

**ORIGINAL
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DOCKET NO. 960847-TP

AT&T v. GTE ARBITRATION

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

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

VOLUME I

TABS 1 - 39

AUGUST 16, 1996

DOCUMENT NUMBER-DATE

08681 AUG 16 1996

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Petition by AT&T Communications)
of the Southern States, Inc.)
for Arbitration of Certain Terms and)
conditions of a proposed agreement)
with GTE Florida, Inc. concerning)
Interconnection and Resale under)
the Telecommunications Act of 1996)
_____)

DOCKET NO. 960847-TP

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***

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	111	7/2/96	AT&T Attachment 14 to July 2, 1996 Contract Proposal	AGBR 000750
	112	7/12/96	Matrix of Open Issues on Local Resale and Unbundling	none
	113	7/24/96	Letter from D. McLeod to R. Harrison; GTE Resale and Unbundled Network Elements Pricing Proposal	none
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	116	8/2/96	Letter from R. Harrison to D. McLeod; Pricing Proposal	AGBR 003101
V	117	undated	Cost Study	none
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R. Reed Harrison III
Vice President
Local Infrastructure & Access Management
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March 11, 1996

Mr. Thomas W. White
President
GTE Telephone Operations
600 Hidden Ridge, HQE04H14
Irving, Texas 75015-2092

Re: Telecommunications Act of 1996

Dear Tom,

AT&T requests the commencement of negotiations under Section 252 of the Telecommunications Act of 1996 for the states of Arizona, California, Florida, Hawaii, Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Texas, Virginia, Washington and Wisconsin. This request includes all interconnection issues enumerated in Sections 251 and 252, including prices and terms for network elements used for the origination and completion of interexchange services traffic. My expectation is that our companies can come to a mutually acceptable arrangement through negotiations as envisioned by the Act.

I propose that our negotiations for all of these states include all GTE telephone companies including CONTEL, and be held on a combined basis and at a corporate level. To begin this process, I suggest that we convene a small Senior Management Team (3-4 individuals per company) for an initial meeting on March 28, 1996, in Berkeley Heights, New Jersey. The team members should be prepared and empowered to conduct full negotiations under the Act for all of the states. I anticipate that your team members will also bring with them the information necessary to begin full negotiations.

AGPL 001554

We realize there are a significant number of issues to resolve. We are confident that with a concerted and cooperative spirit, we can resolve these issues in a mutually agreeable manner. Our companies have worked together in the past to provide world-class service to customers and we hope to enhance and expand this relationship into all telecommunications markets through these teaming efforts.

If there are questions, if my proposed date is not possible, or if GTE would be ready and able to meet earlier than March 28, please contact me at 908-771-2700.

Sincerely,

A handwritten signature in black ink that reads "R. Reed Harrison III". The signature is written in a cursive style with a horizontal line underneath the name.

R. Reed Harrison III
Vice President -
Local Infrastructure & Access Management Regional Operations

Copy to:

GTE

M. B. Esstman
L. J. Sparrow
F. W. Compton
W. A. Irwin
R. H. Moss

AT&T

J. J. Beasley
W. J. Carroll
L. A. Hedg-peth
D. Jefferson
B. B. Manzi
R. H. Shurter
W. A. Stake
M. B. Vitale
R. J. Wren



DRAFT

GTE Telephone Operations

March 12, 1996

PO Box 152192
Dallas, TX 75015 2092

Mr. Gary Rall
District Manager
AT&T
4480 Willow Road, Rm 110
Pleasanton, CA 94588

Dear Gary,

GTE has reviewed the attachments contained in your February 9, 1996 letter. Enclosed are copies of your initial attachments which confirm, revise, and/or clarify the GTE positions. For the sake of simplicity, I have not reworded the phrasing of your issues. This information gives AT&T the data it requires to begin ordering wholesale services from GTE in California once authorized by CPUC. If, after your review of this information, you require additional information, clarification or would like to set up a meeting, please contact Dan Bennett and he will be glad to assist you and your staff in resolving any remaining issues.

Attachment 1 provides areas of clarification to GTE's positions that AT&T refers to as "areas of concurrence". Even with these minor modifications, it is GTE's belief that we have mutual concurrence on all of the items on this attachment.

GTE has reviewed Attachment 2 to determine those areas where we can reach closer agreement to AT&T's requests. Occasionally, we discovered that there may have been a misunderstanding and that GTE and AT&T are in agreement. For example, where AT&T states that it is "not acceptable, under any circumstances, [for GTE] to provide a new telephone number assignment via the [Firm Order Confirmation] FOC", GTE had previously agreed to establish an 800 number where ALECs can call to obtain new telephone number assignment "on-line". Sometimes, there are industry forums developing standards to which GTE will agree to abide by. An example of this would be the Ordering and Billing Forum (OBF) decision, when reached, to identify the PIC change process flow whereby the switch provider will notify the IXCs and LSPs of changes in providers to the end user. It is our position that GTE's resale proposal to AT&T, and all ALECs, is in compliance within state and federal requirements. Revised Attachment 2 provides further detail on GTE's position related to those areas AT&T finds unacceptable.

In Revised Attachment 3, GTE has provided additional clarification to many issues. In Revised Attachment 4, GTE reaffirms its position that it will comply with valid state orders related to the wholesale pricing of services to ALECs.

**GTE PROPRIETARY
SUBJECT TO A NON-DISCLOSURE AGREEMENT
USE PURSUANT TO COMPANY INSTRUCTIONS**

AGPL 001563

March 12, 1996
Mr. Gary Rall
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GTE is diligently working to identify and evaluate longer range options that might provide more streamlined (electronic) processes and procedures for the provisioning of wholesale services to ALECs. We are working toward a date in late second quarter 1996 to begin to identify functional requirements related to electronic interfaces for order entry and trouble reports. However, right now GTE is currently focused on near term requirements to get our wholesale customers in service within the regulated time frames. Also, there are unresolved issues in the new competitive local exchange arena that have yet to be dealt with. At this time it would be premature to attempt to finalize longer term operational solutions.

GTE will provide responses to the facility interconnection and loop unbundling for facility based issues initially identified by AT&T by June 1, 1996.

Please direct future correspondence or contact for establishing future meetings to Dan Bennett, GTE/AT&T Account Manager. Dan may be reached at 214/717-~~5998~~.

x7687

Mike Billings
Director - Collocation/Interconnection

MLB:dc
Attachment

c: F. Compton - HQE02L28 - Irving, TX
S. Black - HQE02H05 - Irving, TX

**GTE PROPRIETARY
SUBJECT TO A NON-DISCLOSURE AGREEMENT
USE PURSUANT TO COMPANY INSTRUCTIONS**

AGPL · 001564

REVISED ATTACHMENT 1 Areas of Concurrence

Services / Features / Functions

- GTE's agreement to offer all services as defined in the CPUC order to AT&T via either wholesale tariff or contract arrangements.

GTE Position: Concurrence - GTE will comply with all valid state orders.

- GTE's agreement to provide intraLATA pre-subscription where mandated to do so by the various state commissions.

GTE Position: Concurrence - GTE will comply with all valid state orders.

Operator Services and Directory Listings

- GTE's agreement to support AT&T's own OS platform (the CAD solution is not acceptable, however).

GTE Position: GTE is willing to offer trunks from each end office, at tariffed rates, to AT&T's Points of Presences (POPs) which will allow AT&T to utilize its own operator services whenever their end users dial the appropriate seven digit or 800 numbers.

- GTE agrees to provide two numbers and/or addresses per DA call (at parity).

GTE Position: GTE agrees to provide parity to the ALECs for DA services.

- GTE will provide call completion at the end user's request, where this service is offered by GTE (at parity)

GTE Position: Concurrence

Pre-Order / Ordering Requirements

- GTE's agreement to provide an expedite and escalation processes through contacts at the National Open Market Center.

GTE Position: Concurrence

- AT&T and GTE agree that feature and service availability by LSO will be provided in advance. Initially this will be accomplished with a paper document while electronic media transfer is being worked out.

GTE Position: GTE will provide the information in magnetic tape format. A charge may be required for the provisioning of this service.

- AT&T agrees that GTE will provide a street address guide (SAG) which AT&T will use to determine the end user's correct LSO. Electronic transfer requirements will be worked out to facilitate this requirement.

GTE Position: GTE will provide this information in magnetic tape format. Electronic interface arrangements will be worked out to facilitate FUTURE requirements. A charge may be required for the provisioning of this service.

- AT&T and GTE agree that a due date completion will be provided to AT&T on services ordered from GTE. GTE will inform AT&T of any jeopardy conditions which exist that may delay or prevent service from being installed on the due date provided.

GTE Position: Concurrence

- AT&T and GTE agree to provide the ability for AT&T to suspend a user's service according to the provisions of the state regulatory commission.

GTE Position: Concurrence

- AT&T and GTE agree that notification of service errors, jeopardy conditions and missed appointments will be provided via a call to a single 800 number which AT&T will provide to GTE on the Local Service Request (LSR).

GTE Position: Concurrence

- AT&T and GTE agree that a customer will retain their original telephone number, services, and feature functionality when migrating from GTE to AT&T as their Local Service Provider (LSP).

GTE Position: Concurrence with the exception that if AT&T refuses to accept billing responsibility for their end users' 900/976 calls GTE will block access to these numbers. Vertical services and features will be retained to the degree that AT&T includes a request for these services and features on the initial LSR.

GTE PROPRIETARY
SUBJECT TO A NON-DISCLOSURE AGREEMENT
USE PURSUANT TO COMPANY INSTRUCTIONS

AGPL 001566

- GTE and AT&T agree that intercept and transfer services will be provided at parity with AT&T to provide the transfer number to GTE.

GTE Position: Concurrence

- AT&T and GTE agree that any changes to an end user's service will be referred to AT&T and not be performed by GTE without authorization from AT&T, except via a valid LOA for an IXC PIC change.

GTE Position: GTE will honor any LSR from an ALEC supported by an end user LOA to change service providers. This issue is currently being addressed by the industry Ordering and Billing Forum (OBF). The current OBF recommendation is to require the acquiring ALEC to notify the current ALEC that they have an LOA to serve the end user. The acquiring ALEC must indicate on the LSR that they have contacted the incumbent local service provider. As a member of the OBF and the concurrence process, GTE will work towards resolution of this issue.

The "Out PIC" process will serve as a notification of change of service providers. This notification will be provided to the displaced ALEC.

GTE will honor the interLATA PIC request from an IXC based on a valid LOA and the GTE and industry standard CARE processes. Where the intraLATA process is applicable, GTE will honor requests in the same manner.

- AT&T and GTE agree that the requirements for population of the E911 database will be handled in a "business as usual" mode by GTE.

GTE Position: Concurrence

Maintenance Requirements

- AT&T and GTE agree that the existing Telephone Service Priority (TSP) guidelines will be adhered to for resale services.

GTE Position: Concurrence

**GTE PROPRIETARY
SUBJECT TO A NON-DISCLOSURE AGREEMENT
USE PURSUANT TO COMPANY INSTRUCTIONS**

AGPL 001567

Billing Requirements

- AT&T agrees that GTE will utilize the CBSS end user billing system as an interim resale billing vehicle.

GTE Position: Concurrence

- GTE agrees to establish an interim pre-bill certification process for local resale service billed through CBSS.

GTE Position: GTE has agreed to discuss and negotiate AT&T's requirements and GTE's capability to establish a pre-bill certification. Until the definitions and requirements are established, no agreement exists. A formal pre-bill certification agreement will have to be established and concurred in by both companies. This process is still in the negotiation stage.

- GTE will deliver the CBSS bill via magnetic tape, or an electronic data interface to be established.

GTE Position: Concurrence

- GTE will delineate the CBSS bill by individual end user account with a summary bill of all end user accounts. GTE will provide up to 10 summary bills at a sub-state level.

GTE Position: Concurrence (the 10 summary bills will be at a state level differentiated by billing cycle dates).

**GTE PROPRIETARY
SUBJECT TO A NON-DISCLOSURE AGREEMENT
USE PURSUANT TO COMPANY INSTRUCTIONS**

AGPL 001568

REVISED ATTACHMENT 2 Areas Considered Unacceptable to AT&T

Services / Features / Functions

- It is unacceptable to AT&T that GTE does not make all presently available retail services available for resale.

GTE Position: GTE will authorize resale on those items required for resale by the state regulator upon issuance of a valid order. Items that will not be offered for resale in California include inside wiring installation and maintenance contracts and voice mail services.

Operator Services

- GTE's current position of providing GTE Operator Services resale is unacceptable to AT&T.

GTE Position: GTE will not unbundle Operator Services nor unbrand these services as GTE. GTE is willing to offer trunks from each end office, at tariffed rates, to AT&T's Points of Presences (POPs) which will allow AT&T to utilize its own operator services whenever their end users dial the appropriate seven digit or 800 numbers.

- GTE's offer of Custom Abbreviated Dialing (CAD), thus allowing AT&T to provide Operator Services is unacceptable on the basis of the effort required to retain AT&T's customers. Differential customer experience that takes advantage of GTE's monopoly position is noncompetitive and totally unacceptable.

GTE Position: CAD is offered as an alternative to provide AT&T branded DA/Operator Services.

Inside Wire Services

AT&T finds it unacceptable that GTE refuses to offer inside wire services to AT&T for resale.

GTE Position: Inside Wire services are not viewed as telecommunication services and will not be offered for resale to ALECs. Inside wire installation and repair service will be offered to AT&T's end users, branded as GTE and billable to the end user.

GTE PROPRIETARY
SUBJECT TO A NON-DISCLOSURE AGREEMENT
USE PURSUANT TO COMPANY INSTRUCTIONS

Voice Messaging Services

AT&T finds it unacceptable that GTE will not offer its Voice Mail services to AT&T for resale.

