feel free to call me at any time on (404) 810-8548.

Sincerely,



Preston G. Foster
Lead Negotiator
AT&T

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Attachment

7

Mary Jo Peed
General Attorney

BellSouth Telecommunications, Inc.
Legal Department - Suite 4300
675 West Peachtree Street
Atlanta, Georgia 30375 0001
Telephone 404.335.0705
Facsimile 404.568.3968

May 3, 1996
VIA FACSIMILE

Sylvia E. Anderson
Promenade I
1200 Peachtree Street, N.E.
Atlanta, GA 30309

Re: April 4 and April 29 Data Requests

Dear Sylvia:

The purpose of this letter is to convey BellSouth's position in regards to the above mentioned data requests. As you and I know, there are a number of outstanding issues surrounding these two requests. It is BellSouth's hope that we can put a number of these issues to rest.

BellSouth believes that the April 4, 1996 data request no. 1 concerning the LRIC cost studies of a number of BellSouth's retail services is not relevant to the negotiations. BellSouth has provided the cost studies and workpapers that were prepared by the company to determine the costs avoided by providing a retail service on a wholesale basis. It is my understanding that there has been little to no discussion regarding the substance of these studies between the two cost teams. Further, AT&T's own cost study regarding the avoided costs is a fully distributed cost study based upon ARMIS data. It seems to me to be inconsistent that AT&T would present a fully distributed cost study as evidence of the appropriate discount for wholesale services yet demand LRIC data from BellSouth.

BellSouth's position regarding the LRIC cost studies of our retail services has not changed. However, as I stated Wednesday at the core team meeting, BellSouth has been working hard toward finding a compromise regarding request no. 1. As such and in the spirit of good faith negotiations, BellSouth will provide to AT&T the cost categories for the services delineated in data request no. 1. These documents should be faxed to Mr. Brown's office sometime today.

As to the follow up requests Neil Brown sent to Suzie on April 29, 1996 after his review of the loop, port and usage studies provided Friday, April 26, 1996, BellSouth is not, at the present time, ready to respond to these requests. I have requested that

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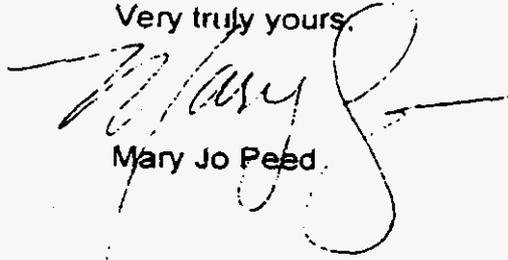
Frank Kolb call Neil Brown and set up a meeting in order for BellSouth and AT&T to discuss these requests. The agenda for this meeting will be as follows: to go through each of the requests to understand the purpose of the inquiry and to determine whether there is a common understanding of the information that was provided to AT&T; to determine whether AT&T's inquires go to the methodology of the studies or simply to the calculations made within the studies; and lastly, to determine, how each of the requests is relevant to the determination of the price for the network elements requested by AT&T. BellSouth is of the opinion that this meeting must take place in that the requests submitted are to a level of detail somewhat troubling to BellSouth in the context of the negotiations. If it is concluded that AT&T is concerned about the methodology, BellSouth would agree to an examination of BellSouth's cost studies by an independent auditor selected by BellSouth and paid for by AT&T.

Neil indicated on Wednesday, that there may be a need for me to clarify a statement that I made in my April 17, 1996 letter to you as that letter relates to data request no. 2. Data request no. 2 concerned wholesale TSLRIC or LRIC studies for the retail services on the matrix attached to the data request. I responded that BellSouth had provided the Tennessee and Georgia avoided cost study and that the similar studies for Florida and North Carolina had not been completed. I then stated that "to the extent that AT&T is requesting data other than the resale cost studies similar to the Georgia study, BellSouth does not have any responsive data." I want to clarify, based on Neil's comments on Wednesday, that BellSouth does not have any data responsive to data request no. 2. BellSouth has not performed TSLRIC or LRIC wholesale studies. BellSouth has performed avoided cost studies and has provided to AT&T those that are complete.

Lastly, I also want to clarify BellSouth's position that, at present, there are no related proceedings ongoing in any of the BellSouth states and will not be unless the negotiations fail, which I believe that they will not, and AT&T or BellSouth files for arbitration in any or all of the BellSouth states. I also understand this to be AT&T's position, although, in rereading your letter, dated April 23, 1996, I became a little less sure, because of your statement in the last sentence in the first paragraph on page 2. Would you be so kind as to clarify your position on this issue.

It looks like it will be a lovely weekend here in Atlanta, I hope you will be here to enjoy it.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mary Jo Peed". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mary Jo Peed

cc: Scott Schaefer
Suzie Lavett
Bob Scheye
Frank Kolb

001740

3

BELL

8

VICATIONS, INC.
MENT
Center
Street
0375

FAX: (404) 614-4054

TO: Neil Brown

NO. PAGES: 2
(Incl. cover)

PHONE NO: 810-7269

FAX NO: 810 8477-7744

FROM: Mary Topeck

PHONE NO: 404 335-0705

URGENT

NORMAL

<u>Per your Request</u>

This facsimile contains privileged and confidential information intended only for the use of the Addressee(s) named above. If you are not the intended recipient of this facsimile, or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination or copying of this facsimile is strictly prohibited. If you have received this facsimile in error, please immediately notify us by telephone and return the original facsimile to us at the above address via the U.S. Postal Service. Thank you.

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A. Cost Categories included in RingMaster studies

- I. Central Office
 - Processor use
 - Memory
 - RTU Fees
 - Translations
- II. Advertising
- III. Product Management

B. Cost Categories included in Custom Calling Services (flat-rated) studies

- I. Central Office
 - Special Circuitry
 - Switch use
 - Processor use
 - Memory
 - RTU Fees
 - Translations
- II. Product Management

C. Cost Categories included in TouchStar Services (flat-rated) studies

- I. Central Office
 - Special Circuitry
 - Switch use
 - Processor Use
 - Memory
 - RTU Fees
 - Translations
- II. SS7 Network use
- III. Product Management
- IV. Advertising

D. Cost categories included in Service Order cost studies

- I. Business Office
- II. Cable & Wire Assignment
- III. Number Administration
- IV. Line Translation
- V. Central Office Installation
- VI. Material
- VII. Computer

001742



Sylvia E. Anderson
Chief Commercial Counsel
Southern Region

Promenade I
1200 Peachtree Street, N.E.
Atlanta, GA 30309
404 810-8070
FAX: 404 810-8629

May 7, 1996

VIA U.S. MAIL
AND FACSIMILE TRANSMISSION

Ms. Mary Jo Peed
General Attorney
BellSouth Telecommunications, Inc.
Suite 4300
675 West Peachtree Street
Atlanta, GA 30375-0001

Dear Mary Jo:

Re: AT&T's April 4, 1996 Data Request

For over a month now, AT&T has been asking BellSouth to provide certain cost data, including service specific cost data to enable AT&T to negotiate wholesale discounts for the services delineated by AT&T for Total Services Resale.

During our Wednesday Core Team Meeting, you agreed to provide redacted copies of the original data so that AT&T could at least review the cost categories associated with the delineated services. Indeed, in a letter dated May 3, 1996, you stated:

"BellSouth's position regarding the LRIC cost studies of our retail services has not changed. However, as I stated Wednesday at the core team meeting, Bell South has been working hard toward finding a compromise regarding request no. 1. As such and in the spirit of good faith negotiations, BellSouth will provide to AT&T the cost categories for the services delineated in data request no. 1 (emphasis added). These documents should be faxed to Mr. Brown's office sometime today."

Later that day, AT&T received a one page fax. This document, which was obviously created by BellSouth to respond to AT&T's request for service specific cost studies, is wholly inadequate. Its general nature not only falls short of providing AT&T with a meaningful starting point for understanding costs that will be avoided, it also fails to address, as promised in your May 3, 1996 letter, all the services delineated by AT&T in its data request no. 1. (e.g., Basic Flat Rate, Message Rate, Remote Call Forwarding, Direct Dialing Inward, Basic IntraLATA Toll, and Extended Area Services, WATS, WatsSaver[®], ESSX[®]).

Ms. Mary Jo Peed
Page 2
May 7, 1996

We are very disappointed with your response and troubled by the delay this is causing in our negotiations. Accordingly, AT&T is reviewing its available alternatives, including mediation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sylvia EA".

Sylvia E. Anderson

sea/sgc

cc: AT&T Leadership Team
AT&T Core Team

001744

Attachment

10



American
Arbitration
Association

**A
GUIDE
TO
MEDIATION**

001745

FOR BUSINESS PEOPLE

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001746

Dispute Resolution through the American Arbitration Association

Founded in 1926 as a private, not-for-profit organization, the American Arbitration Association remains dedicated to establishing and maintaining fair and impartial procedures of dispute resolution as an effective alternative to the courts. Over the past sixty years, the AAA's reputation for efficient, inexpensive, and neutral administration of the dispute resolution process has spread worldwide.

Along with arbitration, the AAA has developed and promoted other dispute resolution mechanisms, including mediation. Cases submitted under the Commercial and Construction Industry Mediation Rules have had a settlement rate of over 80% and thousands of insurance claims have been successfully mediated under the AAA's Dispute Resolution Procedures for Insurance Claims.

No doubt, you have heard about mediation before, but how does it differ from arbitration? Is the process the same as arbitration? Are the words "arbitration" and "mediation" interchangeable? Are the results the same? The answers to all of these questions, and others, can be found in this brochure.

What is mediation?

Mediation is a process by which parties submit their dispute to a third-party neutral (the mediator) who works with them to reach a settlement of their dispute. Mediation is an extension of the negotiating process. Submitting your dispute to AAA mediation will not cause delay to any pending lawsuit or arbitration you may have. Mediators who serve on the AAA's panel are experts in successful negotiation. Mediators receive a fee from the parties for their services. They are also rewarded by knowing that their efforts have resulted in an amicable settlement of a dispute that would have cost substantial time and money had it been litigated.

How does mediation differ from arbitration?

Arbitration is less formal than litigation, and mediation is even less formal than arbitration. Unlike an arbitrator, a mediator does

not have the power to render a binding decision. A mediator does not hold evidentiary hearings as in arbitration but conducts informal joint and separate meetings with the parties to understand the issues, facts, and positions of the parties. The separate meetings are known as caucuses. In contrast, arbitrators hear testimony and receive evidence in a joint hearing, based on which they render a final and binding decision, known as an award.

In joint sessions or caucuses with each side, a mediator tries to obtain a candid discussion of the issues and priorities of each party. Gaining certain knowledge or facts from these meetings, a mediator can selectively use the information learned from each side to:

- reduce the hostility between the parties and help them engage in a meaningful dialogue on the issues at hand;
- open discussions into areas not previously considered or inadequately developed;
- communicate positions or proposals in understandable or more palatable terms;
- probe and uncover additional facts and the real interests of parties;
- help each party to understand better the other parties' views and evaluations of a particular issue, without violating confidences;
- narrow the issues and each party's positions, and deflate extreme demands;
- gauge the receptiveness for a proposal or suggestion;
- explore alternatives and search for solutions;
- identify what is important and what is expendable;
- prevent regression or raising of surprise issues; and
- structure a settlement to resolve current problems as well as to meet future needs of the parties.

What types of dispute can be resolved by mediation?

Any type of civil dispute can be resolved by mediation. The disputes handled in mediation by the AAA have been varied. Mediations have been conducted in business disputes in the computer and construction fields, in disputes between labor and management, and in the insurance industry, to name a few. Just about any type of dispute that parties want resolved quickly and inexpensively can be submitted to mediation.

The AAA has established Commercial Mediation Rules, Construction Industry Mediation Rules, Family Mediation Rules, and Dispute Resolution Procedures for Insurance Claims, all of which

lay out the guidelines for the mediation process. Copies of these rules are available through the AAA at no charge.

What are the benefits of mediation?

The benefits of successfully mediating a dispute to settlement vary, depending on the needs and interests of the parties. The most common advantages are:

- Parties are directly engaged in negotiating the settlement.
- The mediator, as a neutral third party, can view the dispute objectively and can assist the parties in exploring alternatives that they might not have considered on their own.
- Because mediation can be scheduled early in the dispute, a settlement can be reached much more quickly than in litigation.
- Parties generally save money through reduced legal costs and less staff time.
- Parties enhance the possibility of continuing a business relationship with each other.
- Creative solutions or accommodations to special needs of the parties may become a part of the settlement.

In the interest of swift and low-cost dispute resolution, arbitrations pending under the Commercial, Construction Industry, or Accident Claims Arbitration Rules of the American Arbitration Association can be submitted to mediation under the applicable mediation rules *at no additional administrative fee*.

When can mediation take place?

Mediations can originate in different ways. First, mediation can occur when a dispute initially arises and before a lawsuit is ever filed. Second, mediation can occur as an adjunct procedure to pending litigation. That is, as soon as the parties file a lawsuit, they can use mediation in an effort to resolve the dispute at the inception of litigation or at any time thereafter but prior to a trial being held. Third, mediation can occur during or immediately after a trial but before a decision is announced by a judge or jury. Fourth, mediation can occur after a judgment has been rendered in litigation. There might be a disagreement over the meaning or manner of carrying out a judgment, or concern about the possibility of lengthy court appeals. The parties can seek the assistance of a mediator to help them resolve these problems.

AAA mediators are carefully selected attorneys, retired judges, and experts in various professional and business fields. Each candidate has been trained by the AAA in mediation skills and closely evaluated to determine the level of skills attained. Only very respected and experienced individuals are selected and trained by the AAA to be mediators. The mediators on its panel are chosen to serve on a particular case based on their expertise in the area of the dispute.

How long does scheduling a mediation take?

Once the parties have agreed to submit their dispute to mediation and have executed the appropriate forms, the mediation can be conducted on the first mutually available date. A typical time frame to schedule a hearing once all documentation has been received is three to six weeks. Of course, the parties may agree to have their mediation set for an earlier or later date depending on the circumstances of their case.

How does it work?

The First Step—the Agreement to Mediate

Since mediation is voluntary, the parties must agree in writing that their dispute will be conducted under the applicable mediation rules of the AAA. This may be accomplished in a number of ways:

Requests for Mediation The parties can provide for the resolution of future disputes by including a mediation clause in their contract or other written agreement. A typical mediation clause reads as follows: "The parties hereby submit the following dispute to mediation under the Commercial Mediation Rules of the American Arbitration Association." The clause may also provide for the qualifications of the mediator, the method of payment, the locale of meetings, and any other item of concern to the parties. When a party files a Request for Mediation with the AAA, the requesting party must forward a copy of the mediation clause contained in the contract under which the dispute arose. A facsimile of the Request for Mediation can be found on page 7.

Submission to Mediation Where the parties did not provide in advance for mediation, they may submit an existing dispute to mediation by the filing of a submission form that has been duly executed by the parties or their authorized representatives. A facsimile of the Submission to Dispute Resolution can be found on page 9.

At the alternative submission process any party may request the AAA to invite other parties to join in a submission to mediation, arbitration, or another form of alternative dispute resolution. This request may be made by a letter or a telephone call. Upon receipt of the names, telephone numbers, and addresses of the parties to be contacted and a brief description of the dispute, the AAA will write to the other parties to explain the program, enclosing a submission form and a copy of the rules. Within ten days of sending that letter, an AAA representative will telephone the other parties to further explain the program and answer questions. Although several telephone calls might be necessary to gain a submission, this has proven to be a most effective way of obtaining an agreement.

American Arbitration Association

MEDIATION RULES
REQUEST FOR MEDIATION

DATE: _____

TO: Name _____
(if party other than the person or entity)

Address _____
 City and State _____ ZIP Code _____
 Telephone () _____ Fax _____

The undersigned party to an agreement contained in a written contract, dated _____
 providing for mediation, hereby requests mediation hereunder.
 (Attach the mediation clause or quote it hereunder.)

NATURE OF DISPUTE: _____

CLAIM OR RELIEF SOUGHT: (amount, if any) _____

TYPE OF BUSINESS: Filing Party _____ Responding Party _____

MEDIATION LOCALE REQUESTED: _____
(City and State)

You are hereby notified that copies of our mediation agreement and of this request are being filed with the American Arbitration Association at its _____ office, with the request that it commence the administration of the mediation.

Signed _____ Title _____
(name to appear in correspondence)

Name of Filing Party _____
 Address to be used in connection with the case: _____
 City and State _____ ZIP Code _____
 Telephone () _____ Fax _____

Name of Representative _____
 Representative's Address _____
 City and State _____ ZIP Code _____
 Telephone () _____ Fax _____

To minimize proceedings, please send three copies of this request with the administrative fee, as provided for in the rules, to the AAA. Send the original request to the responding party.

Form 101-100

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frequently, once the letter has been sent and telephone contact has been made by the AAA, the parties have further discussion leading to a settlement. If the other parties do not agree to submit the matter to dispute resolution, there will be *no charge* to the filing party, except that, if the case settles after AAA involvement but prior to submission to dispute resolution, the filing party will be charged a \$150 filing fee.

The document initiating mediation, whether in the form of a Request for Mediation or a Submission, is filed with the AAA and should include a brief description of the nature of the dispute, together with the appropriate administrative fee (see the fee schedule on page 14). The parties are also free to conduct the mediation through correspondence in lieu of an oral presentation, provided all of the necessary information is included.

Upon receipt of a properly filed Request or Submission form, the AAA assigns the case to a *case administrator*. It is the function of the administrator to appoint a mediator, to make the necessary arrangements for the scheduling of a meeting between the mediator and the parties, and to be generally at the disposal of both the parties and the mediator, offering whatever assistance is required in accordance with the applicable rules.

The Second Step—Selection of the Mediator

Upon receiving the Request for Mediation or the Submission to Dispute Resolution, the administrator will appoint a qualified mediator to serve on the case. The parties will be provided with a biographical sketch of the mediator. The parties are instructed to review the sketch closely and advise the Association if they have any objections to the appointment. Since it is essential that the parties have complete confidence that the mediator will be fair and impartial, the Association will replace any mediator not acceptable to the parties.

The Third Step—Preparing for the Mediation Session

A party should do the following to prepare for mediation:

1. Define and analyze the issues involved in the dispute.
2. Recognize the parameters of the given situation (e.g., what one can realistically expect, time constraints, available resources, legal ramifications, business or trade practices, costs, etc.).
3. Identify your needs and interests in settling the dispute.

8. Gather and be ready with facts, documents, and sound reasoning to support your claims.
9. Anticipate the other party's needs, demands, positions, version of facts, and strengths and weaknesses.
10. Focus on the interests, not the position, of each party.
11. Develop your strategies and tactics in discussing issues, presenting proposals, testing other parties' positions, etc.

The Fourth Step—the Mediation Conference

The parties should come to the mediation conference prepared with all of the evidence and documentation they feel will be necessary to discuss their respective cases. Although it is unusual for a party to be represented by an attorney, they are of course permitted to do so. This is a matter of personal preference. It is also not customary to present witnesses in a mediation.

At the outset, mediators describe the procedures and ground rules covering each party's opportunity to talk, order of presentation, decorum, discussion of unresolved issues, use of caucuses, and confidentiality of proceedings.

After these preliminaries, each party describes how it views the dispute. The initiating party discusses its understanding of the issues, the facts surrounding the dispute, what it wants, and why. The other party then responds and makes similar presentations to the mediator. In this initial session, the mediator gathers as many facts as possible and clarifies discrepancies. The mediator tries to understand the perceptions of each party, their respective interests, and their positions on the issues.

When joint discussions have reached a stage where no further progress is being made, the mediator often meets with each party in caucuses. While holding separate sessions with each party, the mediator may shuttle back and forth between parties and bring them to joint sessions at appropriate intervals. During each caucus, the mediator clarifies each party's version of the facts, priorities, and positions, loosens rigid stances, explores alternative solutions, and seeks possible tradeoffs. The mediator probes, tests, and challenges the validity of each party's positions. The mediator serves not as an advocate but as an "agent of reality." The mediator must make each party think through its demands, priorities, and views, and deal with the other party's arguments.

An effective mediator knows that demands and priorities shift as ideas meet opposition, different facts are considered, and underlying circumstances change. By exposing the soundness of flat conclusions, a party may reappraise and modify its positions. In effect, the mediator increases the perception of each party about its own

case as well as the other side's case, and builds a settlement range within which the parties can assess the consequences of continuing or resolving the dispute. By having the parties focus on the risks and burdens of litigation, the mediator creates in the minds of the parties the idea that there are alternatives to seek. The parties articulate these possibilities by moving toward tradeoffs and acceptable accommodations.

During the final caucuses and joint sessions, the mediator narrows the differences between the parties and obtains agreement on minor and major issues. The mediator reduces a disagreement into a workable solution. At appropriate times, the mediator makes suggestions about a final settlement, stresses the consequences of failing to reach agreement, emphasizes the progress that has been made, and formalizes offers to gain an agreement. The mediator acts as a facilitator to keep discussions focused and avoid new outbreaks of disagreement. The mediator often has the parties negotiate the final terms of a settlement in a joint session. Also, the mediator verifies the specifics of an agreement and makes sure the terms are comprehensive, specific, and clear in the final session.

The Fifth Step—the Settlement

When the parties reach an agreement, they should reduce the terms to writing and exchange releases. They may also request that the agreement be put in the form of a consent award, for which the AAA will make the arrangements.

If the mediation fails to reach a settlement of any or all of the issues, the parties may submit to binding arbitration. Such arbitration would be administered under the appropriate arbitration rules, copies of which are available through the AAA at no charge. In accordance with the rules, the information offered in mediation cannot be used in arbitration (or in subsequent litigation).

Administrative Fees

The case filing or set-up fee is \$300. This fee is to be borne equally or as otherwise agreed by the parties.

Additionally, the parties are charged a fee based on the number of hours of mediator time. The hourly fee is for the compensation of both the mediator and the AAA and varies according to region. Check with your local office for specific availability and rates.

There is no charge to the filing party where the AAA is requested to invite other parties to join in a submission to mediation. However, if a case settles after AAA involvement but prior to dispute resolution, the filing party will be charged a \$150 filing fee.

The expenses of the AAA and the mediator, if any, are generally borne equally by the parties. The parties may vary this arrangement by agreement.

Where the parties have attempted mediation under these rules but have failed to reach a settlement, the AAA will apply the administrative fee on the mediation toward subsequent AAA arbitration, which is filed with the AAA within ninety days of the termination of the mediation.

Deposits

Before the commencement of mediation, the parties shall each deposit such portion of the fee covering the cost of mediation as the AAA shall direct and all appropriate additional sums that the AAA deems necessary to defray the expenses of the proceeding. When the mediation has terminated, the AAA shall render an accounting and return any unexpended balance to the parties.

Refunds

Once the parties agree to mediate, no refund of the administrative fee will be made.

How can I get more information?

The nearest AAA office can provide you with additional information or a copy of the rules. The AAA also publishes *Business Mediation—What You Need to Know*, by Robert Coulson, which explains in greater detail how mediation can effectively resolve business disputes. The AAA has also produced two videotapes, *Mediation: Negotiating Settlements* and *Mediation of a Construction Dispute*, that illustrate the mediation process. The Department of Publications in New York can be contacted regarding any of this material.

The American Arbitration Association

The services in administration of arbitration described in this booklet, as well as administration of labor-management and international-trade arbitration, represent one aspect of Association activities. Its other chief functions are education, promotion, and research into the uses of arbitration for settling all types of dispute.

For these purposes, the AAA was founded in 1926 as a private, not-for-profit organization "to foster the study of arbitration, to perfect its techniques and procedures under arbitration law, and to

advance generally the science of arbitration." In line with this purpose, the Association conducts programs at universities and law schools, bar associations, labor unions, trade associations, and civic organizations of all kinds. Special research projects are also undertaken, often at the request of member organizations, to help adapt arbitration procedures to the needs of particular industries.

Among the Association's publications are a quarterly magazine, a quarterly letter on legal issues, a quarterly bulletin for members, specialized books, videotapes, and pamphlets on arbitration practice and procedure, and outlines for teaching arbitration and arbitration law courses.

The educational aspects of Association work are supported by tax-deductible contributions and membership fees. Its membership rolls include companies, labor unions, trade associations, civic groups, foundations, and organizations of all kinds, as well as individuals who believe in arbitration. It is inherent in the impartial nature of the Association that in the conduct of arbitration members and nonmembers are treated equally; no advantage accrues to any party from membership in the AAA, *insofar as case administration is concerned.*

Nevertheless, there are many advantages in joining the Association. Members of the AAA receive certain regular and special publications, and have access to the Association's research and educational facilities. For many member organizations, these services are a valuable asset, often making it possible for corporation counsel and other staff members to use their time much more profitably. But, above all, membership makes it possible for the American Arbitration Association to assist the business community at large with many stand-by services that cannot be paid for on a case-by-case basis. Business people who would like more information about how arbitration serves them, and on how they may participate, are invited to address their inquiries to the AAA's Membership Department.

AAA Offices

- AZ Phoenix (85012-2365) • Harry Kaminsky**
333 East Osborn Road, Suite 310 • (602) 234-0950/230-2151 (Fax)
- CA Irvine (92714-6220) • Lori S. Markowicz**
2601 Main Street, Suite 240 • (714) 474-5090/474-5087 (Fax)
- Los Angeles (90010-1108) • Jerrold L. Murase**
3055 Wilshire Boulevard, Floor 7 • (213) 383-6516/386-2251 (Fax)
- San Diego (92101-5278) • Dennis Sharp**
525 C Street, Suite 400 • (619) 239-3051/239-3807 (Fax)
- San Francisco (94104-1113) • Charles A. Cooper**
417 Montgomery Street • (415) 981-3901/781-8426 (Fax)
- CO Denver (80264-2101) • Mark Appel**
1660 Lincoln Street, Suite 2150 • (303) 831-0823/832-3626 (Fax)
- CT East Hartford (06108-3240) • Karen M. Jalkut**
111 Founders Plaza, Floor 17 • (203) 289-3993/282-0459 (Fax)
- DC Washington (20036-4104) • Garylee Cox**
1150 Connecticut Avenue, NW, Floor 6 • (202) 296-8510/872-9574 (Fax)
- **Office of National Affairs • Thomas R. Colosi**
1730 Rhode Island Avenue, NW, Suite 512 • (202) 331-7073/331-3356 (Fax)
- FL Miami (33131-2501) • René Grafals**
99 SE Fifth Street, Suite 200 • (305) 358-7777/358-4931 (Fax)
- Orlando (32801-2742) • Mark Sholander**
201 East Pine Street, Suite 800 • (407) 648-1185/649-8668 (Fax)
- GA Atlanta (30345-3203) • India Johnson**
1975 Century Boulevard, NE, Suite 1 • (404) 325-0101/325-8034 (Fax)
- HI Honolulu (96813-4714) • Keith W. Hunter**
810 Richards Street, Suite 641 • (808) 531-0541/533-2306 (Fax)
- In Guam, (671) 477-1845/477-3178 (Fax)
- IL Chicago (60601-7601) • David Scott Carfello**
225 North Michigan Avenue, Suite 2527 • (312) 616-6560/819-0404 (Fax)
- LA New Orleans (70130-6101) • Deann Gladwell**
650 Poydras Street, Suite 1535 • (504) 522-8781/561-8041 (Fax)
- MA Boston (02110-1703) • Richard M. Reilly**
133 Federal Street • (617) 451-6600/451-0763 (Fax)
- MI Southfield (48034-7405) • Mary A. Bedikian**
Ten Oak Hollow Street, Suite 170 • (313) 352-5500/352-3147 (Fax)
- MN Minneapolis (55402-1092) • James R. Deye**
514 Nicollet Mall, Suite 670 • (612) 332-6545/342-2334 (Fax)
- MO Kansas City (64106-2110) • Lori A. Madden**
1101 Walnut Street, Suite 903 • (816) 221-6401/471-5264 (Fax)
- St. Louis (63101-1614) • Neil Moldenhauer**
One Mercantile Center, Suite 2512 • (314) 621-7175/621-3730 (Fax)

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100 Old Country Road, Suite 603 • (516) 222-1660/745-6447 (Fax)
New York (10020-1203) • Carolyn M. Penna
140 West 51st Street • (212) 484-4000/307-4387 (Fax)
Syracuse (13202-1376) • Deborah A. Brown
205 South Salina Street • (315) 472-5483/472-0966 (Fax)
White Plains (10601-4485) • Marion J. Zinman
34 South Broadway • (914) 946-1119/946-2661 (Fax)

NC Charlotte (28202-2431) • Neil Carmichael
428 East Fourth Street, Suite 300 • (704) 347-0200/347-2804 (Fax)

OH Cincinnati (45202-2809) • Philip S. Thompson
441 Vine Street, Suite 3308 • (513) 241-8434/241-8437 (Fax)
Middleburg Heights (44130-3490) • Audrey Mendenhall
17900 Jefferson Road, Suite 101 • (216) 891-4741/891-4740 (Fax)

PA Philadelphia (19102-4106) • Kenneth Egger
230 South Broad Street, Floor 6 • (215) 732-5260/732-5002 (Fax)
Pittsburgh (15222-1207) • John F. Schano
Four Gateway Center, Room 419 • (412) 261-3617/261-6055 (Fax)

RI Providence (02903-1082) • Mark Bayliss
115 Cedar Street • (401) 453-3250/453-6194 (Fax)

TN Nashville (37219-2111) • Sheila R. Barton
221 Fourth Avenue North • (615) 256-5857/244-8570 (Fax)

TX Dallas (75240-6620) • Helmut O. Wolff
Two Galleria Tower, Suite 1440 • (214) 702-8222/490-9008 (Fax)
Houston (77002-6707) • Therese Tilley
1001 Fannin Street, Suite 1005 • (713) 739-1302/739-1702 (Fax)

UT Salt Lake City (84111-3834) • Kimberly L. Curtis
645 South 200 East, Suite 203 • (801) 531-9748/531-0660 (Fax)

WA Seattle (98101-2511) • Neal M. Blacker
1325 Fourth Avenue, Suite 1414 • (206) 622-6435/343-5679 (Fax)

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Southern Region

Susan D. Ray
Local Service Negotiator

Room 12N04
Promenade II
1200 Peachtree St., NE
Atlanta, GA 30309
404-810-3123

May 8, 1996

Suzie Lavett
Lead Negotiator
Room E56
3535 Colonnade Parkway
Birmingham, AL 35243

Dear Suzie:

Thank you for your memo, dated April 30, 1996, that provided status on the Account Maintenance and Data Transfer action items. As you indicated items 1, 3, 6, and 8 have been closed since BellSouth provided the requested information. Listed below is our response to the other issues listed in your memo:

Account Maintenance Requirements

2. **OUTPLOC Transaction Feed** - AT&T's requirement is for BellSouth to notify AT&T, via a Connect/Direct end-of-day feed, when a customer changes from AT&T Local to another LSP by contacting the new LSP (Incumbent or another Reseller).

According to your memo, Shirley Wilcox is still investigating how to provide a completion's report [OUTPLOC (Direct/Connect)], and you asked if I was now handling this issue instead of Cindy Clark. Cindy is handling the "Completions" issue which encompasses part of requirement number two under Account Maintenance (Provide a "Work Order Completions feed when a customer contacts AT&T Local requesting a PIC Change from AT&T LD to another LD carrier).

AT&T requires completion notification on all service orders sent to BellSouth. Some completions will also be reported as OUTPLOCs. However, the two flows are different and use different transmission vehicles. OUTPLOCs will be reported over the Direct/Connect feed, and completions will be reported over the EDI Interface now being worked between our companies.

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My understanding is Shirley Wilcox is working on the OUTPLOC issue outlined above, as well as the "Completion's" report. Please verify that my understanding is correct and provide me with status on the OUTPLOC Transaction Feed issue.

4. **IXC PIC Change** - As you are aware, we do not agree with BellSouth's position on this issue; it is imperative for BellSouth to reject IXC PIC Changes (with LSP ID) when an IXC sends a PIC Change to BellSouth instead of the customer's LSP (AT&T's Local Customer). AT&T needs the same ability to process orders as a LEC does in the current environment. IXCs need to know who the customer's Local Service Provider is, and AT&T needs to know who their Local Customer's have selected as a IXC.

This issues has been escalated.

Data Transfer Requirements

5. **Rated Vs Unrated Data** - Your response is correct that AT&T is not interested in incurring charges associated with BellSouth programming their system to strip ratings prior to sending the data to AT&T. AT&T needs BellSouth to provide messages in unrated format except on incollects and Information Service Providers. Providing BellSouth's rates on messages that AT&T cannot utilize to bill customers is of no value to AT&T. The additional edits BellSouth performs are also of no value to AT&T. AT&T will still have to apply their own edits on the messages BellSouth transmits.