GTE Position: Remains unchanged: Voice Mail services are not available for resale.

Pre- Ordering / Ordering Requirements

- AT&T does not agree on an E-mail form as an interim arrangement to transmit or receive service order information (i.e., service order, FOC, etc.) Development of an electronic interface to pass information needs to be addressed as soon as possible.

GTE Position: An E-mail script file format or FAX format will be utilized beginning March 1, 1996. GTE has stated in previous meetings with AT&T that we would discuss with AT&T more acceptable solutions. During these discussions, this appeared to be an acceptable approach to AT&T. GTE is more than willing to work with AT&T to develop an electronic solution and would begin discussions late second quarter 1996.

- It is not acceptable, under any circumstance, to provide a new telephone number assignment via the FOC. All telephone number assignments, except the numbers behind the pilot number in a business environment, must be available on line with the AT&T service representative. Vanity / Personalized numbers which require clearance through a number assignment center should be obtainable in real time via telephone.

GTE Position: Concurrence. GTE will establish an 800 number for ALECs to call for on line telephone number assignment. Telephone numbers associated with advanced services (if resalable) will be provided on the FOC. GTE cannot guarantee a telephone number until installation is complete; this is at parity with GTE customers.

- AT&T must be furnished with installation and due date information on line. GTE's proposal to furnish this information on the FOC is unacceptable to AT&T.

GTE Position: GTE furnishes a due date for installation to customers based on a firm order with all necessary information. Likewise, GTE will furnish to AT&T, as GTE's customer, a due date based on their firm order with all required information on the LSR. Once this data has been received, GTE will validate and schedule the order via its normal service interval scheduling / due date process. Therefore, GTE is scheduling AT&T's orders at parity with GTE's end users. GTE will provide the scheduled due date to AT&T via the FOC based on a complete and accurate order submitted by AT&T.

GTE PROPRIETARY
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USE PURSUANT TO COMPANY INSTRUCTIONS

AGPL 001570

- AT&T must be furnished with a copy of the customer's CSR (service, feature and equipment) at the time requested. AT&T agrees to request this information using a blanket Letter of Authorization (LOA). The LOA procedures are the same as those currently used by the industry for changing IXC PIC's.

GTE Position: An LOA is required before the release of any end user information to an ALEC or agent. GTE will not accept a blanket LOA to process this request. The PIC process AT&T refers to is not relevant since the PIC process does not apply to customer account information which is proprietary. GTE will provide a list of an end user's resalable services upon receipt of an end user signed LOA that authorizes an ALEC to obtain their account data.

- AT&T expects to be able to negotiate DMOQs on the service order process and installation process relative to a wholesale process.

GTE Position: GTE will provide the same level of service to all of its customers. Therefore, GTE will provide services, including ordering and installation according to public utility guidelines and regulations for tariffed services.

Yellow Pages, White Pages, and Listings

- GTE's intention to charge AT&T for a special distribution every time a new customer enters the service area is not acceptable to AT&T. AT&T believes that a directory for "new" customers should be considered as a part of the basic charge for a line.

GTE Position: There is no charge for annual distribution of directories to all LEC/ALEC customers; there, however, will be a charge for secondary distribution (including distribution to new end users) outside the annual publishing distribution. This policy is at parity with how GTE Directories bills GTE Telephone Companies for this service.

- GTE's proposal to allow AT&T only two lines in the Customer Guide while GTE has multiple pages is not acceptable to AT&T. AT&T expects to have parity with GTE.

GTE Position: GTE Directories will provide one page where all ALECs will be listed alphabetically. The listing content will be restricted to critical customer contact numbers (i.e., installation, repair, billing inquires).

- GTE's refusal to allow the AT&T brand to appear on the cover of the Directory as a service provider within the territory covered by the Directory.

GTE Position: ALEC brands will not appear on the cover of the Directory.

**GTE PROPRIETARY
SUBJECT TO A NON-DISCLOSURE AGREEMENT
USE PURSUANT TO COMPANY INSTRUCTIONS**

AGPL 001571

- GTE not providing AT&T with a commission for Yellow Page advertisements.

GTE Position: No commissions will be paid to ALECs for Yellow Page ads.

- GTE must provide AT&T with access to the local listings database. AT&T is willing to share in the cost of compiling the listings with GTEC, Pacific Bell, and any other CLEC, similar to the existing Pacific Bell / GTE agreement.

GTE Position: GTE will not allow access to its Directory Assistance databases to allow ALECs to self provision Directory Assistance services.

- GTE branded directory assistance is unacceptable to AT&T and does not allow AT&T to differentiate service.

GTE Position: GTE has offered Custom Abbreviated Dialing, at appropriate costs, as an option to allow AT&T to "differentiate" their service. GTE cannot brand DA as AT&T nor remove the GTE brand from this service.

- GTE must provide AT&T handicap personnel with the same verification and document services GTE provides its own customers.

GTE Position: AT&T is responsible for administering state mandated social programs. The ALECs are the contact points with their end users and as such are responsible for customer criteria validating and obtaining subsidy funds from the state/county/city.

Billing Requirements

It is unacceptable to AT&T that GTE plans to send recorded un-rated billing records in an EMR format. AT&T requires the EMI format.

GTE Position: GTE sends records to local exchange carriers in an EMR format where exchange of records is required. GTE will treat AT&T and other ALECs in the same manner as existing LECs in the exchange of un-rated billing records. For special requirements, GTE will entertain EMI records on an exception basis. AT&T may authorize and submit a PON for evaluating and pricing for the EMI format arrangements.

**GTE PROPRIETARY
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USE PURSUANT TO COMPANY INSTRUCTIONS**

AGPL 001572

Long Distance PIC - CARE

- GTE and AT&T must agree on a proposed PIC change process flow utilizing the switch provider to notify the EXCs and LSPs of changes. This agreement would need to include the specific CARE TCSI codes.

GTE Position: An OBF decision on this issue is due soon. GTE will follow the decision made by the industry.

**GTE PROPRIETARY
SUBJECT TO A NON-DISCLOSURE AGREEMENT
USE PURSUANT TO COMPANY INSTRUCTIONS**

AGPL 001573

REVISED ATTACHMENT 3 Areas Which Need Clarification or Improvement

Billing

- GTE needs to provide AT&T with a schedule for the transition from CBSS to the CABS billing system.

GTE Position: This schedule is yet to be determined. GTE will continue to implement various regulatory requirements, evaluate those developments and incorporate a CABS-based solution in the future (i.e., mid to late 1997).

- GTE needs to agree with AT&T's proposed interim pre-bill certification process, or provide reasonable alternatives that are viable and acceptable to AT&T.

GTE Position: GTE has had meetings to discuss and negotiate AT&T's requirements, providing GTE's capability to establish a pre-bill certification. Until the definitions and requirements are established, no agreement exists. A formal pre-bill certification agreement will have to be established and concurred in by both companies.

- GTE must agree to utilize existing transmission media for end user message data.

GTE will provide both rated and unrated usage to the ALEC via its CBSS bill and via unrated usage through a daily transmission using a Network Data Mover (NDM). The process for identifying the local service provider for each local and/or intra-LATA toll record will be accomplished by utilizing a line screening process. This process will not be available until April 5, 1996. Until that time, GTE will strip usage from the end user accounts and hold it until the screening process is implemented. Once implemented, the held data will be reprocessed and billed to the proper ALEC. Delay of usage data up to forty days may occur because of this process.

Pre - Ordering / Ordering requirements

- GTE needs to provide AT&T with a process for dealing with misdirected calls which AT&T wants routed to the correct service center. AT&T has agreed to perform in a reciprocal arrangement with GTE.

GTE Position: GTE will deploy a centralized referral center to direct misdirected end user calls to the appropriate AT&T designated telephone number.

GTE PROPRIETARY
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USE PURSUANT TO COMPANY INSTRUCTIONS

AGPL . 001574

- GTE needs to provide AT&T with the specifics on their ability to selectively block 976/900/700 calls. The block all or block none scenarios are not acceptable to AT&T.

GTE Position: GTE does not block 700 numbers. Blocking of 900/976 on a per line basis is available today. GTE will provide this blocking per applicable tariff terms and conditions. However, GTE cannot block selective codes (NXX) within the 900 SAC or selective numbers within the 976 code. If AT&T's position is not to contract with Information Providers and to deny all 900/976 charges billed to their resold services, then there are two options; traffic is either passed and billed to AT&T or AT&T's end users will be blocked from 900/976 access.

- GTE needs to clarify specific DMOQs for the service provisioning processes which will meet AT&T's service requirements.

GTE Position: GTE will adhere to the standards set by the Public Utility Commission.

Maintenance Requirements

- AT&T requires clarification of the interim maintenance process which requires that trouble reports will be made to the responsible GTE service center on an 800 number. AT&T and GTE have agreed that this process needs to be a mechanized electronic interface to facilitate the sending, receiving, and statusing inquires associated with maintenance of customers' services.

GTE Position: GTE has established a process whereby AT&T and other ALECs can report trouble associated with their end users' services. This includes trouble reporting, on-line testing with the ALEC "on-line" (where the capability exists), resolution "on-line", if possible, and dispatching if the trouble cannot be cleared interactively. Trouble clearing commitments will be at parity with GTE's customers and according to the PUC/PSC guidelines and GTE's standards of service. GTE has centralized the repair reporting for non-engineered services into a single GTE Customer CARE Center.

GTE is more than willing to work with AT&T to develop an electronic solution and would begin discussion in late second quarter 1996. AT&T is requested to submit its expectations/requirements to GTE for an electronic interface for incorporation evaluation.

- AT&T requires clarification and agreement that a reported trouble will be considered cleared when the service has been successfully tested up to the customer's Network Interface Device (NID).

GTE Position: GTE's current process includes trouble testing and clearing to the NID.

**GTE PROPRIETARY
SUBJECT TO A NON-DISCLOSURE AGREEMENT
USE PURSUANT TO COMPANY INSTRUCTIONS**

AGPL 001575

- AT&T and GTE must reach agreement on acceptable closure for maintenance trouble reports.

GTE Position: GTE intends to contact AT&T on the closure of each trouble report. If an attempt is made, but AT&T does not or is unable to respond, GTE will close the trouble report without AT&T's involvement. This closure process is more involved than what is currently provided to GTE's end users, i.e., better than parity. GTE requests AT&T to respond and identify points of disagreement.

- AT&T expects to be able to negotiate DMOQs on the maintenance process.

GTE Position: GTE will provide services, including maintenance, on parity with GTE's own end users and according to regulatory guidelines and regulations for tariffed services.

- AT&T requires that GTE provide an escalation process for service repair on wholesale services.

GTE Position: GTE has given AT&T contact points/numbers and escalation contact points, should escalation be necessary. AT&T needs to provide a more definitive statement of their specific concerns related to the GTE processes as provided.

- Forms supplied to a customer on behalf of AT&T by GTE must carry the AT&T logo.

GTE Position: It is unreasonable and unfeasible for AT&T and other ALECs to expect GTE to perform their advertising, as well as, maintain an inventory of forms with ALEC forms, records, prices and procedures. GTE will perform work as an agent, but will not brand these services as the ALECs'.

- GTE needs to clarify specific DMOQs for the service maintenance processes which will meet AT&T's service requirements.

GTE Position: GTE will adhere to the standards set by the Public Utility Commission

**GTE PROPRIETARY
SUBJECT TO A NON-DISCLOSURE AGREEMENT
USE PURSUANT TO COMPANY INSTRUCTIONS**

AGPL 001576

Donald W. McLeod
Vice President-Regulatory and
Governmental Affairs-East
Local Competition/Interconnection Program Office



GTE Telephone
Operations

HQE01E63
P.O. Box 152092
Irving, TX 75015-2092
214/718-6330

March 19, 1996

Mr. R. Reed Harrison III
Vice President-Local Infrastructure &
Access Management Regional Operations
One Oak Way, Room 4ED103
Berkeley Heights, NJ 07922

Copy to:
Ron Shunick-
SJI.
Ann
3/20

Dear Mr. Harrison:

Re: Your letter dated March 11, 1996, received by GTE on March 12, 1996,
Request for Interconnection

Tom White has referred your letter to me for response. Before I respond directly to your letter, I will take this opportunity to provide a brief description on how GTE is preparing to manage interconnection negotiations and issues associated with Section 252 of the Telecommunications Act of 1996 (The Act). I have been assigned as the head of a new group entitled, "Local Competition/Interconnection Program Office." I am in the staffing phase of implementing the program office and expect it to be fully functional by March 31, 1996. In this capacity I am working closely with Larry Sparrow, GTE's Carrier Line of Business President, and Frank Compton, ABT National Account Management. Frank will be a member of the negotiating team. It is our full intent to begin negotiations as soon as possible. In this regard, it is our proposal that the initial meeting be held at 9 a.m. CST on Tuesday, April 2, in our offices located at 600 Hidden Ridge, Irving, Texas.

Your proposal that such negotiations be held at the corporate level is not consistent with GTE's position. It is our view that state level negotiations are required given the different state regulatory environments, ongoing state level negotiations with other carriers, specific state network/operational differences and the non-discrimination requirements of the Act that, in our opinion, can best be assured via state level negotiations. We do agree that the initial meeting should be limited to a small number of representatives from each company to facilitate agreement on the scope, structure, and guidelines that GTE and AT&T will adopt for the negotiations process.

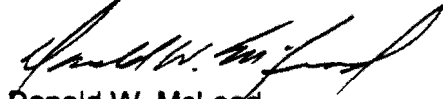
Further, we anticipate that your team will provide the specific interconnection arrangements and issues you wish to pursue with GTE in support of your interconnection request prior to the meeting.

AGBH 000037

Mr. R. Reed Harrison III
March 19, 1996
Page 2

We look forward to meeting with you on April 2, 1996. If you can not meet on this date, please call me, 214/718-6330, or Frank Compton, 214/718-3167, so we can make alternate arrangements.