This issue has been escalated.

7. **Unbillables** - We understand that BellSouth's position is basically if/when we receive a significant number of errored messages; at that time, BellSouth will work with AT&T to resolve them. AT&T does not believe that is an effective process. We need an up-front mechanized process to return errored messages to avoid time-consuming work-arounds in the future. Examples of errored messages are messages that fail the critical edits, i.e. invalid NPA, invalid connect time, etc.

BellSouth escalated this issue.

8. **Originating Rates** - We appreciate you reviewing this issue again internally, and are looking forward to your decision on the May 9, 1996, conference call. As you are aware, we do not agree with BellSouth's current position that since BellSouth owns the facilities, their rates would apply. AT&T's position is

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that the "originating" Carriers rates should apply on calls from one carrier's local customer to another carrier's local customer.

This issue has been escalated.

Sincerely,

Due Ray

001762



May 9, 1996

Rook Barretto
Director-LEC/BST Interface
BAPCO
Room 270
59 Executive Park South, N.E.
Atlanta, GA 30329

Dear Rook:

I am writing in response to your letter dated May 3, 1996. The following is clarification to the items you mentioned in your letter. Please refer to the attached list of yellow page requirements.

Regarding the first requirement, AT&T plans to be a full local service provider. We aim to maintain customer relationships at all levels with a full complement of local services which includes directory services and yellow page advertising. When a customer comes to AT&T for his local service, we want that service to be at parity with the service that BellSouth provides.

The intention regarding requirement #4, BAPCO rep "brands" for AT&T, is when a BAPCO rep is working on an ad with our local customer on our behalf we want the rep to verbally state that he is representing AT&T.

Requirements #5 and #6 regarding handicapped customers and exempt status were inadvertently put on this list and do not belong there. I believe these statements are associated with directory assistance.

Requirement #10, "access to planned advertising offers, e. g., Electronic Yellow Pages" means that AT&T wants access to any future capabilities that BAPCO develops. We envision yellow page advertising moving from paper directories to electronic yellow pages. When this happens, we want our local services customers to have access to the electronic yellow pages. Again, we want parity for our customers.

We will be glad to discuss these requirements with you in more detail on the 14th and to answer any additional questions you have. I look forward to seeing you next week.

Sincerely,

A handwritten signature in cursive script that reads "Kathy Sabir".

Attachment

cc: Jim D'Angelo

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	Overview
	Phase I:
1	AT&T contracts with BAPCO to use its Yellow Page advertising process, BAPCO is AT&T's agent, BAPCO representative designs ad with AT&T customer, BAPCO bills customer, AT&T gets 20% commission.
	Phase II:
2	Same as Phase I except AT&T requests a bill feed from BAPCO for all Yellow Pages advertising services performed on our behalf so that we may place these charges on the customers bill.
3	Wholesale Prices which reflect avoided costs
4	BAPCO rep "brands" for AT&T
5	Provide the ability to waive charges for handicapped customers
6	Provide a process to verify and document a customer's exempt status
7	Publication schedules for directories, close dates for ads, ad renewal schedules, distribution schedules and policies.
8	Processing of local customer orders for enhanced directory and yellow page advertising including: service order fields, process for handoff of service order information from BellSouth to BAPCO.
9	Access to BAPCO's advertising database
10	Access to planned advertising offers, e.g., Electronic Yellow Pages
11	BAPCO's process for national advertisers
12	Ad close dates
13	Types of ad treatments, availability, and pricing
14	Ad renewal process

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May 9, 1996

Rook Barretto
Director-LEC/BST Interface
BAPCO
Room 270
59 Executive Park South, N.E.
Atlanta, GA 30329

Dear Rook:

We have some additional listings questions that were generated after our listings meeting last week. Please come prepared to answer these questions at our meeting on May 14th.

1. Are there limitations on how many directories a residential customer may receive?
I believe you said that on an initial order the customer could receive up to 3 directories free, with additional directories available for an additional charge. Is this correct, and what is the additional charge?
2. Can customers have different addresses in different directories? If a customer is listed in more than one directory, can they be listed under a different address in each directory?
3. How is it determined what directory(ies) a customer will receive based on his NXX and what directory(ies) will a customer be listed in depending on his NXX?
4. Are there any instances where we would warm transfer a customer to BAPCO when taking an initial order or when taking a change request?
5. What are the field specifications (lengths and character types) on the directory listings order form?
6. Can we get a listing of the codes for ordering the directories? Which codes apply to which directories?
7. Please verify that BellSouth will accept orders through an electronic data feed, EDI?
8. Will there be a cost to the customer for a listing in the B to B (Business to Business) directory, for a copy of the directory, or for the delivery of the B to B directory?
9. How much space will AT&T have in the standard section of the Call Guide Section?
10. Can you provide us with a BAPCO organizational chart?

Thank you in advance for your assistance in answering our questions.

Sincerely,

Katay Jaber

cc: Kirk Odgaard
Jim D'Angelo

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1200 Peachtree St., NE
Atlanta, GA 30309

May 9, 1996

Mr. W. Scott Schaefer
Acting Vice President
InterConnection Services
BellSouth
675 W. Peachtree Street
Atlanta, Georgia 30375

Dear Scott

This letter is in response to comments made in your April 26, 1996 letter to Jim Carroll concerning two incidents where BellSouth viewed AT&T as unclear or not thoroughly prepared to answer all questions associated with AT&T's requirements. AT&T appreciates BellSouth bringing these incidents to our attention. As BellSouth is aware, AT&T spends considerable time and effort in developing and communicating requirements with suppliers. It is certainly our intent to be as clear as possible in communicating requirements with BellSouth.

As your note on Attachment II of the April 26, 1996 letter (attached) points out, one of the incidents took place at an initial meeting on unbundled network elements scheduled to review requirements, understand BellSouth's initial position and determine where clarity was needed. Ideally, the representatives at this first meeting would have been able to address all questions and eliminate the need for any subsequent meetings. Unfortunately, there were areas that required additional clarification. Those areas will be discussed at the meetings scheduled for May 8 and May 9, 1996.

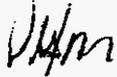
The comment relative to Operator Services appears to have been taken out of context. It is AT&T's expectation that BellSouth provide branded AT&T Directory and Operator Services for Total Services Resale, or at AT&T's option, provide direct routing of Directory and Operator Services to AT&T's platform. AT&T also requests the option in an unbundled and facilities based environment of procuring AT&T branded service from BellSouth.

The Security series of events were indeed unfortunate. Scheduling the Security call with BellSouth was difficult. Phone calls to BellSouth to arrange the meeting were not returned, causing delays in scheduling the meeting. In fact, the confirmation that the call would occur on the 24th was only provided by BellSouth at 4:00 p.m. on the 23rd. As a result, AT&T had to bring in a subject matter expert who had not worked with BellSouth in the past or miss the opportunity to meet. Although the AT&T person is knowledgeable of AT&T's security requirements, he was unfamiliar with the way a requirement was written in the BellSouth requirement document. His comments around not being familiar with the document appears to have caused the discussion to lose its focus on the requirements. This breakdown was corrected immediately after the call and a revised requirements page providing more clarity was issued to BellSouth immediately following the meeting.

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AT&T is committed to providing BellSouth detailed requirements and any clarification of those requirements necessary to reach agreement and allow us to enter the local market. Do not hesitate to call me directly or to speak with Jim Carroll if you feel at any time that the AT&T interfaces are not providing BellSouth the level of detail needed to understand AT&T's requirements.

Sincerely,



Preston Foster

Attachment

001767

May 10, 1996

Vic Atherton
BellSouth Telecommunications, Inc.
North N3E1
3535 Colonnade Parkway
Birmingham, Alabama 35243

Dear Vic,

The purpose of this follow-up correspondence to our 5/8/96 Unbundled Network Elements meeting is to 1) request BST to provide to AT&T reasons why any of the 17 Unbundled Network Elements cannot technically be provided, 2) a preliminary clarification as to why AT&T is requesting common and dedicated transport as unbundled network elements, and 3) summaries and action items resulting from the meeting.

The purpose of our 5/8/96 meeting on the unbundled network elements was to ascertain the technical feasibility of BellSouth providing these elements to AT&T. These elements and AT&T's rationale for requesting the elements are described in the Unbundled Network Elements Local Platform document that was provided to BellSouth on March 28, 1996. Of the 15 elements discussed (Operator and DA were not discussed at this meeting), AT&T and BellSouth agreed on 12 elements. We did not agree on common transport, dedicated transport, and AIN (AT&T believes that it is technically feasible to provide these elements). Should BellSouth disagree with AT&T's position on these elements, I need BellSouth's position in writing. Please provide this to me prior to our 5/20 meeting.

The discussion about common and dedicated transport became quite involved and concluded with Jim Pierson taking an action item to clarify why AT&T believes that these elements should be provided. However, in addition to Jim's response, let me offer the following:

The Unbundled Network Elements Local Platform document that was provided to BellSouth describes both common and dedicated transport. In fact these transport facilities exist today in BellSouth's network. AT&T's reason for requesting these elements is simple. AT&T wants the option to purchase common transport at unbundled rates from BellSouth and utilize this transport, in conjunction with non-ILEC switching and dedicated transport, to provide IXCs access from the CLEC end office to an IXC POP. AT&T wants to purchase dedicated transport when the volume of transport gives AT&T an economic savings over common transport as in today's access environment.

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Below are the action items as well as a brief status of each of the unbundled elements that were discussed at the Unbundled Network Elements negotiations meeting on May 8, 1996. Please review and call me at 404-810-8286 if you have any questions. Please provide me with BellSouth's response to the action items as soon as they are formulated.

Sincerely,



Robert Oakes

Participants	Name	Title
Vic Atherton	BellSouth Technical Negotiator	
Beth Carnes	BST SME Network Operations-PMS	
Keith Milner	BST Strategic Management	
Jane Raulerson	BST Network Operations-PMS	
Eno Landry	BST BAND Product Support	
Ken Minzenberger	BST Regulatory	
Rob McKibben	BST Network Planning	
Pam Tipton	BST Collocation	
Quinton Sanders	BST Regional Account Team	
Robert Oakes	AT&T Negotiator, Unbundled Team Leader	
Chris Weekley	AT&T Negotiator, Unbundled Network Elements	
Fred Perrin	AT&T Negotiator, Unbundled Network Elements	
Robert McGrew	AT&T Negotiator, Unbundled Network Elements	
Jim Pierson	AT&T Negotiator, Unbundled Network Elements	
Sheila Wilson	AT&T Negotiator, Unbundled Network Elements	

Unbundled Network Elements:

AT&T's and BellSouth's unbundled *loop* elements descriptions:
BellSouth's unbundled loop consists of 3 elements:

1. Feeder/drop facilities and includes NID

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2. Digital loop concentration equipment at field location plus digital transport facility
3. Transport of concentrated loops from BST CO to ALEC network

AT&T's unbundled loop consists of 5 elements:

1. Network Interface Device
2. Loop Distribution
3. Loop Concentrator/Multiplexer
4. Loop Feeder
5. Loop Combination

1. Network Interface Device (NID)

BST agrees that it is technically feasible to provide the NID as an unbundled element. BellSouth has not considered the NID as a separate element.

Action Item: Keith Milner (BST) to provide AT&T with BST's position on the NID as an unbundled element (BST has it combined with its element 1-the feeder/drop facilities).

2. Loop Distribution

BST agreed that it is technically feasible unbundled element however BST includes the NID.

Action Item: Keith Milner (BST) to provide to AT&T with BST's position on its element 1-the feeder/drop facilities distribution as an unbundled network element and not combined with the NID.

3. Loop Concentrator/Multiplexer

BST agreed that its a technically feasible unbundled element only in cases where non-integrated digital loop concentration devices are deployed. However, BST has loop concentrator/multiplexer combined with loop feeder.

Action Item: Keith Milner (BST) postulate BST's position on separating its element 2.

Action Item: Chris Weekley (AT&T) to provide additional information regarding the functionality AT&T is looking for with this unbundled element.

4. Loop Feeder

Action Item: see Loop Concentrator/Multiplexer.

5. Loop Combination

BST agreed that its a technically feasible unbundled element

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Action Item: Keith Milner (BST) to provide AT&T with BST's position on this element.

6. Local Switching

BST refers to the local switching element as the "port". BST agreed that it would provide a port on the local switch and all of the functions associated with the switch. The functionality provided to AT&T will be at parity with BST's local switching. The port would be billed at flat rate and also a minute of use rate.

Action Item: Beth Carnes (BST) to provide information on how essential service is offered under federal guide lines.

Action Item: Fred Perrin (AT&T) to provide additional information to clarify to BellSouth regarding the functionality for Remote Switching Module and CIC code portability.

Action Item: Vic Atherton (BST) to provide responses to the list of local switching items.

Action Item: Vic Atherton (BST) will have Jerry Latham clarify BellSouth position concerning access to AIN functionality.

7. Local Operator Services

This element not discussed at this meeting.

8. Local Directory Assistance

This element not discussed at this meeting.

9. Common Transport

BST disagrees that its a technically feasible unbundled element until BST better understand AT&T's rationale for requesting this as an unbundled element.

Action Item: Jim Pierson (AT&T) to clarify AT&T position concerning why common transport is being requested as an unbundled element.

10. Dedicated Transport

BST disagrees that its a technically feasible unbundled element until BST better understand AT&T's rationale for requesting this as an unbundled element.

Action Item: Jim Pierson (AT&T) to clarify AT&T position concerning why dedicated transport is being requested as an unbundled element.

11. Digital cross Connect System (DCS)

BST agrees that its a technically feasible unbundled element. Pricing of this service is an issue. DCS functionality is offered today via FlexServ tariff.

Action Item: Vic Atherton (BST) will provide Robert Oakes(AT&T) with clarification whether FlexServ will meet AT&T requirements for DCS.

Action Item: Eno Landry to review details of DCS requirements.

12. Data Switching Element

BST agreed that its a technically feasible unbundled element.

Action Item: Vic Atherton (BST)will have Lornia Mosely clarify BS's position concerning alarms, monitoring and testing.

13. SS7 Message Transfer and Connection Control

BST agreed that its a technically feasible unbundled element.

Action Item: Vic Atherton will refer to Jerry Latham for clarification BST serving as SS7 transient network.

14. Signaling Link Transport

BST agreed that its a technically feasible element.

15. SCPs/Databases

BST agreed that its a technically feasible element except for tracking and accessing databases off of other providers STPs.

Action Item: Sheila Wilson (AT&T) clarify detail tracking of usage and call termination point.

16. Tandem Switching

BST agreed that its a technically feasible element with the exception of AIN.

Action Item: Vic Atherton will have Jerry Latham clarify BellSouth position concerning access to AIN functionality.

17. Advanced Intelligent Network

Discussion on this element has been deferred. Agreement was reached to have a separate call with Jerry Latham.

Action Item: Vic Atherton will have Jerry Latham get in touch with Chris to discuss AIN.

copy to: *Tom Broadbeam*
Andre M...

BellSouth Interconnection
Suite 410
1960 West Exchange Place
Tucker, Georgia 30084

Fax 770 621-0629
770 492-7560

Quinton E. Sanders
Director-AT&T Regional Account Team

May 10, 1996

Ms. Pamela A. Nelson
District Manager
Access Supplier Management
Room 12W54 Promenade II
1200 Peachtree St., N.E.
Atlanta, GA 30309

Dear Pam:

Thank you for the opportunity to respond to AT&T's Request for Proposal for inside wiring and Line Information Database (LIDB). BellSouth respectfully declines to offer a bid for these services. However, we will continue our negotiations for these services under the guidelines of the Telecommunications Act of 1996 for Total Service Resale and Local Interconnection.

Please call me if you have questions or need additional information.

Sincerely,



cc: Scott Schaefer
Suzie Lavett

001773



May 10, 1996

Via Fax to: Suzie Lavett

SUBJECT: Non-Recurring Costs and Data Requests

Dear Suzie,

Over the past several weeks there has been some confusion on BellSouth's position on providing discounts to Non-Recurring Charges ("NRC") in the wholesale market. You and Mary Jo Peed had indicated at a Core Team meeting and in a letter from Mary Jo to Sylvia Anderson that there were no avoidable costs associated with NRC. We said that this position did not reflect actual cost impacts in a wholesale market. I know that you had committed to clarify BellSouth's position in writing. However, that should not be necessary as we have been able to clarify the position by researching the record and talking further with Frank Kolb.

It has been and remains AT&T's position that a significant portion of the non-recurring costs associated with the establishment of retail services will be avoided in the wholesale market. Based on BellSouth's response (sponsored by Bob Scheye) to an AT&T data request in Georgia and discussions between Mike Guedel and Frank Kolb over the past few days, we are satisfied that BellSouth's position is the same as AT&T's.

It would be helpful if you would clarify BellSouth's views on what NRC elements are avoided. Please describe the NRC cost elements that will be avoided and the NRC cost elements that will not be avoided with clarity as to how they are treated in your studies. Please deliver this request in writing at or before the May 21 Cost/Price meeting.

Finally, please note that any previous data requests apply to all states wherein we have initiated negotiations. For example, please provide your Loop/Port/Usage studies for Alabama and Kentucky at or before the May 21 Cost/Price meeting.

Thank you.



Neil E. Brown

Cc: AT&T Cost Team
AT&T Core Team

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Price

8:25 AM, Monday, 5/13/96: Voice mail from Neil Brown to Suzie Lavett:

I went over, in some detail, the Monday AM Cost Meeting agenda and told Suzie what I expected, as outlined below in the report of my immediately following conversation with Quinton Sanders who was standing by for my call.

8:53 AM, Monday, 5/13/96: Phone conversation between Neil Brown, AT&T Cost Team Leader and Quinton Sanders, BellSouth's Account Team Leader for AT&T:

I told Quinton Sanders that this week's Cost/Price meeting was being conducted via telephone conversations and voice mail. I shared that I had left Suzie Lavett a voice mail with the following elements:

- I will be working with some folks in New Jersey on the AT&T access proposal this week.
- We expect to discuss Bob Scheye's UNE pricing proposal next week.
- I asked Suzy to report on status of and provide list of cost studies supporting Bob's UNE proposal and tell us what is available for review. This is overdue.
- I told Suzy that we have clarified the BellSouth's position on NRC discounts and referred to my 5/10/96 letter to her.
- I requested that BellSouth respond to all previous Data Requests with respect to Alabama and Kentucky where we have now initiated negotiations.
- I requested a cost-based price proposal for picking a PLOC.
- The May 21 meeting will start at 8:30 AM and will cover both access and non-access issues.

Quinton asked if I had talked with Mary Jo Peed about the one page, inadequate BellSouth response to Item 1 of AT&T's 4/4/96 Data request.

I answered as follows: "On Wednesday, May 1, Mary Jo Peed and Suzie committed to provide copies of 'redacted' TSLRIC studies as early as possible on Friday, May 3. On Thursday, May 2, Mary Jo Peed told me that BellSouth had changed its mind and had people (emphasis added to reflect plural) working overtime to reformat the data and that it would include a response on all services requested by AT&T for all states where negotiations had been initiated. Then, after business hours on Friday, May 3, Mary Jo Peed faxed me one page aggregated at a high level. I told Mary Jo that if BellSouth had people working overtime for two days to produce such aggregated information that the effort could only have been aimed at hiding relevant facts."

Quinton said that he had tried to warn BellSouth to be more responsive but, "Just between you and me, when Mary Jo showed her boss what she intended to send you, he overruled her and said, 'You cannot send them that information.'"

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I asked, "Is her boss Hank Anthony?"

Quinton responded, "Yes, I think that is right."

12:18 PM, Tuesday, 5/14/96: Voice mail from Suzie Lavett to Neil Brown:

"Hey Neil, this is Suzie Lavett. I did get your voice mail yesterday. I was surprised to get it because I thought the meeting had been canceled. Your Fax came Thursday afternoon, I mean Friday afternoon after I was, ah, or at some point after I had already headed back to Birmingham, and I worked at home some Monday morning before going into the office. But, ah, we probably need to talk about everything. I still don't have a date on the unbundled cost studies. I know that's not what you need to hear. I have internally escalated some concerns to Scott (Schaefer) and will be hopefully, will be keeping you posted. Thanks."

7:50 PM, Tuesday, 5/14/96: Voice mail from Neil Brown to Suzie Lavett:

"Suzie, this is Neil Brown. I got your message. I wanted to remind you that I had agreed to conduct Monday's meeting by phone because you had requested that so you would not have to come to Atlanta on Monday. Since Bob Scheye was not available this week, I agreed to call you at 8:30 AM on Monday and then conference in Quinton Sanders. I would like to get more clarity on the status of data requests: both the cost studies to support Bob Scheye's UNE pricing proposal and the unbundled Loop/Port/Usage studies for Alabama and Kentucky. Please deal with those two questions at the Core Team meeting tomorrow. Thanks." NOTE: I asked the Core Team to press this matter and they did so.

10:40 AM, Tuesday, 5/16/96: Telephone call from Suzy Lavett to Neil Brown

Suzy asked if AT&T would be interested in receiving the "Item 1" cost studies subject to a revised Non-disclosure agreement.

I told Suzy that we would review any proposal made by BellSouth but that this should be handled through Sylvia Anderson.

Suzy responded that Mary Jo Peed would call Sylvia.

Suzy asked about the agenda for next Tuesday's Cost meeting, and I responded that we would discuss: Qs & As on Bob Scheye's UNE price proposal, TSR, and Access. In addition, we expect to receive cost studies and a PLOC price proposal.

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Suzy said that she would be unable to attend the Cost meeting on Tuesday but that she expected Bob Scheye to be there.

6:25 PM, Tuesday, 5/16/96: Telephone call from Bob Scheye to Neil Brown

Bob said that he would not be able to attend the Tuesday Cost meeting this week or next week due to the need to prepare for Tennessee hearings and that the next meeting he could attend would not be until early June.

I said that AT&T has critical matters to discuss with BellSouth at the next Cost meeting and asked if Bob could have knowledgeable experts here in his place.

Bob said that he would try if I would provide a list of items we wanted to discuss. He said it would be hard because the responsibilities were spread out among different parties.

I committed to provide a detailed agenda (will do this on Friday, 5/17/96 to Bob Scheye and Suzy Lavett) and reiterated that it is critical that BellSouth have real experts at the table.

001777

**AT&T/ BELLSOUTH COST/PRICE MEETING
MAY 13, 1996 - 8:30 AM
1200 PEACHTREE ST, NE, ATLANTA, GEORGIA 30309**

Conference Call

AT&T: Neil Brown, Mike Guedel, Mike Harper, Wayne Ellison

BellSouth: Suzie Lavett, Quinton Sanders

FINAL AGENDA

- Report on AT&T's Preparation for May21, 1996 Meeting Neil Brown
- Timeline for Response to Price Proposal for UNES Neil Brown
- List of Cost Studies Completed / Availability of Studies Suzie Lavett
- NRC Position, 5/10/96 Letter to Suzie Lavett Neil Brown
- Data Requests Expanded to Include All States Where Negotiations Initiated, 5/10/96 Letter to Suzie Lavett Neil Brown
- Request Cost-Based Price Proposal for PLOC Charge at 5/21 Meeting Neil Brown
- Next Meeting:
 - Tuesday, May 21 Meeting: 8:30 AM Non-Access Discussions All
 - 10:30 AM Access/Interconnection/USF All AT&T
Cathey/Brinkley
- Open Forum All

001778

May 13, 1996

Memorandum To: Cindy Clark
From: Suzie Lavett
Subject: Action items from meeting with AT&T assigned to Edward Houppert

Following are some answers from Ed.

AT&T's request for documentation for unbundled loop.

ANSWER: This request was centered around Ed's answer (This will be handled the same way that Special Access is worked today with the ACAC) to several of AT&T's questions. AT&T's response to this answer was, "how is Special Access worked today. We would like a copy of your documentation for Special Access". BellSouth's interface documentation for Special Access is the Guide to Access. You should have a copy of this document.

Will BST notify AT&T of Cable throws?

Answer: Local dialtone customers are not notified of cable throws. Therefore we would not notify AT&T of an unbundled loop that is involved in a cable throw.

What procedures are in place for Carrier rolls?

ANSWER: For those carriers that are owned by AT&T, BellSouth will contact the appropriate personnel in AT&T and negotiate a time to roll carriers on a case by case basis.

AT&T requested a list of Billing Charges for Maintenance.

ANSWER: These Maintenance Charges are listed in the Guide To Access.

AT&T wanted to know if they would be billed for Overtime to repair BellSouth Equipment.

ANSWER: AT&T would be billed for overtime if they requested that BST work Overtime in order to repair a line.

How does statusing worked via Electronic Bonding.

ANSWER: Today when BellSouth electronically documents a status change, a status flag is set in the IEC's system. The IEC has to acknowledge the status change flag to remove it.

Please give me a call at 404 529-7406 or Ed Houppert at 404 614-4957 if you have questions.

Suzie

001779

FAX

Date 05/13/96

Number of pages including cover sheet 2

TO: Cindy Clark

FROM: Suzie Lavett
Phone 404 529-7496. or
205 977-0104
Fax Phone 404 420-0031, or
205 977-8241

Phone 404 810-3119

Fax Phone 404 810-3131

CC:

REMARKS: Urgent For your review Reply ASAP Please Comment .

001780

001781

[Handwritten signature]

FROM: PRESTON FOSTER

FAX FOR: SUZIE LAVETT

MAY 13, 1996

[Handwritten initials]
5/14/96

[Handwritten note]
Gore Team

[Handwritten note]
FILE Jim, Koretta, Michelle, Kay

[Handwritten note]
1/24/96



Preston G. Foster
District Manager
Strategic Planning - Market Entry

Room 10140
1200 Peachtree St.
Atlanta, GA 30309
404 810-8548
FAX: 404 810-8477
ATTMail!pfoster

May 13, 1996

Delivered via FAX

Dear Suzie:

This purpose of this letter is to address your May 6, 1996 letter to me requesting an "accurate forecast" of AT&T local market business through December, 1997.

We have attempted to develop BellSouth an "accurate" view of AT&T's projected volumes to aid your planning. This is, however, a difficult task for several reasons:

1. AT&T's business planning assumptions are based on the provision of a parity resale offer from BellSouth in the marketplace. To date, our negotiations with BellSouth have not produced evidence that parity (in terms of service and customer experience) will be offered to AT&T and its end-user customers. AT&T's local market volume will be a function of the offers, services, and customer care made available to us by BellSouth.
2. The TSR avoided cost discount level provided to AT&T from BellSouth will affect AT&T's ability to efficiently price and re-sell the services that our customers want / need. As you know, we are pursuing mediation in order to gain access to BellSouth's avoidable cost on specific services. That information will allow us to determine service-specific avoidable costs, develop service-specific pricing strategies, and related marketing plans. Without the information, we can only guess what our actual costs will be.

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3. It is still unclear to AT&T precisely which services will be made available for re-sale (e.g. no grandfathered services, "promotions," CSA's, SA's, etc.). Therefore, it is unclear to us which customers will be able to "switch as is" to a local service competitor such as AT&T. We estimate, for example, that the excluded services (i.e. grandfathered and obsoleted services) comprise over 5% of all local service business revenue in Georgia. Again, our business plan assumes AT&T's ability to replicate BellSouth's provision of services and customer's experience. If we cannot resale a significant portion of services to customers, our market assumptions are adversely affected.

4. Given the dynamics of a new, competitive local service market, there are no "future facts" regarding short-term sales volume.

Still, we are confident -- given AT&T's long distance customer base, brand loyalty, and marketing savvy -- that we will produce volumes to more than justify the provision of real-time electronic interfaces. We will, to the extent possible, provide BellSouth with additional information by May 22, 1996. In the meantime, AT&T has been operating under the assumption that the business case which you submitted to your executive team on May 1 incorporates the projections that we provided to you on April 30.

AT&T needs your help in assisting us in defining the environment for TSR (see items 1-3, above). Further definition of those items by BellSouth will impact any volume projections made by AT&T. Also, we seek a joint understanding of the long-term viability of the BellSouth as a wholesale supplier and AT&T as a wholesale customer.

Feel free to call me at any time on 404-810-8548.

001783

Sincerely,

P. Foster

Preston G. Foster
Lead Negotiator
AT&T

001784



1200 Peachtree Street, N.E.
Atlanta, Georgia 30309

May 13, 1996

Sid Conn
40S78
BellSouth Center
675 W. Peachtree St.
Atlanta, Ga. 30375

Listed below are the agreed upon requirements and action items from our May 9, 1996 meeting on Directory Assistance and Operator Services. Please review and let me know if additional clarification is needed. Of course, we will continue our discussions on items upon which full agreement has not yet been reached.

For reference purposes, I have recapped the requirements from the Unbundled Loop Combination and Interconnection Planning Document provided to BellSouth in our April 11, 1996 meeting.

B. Directory Assistance (If we purchase Directory Assistance from BellSouth)

When purchasing unbundled loops and/or interconnection, AT&T expects to have the option of purchasing unbundled Directory Assistance or providing its own.

1. Unbundled Requirements

a. BellSouth will provide AT&T the following capabilities exactly as BellSouth provides to their customers.

1. Provide 2 customer or numbers and/or addresses per call.

Sid Conn of BellSouth agreed.

2. Provide name and address upon request except for unlisted numbers.

Sid Conn of BellSouth agreed.

3. Provide call completion to the requested number when requested.

a. Local

Sid Conn of BellSouth agreed.

b. Toll

Sid Conn of BellSouth agreed for intra-lata.

4. Provide a service that carries the AT&T brand or no brand if branding is not technically possible.

Sid Conn advised that branding is not technically feasible at this time. BellSouth cannot un-brand

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because they cannot currently identify the traffic. Line Class Code (LCC) is the issue. Sid Conn will provide a BellSouth position paper.

5. Provide data (listing database) that is timely and at parity with BellSouth.

Sid Conn of BellSouth agreed. Data would be provided through the normal service order process.

6. Any information provided by Automatic Response Unit (ARU) is repeated twice.

Sid Conn of BellSouth agreed.

7. Provide service at same levels as BellSouth and subject to same performance metrics.

a. Number of rings to answer

Sid Conn of BellSouth agreed.

b. Average work time

Sid Conn of BellSouth agreed.

c. Disaster recovery options

Sid Conn of BellSouth agreed and will provide copy of Disaster Recovery document.

*****For items 1.a.7.a,b,c, Sid Conn to provide standards and how often met.**

8. Provide intercept service for customers moving service

a. Refer to new 10 digit number.

Sid Conn of BellSouth agreed.

b. Repeat new number twice on referral.

Sid Conn of BellSouth agreed.

c. Repeat recording twice.

Sid Conn of BellSouth agreed and will provide detail of process. Dottie Lee of AT&T to clarify requirement.

b. Exemptions

1. Provide the ability to waive charges for handicapped customers.

2. Provide a process to verify and document a customer's exempt status.

These issues (b.1 and b.2) were referred to the Lifeline escalation. Sid Conn of BellSouth advised their position is that when AT&T purchases Directory Assistance from BellSouth, AT&T is the customer of record and if exemptions are to be offered to AT&T local customers in a resale environment, AT&T is responsible for providing these requirements.

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2. Self Provisioned Requirements

BellSouth will provide AT&T with a real time electronic feed of customer address and number changes. Directory services must provide both the ported and ALE telephone numbers assigned to a customer. Privacy indicators must be properly identified to assure the unlisted numbers and unpublished numbers are accurately identified.

Sid Conn of BellSouth advised their definition of this requirement is a BellSouth feed to an AT&T database, which they will not provide. Dottie Lee of AT&T will verify requirement against this definition. Definition of ALE not clear. Dottie Lee will clarify. Sid Conn advised they can provide an additional listing, if that is what ALE refers to. Sid Conn advised BellSouth can provide a service under tariff to support this requirement - Directory Assistance Database System (DADS) and Direct Access Directory Assistance System (DADAS). Sid Conn will provide technical documents for these products for review.

D. Operator Services

When purchasing unbundled loops and services, AT&T expects to have the option of purchasing unbundled operator services or providing its own. **Sid Conn advised BellSouth cannot currently direct traffic to AT&T platform. He will provide a position paper and clarify technical and/or policy issues.**

1. Unbundled Requirements

Sid Conn of BellSouth advised that their position is that Operator Services is not a separate element if they provide the switch. Sid Conn will provide a position paper for clarification.

a. Provide to AT&T Operator Services accessible by "o+" and "o-" dialing.

Sid Conn advised would provide access to a BellSouth operator.

b. Provide to AT&T a full range of Operator Service functions identical to those which BellSouth provides to its customers.