Sincerely,



Donald W. McLeod
Vice President-Regulatory and
Governmental Affairs-East
Local Competition/Interconnection Program Office

DWM:mih

c: F. W. Compton - HQE02L22 - Irving, TX
L. J. Sparrow - HQE04E57 - Irving, TX

AGBH 000038



R. Reed Harrison III
Vice President
Local Infrastructure & Access Management
Regional Operations

Room 4ED103
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908 771-2700
FAX 908 771-2219
AT&T Mail atmailrrharrison

CERTIFIED MAIL - RETURN RECEIPT

March 19, 1996

Mr. Barry W. Paulson
Regional President - Midwest
GTE Telephone Operations
1000 GTE Drive
Wentzville, Missouri 63385

RE: Telecommunications Act of 1996

Dear Barry,

AT&T requested on March 11, 1996 the commencement of negotiations under Section 252 of the Telecommunications Act of 1996. This request includes all interconnection issues enumerated in Sections 251 and 252, including prices and terms for network elements used for origination and completion of interexchange services traffic. As explained to Mr. White in the attached letter, I am confident that we can come to mutually acceptable arrangements in Missouri, Oklahoma, Iowa, Minnesota and Nebraska through negotiations as envisioned by the Act.

If you have any questions regarding our proposal for handling these negotiations, please contact me at 908-771-2700.

Sincerely,

R. Reed Harrison III

Attachment

Copy to:
J. J. Beasley (w/o attachment)
L. L. Harrington (w/o attachment)
R. H. Shurter (w/o attachment)

AGBR 000001



R. Reed Harrison III
Vice President
Local Infrastructure & Access Management
Regional Operations

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AT&T Mail attmailrrharrison

CERTIFIED MAIL - RETURN RECEIPT

March 19, 1996

Mr. Dennis F. Myers
Regional President - South
GTE Telephone Operations
P. O. Box 1412
Durham, NC 27702

RE: Telecommunications Act of 1996

Dear Dennis,

AT&T requested on March 11, 1996 the commencement of negotiations under Section 252 of the Telecommunications Act of 1996. This request includes all interconnection issues enumerated in Sections 251 and 252, including prices and terms for network elements used for origination and completion of interexchange services traffic. As explained to Mr. White in the attached letter, I am confident that we can come to mutually acceptable arrangements in North Carolina through negotiations as envisioned by the Act.

If you have any questions regarding our proposal for handling these negotiations, please contact me at 908-771-2700.

Sincerely,

R. Reed Harrison III

Attachment

Copy to:
J. J. Beasley (w/o attachment)
L. L. Harrington (w/o attachment)
R. H. Shurter (w/o attachment)

AGBR 000002



R. Reed Harrison III
Vice President
Local Infrastructure & Access Management
Regional Operations

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AT&T Mail attmailrrharrison

CERTIFIED MAIL - RETURN RECEIPT

March 19, 1996

Ms. Eileen O'Neill Odum
Regional President - Northwest
GTE Telephone Operations
P. O. Box 1003
Everett, WA 98206

RE: Telecommunications Act of 1996

Dear Eileen,

AT&T requested on March 11, 1996 the commencement of negotiations under Section 252 of the Telecommunications Act of 1996. This request includes all interconnection issues enumerated in Sections 251 and 252, including prices and terms for network elements used for origination and completion of interexchange services traffic. As explained to Mr. White in the attached letter, I am confident that we can come to mutually acceptable arrangements in Washington and Oregon through negotiations as envisioned by the Act.

If you have any questions regarding our proposal for handling these negotiations, please contact me at 908-771-2700.

Sincerely,

R. Reed Harrison III

Attachment

Copy to:
J. J. Beasley (w/o attachment)
L. L. Harrington (w/o attachment)
R. H. Shurter (w/o attachment)

AGBR 000003



R. Reed Harrison III
Vice President
Local Infrastructure & Access Management
Regional Operations

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AT&T Mail atmailrrharrison

CERTIFIED MAIL - RETURN RECEIPT

March 19, 1996

Mr. Edward J. Wiese
Regional President - Virginia
GTE Telephone Operations
8149 Walnut Grove Road
P. O. Box 900
Mechanicsville, VA 23111

RE: Telecommunications Act of 1996

Dear Edward,

AT&T requested on March 11, 1996 the commencement of negotiations under Section 252 of the Telecommunications Act of 1996. This request includes all interconnection issues enumerated in Sections 251 and 252, including prices and terms for network elements used for origination and completion of interexchange services traffic. As explained to Mr. White in the attached letter, I am confident that we can come to mutually acceptable arrangements in Virginia through negotiations as envisioned by the Act.

If you have any questions regarding our proposal for handling these negotiations, please contact me at 908-771-2700.

Sincerely,

R. Reed Harrison III

Attachment

Copy to:
J. J. Beasley (w/o attachment)
L. L. Harrington (w/o attachment)
R. H. Shurter (w/o attachment)

AGBR 000004



R. Reed Harrison III
Vice President
Local Infrastructure & Access Management
Regional Operations

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AT&T Mail attmailrrharrison

CERTIFIED MAIL - RETURN RECEIPT

March 19, 1996

Mr. Jeffrey B. Cuthrell
Vice President-Regulatory & Government Affairs
Contel of California, Inc.
CA900REG
5300 District Blvd.
Bakersfield, CA 93313

RE: Telecommunications Act of 1996

Dear Jeffrey,

AT&T requested on March 11, 1996 the commencement of negotiations under Section 252 of the Telecommunications Act of 1996. This request includes all interconnection issues enumerated in Sections 251 and 252, including prices and terms for network elements used for origination and completion of interexchange services traffic. As explained to Mr. White in the attached letter, I am confident that we can come to mutually acceptable arrangements in California through negotiations as envisioned by the Act.

If you have any questions regarding our proposal for handling these negotiations, please contact me at 908-771-2700.

Sincerely,



Attachment

Copy to:
J. J. Beasley (w/o attachment)
L. L. Harrington (w/o attachment)
R. H. Shurter (w/o attachment)

AGBR 000005



R. Reed Harrison III
Vice President
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Regional Operations

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CERTIFIED MAIL - RETURN RECEIPT

March 19, 1996

Ms. Katherine J. Harless
Regional President - Texas/New Mexico
GTE Telephone Operations
P. O. Box 152012
Irving, TX 75015-2013

RE: Telecommunications Act of 1996

Dear Katherine,

AT&T requested on March 11, 1996 the commencement of negotiations under Section 252 of the Telecommunications Act of 1996. This request includes all interconnection issues enumerated in Sections 251 and 252, including prices and terms for network elements used for origination and completion of interexchange services traffic. As explained to Mr. White in the attached letter, I am confident that we can come to mutually acceptable arrangements in Texas and Arizona through negotiations as envisioned by the Act.

If you have any questions regarding our proposal for handling these negotiations, please contact me at 908-771-2700.

Sincerely,

R. Reed Harrison III

Attachment

Copy to:
J. J. Beasley (w/o attachment)
L. L. Harrington (w/o attachment)
R. H. Shurter (w/o attachment)

AGBR 000006



R. Reed Harrison III
Vice President
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Regional Operations

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CERTIFIED MAIL - RETURN RECEIPT

March 19, 1996

Mr. Mateland L. Keith, Jr.
Regional President - California
GTE Telephone Operations
One GTE Place
Thousand Oaks, CA 91362-3811

RE: Telecommunications Act of 1996

Dear Mateland,

AT&T requested on March 11, 1996 the commencement of negotiations under Section 252 of the Telecommunications Act of 1996. This request includes all interconnection issues enumerated in Sections 251 and 252, including prices and terms for network elements used for origination and completion of interexchange services traffic. As explained to Mr. White in the attached letter, I am confident that we can come to mutually acceptable arrangements in California through negotiations as envisioned by the Act.

If you have any questions regarding our proposal for handling these negotiations, please contact me at 908-771-2700.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Reed Harrison III", with a horizontal line underneath and a small mark to the right.

Attachment

Copy to:
J. J. Beasley (w/o attachment)
L. L. Harrington (w/o attachment)
R. H. Shurter (w/o attachment)

A6BR 000007



R. Reed Harrison III
Vice President
Local Infrastructure & Access Management
Regional Operations

Room 4ED103
One Oak Way
Berkeley Heights, NJ 07922
908 771-2700
FAX 908 771-2219
AT&T Mail atmail/rhharrison

CERTIFIED MAIL - RETURN RECEIPT

March 19, 1996

Mr. Peter A. Daks
Regional President - Florida
GTE Telephone Operations
One Tampa City Center
P. O. Box 610
Tampa, FL 33601

RE: Telecommunications Act of 1996

Dear Peter,

AT&T requested on March 11, 1996 the commencement of negotiations under Section 252 of the Telecommunications Act of 1996. This request includes all interconnection issues enumerated in Sections 251 and 252, including prices and terms for network elements used for origination and completion of interexchange services traffic. As explained to Mr. White in the attached letter, I am confident that we can come to mutually acceptable arrangements in Florida through negotiations as envisioned by the Act.

If you have any questions regarding our proposal for handling these negotiations, please contact me at 908-771-2700.

Sincerely,

R. Reed Harrison III

Attachment

Copy to:
J. J. Beasley (w/o attachment)
L. L. Harrington (w/o attachment)
R. H. Shurter (w/o attachment)

AGBR 000008



R. Reed Harrison III
Vice President
Local Infrastructure & Access Management
Regional Operations

Room 4ED103
One Oak Way
Berkeley Heights, NJ 07922
908 771-2700
FAX 908 771-2219
AT&T Mail attmailrrharrison

CERTIFIED MAIL - RETURN RECEIPT

March 19, 1996

Mr. William A. Griswold
Regional President - Northeast
GTE Telephone Operations
100 Executive Drive
Marion, Ohio 43302

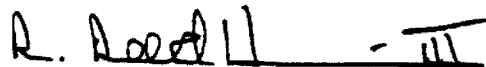
RE: Telecommunications Act of 1996

Dear Bill,

AT&T requested on March 11, 1996 the commencement of negotiations under Section 252 of the Telecommunications Act of 1996. This request includes all interconnection issues enumerated in Sections 251 and 252, including prices and terms for network elements used for origination and completion of interexchange services traffic. As explained to Mr. White in the attached letter, I am confident that we can come to mutually acceptable arrangements in Ohio, Michigan and Pennsylvania through negotiations as envisioned by the Act.

If you have any questions regarding our proposal for handling these negotiations, please contact me at 908-771-2700.

Sincerely,



Attachment

Copy to:
J. J. Beasley (w/o attachment)
L. L. Harrington (w/o attachment)
R. H. Shurter (w/o attachment)

AGBR 000009



R. Reed Harrison III
Vice President
Local Infrastructure & Access Management
Regional Operations

Room 4ED103
One Oak Way
Berkeley Heights, NJ 07922
908 771-2700
FAX 908 771-2219
AT&T Mail attmailrrharrison

CERTIFIED MAIL - RETURN RECEIPT

March 19, 1996

Mr. William Z. Zielke
President - North
GTE Telephone Operations
8149 Walnut Grove Road
P. O. Box 2300
Fort Wayne, IN 46801-2300

RE: Telecommunications Act of 1996

Dear Bill,

AT&T requested on March 11, 1996 the commencement of negotiations under Section 252 of the Telecommunications Act of 1996. This request includes all interconnection issues enumerated in Sections 251 and 252, including prices and terms for network elements used for origination and completion of interexchange services traffic. As explained to Mr. White in the attached letter, I am confident that we can come to mutually acceptable arrangements in Indiana, Illinois and Wisconsin through negotiations as envisioned by the Act.

If you have any questions regarding our proposal for handling these negotiations, please contact me at 908-771-2700.

Sincerely,

A handwritten signature in black ink that reads "R. Reed Harrison III". The signature is written in a cursive style and is positioned above a horizontal line.

Attachment

Copy to:
J. J. Beasley (w/o attachment)
L. L. Harrington (w/o attachment)
R. H. Shurter (w/o attachment)

AGBR 000010



R. Reed Harrison III
Vice President
Local Infrastructure & Access Management
Regional Operations

Room 4ED103
One Oak Way
Berkeley Heights, NJ 07922
908 771-2700
FAX 908 771-2219
AT&T Mail attmailrrharrison

CERTIFIED MAIL - RETURN RECEIPT

March 19, 1996

Mr. Warren H. Haruki
Regional President - Hawaii
GTE Telephone Operations
P. O. Box 2200
Honolulu, Hawaii 96841

RE: Telecommunications Act of 1996

Dear Warren,

AT&T requested on March 11, 1996 the commencement of negotiations under Section 252 of the Telecommunications Act of 1996. This request includes all interconnection issues enumerated in Sections 251 and 252, including prices and terms for network elements used for origination and completion of interexchange services traffic. As explained to Mr. White in the attached letter, I am confident that we can come to mutually acceptable arrangements in Hawaii through negotiations as envisioned by the Act.

If you have any questions regarding our proposal for handling these negotiations, please contact me at 908-771-2700.

Sincerely,

A handwritten signature in black ink that reads "R. Reed Harrison III".

Attachment

Copy to:
J. J. Beasley (w/o attachment)
L. L. Harrington (w/o attachment)
R. H. Shurter (w/o attachment)

AGBR 000011



R. Reed Harrison III
Vice President
Local Infrastructure & Access Management
Regional Operations

Room 4ED103
One Oak Way
Berkeley Heights, NJ 07922
908 771-2700
FAX 908 771-2219
AT&T Mail atmailrrharrison

Certified Mail-Return Receipt

March 11, 1996

Mr. Thomas W. White
President
GTE Telephone Operations
600 Hidden Ridge, HQE04H14
Irving, Texas 75015-2092

Re: Telecommunications Act of 1996

Dear Tom,

AT&T requests the commencement of negotiations under Section 252 of the Telecommunications Act of 1996 for the states of Arizona, California, Florida, Hawaii, Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Texas, Virginia, Washington and Wisconsin. This request includes all interconnection issues enumerated in Sections 251 and 252, including prices and terms for network elements used for the origination and completion of interexchange services traffic. My expectation is that our companies can come to a mutually acceptable arrangement through negotiations as envisioned by the Act.