Sid Conn of BellSouth agreed if using BellSouth operators.

c. Provide the Operator Services "branded" as AT&T complete with the "AT&T sparkle tone bong."

Sid Conn of BellSouth advised they cannot brand, there is no way to identify the traffic at present. This item associated with "D" above, if traffic could be identified, it could be routed to AT&T platform.

d. BellSouth will meet performance metrics for this service which will include:

1. Number of rings to answer.

Sid Conn agreed, if using BellSouth operator.

2. Average work time.

Sid Conn agreed, if using BellSouth operator.

3. Disaster Recovery (work stoppage, technical failure, natural disaster, weather)

Sid Conn agreed, if using BellSouth operator.

*****For items D.1.d.1,2,3 - Sid Conn will provide metrics.**

e. Provide the following capabilities including but not limited to :

1. Calling card services (entry, verification, and blocking)

Sid Conn advised BellSouth would not be able to provide after expiration of Mutual Honoring Agreement. He will pursue options for handling.

2. Instant credit on calls.

Sid Conn advised BellSouth would use BellSouth rates only.

3. Time and Charges.

Sid Conn advised BellSouth can provide only with BellSouth rates.

4. Route calls to AT&T when requested.

Sid Conn advised BellSouth can provide under tariff through Operator Transfer Service.

5. Busy Line Verification/Emergency Interrupt (BLV/EI)

Sid Conn advised BellSouth can provide for local and intra-lata.

6. Emergency calls.

Sid Conn advised BellSouth would provide.

7. Notification of the length of call.

Sid Conn agreed BellSouth would provide.

8. Hotel/Motel services.

Sid Conn advised BellSouth would provide using BellSouth rates only.

9. Real time rating of calls.

Sid Conn agreed BellSouth would provide using BellSouth rates.

10. Handicapped caller assistance.

Sid Conn of BellSouth agreed.

11. Third party billing.

Sid Conn of BellSouth agreed.

12. Collect: Person to Person/Station to Station calls

Sid Conn of BellSouth agreed.

001788

13. Rating of calls using AT&T rates.

Sid Conn advised BellSouth cannot rate for AT&T calls. They do not have the capability to store rate tables for real time.

2. Self Provisioned Requirements:

a. BellSouth shall provide access to their emergency number listing or database for the purposes of emergency call handling.

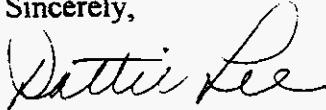
Sid Conn of BellSouth advised they will provide a paper copy one time only per state. Updates would become AT&T responsibility. Sid Conn expressed a concern about liability going forward since this is not currently a mechanized process.

b. BellSouth shall provide access to Busy Line Verification and Emergency Interrupt facilities.

Sid Conn advised can provide under tariff.

Our next meeting will be hosted by AT&T on Thursday, May 16, 1996. It will be held at 1200 Peachtree, Prom I, Conference Room 3058 from 9:00am to 11:00am. Please contact me with any question or concerns at (404) 810-3124.

Sincerely,



C: Suzie Lavett
Robert Oakes

001789

FAX

Andre

Date 05/13/96

Number of pages including cover sheet **4**

TO: Pam Nelson

FROM: Suzie Lavett
Phone 404 529-7496. or
205 977-0104
Fax Phone 404 420-0031, or
205 977-8241

Phone 404 810-3100

Fax Phone 404 810-3131

CC:

REMARKS:

Urgent

For your review

Reply ASAP

Please Comment

001780

TER UNE

May 13, 1996

Sid Conn
40S78
BellSouth Center
675 W. Peachtree St.
Atlanta, Ga. 30375

Listed below are the agreed upon requirements and action items from our May 9, 1996 meeting on Directory Assistance and Operator Services. Please review and let me know if additional clarification is needed. Of course, we will continue our discussions on items upon which full agreement has not yet been reached.

For reference purposes, I have recapped the requirements from the Unbundled Loop Combination and Interconnection Planning Document provided to BellSouth in our April 11, 1996 meeting.

B. Directory Assistance (If we purchase Directory Assistance from BellSouth)

When purchasing unbundled loops and/or interconnection, AT&T expects to have the option of purchasing unbundled Directory Assistance or providing its own.

1. Unbundled Requirements

a. BellSouth will provide AT&T the following capabilities exactly as BellSouth provides to their customers.

1. Provide 2 customer or numbers and/or addresses per call. Sid Conn of BellSouth agreed.

2. Provide name and address upon request except for unlisted numbers.

Sid Conn of BellSouth agreed.

3. Provide call completion to the requested number when requested.

a. Local

Sid Conn of BellSouth agreed.

b. Toll

Sid Conn of BellSouth agreed for intra-lata.

4. Provide a service that carries the AT&T brand or no brand if branding is not technically possible.

Sid Conn advised that branding is not technically feasible at this time. BellSouth cannot un-brand

001791

because they cannot currently identify the traffic. Line Class Code (LCC) is the issue. Sid Conn will provide a BellSouth position paper.

5. Provide data (listing database) that is timely and at parity with BellSouth.

Sid Conn of BellSouth agreed. Data would be provided through the normal service order process.

6. Any information provided by Automatic Response Unit (ARU) is repeated twice.

Sid Conn of BellSouth agreed.

7. Provide service at same levels as BellSouth and subject to same performance metrics.

a. Number of rings to answer

Sid Conn of BellSouth agreed.

b. Average work time

Sid Conn of BellSouth agreed.

c. Disaster recovery options

Sid Conn of BellSouth agreed and will provide copy of Disaster Recovery document.

***For items 1.a.7.a,b,c, Sid Conn to provide standards and how often met.

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a. Refer to new 10 digit number.

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b. Repeat new number twice on referral.

Sid Conn of BellSouth agreed.

c. Repeat recording twice.

Sid Conn of BellSouth agreed and will provide detail of process. Dottie Lee of AT&T to clarify requirement.

b. Exemptions

1. Provide the ability to waive charges for handicapped customers.

2. Provide a process to verify and document a customer's exempt status.

These issues (b.1 and b.2) were referred to the Lifeline escalation. Sid Conn of BellSouth advised their position is that when AT&T purchases Directory Assistance from BellSouth, AT&T is the customer of record and if exemptions are to be offered to AT&T local customers in a resale environment, AT&T is responsible for providing these requirements.

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impact the fact that an end user cannot order local service from BST without these services. In addition, in the case of repair service, the customer is unlikely to report the trouble from the line experiencing the trouble.

Technical:

- Routing to different resellers' locations based on the *same dialed digits* would require BellSouth to duplicate every resold class of service in a given central office for every reseller.
- There is a finite number of line class codes available (from 256 for the DMS100 to 4095 for the 5E) in each switch type and any increase in this number would require switch upgrades. There currently are between 150 and 300 unique classes of service currently defined in a typical BellSouth end office.
- Additional memory capacity would be required in most switches to support processing a significantly larger number of classes of service.

001793



Southern Region

Jay M. Bradbury
Manager

Room 12W47
Promenade II
1200 Peachtree St., NE
Atlanta, GA 30309
404-810-8005

May 14, 1996

Suzie Lavett
BellSouth
Room ESG 3535 Colonnade Parkway
Birmingham, Alabama 35243

VIA FACSIMILE

Dear Suzie:

This responds to your May 13 letter regarding progress on Total Services Resale (TSR).

Attached please find a copy of the current TSR Work Plan reflecting meetings scheduled and their frequency.

I understand the following issues are being discussed at the executive level:

- Services Available for Resale
- Notification of New or Enhanced Service Offerings
- Branding
- Number Assignment and Reservation
- Access for Installation Dispatch and Scheduling
- EDI Development
- Local Maintenance Electronic Bonding
- Rated Vs Unrated Local Usage Data Transfer
- Rating of Collect, Third Number and Calling Card Messages
- OUTPLOC Process
- IXC PIC Change Process
- Routing to AT&T Platforms

While issues are under discussion at the executive level, our SMEs are not relieved from their obligations to seek solutions to resolve issues, or prohibited from attempting to resolve issues.

The meetings listed on the attached Work Plan are necessary given the considerable work that still needs to be done at the SME level. We need to develop, document, and test the detailed methods, procedures, operating agreements and systems software that will be required to support AT&T's market entry as a reseller. I have asked my folks to summarize the action items currently outstanding between our teams. As I indicated in my voice mail of May 13, I am available to discuss these and the overall status of TSR progress with you after 4 PM on Thursday, May 16, or on Friday.

Yours truly,

Attachment: TSR Work Plan

001794

TSR Work Plan

Type of Meeting/Issue	Next	Frequency
Provisioning - Processes and non-EDI Interfaces	5/22	Every 7 - 10 business days
Provisioning - EDI Interface	5/15 & 16	Per plan TBD, expect weekly with direct developer to developer contact as needed (most likely daily)
Maintenance - Pre-EB Processes Business Customers	5/17	Every 7 -10 business days
Maintenance - Pre-EB Processes Residence & Small Bus Customers	5/20	Every 7 -10 business days
Maintenance - EB Development & Processes	Open	Pending BellSouth executive level commitment
Operator Services, DA, 911	5/23	Bi-weekly - Routing to AT&T Platforms at executive level
Other Products and Services	Open	As needed - Centrex next most likely following BU confirmation of requirements
Listings, Directories, White and Yellow Pages - BAPCO	5/14	Weekly
Local Account Maintenance	Open	Pending resolution of items at executive level, OUTPLOC and IXC PIC Change
Usage Data Transfer	5/28	Bi-weekly
Billing (CABS/CRIS)	5/15 & 22	As needed expect to close in next two meetings

001795

May 13, 1996

Jay Bradbury
AT&T
Room 12W47
1200 Peachtree St., NE
Atlanta, GA 30309

Dear Jay,

Since we have been swapping voice messages since last week, I want to confirm what I understood to be your view of TSR progress:

- We have no need for a TSR operations meeting Wednesday, May 15, 1996
- All issues that need to be addressed are included in the Carroll/Schaefer issue summary for discussion at that level. Jay, will you please do a sanity check with your SMEs and confirm back to me that you are satisfied with the work plans for requirements that have not been escalated?
- The initial EDI meeting is Wednesday, May 15, 1996, in room 3120 of Promenade I and begins at 8:30 AM ET. I plan to attend for at least an hour or so.

Please give me a call today at 205 977-0104 or the rest of the week at 404 529-7496 if you wish to discuss.

Sincerely,



Suzie Lavett

001796

May 15, 1996

Cindy Clark
AT&T
Room 12W45
Promenade II
1200 Peachtree St., NE
Atlanta, GA 30309

Dear Cindy,

I am writing to confirm discussions between our companies over the past month regarding maintenance of service in the Total Services Resale (TSR) environment and to make a recommendation regarding Unbundled/Local Interconnection maintenance negotiations.

TSR - Residence

Bob Anderson is leading BellSouth's efforts with AT&T to jointly define the center to center work flows. Bob met with AT&T on April 17, 1996, and on May 2, 1996, where significant progress was made. Bob has agreed to provide AT&T with a telephone number for trouble reports made outside of BellSouth territory before testing begins and will provide pre-screening scripts by June 30, 1996. AT&T customers via TSR will be subject to the same quality measurements as BellSouth end users. BellSouth will provide additional information regarding those internal indices by June 1, 1996.

Following are comments from Bob regarding items found in your May 7, 1996, letter:

- Item 1 You indicated BellSouth was using criteria to categorize customers for repair. Bob thinks you were relating to the "Cent" FID which is currently used by business for this purpose. There is a "CENT" FID assigned to residence line records, but it is the same FID for all customers.
- Item 2. Agree. A contractor has begun work on these scripts.
- Item 3. Bob advised that this item must be addressing business. We do not track Estimated Time to Repair in residence.
- Item 4. Please clarify what "status to end user customer" means.
- Item 5. Attached.

Comments on Requirements input provided with your May 7, 1996, letter.

Req. 1B2 This shows that AT&T will be able to verify and acknowledge scheduled appointments. For residence customers, AT&T will be able to verify appointments by calling the RRC who will then enter a trouble report. Appointments can change at anytime due to force and load requirements and can also be different for each central office entity. Also, AT&T indicates it will use the typical interval guidelines used by BST to give the time of ETTR. Is this referring to complex business?

001797

- IB5 AT&T stated "In the current process, proactive close out attempts are made by the RRC and the BRC." CORRECTION: The responsibility for contacting AT&T with close out information will be the closing department which could include field work groups.
- IB9 AT&T states "BST will provide test results at close out" is not what Bob thought was agreed to. Bob advised we agreed to provide close out information, which may include test results. If we clear a physical condition, e.g. buried drop cut, it may not require a final test and therefore, we would not have test results. We would however, advise AT&T a cut buried drop was repaired or replaced.
- IB14 This item needs further discussion in the May 20, 1996, meeting. Unless a customer describes a physical problem or BST knows of an outage (ex. damaged cable, central office failure) most of the time BST will not know at the time a report is generated, if the trouble is on our side or AT&T's side of the NIU. Therefore, AT&T will have to authorize a dispatch during the trouble contact with the RRC/BRC. Certain states permit us to bill a service charge if the customer does not have a maintenance agreement; we isolate the trouble to the customer's side of the NIU.

The residence and simple business call handling procedures are basically the same and I see many inferences that the BRC will handle calls differently. The difference should only be for complex business which is handled in WFA.

Unbundled Network Elements/Local Interconnection

BellSouth would like to fold unbundled port and unbundled port/loop combination maintenance discussions into the existing residence and business TSR maintenance teams. Repair and maintenance for these offerings will be handled by the same groups who maintain TSR services. If agreeable to AT&T, we can schedule additional negotiation meetings regarding these service arrangements in the May 17, 1996, business and May 20, 1996, residence maintenance TSR meetings.

Please call me at 404 529-7496 or Bob Anderson at 205 972-2904 if you have any questions.

Sincerely,



Suzie Levett

Attachment

cc: Jay Bradbury
Robert Oakes
Bob Anderson
Lisa Griffin

001798

BST - 1995 % Troubles by TYPE

No Dial Tone	45.27
Can't Call Others	3.52
Transmission & Noise	17.34
Can't Be Called	13.30
Memory Services	6.91
Data Failure28
Physical Condition	8.30
Miscellaneous	5.08

Total	100.00

001799

FAX

Date 05/15/96

Number of pages including cover sheet

TO: Bob Anderson

Phone 205 972-2904

Fax Phone 205 972-3906

TO: Lisa Griffin

Phone 404 529-6629

Fax Phone 404 529-7170

To: Cindy Clark

Phone 404 810-3119

Fax Phone 404 810-3131

To: Jay Bradbury

Phone 404 810-8005

Fax Phone 404 810-3131

To: Robert Oakes

Phone 404 810-8286

Fax Phone 404 810-3131

FROM: Suzie Lavett

BellSouth
Telecommunications

Phone 404 529-7496, or

205 977-0104

Fax Phone 404 420-0031,

205 977-0164

REMARKS: Urgent For your review Reply ASAP Please Comment

001800

FAX 5/15/96

TO: JOYCE SAVAGE

FROM: JAY BRADBURY

SUBJECT: MASTER ACCOUNT APPLICATION

AS WE DISCUSSED, HERE IS THE MASTER ACCOUNT APPLICATION FOR THE STATE OF TENNESSEE.

WE HAVE FILED A LETTER WITH THE TN PSC DESCRIBING THIS MARKET TEST.

THIS IS ONLY A MARKET TEST AND DOES NOT INDICATE AT&T CONCURS THAT BELLSOUTH'S OLEC HANDBOOK PROCEDURES MEET OUR NEEDS FOR MARKET ENTRY.

AT&T EXPECTS ITS ORDERS AND THE SERVICE IT RECEIVES TO BE BILLED IN CONFORMANCE TO THE TN PSC RULE AT A 25% DISCOUNT.

IF BELLSOUTH FEELS THAT IT CAN NOT PROVIDE THIS SERVICE TO US IN CONFORMANCE TO THE PSC RULE, PLEASE ADVISE ME IN WRITING.

WE EXPECT TO SEND OUR FIRST 2 OR 3 ORDERS TO YOU ON THURSDAY, MAY 16.

I AM IN A MEETING WITH BETH CRAIG ADD WILL GIVE HER THE COMPLETE INFORMATION PACKAGE SUPPORTING THIS APPLICATION.

THANKS,

001801



BellSouth Telecommunications, Inc.