I propose that our negotiations for all of these states include all GTE telephone companies including CONTEL, and be held on a combined basis - and at a corporate level. To begin this process, I suggest that we convene a small Senior Management Team (3-4 individuals per company) for an initial meeting on March 28, 1996, in Berkeley Heights, New Jersey. The team members should be prepared and empowered to conduct full negotiations under the Act for all of the states. I anticipate that your team members will also bring with them the information necessary to begin full negotiations.

AGBR 000012

We realize there are a significant number of issues to resolve. We are confident that with a concerted and cooperative spirit, we can resolve these issues in a mutually agreeable manner. Our companies have worked together in the past to provide world-class service to customers and we hope to enhance and expand this relationship into all telecommunications markets through these teaming efforts.

If there are questions, if my proposed date is not possible, or if GTE would be ready and able to meet earlier than March 28, please contact me at 908-771-2700.

Sincerely,

A handwritten signature in black ink that reads "R. Reed Harrison III". The signature is written in a cursive style with a horizontal line under the name.

R. Reed Harrison III
Vice President -
Local Infrastructure & Access Management Regional Operations

AGBR 000013

Copy to:

GTE

M. B. Esstman
L. J. Sparrow
F. W. Compton
W. A. Irwin
R. H. Moss

AT&T

J. J. Beasley
W. J. Carroll
L. A. Hedg-peth
D. Jefferson
B. B. Manzi
R. H. Shurter
W. A. Stake
M. B. Vitale
R. J. Wren

AGBR 000014



R. Reed Harrison III
Vice President
Local Infrastructure & Access Management
Regional Operations

Room 4ED103
One Oak Way
Berkeley Heights, NJ 07922
908 771-2700
FAX 908 771-2219
AT&T Mail atmailrrharrison

March 26, 1996

Mr. Donald W. McLeod
Vice President
Regulatory and Government Affairs - East
Local Competition/Interconnection Program Office
HQE01E63
P.O. Box 152092
Irving, Texas 75015-2092

RE: March 19, 1996, correspondence regarding negotiations in support of
Section 252 of the Telecommunications Act of 1996

Dear Mr. McLeod,

In response to the above referenced correspondence, I am available to begin negotiations with GTE on April 2, in Irving Texas. I will be joined by Ron Shurter - Southern States & National Local Infrastructure & Access Management Vice President, Joyce Beasley - General Attorney representing Regulatory and Government Affairs and Gary Rall - District Manager Local Negotiations. AT&T desires to begin negotiations as soon as possible considering the limited time provided for in the Telecommunications Act to come to a mutually acceptable wholesale offer.

AT&T continues to support the position that negotiations for all states should include all GTE telephone companies including CONTEL, and be conducted on a combined basis and at a corporate level. AT&T believes that this approach will be the most effective and efficient means for both companies, especially in view of the urgency inherent in the timeframes provided by the Telecommunications Act.

AGBR 000015

Mr. Donald W. McLeod
March 26, 1996
Page 2

AT&T believes it is appropriate to begin negotiations at a corporate level with an initial focus on understanding each company's requirements. As a result of the national systems and processes GTE currently has implemented (e.g., provisioning & maintenance systems, billing systems, etc.) we believe much of the negotiations can be completed nationally. AT&T understands that our negotiations will surface specific issues that will need to be negotiated at the state level to ensure compliance to different state regulatory environments. We believe these will be minimal. Lastly, the emphasis GTE has placed on implementation of a nationwide world class network and on national processes, would position GTE to address a significant number of the issues at the corporate level. Again, in an effort to negotiate in the most efficient manner, AT&T continues to support corporate level negotiations as the primary negotiation approach.

In response to GTE's request for AT&T to provide its specific interconnection requests prior to the meeting, AT&T believes the Telecommunications Act is fairly clear relative to interconnection issues. Additionally, our prior negotiations specific to California outlined AT&T's interconnection requirements. As a result, we feel the requested information is generally known. We propose the agenda for the meeting focus on the scope, structure and guidelines for the negotiation process. In addition, AT&T would like to discuss three current issues which have a significant ability to impede negotiations: AT&T's expectation for parity with GTE as opposed to GTE's intention to provide parity with the Alternate Local Exchange Carriers, AT&T's requirement for electronic interfaces, and Directory Service issues; specifically database accessibility and branding.

We look forward to meeting with you on April 2, 1996 in Irving, Texas. If there are questions prior to the meeting please call me at 908-771-2700, or Ron Shurter at, 908-771-3500.

Sincerely,



R. Reed Harrison III
Vice President
Local Infrastructure & Access Management Regional Operations

AGBR 000016

Mr. Donald W. McLeod
March 26, 1996
Page 3

Copy to:

GTE

M.B. Esstman
L.J. Sparrow
F.W. Compton

AT&T

J.J. Beasley
W.J. Carroll
L.A. Hedg-peth
D. Jefferson
B.B. Manzi
G.A. Rall
R.H. Shurter
W.A. Stake
M.B. Vitale
R.J. Wren

AGBR 000017



Alan J. Wren
Vice President
Southwest States LSO

Suite 445
5501 LBJ Freeway
Dallas, TX 75240
214 778-2595
e-mail: capdall@wren

April 3, 1996

Larry J. Sparrow
President - Carrier Markets
GTE Southwest Incorporated
600 Hidden Ridge, HCE04E57
Irving, Texas 75038

Dear Mr. Sparrow:

Among the list of duties that the Telecommunications Act of 1996 (Federal Act) requires of all local exchange carriers is an obligation to furnish dialing parity to other providers of both exchange and intraLATA toll services [Section 251(b)(3)]. This very important duty, required to enhance competition, is of major importance to AT&T's ability to provide customers with the services they desire.

We believe that the Federal Act both encourages and requires carriers to work with each other in order to achieve the Act's objectives of ~~fostering competition~~. Accordingly, I would appreciate your providing me, by April 10, 1996, with GTE's plan for compliance with its statutory duty to install dialing parity capability in its switches in the states of Texas, Missouri, Oklahoma and Arkansas, including the time requirements for such installations.

AT&T is willing and ready to discuss any implementation issues with GTE as soon as possible. This is not a request for negotiations pursuant to Section 252 of the Federal Act, but is instead a request for information that is critical to allow AT&T to meet its customers' needs. I would appreciate receiving your reply as soon as it is convenient for you to do so.

Sincerely,

cc: Ms. Katherine Harless - GTE
Mr. Reed Harrison III - AT&T
Mr. Barry Paulson - GTE

AGBH 000077



Rian J. Wren
Vice President
Southwest States LSO

Suite 445
8601 LBJ Freeway
Dallas, TX 75240
214 778-2695
e-mail: cagor11rwren

April 3, 1996

Mr. Larry J. Sparrow
President - Carrier Markets
GTE Southwest Incorporated
600 Hidden Ridge, HQE04E57
Irving, Texas 75038

RE: Federal Telecommunications Act -
Submission of Existing Interconnection Agreements

Dear Larry:

As you know, Section 252(a)(1) of the Federal Act requires that "any interconnection agreement negotiated before the date of enactment of the Telecommunications Act of 1996 shall be submitted to the State Commission..."

Please advise us whether GTE has submitted any such interconnection agreements between GTE and other incumbent Local Exchange Companies or between GTE and any other entity to the State Commissions in Texas, Missouri and Oklahoma and if so, which agreements have been submitted to which Commission. This includes all agreements that cover meet point billing, directory assistance, operator-handled services and access to databases such as signaling system databases, 800 databases and E911 databases.

If there are any such agreements that GTE has not yet submitted to the State Commissions, please identify those agreements and advise us whether GTE intends to submit them, and if so, when.

Please provide us complete copies of all such interconnection agreements which have been submitted or are in the future submitted to the State Commissions.

Thank you for your cooperation.

Sincerely,

AGBH 000078

sent as
mail attachment
on 4/11

April 9, 1996

Dan Bennett
GTE
Address

Dear Dan,

This is to confirm AT&T's Operator Services requirements in a Total Services Resale (TSR) environment along with key issues and associated action required that were addressed during this morning's conference call between GTE and AT&T.

As stated previously and during this morning's call, AT&T local customers must be able to dial "0+/0-" to obtain AT&T local operator services. AT&T has discussed with you, Mike Adams and Jack Isbell, an easy process to deliver AT&T local customers to AT&T's operator services platform utilizing Line Class Codes for routing within the LEC end-office switch. To confirm, GTE agrees with AT&T that it is technically capable of providing this service utilizing the line class code feature for routing. However, GTE believes it has identified alternatives that place less load on switch resources while still being able to provide AT&T with the capability of providing its own local operator services. GTE has stated that its main switches are either of the following: 5ESS, GTD5, DMS100, DMS10, DCO's. GTE recognizes that the routing solution will be switch-dependent and since line class codes and enhanced/special route indexes are basic switch processing and capabilities functions, GTE will work with the necessary switch vendors to identify specifications as required.

To confirm, by C.O.B. Thursday, April 11, 1996, GTE will inform AT&T of its due date to provide AT&T with its recommended solution. The recommended solution involves 0+, 0- in a TSR environment which will enable routing of AT&T local customers to AT&T's OS platform based on the unique functions within each switch. It is AT&T's expectation then to receive GTE's written recommendation/solution by Wednesday, April 17, 1996. It is then AT&T's intent to schedule another conference call with GTE on Friday, April 19, 1996, to review the proposal for clarification. Also, along with GTE's proposed recommendation, please provide AT&T with the list of the six to eight class features discussed during the call which are critical for providing OS local service that GTE currently provides its customers.

Thank you in advance for your cooperation. You can reach me on (510) 224-2277 or you may contact Maria Stone on (510) 224-4296.

Sincerely,

Terry Casey
Manager

cc: Dave Burger
Lisa Tyler-Stanley
Maria Stone

AGPL 001995

April 9, 1996

Dan Bennett
GTE

Dear Dan,

This is to confirm key issues and associated action items that were addressed during this morning's conference call between GTE and AT&T on the topic of AT&T's Local Operator requirements in a Total Services Resale (TSR) environment.

As stated previously and during this morning's call, AT&T local customers must be able to dial "0+/0-" to access AT&T local operator services. AT&T has discussed with you, Mike Adams and Jack Isbell, an easy process to deliver AT&T local customers to AT&T's operator services platform utilizing the 5ESS Line Class Codes for screening and routing within the LEC end-office switch. To confirm, GTE agrees with AT&T that it is technically capable of providing this service utilizing the line class code feature for routing. However, GTE believes it has identified alternatives that place less load on switch resources while still being able to provide AT&T local customers with the capability to access our local operator services. GTE has stated that its switch types consist of the following: 5ESS, GTD5, DMS100, DMS10, DCO's. GTE recognizes that the routing solution will be switch-dependent and since line class codes and/or enhanced/special route indexes are basic switch processing and capabilities functions, GTE will work with the necessary switch vendors to identify specifications as required.

By C.O.B. Thursday, April 11, 1996, GTE will inform AT&T of its due date to provide AT&T with its recommended solution. The recommended solution involves 0+, 0- in a TSR environment which will enable routing of AT&T local customers to AT&T's OS platform based on the unique functions within each of your five switch types. It is AT&T's expectation then to receive GTE's written recommendation/solution by Wednesday, April 17, 1996. It is then AT&T's intent to schedule another conference call with GTE on Friday, April 19, 1996, to review the proposal for clarification.

At the same time, AT&T would like to review the list of the class features (six to eight?) discussed during our call, which are considered by GTE critical for providing local service and that it currently provides to its customers.

Thank you for your cooperation. You can reach me on (510) 224-2277 or you may contact Maria Stone on (510) 224-4296.

Sincerely,

Terry Casey
Manager

cc: Dave Burger
Lisa Tyler-Stanley
Maria Stone



R. H. Shurter
Southern States & National
Local Access & Infrastructure Management
Vice President

Room 4EC101
One Oak Way
Berkeley Heights, NJ 07922
908 771-3500
Fax 908 771-2851
AT&T Mail atmailrhshurter

April 11, 1996

Mr. Donald W. McLeod
Vice President
Regulatory and Government Affairs - East
Local Competition/Interconnection Program Office
HQE01E63
P.O. Box 152092
Irving, Texas 75015-2092

Dear Mr. McLeod,

Thank you for hosting the first meeting of the GTE/AT&T Executive Negotiation Team. In order to have clarity as we proceed with our negotiations, I am confirming by this letter the agreements we reached.

First, we agreed that you represent all of GTE/Contel Telephone Operations with regard to access and interconnection agreements under Sec. 251 and Sec 252. Second, we agreed that the date GTE received notice under Sec. 251 and 252 is March 12, 1996.

We have agreed to a negotiations structure that includes an Executive Negotiation Team, a National Level Negotiation Team, and that a structure will be developed that will handle state specific items. The Executive Negotiation Team will establish the overall negotiation structure, schedule, and seek to speed negotiations. In addition, this team will facilitate issue closure and act as the point of escalation for the negotiation work unresolved by the National and State teams. Finally, we agreed that this team will ratify agreements settled. The National Level Negotiation Team will handle national principles and operations issues. The initial requirements list provided by AT&T on April 2 is agreed to as a starting point for the National Level Negotiation Team discussions. We recognized that there will be some issues that may need to be addressed on a state specific basis, but have reserved delineation of such issues until the Executive Negotiation Team has an opportunity to see what state specific issues may develop through the discussions of the National Level Negotiation Team.