May 15, 1996

Jay M. Bradbury
AT&T
Room 12W47 Promenade II
1200 Peachtree St., NE
Atlanta, Georgia 30309

Post-it® Fax Note	7671	Date	# of pages 2
To	Jay Bradbury	From	Dark Carnes
Co./Dept.		Co.	
Phone #		Phone #	404 522-0088
Fax #	810-3131	Fax #	404 522-7570

Dear Jay,

This is in response to your memo dated May 1, 1996, regarding Line Class Code Usage - Routing of calls to AT&T Platforms. I was surprised that your recollection of events and my recollection of events somewhat differ.

First of all, we understood the purpose of the call was to bring AT&T SMEs and BellSouth SMEs together to discuss the assignment of Line Class Codes and/or Classes of Service in the 5ESS and 1AESS so that AT&T SMEs could share technical knowledge of how it may be possible to expand the capacity for the Line Class Codes and/or Classes of Service. Secondly, I would like to point out that our 5ESS and 1AESS SMEs were on the call to discuss their switch technology. As it turned out, your SMEs were Operator Services and Directory Assistance, which was a disappointment to us. In BellSouth's opinion the AT&T SMEs in attendance could not adequately address the issue that was the purpose of the call.

This conference call began with you asking why BellSouth could not meet your request for "Direct Route". We explained that AT&T's request was not technically feasible as the capacity for building Line Class Codes/Classes of Service was different for each switch type and that capacity of each individual switch was of the utmost concern. We further explained that all 5ESS and all 1AESS offices are not alike in that all services are not available and/or ordered in every office therefore, we were near exhaust in capacity in some locations but not all locations.



This ensued into dialog as to how many Line Class Codes and/or Classes of Service do we have defined in our switches at present, for what purpose, how the Line Class Codes and/or Classes of Service related to our current tariff offerings, if any were for internal purposes and what the locations are where we are near exhaust. We advised that we could not provide a single answer for the Region however, if AT&T would provide a forecast of offices of interest then we could provide more specific information. AT&T asked if our translation information for each switch was documented and if so, would we provide AT&T a copy. I advised that I would refer this request for the Routing and Billing Guide to Suzie Lavett. I do not recall making a commitment to have an answer to you by Tuesday, April 30, 1996, as to what could be released. Additionally, I would like to add that we explained that the number of Classes of Service in the Routing and Billing Guide would not explain when it was necessary to duplicate Line Class Codes and/or Classes of Service in a given switch (i.e., when a host office has multiple remotes in different rate centers) for either routing or billing purposes and therefore this document would not be relevant to the negotiations.

Jay, you then concluded that our decision not to honor your Direct Route request was a "policy" rather than a technical limitation. I responded that whether there was a policy issue was open to interpretation and not a topic of discussion for the conference call. If there is a "perceived technical barrier", the perception is that of AT&T. There is a technical barrier to AT&T's request to route Operator Services and Directory Assistance to AT&T's platform. Further, while BellSouth is committed to providing AT&T with our retail telecommunication services for AT&T's resale purposes, the services available are those same services as they are retailed to the end user customer. AT&T's request for direct routing is outside that parameter.

In closing, I am informing you that your request for the Routing and Billing Guide was referred to the Team Leader as promised and as I advised you in my voice mail of May 6, 1996, the decision has been reached that BellSouth will not provide AT&T with a copy of the Routing and Billing Guide. If I can be of further assistance don't hesitate to call me.

Beth Carner

001803

150
+
atcc

May 16, 1996

William J. Carroll
Room 4170
1200 Peachtree Street, N.E.
Atlanta, Georgia 30309

Dear Jim:

BellSouth was pleased, although somewhat surprised since you did not mention this matter at all during our meeting on May 14th, to learn yesterday that AT&T wishes to begin a "Market Entry and Operational Test" in Tennessee. It is BellSouth's understanding that, as a part of this test, AT&T wishes to provide resold BellSouth local service to a maximum of 100 pre-selected subscribers. As BellSouth has stated throughout our negotiations, BellSouth welcomes your entry into the local exchange market. Accordingly, BellSouth will make every reasonable effort to assist AT&T as you begin your testing efforts.

Unfortunately, however, there are no currently effective rules in Tennessee under which AT&T can provide resold local services to prospective subscribers. As a consequence, BellSouth has taken the liberty of preparing and enclosing herewith a resale agreement pursuant to which AT&T will be able to provide resold BellSouth local service to those persons taking part in its testing process. If AT&T so desires, this agreement can form the basis of a permanent resale arrangement between it and BellSouth. On the other hand, consistent with our good faith negotiations, BellSouth is willing, if AT&T so desires, to enter into this agreement on an interim and limited basis, to apply only to those persons taking part in AT&T's test and to expire upon the end of that test on September 15, 1996. Please let BellSouth know at your earliest convenience your preference regarding this matter.

Once BellSouth has received from AT&T an executed copy of the agreement, and the Tennessee Public Service Commission has approved it under § 252(e) of the Telecommunications Act of 1996, BellSouth will be able to begin processing the orders AT&T has submitted. In the meantime, BellSouth will begin procedures, such as setting up a master account, so that processing of AT&T's orders can begin without delay upon receipt of the executed agreement and regulatory approval.

While BellSouth looks forward to beginning a long term and mutually beneficial relationship in the resale arena, it must be noted explicitly that there is one aspect of AT&T's proposed test that is troubling to BellSouth. AT&T apparently plans to provide long distance service, together with resold BellSouth local service, to its test participants. If this long distance service is intended to include interLATA service, it would be a clear violation of Section 271(e) of the Telecommunications Act of 1996. BellSouth would, of course, be opposed to such unlawful

001804

joint marketing on the part of AT&T. Please let BellSouth know in writing as soon as possible AT&T's intent in this regard.

Again, BellSouth welcomes the opportunity to assist AT&T in its testing efforts and is confident both parties can resolve remaining issues through continued good faith negotiations.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Scott Seligman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Vice President - Marketing
InterConnection Services

001805

**Agreement Between BellSouth Telecommunications, Inc. and AT&T
Communications, Inc. Regarding The Sale of BST's
Telecommunications Services For The Purposes of Resale**

THIS AGREEMENT is by and between BellSouth Telecommunications, Inc., ("BellSouth or Company and AT&T Communications, Inc., ("AT&T") and shall be deemed effective as of May 16, 1996.

WITNESSETH

WHEREAS, BellSouth is a local exchange telecommunications company authorized to provide telecommunications services in the State of Tennessee; and

WHEREAS, AT&T is an alternative local exchange telecommunications company authorized to provide telecommunications services in the State of Tennessee; and

WHEREAS, AT&T desires to resell BellSouth's telecommunications services; and

WHEREAS, BellSouth has agreed to provide such services to AT&T for resale purposes and pursuant to the terms and conditions set forth herein;

NOW, THEREFORE, for and in consideration of the mutual premises and promises contained herein, BellSouth and AT&T do hereby agree as follows:

I. Term of the Agreement

A. The term of this Agreement shall be for the period of May 16, 1996 and ending September 16, 1996 and shall apply to all of BellSouth's serving territory as of January 1, 1996 in the state of Tennessee.

B. The rates pursuant by which AT&T is to purchase services from BellSouth for resale shall be at a discount rate off of the retail rate for the telecommunications service. The discount rates shall be as set forth in Exhibit A, attached hereto and incorporated herein by this reference. Such discount shall reflect the costs avoided by BellSouth when selling a service for wholesale purposes.

II. Definition of Terms

A. **CUSTOMER CODE** means the three digit number following a customer's telephone number as shown on the customer's bill.

B. **CUSTOMER OF RECORD** means the entity responsible for placing application for service; requesting additions, rearrangements, maintenance or discontinuance of service; payment in full of charges incurred such as toll, directory assistance, etc.

C. **DEPOSIT** means assurance provided by a customer in the form of cash, surety bond or bank letter of credit to be held by the Company .

- D. END USER means the ultimate user of the telecommunications services.
- E. END USER CUSTOMER LOCATION means the physical location of the premises where an end user makes use of the telecommunications services.
- F. NEW SERVICES means functions, features or capabilities that are not currently offered by BellSouth. This includes packaging of existing services or combining a new function, feature or capability with an existing service.
- G. OTHER LOCAL EXCHANGE COMPANY (OLEC) means a telephone company certificated by the Tennessee Public Service Commission to provide local exchange service within the Company's franchised area in Tennessee.
- H. RESALE means an activity wherein a certificated OLEC, such as AT&T subscribes to the telecommunications services of the Company and then reoffers those telecommunications services to the public (with or without "adding value").
- I. RESALE SERVICE AREA means the area, as defined in a public service commission approved certificate of operation, within which an OLEC, such as AT&T, may offer resold local exchange telecommunications service.

III. General Provisions

- A. AT&T may resell the tariffed local exchange and toll telecommunications services of BellSouth subject to the terms, and conditions specifically set forth herein. Notwithstanding the foregoing, the following are not available for purchase: Grandfathered and obsoleted services; promotional rates; installment billing; lifeline and linkup services; special billing arrangements; contract service arrangements; education discount programs; 911/E911 services; interconnection services for mobile service providers and N11 services.
- B. The provision of services by the Company to AT&T does not constitute a joint undertaking for the furnishing of any service.
- C. AT&T will be the customer of record for all services purchased from BellSouth. Except as specified herein, the Company will take orders from, bill and expect payment from AT&T for all services.
- D. AT&T will be the Company's single point of contact for all services purchased pursuant to this Agreement. The Company shall have no contact with the end user except to the extent provided for herein.
- E. The Company will continue to bill the end user for any services that the end user specifies it wishes to receive directly from the Company.
- F. The Company maintains the right to serve directly any end user within the service area of AT&T. The Company will continue to directly market its own telecommunications products and services and in doing so may establish independent relationships with end users of AT&T.
- G. AT&T shall not interfere with the right of any person or entity to obtain service directly from the Company.
- H. In most circumstances, the current telephone number of an end user may be retained by the end user unless the end user has past due charges associated with the BellSouth account for which payment arrangements have not been made. The

Company will not, however, make the end user's previous telephone number available to AT&T until the end user's outstanding balance has been paid.

I. Telephone numbers are the property of the Company and are assigned to the service furnished. AT&T has no property right to the telephone number or any other call number designation associated with services furnished by the Company, and no right to the continuance of service through any particular central office. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, whenever the Company deems it necessary to do so in the conduct of its business.

J. The Company may provide any service or facility for which a charge is not established herein, as long as it is offered on the same terms to AT&T for a charge not less than the Company's cost.

K. Service is furnished subject to the condition that it will not be used for any unlawful purpose.

L. Service will be discontinued if any law enforcement agency advises that the service being used is in violation of the law.

M. The Company can refuse service when it has grounds to believe that service will be in violation of the law.

N. The Company accepts no responsibility to any person for any unlawful act committed by AT&T or its end users as part of providing service to AT&T for purposes of resale or otherwise.

O. The Company will cooperate fully with law enforcement agencies with subpoenas and court orders for assistance with the Company's customers. Law enforcement agency subpoenas and court orders regarding end users of AT&T will be directed to AT&T. The Company will bill AT&T for implementing any requests by law enforcement agencies regarding AT&T end users.

P. The characteristics and methods of operation of any circuits, facilities or equipment provided by other than the Company shall not:

1. Interfere with or impair service over any facilities of the Company, its affiliates, or its connecting and concurring carriers involved in its service;
2. Cause damage to their plant;
3. Impair the privacy of any communications; or
4. Create hazards to any employees or the public.

Q. AT&T assumes the responsibility of notifying the Company regarding less than standard operations with respect to services provided by AT&T.

R. Facilities and/or equipment utilized by BellSouth to provide service to AT&T remain the property of BellSouth.

S. White page directory listings will be provided in accordance with regulations set forth in Section A6 of the General Subscriber Service Tariff and will be available for resale where technically feasible.

IV. BellSouth's Provision of Services to AT&T

A. AT&T agrees that its resale of BellSouth services shall be as follows:

1. The resale of telecommunications services shall be limited to users and uses conforming to the class of service restrictions.
2. AT&T agrees that it shall not jointly market its interLATA services with the telecommunications services purchased from BellSouth pursuant to this Agreement in any of the states covered under this Agreement. For purposes of this subsection, to jointly market means any advertisement, marketing effort or billing in which the telecommunications services purchased from BellSouth for purposes of resale to customers and interLATA services offered by AT&T are packaged, tied, bundled, discounted or offered together in any way to the end user. Such efforts include, but are not limited to, sales referrals, resale arrangements, sales agencies or billing agreements. This subsection shall be void and of no effect for Tennessee as of February 8, 1999 or on the date BellSouth is authorized to offer interLATA services in Tennessee, whichever is earlier.
3. Hotel and Hospital PBX service are the only telecommunications services available for resale to Hotel/Motel and Hospital end users, respectively. Similarly, Access Line Service for Customer Provided Coin Telephones is the only local service available for resale to COCOTS customers. Shared Tenant Service customers can only be sold those telecommunications services available in the Company's A23 Shared Tenant Service Tariff.
4. AT&T is prohibited from furnishing both flat and measured rate service on the same business premises to the same subscribers (end users) as stated in A2.3.2.A. of the Company's Tariff.
5. The Company reserves the right to periodically audit services purchased by AT&T to establish authenticity of use. Such audit shall not occur more than once in a calendar year. AT&T shall make any and all records and data available to the Company or the Company's auditors on a reasonable basis. The Company shall bear the cost of said audit.
6. If telephone service is established and it is subsequently determined that the class of service restriction has been violated, AT&T will be notified and billing for that service will be immediately changed to the appropriate class of service. Service charges for changes between class of service, back billing, and interest as described in this subsection shall apply at the Company's sole discretion. Interest at the rate of 0.000590 per day, compounded daily for the number of days from the back billing date to and including the date that AT&T actually makes the payment to the Company may be assessed.

C. Resold services can only be used in the same manner as specified in the Company's Tariff for retail services. Resold services are subject to the same terms and conditions as are specified for such services when furnished to an individual end user of the Company in the appropriate section of the Company's Tariffs. Specific tariff features, e.g. a usage allowance per month, shall not be aggregated across multiple resold services. Resold services cannot be used to aggregate traffic from more than one end user customer except as specified in Section A23. of the Company's Tariff referring to Shared Tenant Service.

D. AT&T may resell services only within the specific resale service area as defined in its certificate.

E. Telephone numbers transmitted via any resold service feature are intended solely for the use of the end user of the feature. Resale of this information is prohibited.

V. Maintenance of Services

A. Services resold under the Company's Tariffs and facilities and equipment provided by the Company shall be maintained by the Company.

B. AT&T or its end users may not rearrange, move, disconnect, remove or attempt to repair any facilities owned by the Company, other than by connection or disconnection to any interface means used, except with the written consent of the Company.

C. AT&T accepts responsibility to notify the Company of situations that arise that may result in a service problem.

D. AT&T will be the Company's single point of contact for all repair calls on behalf of AT&T's end users.

E. AT&T will contact the appropriate repair centers in accordance with procedures established by the Company.

F. For all repair requests, AT&T accepts responsibility for adhering to the Company's prescreening guidelines prior to referring the trouble to the Company.

G. The Company will bill AT&T for handling troubles that are found not to be in the Company's network pursuant to its standard price list, time, and materials charges.

H. The Company reserves the right to contact AT&T's customers, if deemed necessary, for maintenance purposes.

VI. Establishment of Service

A. After receiving certification as a local exchange company from the appropriate regulatory agency, AT&T will provide the appropriate Company service center the necessary documentation to enable the Company to establish a master account for AT&T. Such documentation shall include the Application for Master Account, proof of authority to provide telecommunications services, an Operating Company Number ("OCN") assigned by the National Exchange Carriers Association ("NECA") and a tax exemption certificate, if applicable. If deposit requirements are met or necessary, the Company will begin taking orders for the resale of service after such requirements are met.

B. Service orders will be in a standard format designated by the Company.

C. When notification is received from AT&T that a current customer of the Company will subscribe to AT&T's service, standard service order intervals for the appropriate class of service will apply.

D. When an existing customer of the Company switches to AT&T, AT&T must provide the Company with the Customer Code or Codes, when multiple codes apply, for that end user.

E. The Company will not require end user confirmation prior to establishing service for AT&T's end user customer. AT&T must, however, be able to demonstrate end user authorization upon request.

F. AT&T will be the single point of contact with the Company for all subsequent ordering activity resulting in additions or changes to resold services except that the Company will accept a request directly from the end user for conversion of the end user's service from AT&T to the Company or will accept a request from another OLEC for conversion of the end user's service from the AT&T to the other LEC. The Company will notify AT&T that such a request has been processed.

G. If the Company determines that an unauthorized change in local service to AT&T has occurred, the Company will reestablish service with the appropriate local service provider and will assess AT&T as the OLEC initiating the unauthorized change, an unauthorized change charge similar to that described in F.C.C. Tariff No. 1, Section 13.3.3. Appropriate nonrecurring charges for restoring the service to the appropriate local service provider, as set forth in Section A4. of the General Subscriber Service Tariff, will also be assessed to AT&T.

These charges can be adjusted if AT&T provides satisfactory proof of authorization.

	Nonrecurring Charge
(a) each Residence or Business line	\$19.41
(b) each Public or Semi-Public line	\$34.19

H. The Company may, in order to safeguard its interest, require AT&T to make a deposit to be held by the Company as a guarantee of the payment of rates and charges, unless satisfactory credit has already been established. Any such deposit may be held during the continuance of the service as security for the payment of any and all amounts accruing for the service.

I. Such deposit may not exceed two months' estimated billing.

J. The fact that a deposit has been made in no way relieves AT&T from complying with the Company's regulations as to advance payments and the prompt payment of bills on presentation nor does it constitute a waiver or modification of the regular practices of the Company providing for the discontinuance of service for non-payment of any sums due the Company.

K. The Company reserves the right to increase the deposit requirements when, in its sole judgment, the conditions justify such action.

L. In the event that AT&T defaults on its account, service to AT&T will be terminated and any deposits held will be applied to its account.

M. In the case of a cash deposit, interest at the rate of six percent per annum shall be paid to AT&T during the continuance of the deposit. Interest on a

deposit shall accrue annually and, if requested, shall be annually credited to AT&T by the accrual date.

VII. Payment And Billing Arrangements

A. When the initial service is ordered by AT&T, the Company will establish an accounts receivable master account for AT&T.

B. The Company shall bill AT&T on a current basis all applicable charges and credits.

C. Payment of all charges will be the responsibility of AT&T. AT&T shall make payment to the Company for all services billed. The Company is not responsible for payments not received by AT&T from AT&T's customer. The Company will not become involved in billing disputes that may arise between AT&T and its customer. Payments made to the Company as payment on account will be credited to an accounts receivable master account and not to an end user's account.

D. The Company will render bills each month on established bill days for each of AT&T's accounts.

E. The Company will bill AT&T in advance charges for all services to be provided during the ensuing billing period except charges associated with service usage, which charges will be billed in arrears. Charges will be calculated on an individual end user account level, including, if applicable, any charges for usage or usage allowances. BellSouth will also bill all charges, including but not limited to 911 and E911 charges, telecommunications relay charges, and franchise fees, on an individual end user account level.

F. The payment will be due by the next bill date (i.e., same date in the following month as the bill date) and is payable in immediately available funds. Payment is considered to have been made when received by the Company.

If the payment due date falls on a Sunday or on a Holiday which is observed on a Monday, the payment due date shall be the first non-Holiday day following such Sunday or Holiday. If the payment due date falls on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday, or Friday, the payment due date shall be the last non-Holiday day preceding such Saturday or Holiday. If payment is not received by the payment due date, a late payment penalty, as set forth in I. following, shall apply.

G. Upon proof of tax exempt certification from AT&T, the total amount billed to AT&T will not include any taxes due from the end user. AT&T will be solely responsible for the computation, tracking, reporting and payment of all federal, state and/or local jurisdiction taxes associated with the services resold to the end user.

H. As the customer of record, AT&T will be responsible for, and remit to the Company, all charges applicable to its resold services for emergency services (E911 and 911) and Telecommunications Relay Service (TRS) as well as any other charges of a similar nature.

I. If any portion of the payment is received by the Company after the payment due date as set forth preceding, or if any portion of the payment is received by the Company in funds that are not immediately available to the Company, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the payment due date times a late factor. The late factor shall be the lessor of:

1. The highest interest rate (in decimal value) which may be levied by law for commercial transaction, compounded daily for the number of days from the payment due date to and including the date that AT&T actually makes the payment to the Company, or

2. 0.000590 per day, compounded daily for the number of days from the payment due date to and including the date that AT&T actually makes the payment to the Company.

J. Any Carrier Common Line charges (CCL) associated with interexchange carrier access to the resold local exchange lines will be billed by, and due to, the Company.

K. The Company will not perform billing and collection services for AT&T as a result of the execution of this Agreement. All requests for billing services should be referred to the appropriate entity or operational group within the Company.

L. Until such time as the Company receives permission from the FCC to bill the End User Common Line (EUCL) charge to AT&T, the Company will, on an interim basis, bill the charges shown below which are identical to the EUCL rates billed by BST to its end users.

	Monthly Rate
1. Residential	
(a) Each Individual Line or Trunk	\$3.50
2. Single Line Business	
(b) Each Individual Line or Trunk	\$3.50
3. Multi-line Business	
(c) Each Individual Line or Trunk	\$6.00

M. In general, the Company will not become involved in disputes between AT&T and AT&T's end user customers over resold services. If a dispute does arise that cannot be settled without the involvement of the Company, AT&T shall contact the designated Service Center for resolution. The Company will make every effort to assist in the resolution of the dispute and will work with AT&T to resolve the matter in as timely a manner as possible. AT&T may be required to submit documentation to substantiate the claim.

N. AT&T is responsible for payment of all appropriate charges for completed calls, services, and equipment. If objection in writing is not received by the Company within twenty-nine days after the bill is rendered, the account shall be deemed correct and binding upon AT&T.

VIII. Discontinuance of Service

A. The procedures for discontinuing service to an end user are as follows:

1. Where possible, the Company will deny service to AT&T's end user on behalf of, and at the request of, AT&T. Upon restoration of the end user's service, restoral charges will apply and will be the responsibility of AT&T.

2. At the request of AT&T, the Company will disconnect a AT&T end user customer.

3. All requests by AT&T for denial or disconnection of an end user for nonpayment must be in writing.

4. AT&T will be made solely responsible for notifying the end user of the proposed disconnection of the service.

5. The Company will continue to process calls made to the Annoyance Call Center and will advise AT&T when it is determined that annoyance calls are originated from one of their end user's locations. The Company shall be indemnified, defended and held harmless by AT&T and/or the end user against any claim, loss or damage arising from providing this information to AT&T. It is the responsibility of AT&T to take the corrective action necessary with its customers who make annoying calls. Failure to do so will result in the Company's disconnecting the end user's service.

B. The procedures for discontinuing service to AT&T are as follows:

1. The Company reserves the right to suspend or terminate service for nonpayment or in the event of prohibited, unlawful or improper use of the facilities or service, abuse of the facilities, or any other violation or noncompliance by AT&T of the rules and regulations of the Company's Tariffs.

2. If payment of account is not received by the bill day in the month after the original bill day, the Company may provide written notice to AT&T, that additional applications for service will be refused and that any pending orders for service will not be completed if payment is not received by the fifteenth day following the date of the notice. If the Company does not refuse additional applications for service on the date specified in the notice, and AT&T's noncompliance continues, nothing contained herein shall preclude the Company's right to refuse additional applications for service without further notice.

3. In payment of account is not received, or arrangements made, by the bill day in the second consecutive month, the account will be considered in default and will be subject to denial or disconnection, or both.

4. If AT&T fails to comply with the provisions of this Agreement, including any payments to be made by it on the dates and times herein specified, the Company may, on thirty days written notice to the person designated by AT&T to receive notices of noncompliance, discontinue the provision of existing services to AT&T at any time thereafter. In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due. If the Company does not discontinue the provision of the services involved on the date specified in the thirty days notice, and AT&T's noncompliance continues, nothing contained herein shall preclude the Company's right to discontinue the provision of the services to AT&T without further notice.

5. If payment is not received or arrangements made for payment by the date given in the written notification, AT&T's services will be discontinued. Upon discontinuance of service on a AT&T's account, service to AT&T's end users will be denied. The Company will also reestablish service at the request of the end user or AT&T upon payment of the appropriate connection fee and subject to the Company's normal application procedures.

6. If within fifteen days after an end user's service has been denied no contact has been made in reference to restoring service, the end user's service will be disconnected.

IX. Liability

A. The liability of the Company for damages arising out of mistakes, omissions, interruptions, preemptions, delays errors or defects in transmission, or failures or defects in facilities furnished by the Company, occurring in the course of furnishing service or other facilities and not caused by the negligence of AT&T, or of the Company in failing to maintain proper standards of maintenance and operation and to exercise reasonable supervision shall in no event exceed an amount equivalent to the proportionate charge to AT&T for the period of service during which such mistake, omission, interruption, preemption, delay, error or defect in transmission or defect or failure in facilities occur. The Company shall not be liable for damage arising out of mistakes, omission, interruptions, preemptions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the service of the Company, (1) caused by customer-provided equipment (except where a contributing cause is the malfunctioning of a Company-provided connecting arrangement, in which event the liability of the Company shall not exceed an amount equal to a proportional amount of the Company billing for the period of service during which such mistake, omission, interruption, preemption, delay, error, defect in transmission or injury occurs), or (2) not prevented by customer-provided equipment but which would have been prevented had Company-provided equipment been used.

B. The Company shall be indemnified and saved harmless by AT&T against any and all claims, actions, causes of action, damages, liabilities, or demands (including the costs, expenses and reasonable attorneys' fees, on account thereof) of whatever kind or nature that may be made by any third party as a result of the Company's furnishing of service to AT&T

C. The Company shall be indemnified, defended and held harmless by AT&T and/or the end user against any claim, loss or damage arising from the use of services offered for resale involving:

1. Claims for libel, slander, invasion of privacy or infringement of copyright arising from AT&T's or end user's own communications.
2. Claims for patent infringement arising from acts combining or using Company services in connection with facilities or equipment furnished by the end user or AT&T
3. All other claims arising out of an act or omission of AT&T or its end user in the course of using services.

D. AT&T accepts responsibility for providing access for maintenance purposes of any service resold under the provisions of this Tariff. The Company shall not be responsible for any failure on the part of AT&T with respect to any end user of AT&T

X. Treatment of Proprietary and Confidential Information

A. Both parties agree that it may be necessary to provide each other during the term of this Agreement with certain confidential information, including trade secret information, including but not limited to, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer account data and like information (hereinafter collectively referred to as "Information"). Both parties agree that all Information shall either be in writing or other tangible form and clearly marked with a confidential, private or proprietary legend or when the Information is communicated orally, it shall also

be communicated that the Information is confidential, private or proprietary. The Information will be returned to the owner within a reasonable time. Both parties agree that the Information shall not be copied or reproduced in any form. Both parties agree to receive such Information and not disclose such Information. Both parties agree to protect the Information received from distribution, disclosure or dissemination to anyone except employees of the parties with a need to know such Information and which employees agree to be bound by the terms of this Section. Both parties will use the same standard of care to protect Information received as they would use to protect their own confidential and proprietary Information.

B. Notwithstanding the foregoing, both parties agree that there will be no obligation to protect any portion of the Information that is either: 1) made publicly available by the owner of the Information or lawfully disclosed by a nonparty to this Agreement; 2) lawfully obtained from any source other than the owner of the Information; or 3) previously known to the receiving party without an obligation to keep it confidential.

XI. Resolution of Disputes

Except as otherwise stated in this Agreement, the parties agree that if any dispute arises as to the interpretation of any provision of this Agreement or as to the proper implementation of this Agreement, the parties will petition the Tennessee Public Service Commission for a resolution of the dispute. However, each party reserves any rights it may have to seek judicial review of any ruling made by the Tennessee Public Service Commission concerning this Agreement.

XII. Limitation of Use

The parties agree that this Agreement shall not be proffered by either party in another jurisdiction as evidence of any concession or as a waiver of any position taken by the other party in that jurisdiction or for any other purpose.

XIII. Waivers

Any failure by either party to insist upon the strict performance by the other party of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions of this Agreement, and each party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.

XIV. Governing Law

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Georgia, without regard to its conflict of laws principles.

XV. Arm's Length Negotiations

This Agreement was executed after arm's length negotiations between the undersigned parties and reflects the conclusion of the undersigned that this Agreement is in the best interests of all parties.

XVI. Notices

A. Every notice, consent, approval, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered in person or given by postage prepaid mail, address to:

BellSouth Telecommunications, Inc.

AT&T

or at such other address as the intended recipient previously shall have designated by written notice to the other party.

B. Where specifically required, notices shall be by certified or registered mail. Unless otherwise provided in this Agreement, notice by mail shall be effective on the date it is officially recorded as delivered by return receipt or equivalent, and in the absence of such record of delivery, it shall be presumed to have been delivered the fifth day, or next business day after the fifth day, after it was deposited in the mails.

XVIII. Amendments

This Agreement may be amended at any time upon written agreement of both parties.

XVII. Entire Agreement

This Agreement sets forth the entire understanding and supersedes prior agreements between the parties relating to the subject matter contained herein and merges all prior discussions between them, and neither party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this Agreement or as is contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the party to be bound thereby.

BellSouth Telecommunications, Inc.

AT&T

BY: _____
Signature

BY: _____
Signature

NAME: _____
Printed Name

NAME: _____
Printed Name

TITLE: _____

TITLE: _____

EXHIBIT "A"

APPLICABLE DISCOUNTS

The telecommunications services available for purchase by AT&T for the purposes of resale to AT&T end users shall be available at the following discount off of the retail rate.

STATE	RESIDENCE	DISCOUNT	BUSINESS
TENNESSEE	11%		9%

Exhibit B
Joint Marketing Restriction Included In Section 271(e)(1)

The term joint marketing, as it applies to the parties restricted by this subsection of the Telecommunications Act of 1996, includes, but is not limited to, any advertisements, marketing efforts and billing arrangements involving interLATA service and telephone exchange service purchased from a Bell operating company local exchange carrier for the purpose of reselling said telephone exchange service to customers. Telephone exchange services include residence, business, and PBX services, central office based business services, all vertical features and functions such as but not limited to, Custom Calling features, MemoryCall® service, directory listings, intraLATA toll services and optional extended area services. Specifically, the following are prohibited under the joint marketing restriction:

- Billing of any telephone exchange services purchased from a Bell operating company local exchange carrier for resale purposes and any interLATA service must be on separate bills sent in separate envelopes to the customer.
- No direct mail programs, bill inserts or comparable informational or marketing material can in any way reference both telephone exchange services purchased from a Bell operating company local exchange carrier for resale purposes and interLATA service.
- Incoming or outgoing customer contacts, including telephone contacts, personal visits or comparable contacts cannot include reference to or information concerning both telephone exchange services purchased from a Bell operating company local exchange carrier for resale purposes and an interLATA service. Further, any customer contact initiated as a result of a referral or transfer service from the Bell operating company local exchange carrier cannot be utilized to sell telephone exchange services.
- Telephone exchange services purchased from a Bell operating company local exchange carrier for resale purposes and interLATA services cannot be included in the same advertisement or advertised or marketed in any manner that would suggest, imply or state that the same company could offer both the telephone exchange services purchased from a Bell operating company local exchange carrier for resale purposes and interLATA services.
- Telephone exchange services purchased from a Bell operating company local exchange carrier for resale purposes and interLATA services cannot be offered in any manner that would combine the pricing of the two services or in any way make the price of one service dependent upon the purchase or

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usage of the other. Such arrangements would include but are not limited to the following:

Neither the telephone exchange services purchased from a Bell operating company local exchange carrier for resale purposes nor the interLATA service can be provided as a rebate or given away due to the purchase of the other; No coupons, credits or similar incentive can be provided for either telephone exchange services purchased from a Bell operating company local exchange carrier for resale purposes or interLATA services that would in any way impact the ultimate price a customer would pay for the other service; Any term or volume plan that is provided to a customer that includes telephone exchange services purchased from a Bell operating company local exchange carrier for resale purposes and interLATA services must clearly state that the customer can void the contract without penalty once the Bell operating company has been allowed to offer in region interLATA services in such a way that the joint marketing restriction is eliminated; Any interLATA service price, term or condition must be available on the same basis to a customer who does not purchase the telephone exchange services purchased from a Bell operating company local exchange carrier for resale purposes; and No deferred discounts, rebates or similar pricing incentive can be stated or implied for service purchased during the period in which the joint marketing restriction is in effect that would be applied after the restriction has been lifted.

- All joint marketing restrictions apply to any company that serves more than 5% of the nation's presubscribed lines and any company (ies) that have financial relationships with these companies, including ownership agreements, agency arrangements, capital investments arrangements, etc.