AGBH 000079

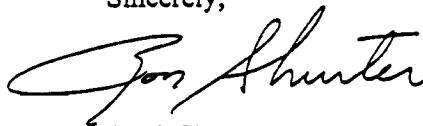
We also agreed that the National team and any State teams will not endeavor to resolve any issues regarding concerns that proposals or preliminary agreements may present problems with regard to unreasonable discrimination. The Executive Negotiation Team will handle any issues regarding unreasonable discrimination. In order to facilitate the Executive Committee's work in that area, we requested that GTE provide copies of any interconnection agreements it has reached with other carriers in the 20 states specified in our March 11, 1996 letter.

We agreed that the Executive Negotiation Team would meet approximately every two weeks with the next meeting to be held on April 18 at One Oak Way, Room 4EB101, Berkeley Heights, N.J. from 8:30 to 3:30. Prior to that session, Gary Rall, Meade Seaman and Mike Billings will develop a summary list of all the items to be negotiated as part of the total negotiation by April 18, 1996. They will also review for the Executive Negotiation Team the major operational issues with a discussion of each party's viewpoint and supporting rationale. Both parties will be prepared to discuss resolution of those issues on April 18.

AT&T provided a revised confidentiality agreement form for review. Joyce and Connie have now developed an agreed form for signature which Joyce has forwarded to Connie.

Our April 2, 1996 meeting was a good first step in our negotiations. We look forward to working together to conclude our negotiations prior to the expiration of our 135 day schedule. See you on the 18th of April.

Sincerely,



R. H. Shurter
Southern States & National Local Access &
Infrastructure Management Vice President

AGBH 000080

Blind Copy to:

J. Beasley	- Basking Ridge
L. Harrington	- Pleasanton
R. R. Harrison III	- Berkeley Heights
S. Huels	- San Francisco
G. Rall	- Pleasanton
L. Tyler-Stanley	- Pleasanton

AGBH 000081

APR 12 1996



R. H. Shurter
Southern States & National
Local Access & Infrastructure Management
Vice President

Room 4EC101
One Oak Way
Berkeley Heights, NJ 07922
908 771-3500
Fax 908 771-2851
AT&T Mail attmail/rhshurter

April 12, 1996

Mr. Donald W. McLeod
Vice President
Regulatory and Government Affairs - East
Local Competition/Interconnection Program Office
HQE01E63
P.O. Box 152092
Irving, Texas 75015-2092

Dear Mr. McLeod,

This letter is to confirm our previously scheduled meeting of the Executive Negotiation Team to be held on April 18, 1996 here at AT&T, One Oak Way, Room 4EB101, Berkeley Heights, NJ from 8:30 a.m. - 3:30 p.m. Attached is the appropriate travel information to our location as well as travel information to the Grand Summit Hotel located in Summit, NJ. We have passed on the hotel reservation arrangements to your secretary, Marilyn Holford.

Our agenda will need to address the following items we identified in our April 2 meeting:

- Review of the complete list of items to be negotiated
- Provision of the interconnection agreements per our request on April 2
- Review and signing of the non-disclosure confidentiality agreement
- Review of the 10 major issues of each party's positions. This will include electronic interfaces
- Process and logistic plans, refinement and changes
- Other walk-in items

We look forward to hosting you in this, our second Executive Session. We believe it is critically important that we put in place the resources necessary to speed up national negotiations.

AGPL 002022

Please call Christina O'Brien on (908) 771-7356 with any travel logistic information and, also, upon your arrival at our facility so she can greet you here at One Oak Way.

Sincerely,

Christina O'Brien

for R. H. Shurter
Southern States & National Local Access &
Infrastructure Management Vice President

Attachment

Copy to:

GTE Attendees

Mr. Mike Billings

Mr. Frank Compton

Ms. Connie Nicholas

Mr. John Peterson

Mr. Meade Seaman

AT&T Attendees

Ms. Joyce Beasley (w/o attachment)

Mr. R. Reed Harrison III (w/o attachment)

Mr. Gary Rall

Ms. Lisa Tyler-Stanley

AGPL 002023

Donald W. McLeod
Vice President-Local
Competition/Interconnection



GTE Telephone
Operations

April 15, 1996

HQE01E63
600 Hidden Ridge
P O Box 152022
Irving TX 76015-2022
214/718-8330
FAX 214/718-4363

Mr. Rian J. Wren
Vice President
Southwest States LSO
AT&T
Suite 445, 5501 LBJ Freeway
Dallas, TX 75240

Dear Mr. Wren:

Subject: INTRALATA EQUAL ACCESS/LOCAL COMPETITION

Your letters dated April 3, 1996, to Mr. Larry Sparrow have been referred to me for response and appropriate action. GTE has established a Local Competition/ Interconnection Program Office, to negotiate and coordinate the activities associated with alternative local exchange company interconnection agreements resulting from enactment of the Telecommunications Act of 1996, (the Act). I have been appointed to lead this newly established program office and to manage local interconnection negotiations and related local competition matters.

Your first letter requested that GTE furnish you with our plan for providing dialing parity in the states of Texas, Missouri, Oklahoma and Arkansas. You further state in your letter, that you are only requesting information from GTE and are not submitting a request to commence negotiations pursuant to sections 251 and 252 of the Act.

It is GTE's position that section 251 and 252 of the Act require state-by-state negotiations when requested by individual carriers, and these negotiations are intended to cover a variety of matters that include intraLATA equal access. Accordingly, for numerous reasons, including the ability of GTE to satisfy its obligations in all states in which it operates, we will not negotiate separately the various matters contained in the Act.

GTE is committed to providing facilities for 1+intraLATA equal access during 1996 and 1997 where technically feasible. It is important to understand that implementation cannot occur immediately in any individual state let alone simultaneously, in 27 states (excluding Alaska, GTE has more than 1640 host switches) because of the labor intensive requirements associated with equipping each switch with the functional capability to offer intraLATA equal access.

While this requirement varies by switch type, the GTE-5, 5-ESS and

AGPL 002028

Mr. Rian J. Wren
April 15, 1996
Page 2

DMS 10:100/200 require in excess of 20 employee-hours per end office and access tandems are even more labor intensive. Additionally, GTE must try to reasonably balance the impacts this change will have on its administrative systems and processes and customer support (for example, Customer Contact Centers and Business Service Centers).

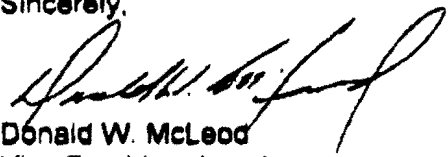
*cc: [unclear]
[unclear] negotiations
[unclear]*

GTE is prepared, however, to discuss the methods, procedures and timing of dialing parity deployment at such time as we begin state negotiations with AT&T

Your second letter asks if GTE has submitted any interconnection agreements between GTE and other entities to the State Commissions in Texas, Missouri and Oklahoma for their approval as required in the Act. GTE has not yet executed any such agreements either prior to or post enactment of the Telecommunications Act of 1996 in these states and therefore have not filed any such agreements. Pursuant to the Act copies of Commission approved and executed agreements will be available from the Commission granting said approval.

Should you have questions concerning this response please contact Meade Seaman, Director-Local Competition/Interconnection Program Office, at 214/718-1333, or me at 214/718-6330.

Sincerely,



Donald W. McLeod
Vice President-Local
Competition/Interconnection

DWM:mih

- c. K. J. Harless - TXD1981A - Irving, TX
- J. B. Hunt - TXD1933G - Irving, TX
- B. W. Paulson - MO681WPW - Wentzville, MO
- M. C. Seaman - HQE03D52 - Irving, TX
- L. J. Sparrow - HQE04E57 - Irving, TX

Donald W. McLeod
Vice President-Local
Competition/Interconnection



GTE Telephone
Operations

HQE01E63
600 Hidden Ridge
P.O. Box 152092
Irving, TX 75015-2092
214/718-6330
FAX: 214/718-4353

April 17, 1996

Mr. R. H. Shurter
Southern States & National
Local Access & Infrastructure Management
Vice President
AT&T
Room 4EC101
One Oak Way
Berkeley Heights, NJ 07922

Dear Mr. Shurter:

I have reviewed your proposed agenda for our meeting on April 18, 1996, and we are prepared to discuss most of the noted areas in that proposed agenda, but not necessarily in the same format as you have suggested. I believe that, in the interest of time, it would be best if we were to present GTE's response to our last meeting and comments prior to any other discussions.

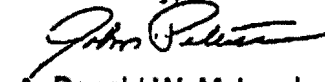
GTE's discussion flow would progress as follows:

- * Negotiations Teams & Structure
- * National & State Issues Screening Process
- * GTE's View of Screening Process
- * Response to AT&T's Request

Regarding the third bullet in your suggested agenda, "review and signing of the non-disclosure confidentiality agreement", this issue is being handled by our legal department and, as I understand, they are very close to closure on that issue.

I am looking forward to a very productive meeting.

Sincerely,


for Donald W. McLeod

DWM:mlh

AGBH 000082



*Status Report on GTE
Negotiations*

*Items of Major Dispute between
AT&T and GTE for
Total Service Resale
April 18, 1996*

ms in Dispute:

- *GTE requires LOA for every CSR request.*
- *GTE will not provide a due date at the time the order is placed*
- *GTE will not provide AT&T with electronic order processing*
- *GTE will not provide a re-cap of services and features ordered by AT&T on the Service Completion*
- *GTE's Service Completion is at Due Date +1 not "on the same day"*

ms in Dispute:

- *GTE has not provided AT&T with the SAG/LSO/S&F correlation*
- *GTE requires 3 data feeds for Order, Directories and Directory Assistance information*
- *GTE will not process a “change as is” type of order*
- *GTE has not empowered its negotiators to modify company policy in order to achieve breakthroughs*



GTE requires LOA for every CSR

GTE's position of requiring an LOA for every CSR request severely hampers the ability to provide service at parity with GTE. This position also hampers breakthroughs in electronic processes between the companies.

*GTE will not provide a due date
the time the order is placed*

GTE's position is that a service due date will only be provided 48 hours after the receipt of a valid Local Service Request. This puts resellers at a severe disadvantage requiring a customer contact to verify the due date. This is not a parity offer.

*GTE will not provide AT&T with
electronic order processing*

GTE has offered either electronic mail or facsimile as the method of order transfer. This method has proven to be inadequate when dealing with large Resellers. It is inefficient for both parties and the result is sure to affect customer service and satisfaction.

GTE will not provide a re-cap of services on the completion

When a reseller places an order with GTE there is no mechanism to verify that the features have been installed as ordered. GTE presently re-caps the services ordered over the phone with their customers. We are requesting the same treatment on the order completions.

GTE's service completion is reported on due date +1 day

GTE's service completion is not reported to reseller on the same day as it is completed. As a result the resellers can not verify completion information with the end user. Also, this creates billing problems.

*GTE has not provided AT&T
with a SAG/LSO/S&F correlation*

GTE has yet to provide a "Street Address Guide", which correlates address with LSO and serving company. GTE also needs to provide a "Service and Feature" availability list by LSO in order to enable and stimulate resale feature sales.

GTE requires AT&T to provide 3 data feeds for service information

GTE currently takes the required order information from the Customer which is parsed into the order data base, the E-911 data base, the Directories data base, and the Directory Assistance data base. GTE is requiring Resellers to populate these data bases via separate data feeds.

*GTE will not accept a "Change
Is" type order*

*GTE is requiring a written LOA be
physically sent for all change orders.*

*The FCC has approved processes that
eliminate paper flow between
companies. GTE is refusing to accept
the industry practice.*

Example: Directory Assistance and Directory Listings data feeds

Both GTE ordering systems have a screen which is used to populate the Directory Assistance and Directory Listings data. The systems in use by the NOMC to issue orders to the field are the same. It is simply a company policy which requires that we feed that data separately, providing the coordination on our own and requiring that we establish the feeds on our own.

*Directory Assistance and
Directory Listings continued.....*

GTE today will publish a different listed name than the billing name. The processes exist for this to occur. Why then, in a Resale environment, can't the reseller request a different listed name be published? The same methodology applies to the Directory Assistance process. The forms allow for this as do the M&P's.

*GTE has not empowered Its
negotiators to change policy*

The current GTE negotiation team is not empowered to modify policy to achieve a breakthrough in negotiations. Issues are discussed and possible changes are suggested but the response from the GTE team is the same, "This is company policy and we can not change it", consequently several items have remained stagnant when progress could have been made.

GTE's Interconnect & Local Competition Program Office

- Program Role & Responsibility**
1. Separate and Distinct Organization to Handle Interconnection
 2. Will Handle Interconnection Negotiations, Empowered to Close
 3. Supported by Business Units, Technical Experts, and a Policy Council
 4. Clearing House of Interconnection Issues That Go Beyond 251 and 252
 5. Final Point of Escalation

CHRIS OWENS
*Vice President
Telephone Operations
Regulatory*

DONALD MCLEOD
*VP Regulatory &
Government Affairs -
Local Competition
Program Office*

MEADE SEAMAN
*Director
Local Competition
Program Office*

DOUG VOLLER
*Manager
Project Management*

SAM JONES
*Manager
Local Competition
Program Office West*

- Arizona
- California
- Hawaii
- Oregon
- Washington

JOHN PETERSON
*Manager
(Lead AT&T Nat'l Negotiator)
Local Competition
Program Office Central
Tier States*

- Illinois
- Indiana
- Iowa
- Minnesota
- Missouri
- Nebraska
- Oklahoma
- Texas
- Wisconsin

DICK BRAMLET
*Manager
Local Competition
Program Office East*

- Florida
- Michigan
- North Carolina
- Ohio
- Pennsylvania
- Virginia

DANA BOLIN
*Manager
Existing Interconnect
Agreements*

AGBR 000034



Telecommunications Act of 1996

AT&T and GTE Negotiations Meeting

April 18th 1996

- Structure
- Issue Review, Dialogue & Action Plan
- Next Steps



Telecommunications Act of 1996 Joint Executive Team

Team		Roles
<u>AT&T</u>		
Reed Harrison	- VP LIAM and Regional Operations	<ul style="list-style-type: none">• Provide Negotiation Oversight• Establish Tone for Negotiations and Facilltate Agreement Closure
Ron Shurter	- VP Nationals and Southern Region	
Joyce Beasley	- Representing Regulatory & Government Affairs	
Gary Rall	- Lead Negotiator and Project Leader	
<u>GTE</u>		
Donald McLeod	- VP Regulatory & Government Affairs	<ul style="list-style-type: none">• Establish Structure for National Negotiations• Empower Lead Negotiators• Provide the Final Point for Escalation to Resolve Issues• Ratify Agreements of the Negotiation Team• Primary Interface/Initial Escalation• Attorney
Mike Billings	- Director-Collocation and Interconnection	
Frank Compton	- Director-AT&T National Account Management	
Meade Seaman	- Director- Program Manage -Local Competition/ Interconnection	
John Peterson	- Manager-National Industry Relations Regulatory & Governmental Affairs	
Dan Bennett	- Manager - AT&T Account Mgt.	
Connie Nicholas	- Attorney GTE Telops	



- ◆ **No Telecom Act Related Meetings Held to Date**

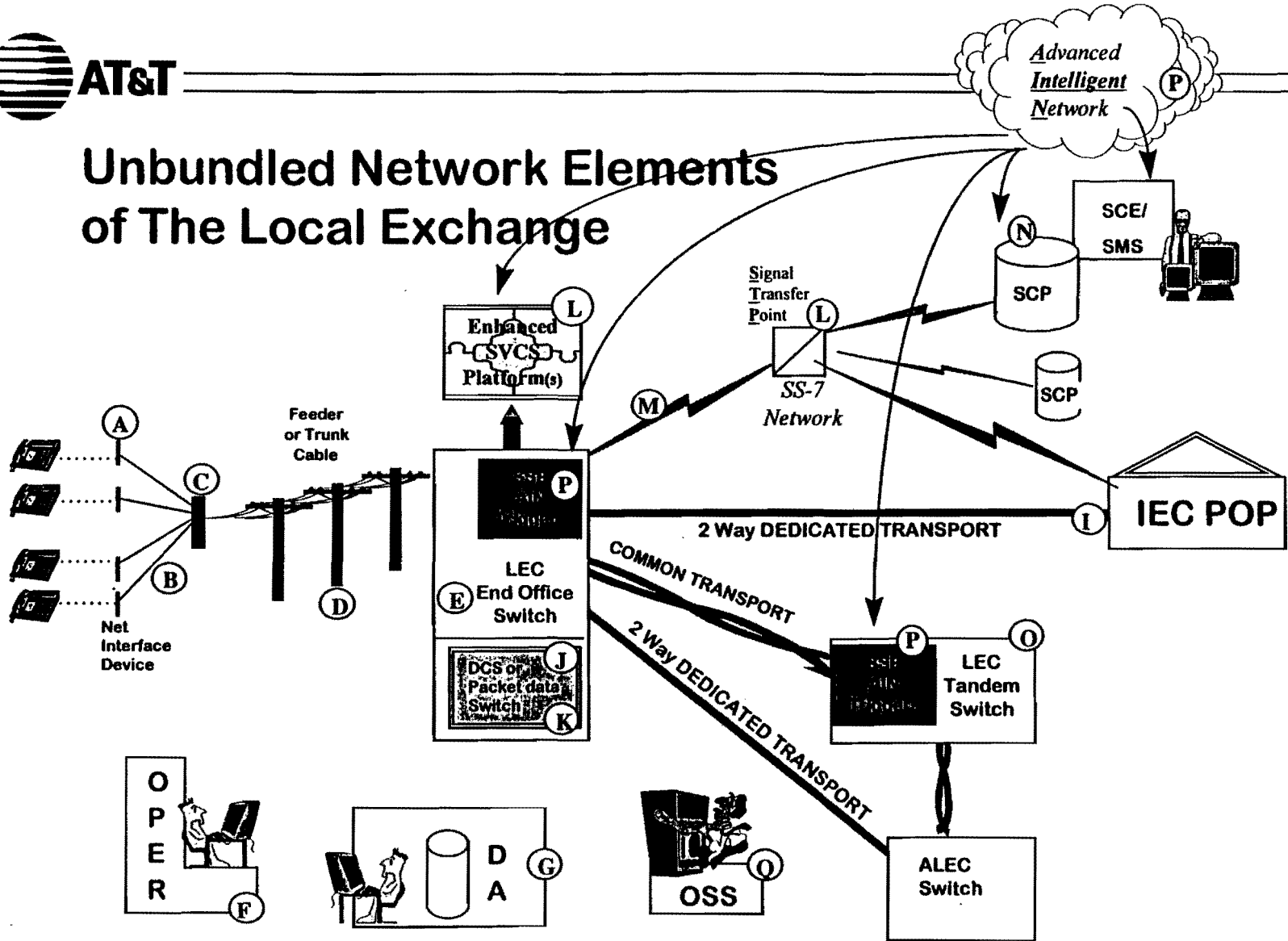
- ◆ **Electronic Interface**
 - **Pre Service**
 - » **Telephone Number Assignment**
 - » **Letter of Authorization**

- ◆ **Ordering**
 - **Intervals**
 - **Jeopardies**
 - **Completions**

- ◆ **Maintenance Process**



Unbundled Network Elements of The Local Exchange



AGBR 000038



AT&T Negotiating Team Structure

NETWORK OPERATIONS

Ross Richards
B. Rose
M. Salazar

NETWORK ENGINEERING

Judy Parrish
J. Hollander
B. Haux
B. Tierney
J. Veatch

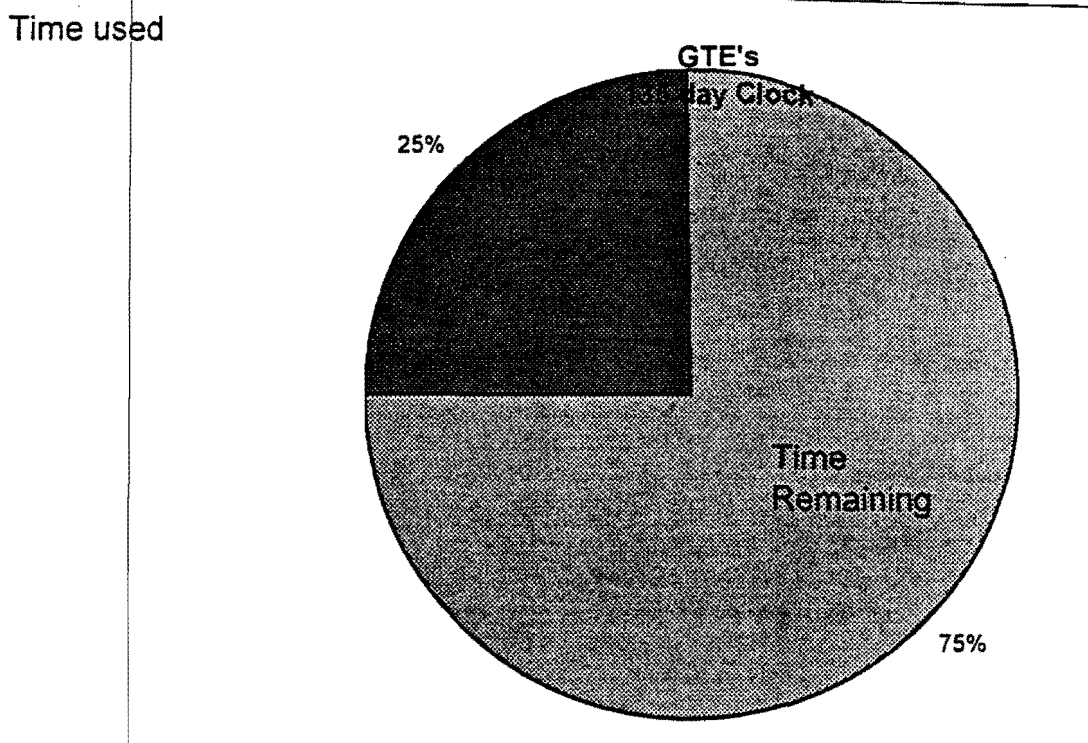
BILLING

Anthony Navarro
J. Grover
L. Ebert

OPERATOR SVCS / DA / DIRECTORY

Terry Casey
M. Stone

Negotiations Time Clock



Time used

Time
Remaining

Negotiations Time Clock

--



Gary A. Rall
District Manager

4480 Willow Road
Room 110
Pleasanton, Ca. 94588
510-224-4121

April 19, 1996

Mr. John Peterson
GTE - Manager - National Industry Relations
600 Hidden Ridge, HQEO1155
P.O. Box 152092
Irving, TX 75015-2092

Dear John,

This letter is to confirm our conversation of today regarding my concerns with the GTE delay in scheduling negotiations meetings for billing and interconnection. At our meeting yesterday in Dallas, GTE and AT&T agreed that we would convene next week to discuss billing and interconnection issues. As we discussed, the AT&T team is ready to negotiate next week.

Today Lisa Tyler of AT&T was informed by Mike Billings of GTE that the date for billing negotiations has been postponed by GTE from next week until May 10. As we discussed this afternoon, it is unacceptable to AT&T to postpone these important negotiations beyond the agreed-upon time frames. Additionally, I stated that I have not been advised by GTE of the date for the interconnection meeting.

I appreciate your addressing these matters and look forward to your call on Monday advising me of the availability of the GTE teams to meet, as planned, with AT&T next week. It is our hope that we make good progress in these negotiating sessions.

Gary Rall
Gary Rall

Post-it® Fax Note	7671	Date	4/19	# of pages	1
To	Bonnie Watson	From	L. Tyler / s. White		
Co./Dept		Co.			
Phone #		Phone #	(510) 224-3440		
Fax #	908-233-2704	Fax #	415		

Sent to GTE Per Discussions 4/19.

Gary Rall


*copy go to
ME*

R. H. Shurter
Southern States & National
Local Access & Infrastructure Management
Vice President

APR 29 1996

Room 4EC101
One Oak Way
Berkeley Heights, NJ 07922
908 771-3500
Fax 908 771-2851
AT&T Mail attmail/rhshurter

ATTORNEY WORK PRODUCT
PRIVILEGED AND CONFIDENTIAL

April 24, 1996

Mr. Donald W. McLeod
Vice President
Regulatory and Government Affairs - East
Local Competition/Interconnection Program Office
HQE01E63
P. O. Box 152092
Irving, Texas 75015-2092

Dear Mr. McLeod,

I want to confirm the results of the Executive Negotiation meeting which we held in Berkeley Heights, New Jersey on April 18, 1996. While we made progress on some organizational and process matters with regard to the negotiations, I am very concerned about the lack of progress with regard to the substance of the negotiations. As we discussed during our meeting, over 25% percent of the time for negotiation has passed and we are not any closer to resolution of the issues regarding services resale, with the discussions of unbundled elements yet to begin.

With regard to procedures, we agreed to use an issue screening process to classify issues. The categories are:

1. Falls within Sections 251 and/or 252
2. Best handled at national or state negotiation level
3. Is a policy/business issue

We also agreed that the designation of an issue in the screening process is to facilitate the quick resolution of issues and would not be binding with regard to whether an issue is under Sections 251 and/or 252 of the Telecommunications Act of 1996. You advised us that John Peterson would be the national lead negotiator for GTE and would work with Gary Rall regarding national negotiations and issue screening. It was agreed to quickly frame any issues that have not been resolved by our negotiation teams and to escalate them to our executive team for resolution.

AGPL 002256

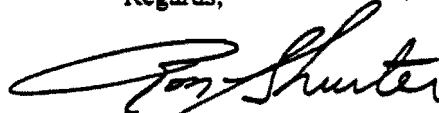
We would also like to receive a more detailed explanation of which items in the 14 point checklist GTE believes do not apply to all incumbent local exchange carriers under Section 251 and 252. As a part of that explanation, please include a discussion for the basis for that position under the Act. It remains AT&T's position that all of the items contained in the 14 point checklist are also applicable to GTE. AT&T understands that GTE can provide long-distance services today.

We agreed to hold an executive conference call on May 1, 1996 from 10 a.m. EDT to 12 noon EDT which I will arrange. I propose that we discuss the following:

1. Review Statement of Position on Electronic Interfaces
2. Review Statement of Position on Letter of Authorization
3. Agree on screening decision of the two major issues identified on April 18, 1996
4. GTE status on AT&T requests for services for resale and interconnection agreements
5. Frame agenda for May 7, 1996 meeting

It was agreed that our next full executive meeting will be held in Irving on May 7, 1996 beginning at 8:30 a.m. ending at 3:30 p.m. We will arrive at your lobby at 8:15 a.m.

Regards,



R. H. Shurter
Southern States & National Local
Infrastructure & Access Management



GTE Telephone
Operations

P.O. Box 152092
Irving, TX 75015-2092

HQE01G44
Irving, TX

April 25, 1996

Ms. Terry L. Casey
Manager, AT&T
4480 Willow Road, Room 1-94
Pleasanton, CA 94588

Dear Terry:

GTE has reviewed and evaluated the AT&T Local Operator Services Public Policy and recognizes (1) AT&T's desire to utilize its own OS platform, and (2) AT&T's desires and concerns relative to the "branding" of local operator services.