001821

812-
Received 5/20/96 VIA MAIL

May 16, 1996 →

RECEIVED
VIA FAX

William J. Carroll
Room 4170
1200 Peachtree Street, N.E.
Atlanta, Georgia 30309

Dear Jim:

The purpose of this letter is to respond to your three letters to Duane Ackerman, of May 6, 1996 and your letter of May 7, 1996 addressed to me.

May 6, 1996 letters to Duane Ackerman regarding Alabama and Kentucky--BellSouth is pleased that AT&T has elected to begin interconnection, unbundling and resale negotiations for the states of Alabama and Kentucky. BellSouth will now consider these states as a part of the ongoing negotiations between our two companies and will recognize May 6, 1996 as the official date for both states. If this is not the case, please let me know.

Secondly, BellSouth suggests that the two companies go ahead and include the rest of the BellSouth states in the negotiations. If this proposal is acceptable to you, BellSouth will consider the official commencement date for negotiations to be the date of your written acceptance of this proposal.

May 6, 1996 letter to Duane Ackerman regarding operational interfaces and May 7, 1996 to me regarding same--BellSouth maintains that the PC to PC fax interface initially proposed meets the letter and spirit of the Telecommunications Act of 1996 as to interface requirements between the incumbent local exchange carrier and other local exchange carriers. Further, the fax interface is immediately available thus facilitating AT&T's immediate entry into the local exchange reseller market.

Nonetheless, BellSouth has been willing to go further than the requirements of the law through its consideration and offer to provide an electronic interface system for service order transfer and confirmation. It is our expectation that representatives from BellSouth and AT&T will soon be able to agree on the specific requirements for this system.

In addition to the above-mentioned EDI development, BellSouth has continued to explore options for addressing AT&T requests and has taken the following steps:

- (1) BellSouth has developed an initial view of pre-ordering electronic interfaces including electronic access to: RSAG - End office (CLLI) NPA-NXX information, PSIMS - Feature and function availability, ATLAS - Telephone number assignment, DSAP - Due date scheduling.
- (2) BellSouth has developed an initial view of the work necessary to complete service orders to AT&T via an EDI interface.
- (3) BellSouth will consider authorizing the design phase to begin on both the abovementioned items pending acceptance by AT&T of the terms outlined in the following paragraphs.

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BellSouth has two mechanisms for recovering the costs of this additional and discretionary work. The costs of the development of the systems can be netted against the discount offered to resellers for the purchase of BellSouth's retail telecommunications services or the cost can be recovered through non-recurring charges.

At present, AT&T is the only reseller to request that the interface between BellSouth and itself be through electronic systems. Further, in your May 1, 1996 letter, you specifically rejected BellSouth's proposal to net the costs of the development of electronic interface from the discount offered to resellers by BellSouth. BellSouth was surprised by AT&T's reaction to the "netting" concept due to earlier informal indications from AT&T that this method would be worthy of serious consideration and because this approach would spread the costs across resellers utilizing the BellSouth network. As discussed in our meeting of May 14, BellSouth is requesting AT&T put forth a proposal for BellSouth's recovery of these costs that would be acceptable to both parties.

I look forward to our regularly scheduled meetings regarding the negotiations.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Scott Schaefer", written over a horizontal line.

W. Scott Schaefer
Vice President - Marketing
InterConnection Services

001823

BellSouth Telecommunications, Inc.
Legal Department

4300 BellSouth Center
675 West Peachtree Street., N.E.
Atlanta, Georgia 30375

Fax: (404) 658-9022

RECEIVED

A357

MAY 16 1996

AT&T
LAW DIVISION

DATE: 5/16/96

TO: Sylvia Anderson

FAX: _____

PHONE: _____

NUMBER OF PAGES (including cover) 10

=====

FROM: Mary Jo Peed

PHONE: 404-335-0705

MESSAGE: _____

This facsimile contains privileged information intended only for the use of the Addressee(s) named above. If you are not the intended recipient of this facsimile, or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination or copying of this facsimile is strictly prohibited. If you have received this facsimile in error, please immediately notify us by telephone and return the original facsimile to us at the above address via the U.S. Postal Service. Thank You.

001824

Mary Jo Peed
General Attorney

BellSouth Telecommunications, Inc.
Legal Department - Suite 4300
675 West Peachtree Street
Atlanta, Georgia 30375-0001
Telephone 404-335-0705
Facsimile 404-668-3988

Via Facsimile
404-810-8629

MEMORANDUM

TO: Sylvia Anderson
FROM: Mary Jo Peed
DATE: May 16, 1996
RE: Tennessee Mediation Petition

=====

Sylvia,

As we discussed this morning, BellSouth is proposing a solution to the mediation issue filed by AT&T on May 8, 1996. The mediation involves the Neil Brown Data Request No. 1.

Early in the negotiation, BellSouth agreed to sign the confidentiality agreement proposed by AT&T without any of the changes proposed by BellSouth. BellSouth was very concerned about the effect of the agreement as executed and informed AT&T of this concern. As BellSouth predicted, the confidentiality agreement has been a major obstacle in the free flow of information. For example, BellSouth believes that data request is not relevant to the negotiations process and has thus, declined to provide the information to AT&T. If we had been able to agree on a confidentiality agreement which would have separated the negotiations from any related proceeding or would have simply put in a process for this concern, BellSouth may have provided the responsive documents to AT&T. Unfortunately, AT&T was unbending in its desire.

Further, as you and I have discussed, a factor in the release of information relevant to Data Request No. 1 is the highly sensitive competitive nature of the information requested and AT&T's position as a competitor of BellSouth.

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Ms. Sylvia Anderson
May 16, 1996
Page 2

BellSouth proposes the following solution to the mediation issue and the exchange of highly sensitive competitive information between the parties:

If AT&T is willing to sign the attached Nondisclosure Agreement, most recently signed by AT&T in North Carolina, BellSouth will provide the documents responsive to Data Request No. 1. Further, AT&T will withdraw its request for mediation in Tennessee.

The difference between the attached agreement and the current agreement in place is in paragraphs 4, 5, and 6 that deal with the individuals that may see the highly sensitive competitive information and paragraphs 10, 11, and 12 that deal with the receiving party using the information in any related proceeding.

Please let me know AT&T's position regarding this offer.

Attachment

001826

In the Matter of:

BellSouth Telecommunications, Inc. and AT&T Corporation
Negotiations Pursuant to the Telecommunications Act of 1996

NONDISCLOSURE AGREEMENT

WHEREAS, AT&T Communications of the Southern States, Inc. ("AT&T") desires BellSouth Telecommunications, Inc. ("BellSouth") to produce, as part of the negotiations, certain information that BellSouth considers to be highly sensitive competitive and proprietary.

NOW WHEREFORE, in consideration of the mutual covenants and promises contained herein, AT&T and BellSouth agree as follows:

1. AT&T and BellSouth agree that this Nondisclosure Agreement shall govern the availability and use of all highly sensitive competitive documents or information produced that is designated in good faith as "Protected Material" by the party producing them ("Producing Party"). This Agreement reflects the manner in which "Protected Materials," as that term is defined herein, are to be treated. This Nondisclosure Agreement is not intended to constitute a final resolution of the merits concerning the confidentiality of any of the Protected Materials nor of any objection to the propriety or scope of a data request. Nothing contained in this Nondisclosure Agreement shall be construed as precluding any objections to the use of the Protected Materials on grounds other than confidentiality.

2. All the highly sensitive competitive materials furnished subject to the terms of this Nondisclosure Agreement hereinafter shall be referred to as "Protected Materials." Protected Materials shall include all answers to inquiries and documents provided that the Producing Party has determined in good faith must be protected from public disclosure to avoid the potential of commercial injury to the Producing Party. Protected Materials shall be deemed to include additional copies of, and notes and confidential information derived from, Protected Materials. Protected Materials submitted to the Commission or any court shall bear on the first page of the legend, in bold print, "PROTECTED MATERIAL" or other similar designation. All Protected Materials and the contents thereof shall be made available solely for the purposes of addressing the issues associated with the negotiations.

This Nondisclosure Agreement is intended to prevent unauthorized use or disclosure of information the Producing Party deems to be proprietary, trade secrets, or constituting other similar information, the disclosure of which could be

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commercially damaging, including commercially sensitive plans, strategies, and similar commercially sensitive information.

3. As used in this Non-disclosure Agreement the term:

- (a) "Producing Party" shall mean the party receiving the request, the response to which is deemed Protected Materials.
- (b) "Requesting Party" shall mean the party propounding the request, the response to which is deemed Protected Materials.
- (c) "Authorized Representative" shall mean the Requesting Parties' counsel of record in this proceeding and such other person(s) as the parties may agree in writing. The parties will not unreasonably withhold agreement to allow any person to become an Authorized Representative. In the absence of such agreement, those person(s) the Commission by order makes an Authorized Representative for the purpose of reviewing the protective material. Any party seeking such an order from the any federal regulatory body, federal agency or court of competence jurisdiction shall do so by a written motion served on all parties, and all parties shall have ten (10) days in which to respond to any such motion.

4. BellSouth shall make its Protected Materials available to a Requesting Party's Authorized Representatives and access to Protected Materials is permitted only to a Requesting Party's Authorized Representatives. An Authorized Representative may not disclose Protected Materials to any other person other than another Authorized Representative. It shall be the responsibility of the Authorized Representative conveying or communicating Protected Materials to ensure that the Protected Materials are being conveyed or communicated solely to another Authorized Representative.

5. Prior to receiving a copy of or inspecting any Protected Materials or any confidential information derived from Protected Materials, each Authorized Representative shall first execute the "Certificate of Authorized Representative" attached. Further, each executed certificate must be delivered to counsel for the Producing Party. Each executed certificate shall identify the Authorized Representative, his or her firm or affiliation, title, and the date of execution.

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In the event that any person to whom such Protected Materials are disclosed ceases to be engaged in this proceeding, access to such materials by such person shall be terminated immediately and such person shall promptly return any Protected Materials in his or her possession to another Authorized Representative of Requesting Party. If there shall be no such Authorized Representative, such person shall treat such Protected Materials in the manner set forth in Section 15 hereof as if the proceedings herein had been concluded. Any person who executes this Nondisclosure Agreement shall continue to be bound by the provisions of this Nondisclosure Agreement even if he or she no longer qualifies as an Authorized Representative.

6. Reviewing Party may take notes or derive other information from the Protected Materials, provided that any such notes or other information shall be treated as Protected Materials subject to this Nondisclosure Agreement.

7. Any document subject to this Nondisclosure Agreement may not be produced in redacted or elided form, unless such redaction or elision is authorized by an order of the Commission upholding a validly asserted claim in accordance with Section 1 hereof.

8. Protected Materials may be reviewed only during the "Reviewing Period," which shall commence upon execution of this Nondisclosure Agreement, and continue until the conclusion of the negotiations and any subsequent related proceeding. As used in this paragraph, "conclusion of this proceeding" refers to the exhaustion of available appeals, as provided by applicable law.

9. All Protected Materials, as well as an Authorized Representative's notes or other information regarding or derived therefrom, are to be treated confidentially by the Authorized Representatives, except as permitted and provided in this Nondisclosure Agreement, and are to be made available to Authorized Representatives solely for the purposes described in this Nondisclosure Agreement. Protected Materials or confidential information derived therefrom or describing the same shall not be placed in the public or general files of the Authorized Representatives except in accordance with provisions of this Nondisclosure Agreement. An Authorized Representative must take all reasonable and necessary precautions to ensure that Protected Materials (including handwritten notes and analyses made therefrom) are not viewed, taken or used by any person other than an Authorized Representative.

10. Neither a Requesting Party nor an Authorized Representative shall tender for filing any testimony, exhibits, briefs, or any other submission that includes, incorporates, or refers to Protected Materials or their contents, until a suitable protective order is entered by the state or federal regulatory body, executive or judicial body. Counsel shall take all precautions necessary to assure that Protected Materials are not distributed to unauthorized persons.

11. Materials designated protected shall continue to be protected unless and until, the state or federal regulatory body, executive or judicial body finds that they are not properly subject to protection within the terms of this Nondisclosure Agreement. If the Commission denies protected status to any materials so designated by a Producing Party, those materials shall nonetheless be subject to the protection afforded by this Nondisclosure Agreement for ten (10) days from the date of issuance of such decision by the Commission. Nothing herein waives the rights of any participant to seek administrative or judicial remedies after the Commission's action.

12. In the event that the state or federal regulatory body, executive or judicial body at any time in the course of this proceeding finds sua sponte that all or part of any document or information does not constitute Protected Materials, those materials nevertheless shall be subject to the protection afforded by this Nondisclosure Agreement for ten (10) days, unless otherwise ordered, from the date of issuance of a Commission order. Neither the Producing Party nor the Requesting Party waives its right to seek additional administrative or judicial remedies in the event of a denial of any objection.

13. In the event any material that a Producing Party claims to be Protected Material is inadvertently produced, the production shall not serve to waive the claim that it is Protected Material. While the recipient has no obligation specifically to review disclosed material in order to determine if it has been inadvertently produced, in the event the recipient concludes that the material has been inadvertently produced, any such material, including, without limitation, any notes relating to any copies made of such material, shall promptly be returned to counsel for the Producing Party, together with written verification that all inadvertently produced material, notes relating to such material, and copies made of such material have been returned. Recipients of any such inadvertently produced material are precluded from using the material, or any information derived from the material; provided, however, that if the material inadvertently produced does not reflect markings

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sufficient to alert the recipient to the privileged nature of the material, or, in the absence of any markings, it is not unreasonable for the recipient to conclude that the production of the material was not inadvertent, and if the recipient uses the inadvertently produced material, or any information derived from it, in a pleading or other submission made in these proceedings, then the recipient shall not be found to have violated this Nondisclosure Agreement. Further, the Producing Party and the recipient of the inadvertently produced material shall try promptly and in good faith to reach an agreement on how the inadvertent disclosure may be protected. If necessary, the parties will appear before the state or federal regulatory body, or executive or judicial body to seek an appropriate resolution of the matter.

14. All notices, applications, responses, or other correspondence shall be made in a manner to insure that the Protected Materials are not disclosed.

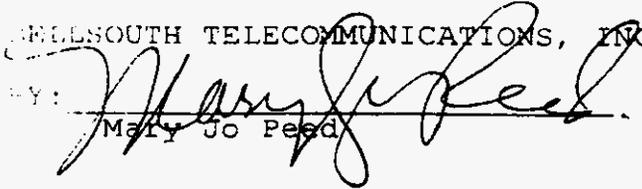
15. Following the conclusion of this proceeding, all Protected Materials provided by Producing Party pursuant to this Nondisclosure Agreement and any copies reproduced by Requesting Party must, no later than thirty (30) days following receipt by counsel for Requesting Party of a written request from Producing Party, be returned to counsel for Producing Party or destroyed. Counsel for Requesting Party shall provide to counsel for Producing Party written certification that, to the best of his or her knowledge, information, and belief, all Protected Materials, copies of Protected Materials and originals and copies of notes, memoranda, and other documents regarding or derived from the Protected Materials have been disposed of in accordance with the terms of this Nondisclosure Agreement.

Nothing in these paragraphs shall prohibit each counsel for Requesting Party from retaining copies of any brief, application for rehearing, or other pleading, motion, or other document filed with the state or federal regulatory body, or executive or judicial body, or a court that refers to Protected Materials or any internal memorandum that refers to Protected Materials, provided that any such materials retained by counsel shall remain subject to the provisions of this Nondisclosure Agreement.

This the _____ day of May, 1996.

SOUTHWEST TELECOMMUNICATIONS, INC.

BY:


Mary Jo Peed

AT&T COMMUNICATIONS OF THE
SOUTHERN STATES, INC.

BY: _____

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CERTIFICATE OF AUTHORIZED REPRESENTATIVE

I certify my understanding that Protected Materials are provided to me pursuant to the terms and restrictions of the Nondisclosure Agreement in Docket No. P-55, Sub 1013, that I have been given a copy of and have read the Nondisclosure Agreement, and that I agree to be bound by it. I understand that the contents of Protected Materials, and any notes, memoranda, or any other form of information regarding or derived from Protected Materials shall not be disclosed to anyone other than in accordance with the Nondisclosure Agreement and shall be used only for the purposes of the proceedings in Docket No. P-55, Sub 1013.

By: _____

Date of Execution: _____

Name: _____

Title: _____

Company: _____

Address: _____

Telephone: _____

Requesting Party: _____

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