GTE also acknowledges the apparent technical feasibility of routing AT&T customers to the AT&T OS platform via "0+0-" dialing utilizing the Line Class Code (LCC) functionality of the 5ESS end office switch. Further, GTE conceptually agrees that LCC and or enhanced/special route indexes are basic switch processing capabilities and the potential for utilizing similar functionality may (or could be made to) exist within some or all of GTE's other switch types.

However, as we have stated in the past, it is GTE's position, in a Total Services Resale (TSR) environment, not to unbundle or unbrand GTE provided operator services. GTE's position is in compliance with both the California PUC order on resale and the Telecommunications Act of 1996, relative to a TSR environment.

GTE is currently formulating its policy for OS port unbundling and will be in a position to communicate our offering in the early to mid-May time frame. Technical feasibility studies relative to switch routing capabilities will not be conducted prior to the development of GTE's OS unbundling policy position.

Dan Bennett
National Manager-AT&T OMT

DB:scm

GTE Service Corporation/A part of GTE Corporation

AGBH 000094

MAY-01-96 WED 02:57

510 224 4118

P. 23



R. H. Shurter
Southern States & National
Local Access & Infrastructure Management
Vice President

Room 4EC101
One Oak Way
Berkeley Heights, NJ 07922
908 771-3800
Fax 908 771-2851
AT&T Mail rsmmail@shurter

April 26, 1996

Mr. Donald W. McLeod
Vice President
Regulatory and Government Affairs - East
Local Competition/Interconnection Program Office
HQE01E63
P. O. Box 152092
Irving, Texas 75015-2092

Dear Mr. McLeod,

This letter is to confirm our conference call scheduled for Wednesday, May 1 from 10:00 a.m. - 12:00 noon EDT to discuss the following issues:

1. Review Statement of Position on Electronic Interfaces
2. Review Statement of Position on Letter of Authorization
3. Agree on screening decision of the two major issues identified on 4/18
4. GTE status on AT&T requests for services for resale and interconnection agreements
5. Frame agenda for May 7, 1996 meeting

Following are the conference bridge numbers for the call:

Dial-in: 702-785-1970
Access Code: 281287

If you have any questions, please call my secretary Christina O'Brien on (908) 771-7356.

Regards,

Christina O'Brien

for
R. H. Shurter
Southern States and National Local
Infrastructure & Access Management
Vice President

AGBR 000048

04/30/96

11:48

PLEASANTON ACCESS MGT WEST → 9009538360

NO. 340 003

AT&T/GTE NEGOTIATIONS

KEY ISSUES

MAY 1, 1996

AGBR 000049

MAY-01-96 WED 02:48

510 224 4118

P. 03

AT&T/GTE NEGOTIATIONS

Issue Statement	Issue Number 1 A , B
<p>Negotiations progressing slowly on Operational Interfaces to support TSR. AT&T requires an electronic interface to support ordering, provisioning and maintenance requirements for resold services. Similarly, AT&T requested a mechanized interface to handle billing.</p>	

<p style="text-align: center;">AT&T POSITION</p> <p>AT&T and GTE have been in Negotiations on TSR operational interfaces since September, 1995. AT&T requested that GTE provide an electronic interface for ordering, provisioning, maintenance and provisioning of resold services. In a March 12, 1996 letter, GTE stated that it would begin discussing electronic interface solutions with AT&T in late second quarter, 1996. On a March 20th call, GTE stated that it was open to discussing AT&T's request and would need to reevaluate the capability of its internal systems. GTE also stated that it had not yet identified resources to work billing issues. Discussions held April 3rd and 4th, were slowed due to unresolved policy issues relative to the exchange of customer data and the absence of SMEs on provisioning and maintenance processes. AT&T asked for the meetings to reconvene on Monday, April 8th, but GTE responded that 1) its newly established program office needed to address the policy issues and 2) resources would not be available until the week of April 15th. (Meeting confirmed for April 16th - 17th). Billing discussions have not been confirmed.</p>	<p style="text-align: center;">GTE POSITION</p>
<p>Key Contacts Ross Richards (510) 224-4063 - Ordering Tony Navarro (415) 442-2627 - Billing</p>	

ACTION ITEMS - AT&T/GTE	STATUS	DATE OPEN	TARGET DATE	DATE CLOSED
<ul style="list-style-type: none"> • GTE to provide written response on position 5/1. • AT&T to provide F.C.C reference on 3rd party verification 	<ul style="list-style-type: none"> • Open - Response not received as of 4/30 • AT&T provided reference on 5/2 	9/95	5/1	

AT&T Proprietary

5/1/96
Page 1

AT&T/GTE NEGOTIATIONS

Issue Statement	Issue Number 1 A
<p>Negotiations progressing slowly on Operational Interfaces to support TSR. AT&T requires an electronic interface to support ordering, provisioning and maintenance requirements for resold services. AT&T requests that more frequent negotiating sessions are held to obtain closure/agreements no later than May 15, 1996.</p>	

AT&T STATUS	GTE POSITION
<p><u>Ordering</u></p> <p>There are three key issues impeding progress on electronic interface negotiations</p> <ul style="list-style-type: none"> • GTE requirement for per order Letter of Authorization • GTE position on Change As Is • GTE requirement for three data feeds <p>Little progress is expected in working level sessions if these issues remain open.</p> <p><u>April 18th</u></p> <p>In the working level session held April 17th-18th, GTE stated that an internal meeting was held regarding existing policy issues and that although some policies would be changed, others such as Letter of Authorization (LOA), Change As Is, and the requirement of three separate feeds (Feed 1 - Local Service Resale Feed 2 - Directories, Feed 3 - Directory Assistance) would remain the same.</p> <p><u>Calendar</u></p> <p>The only session scheduled to date is May 7, 1996.</p>	
<p><u>Key Contacts</u> Ross Richards (510) 224-4063</p>	

ACTION ITEMS - AT&T/GTE	STATUS	DATE OPEN	TARGET DATE	DATE CLOSED

AT&T Proprietary

5/1/96
Page 2

AT&T/GTE NEGOTIATIONS

Issue Statement	Issue Number 1 B
<p>As of April 18th, billing negotiations had not yet begun. AT&T requested GTE to provide SMEs to complete billing negotiations. AT&T requirements were shared with the GTE Executive Team April 16th. AT&T would like to expeditiously work through the requirements and schedule as many sessions as needed to obtain closure/agreements no later than May 21, 1996.</p>	

AT&T STATUS	GTE POSITION
<p><u>Billing</u></p> <p>GTE confirmed the first meeting for Monday, April 8, 1996 in Dallas, Texas. GTE provided a response to AT&T requirements on 4/30. GTE agreed to 17 of 48 requirements.</p>	
<p><u>Calendar</u></p> <p>There are no other meetings scheduled at this time.</p>	
<p><u>Key Contacts</u></p> <p>Tony Navarro (415) 442-2627</p>	

ACTION ITEMS - AT&T/GTE	STATUS	DATE OPEN	TARGET DATE	DATE CLOSED

AT&T Proprietary

5/1/96
Page 3

AT&T/GTE NEGOTIATIONS

Issue Statement	Issue Number 2
<p>Negotiations for interconnection (unbundled elements) have not progressed. AT&T would like to expeditiously work through unbundling issues seeking closure/agreement no later than June 6, 1996.</p>	

AT&T POSITION	GTE POSITION
<p>AT&T requires GTE to provide unbundled network elements which include but are not limited to</p> <ul style="list-style-type: none"> • loop and sub-components • local and tandem switching and feature capabilities • all signaling capabilities & transport • service control points & signaling transfer points • AIN end-office triggers • facilities transport and trunking <p>AT&T has been prepared to negotiate interconnection issues since March 13th and desires interconnection discussions to begin immediately. (Week of April 22, 1996).</p>	
<p>Key Contacts</p> <p>Jim Ventch (510) 224-4150</p>	

ACTION ITEMS - AT&T/GTE	STATUS	DATE OPEN	TARGET DATE	DATE CLOSED

AT&T Proprietary

5/1/96
Page 4

AT&T/GTE NEGOTIATIONS

Issue Statement	Issue Number 2
<p>Negotiations for interconnection (unbundled elements) have not progressed. AT&T would like to expeditiously work through unbundling issues seeking closure/agreement no later than June 6, 1996.</p>	

AT&T STATUS	GTE POSITION
<p><u>Unbundling</u></p> <ul style="list-style-type: none"> • Commitment made by GTE in April 18th meeting that it would confirm date for meeting with AT&T week of April 22nd • AT&T notified on April 19th that meeting would be delayed until May 10th • Escalated to Ral/Peterson, obtained date of April 23rd • April 23rd meeting not productive - GTE not prepared to discuss unbundling • GTE did not want to commit to further meetings <p><u>ROW/Conduit/Poles</u></p> <ul style="list-style-type: none"> • First meeting April 30th • Agreement reached on 10 of 22 items • AT&T shared recap of agreements reached/outstanding issues <p><u>Calendar</u></p> <ul style="list-style-type: none"> • Next meeting date not confirmed 	
<p>Key Contacts</p> <p>Jim Veatch (510) 224-4150</p>	

ACTION ITEMS - AT&T/GTE	STATUS	DATE OPEN	TARGET DATE	DATE CLOSED

AT&T Proprietary

AT&T/GTE NEGOTIATIONS

Issue Statement	Issue Number 3
<p>AT&T requests that GTE provide copies of any interconnection agreements it has reached with other carriers in the 20 states.</p>	

<p align="center">AT&T POSITION</p> <p>In order to facilitate the interconnection discussions, AT&T requests that GTE provide copies of any interconnection agreements it has reached with other carriers in the 20 states. AT&T requests a response no later than April 29, 1996.</p>	<p align="center">GTE POSITION</p>
<p>Key Contacts</p> <p>Gary Rall (510) 224-4121 Jim Veatch (510) 224-4150</p>	

ACTION ITEMS - AT&T/GTE	STATUS	DATE OPEN	TARGET DATE	DATE CLOSED

AT&T Proprietary

5/1/96
Page 6

AT&T/GTE NEGOTIATIONS

AT&T requests that GTE provide copies of any interconnection agreements it has reached with other carriers in the 20 states. Three agreements were shared in the April 18th Executive Meeting.

AT&T STATUS	GTE POSITION
No other agreements have been provided.	
Key Contacts Gary Rall (510) 224-4121 Jim Veatch (510) 224-4150	

ACTION ITEMS - AT&T/GTE	STATUS	DATE OPEN	TARGET DATE	DATE CLOSED

AT&T/GTE NEGOTIATIONS

AT&T/GTE NEGOTIATIONS

Issue Statement	Issue Number 4
AT&T desires that GTE provide a comprehensive list of Wholesale Features and Services By State.	

AT&T POSITION	GTE POSITION
To facilitate Resale negotiations, AT&T desires that GTE provide a list of services and features by state no later than April 29, 1996.	
Key Contacts	
Ross Richards (510) 224-4063	

ACTION ITEMS - AT&T/GTE	STATUS	DATE OPEN	TARGET DATE	DATE CLOSED

AT&T Proprietary

5/1/96
Page 8

AT&T/GTE NEGOTIATIONS

AT&T/GTE NEGOTIATIONS

Issue Statement	Issue Number 4
AT&T desires that GTE provide a comprehensive list of Wholesale Features and Services By State.	

AT&T STATUS	GTE POSITION
No response received to date.	
Key Contacts	
Ross Richards (510) 224-4063	

ACTION ITEMS - AT&T/GTE	STATUS	DATE OPEN	TARGET DATE	DATE CLOSED

AT&T Proprietary

5/1/96
Page 9

AT&T/GTE NEGOTIATIONS

Issue Statement	Issue Number 5
<p>AT&T has over 500 items in que to be negotiated (ordering, services, interconnection, billing - including pricing). AT&T and GTE have not yet reached closure on these items. AT&T requests more frequent concurrent (weekly) negotiating sessions so that closure/agreements can be obtained no later than July 3, 1996.</p>	

AT&T STATUS	GTE POSITION
<p>The following meetings will not be sufficient to reach closure/agreement on TSR and unbundling issues. Refer to the attached timeline for Negotiations milestones.</p> <ul style="list-style-type: none"> • Billing/TSR - May 6, 1996 • Electronic Interface/TSR - May 7, 1996 • Unbundling - no meeting planned • Directory/Operator Services - no meeting planned • Pricing - no meeting planned 	
Key Contacts	
<p>Ross Richards (510) 224-4063 - Ordering Terry Casey (510) 224-2277 - Oper/JDA Jim Ventch (510) 224-4150 - Unbundling Tony Navarro (415) 442-2627 - Billing</p>	

ACTION ITEMS - AT&T/GTE	STATUS	DATE OPEN	TARGET DATE	DATE CLOSED

AT&T Proprietary

5/1/96
Page 11

04/30/96

11:54

PLEASANTON ACCESS MGT WEST + 9089538360

NO. 348 015

AT&T/GTE NEGOTIATIONS

TIMELINE

MAY 1, 1996

AGBR 000060

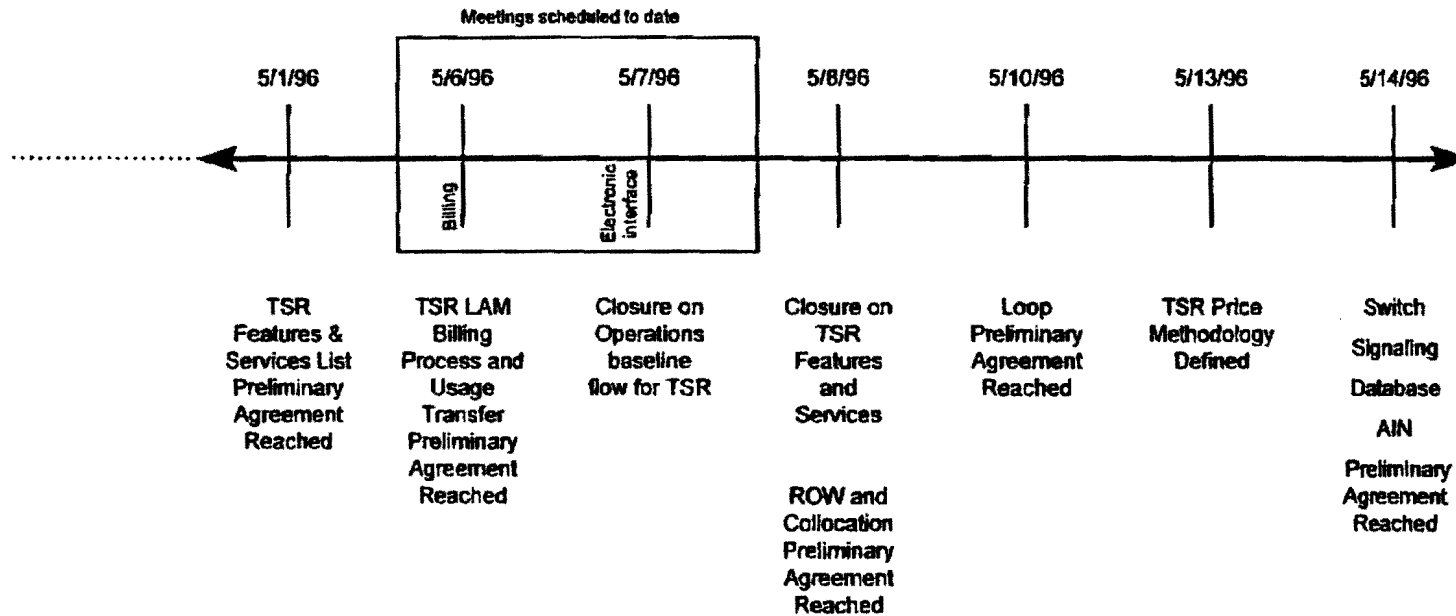
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510 224 4118

P. 15



Federal Negotiations Timeline April - July, 1996

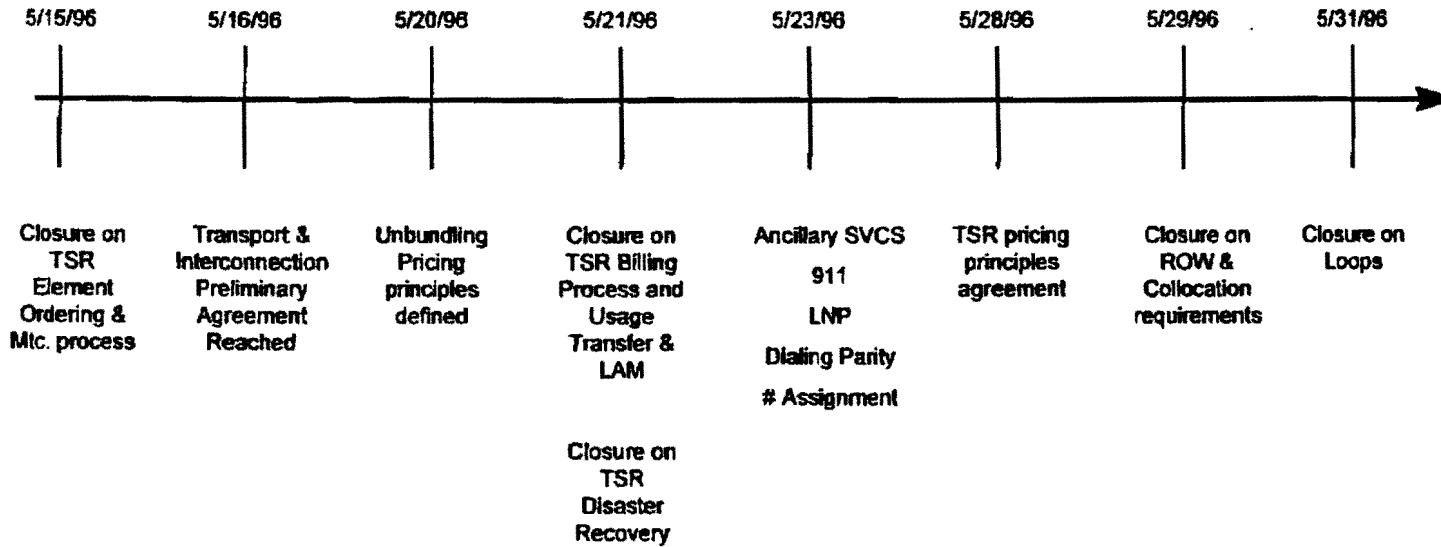


AT&T Proprietary
Subject to Non-Disclosure Agreement



Federal Negotiations Timeline

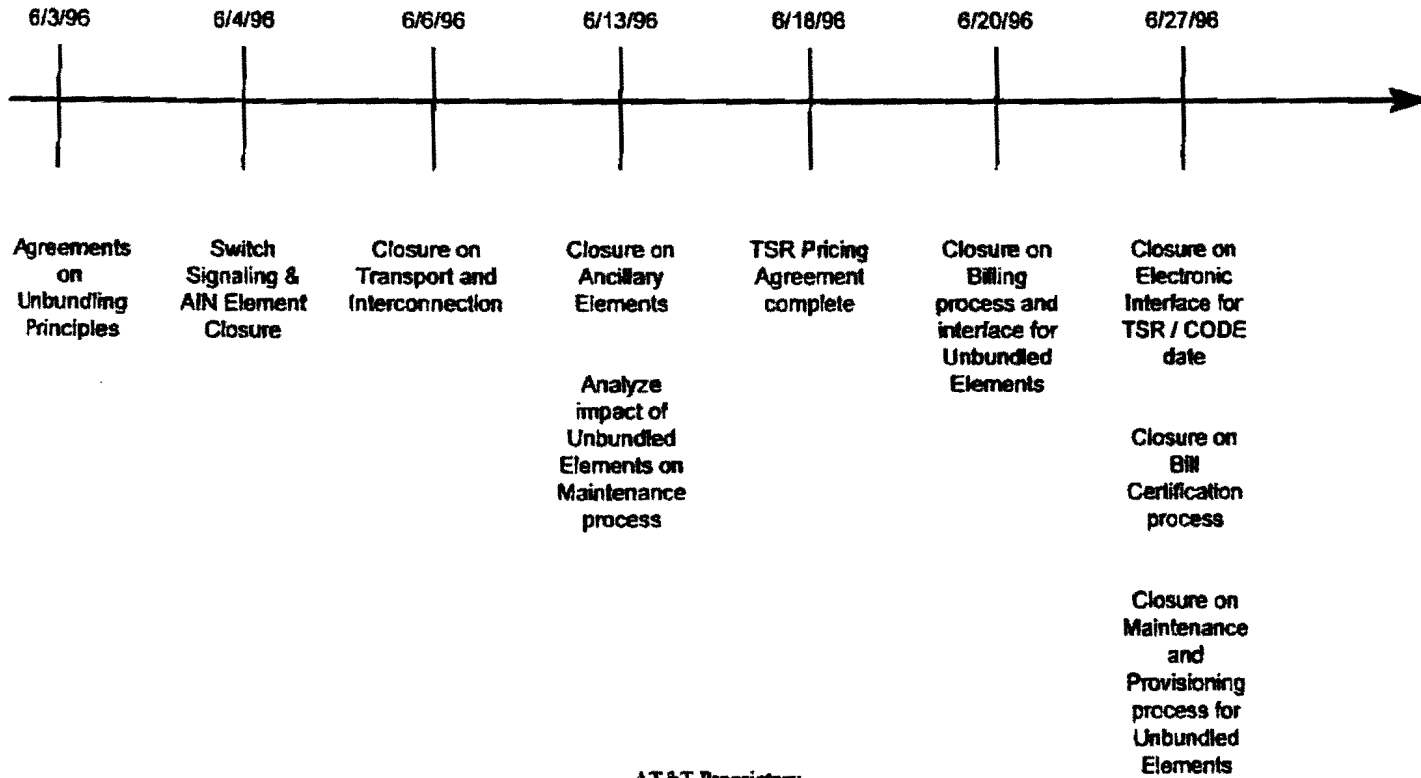
April - July, 1996



AT&T Proprietary
Subject to Non-Disclosure Agreement



Federal Negotiations Timeline April - July, 1996



AT&T Proprietary
Subject to Non-Disclosure Agreement
3

as of 04/30/96

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510 224 4118

AGBR 000064

P.19



Federal Negotiations Timeline April - July, 1996



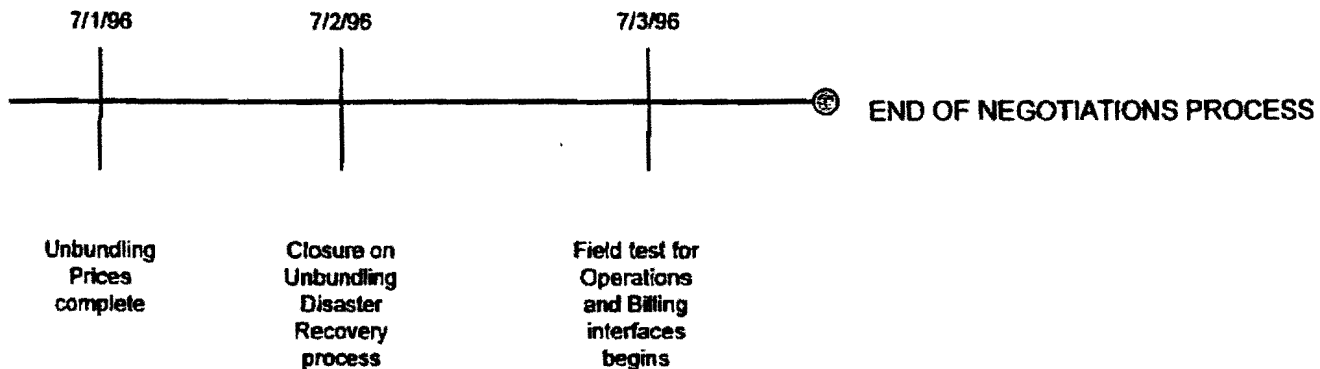
04/30/96

11:56

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NO. 340

P.19



AT&T Proprietary
Subject to Non-Disclosure Agreement

as of 04/30/96

04/30/96

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NO. 340 020

AT&T/GTE NEGOTIATIONS
F.C.C. GUIDELINES: THIRD PARTY VERIFICATION
MAY 1, 1996

AGBR 000065

MAY-01-96 WED 02:56

510 224 4118

P. 20

F. C. C. 47 C. F. R. Part 64 Docket 91-64 Adopted 12/12/91

page 1048

APPENDIX B

Amendment to the Commission's Rule

47 C. F. R. Part 64, is amended to read as follows:

Subpart K -- Changing Long Distance Service

64.1100 Verification of orders for long distance service generated by telemarketing.

No IXC shall submit to a LEC a primary interexchange carrier (PIC) change order generated by telemarketing unless and until the order has first been confirmed in accordance with the following procedures:

- a) the IXC has obtained the customer's written authorization to submit the order that explains what occurs when a PIC is changed and confirms:
 - 1) the customer's billing name and address and each telephone number to be covered by the PIC change order.
 - 2) the decision to change the PIC to the IXC, and
 - 3) the customer's understanding of the PIC change fee; or
- b) the IXC has obtained the customer's electronic authorization, placed from the telephone number(s) on which the PIC is to be changed, to submit the order that confirms the information described in subsection (1) above to confirm the authorization. IXCs electing to confirm sales electronically shall establish one or more toll-free telephone numbers exclusively for that purpose. Calls to the number(s) will connect a customer to a voice response, unit or similar mechanism, that records the required information regarding the PIC change, including automatically recording the originating ANI: or

AGBR 000066

- c) an appropriately qualified and independent third party operating in a location physically separate from the telemarketing representative has obtained the customer's oral authorization to submit the PIC change order that confirms and includes appropriate verification data (e.g., the customer's date of birth or social security number); or
- d) within three business days of the customer's request for a PIC change the IXC must send each new customer an information package by first class mail containing at least the following information concerning the requested change:
- 1) the information is being sent to confirm a telemarketing order placed by the customer within the previous week,
 - 2) the name of the customer's current IXC,
 - 3) the name of the newly requested IXC,
 - 4) a description of any terms, conditions, or charges that will be incurred.
 - 5) the name of the person ordering the change,
 - 6) the name, address and telephone number of both the customer and the soliciting IXC,
 - 7) a postpaid postcard which the customer can use to deny, cancel or confirm a service order,
 - 8) a clear statement that if the customer does not return the postcard the customer's long distance service will be switched within 14 days after the date the information package was mailed to (name of soliciting carrier) and
 - 9) the name, address, and telephone number of a contact point at the Commission for consumer complains,
 - 10) IXCs must wait 14 days after form is mailed to customers before submitting their PIC change orders to LECs. If customers have cancelled their orders during the waiting period, IXCs of course, cannot submit the customer's orders to the LECs.

AGBR 000067



**GTE Telephone
Operations**

P.O. Box 152092
Irving, TX 75015-2092

**HQE01G44
Irving, TX**

April 25, 1996

Ms. Terry L. Casey
Manager, AT&T
4480 Willow Road, Room I-84
Pleasanton, CA 94588

Dear Teny:

GTE has reviewed and evaluated the AT&T Local Operator Services Public Policy and recognizes (1) AT&T's desire to utilize its own OS platform, and (2) AT&T's desires and concerns relative to the "branding" of local operator services.

GTE also acknowledges the apparent technical feasibility of routing AT&T customers to the AT&T OS platform via "0+0-" dialing utilizing the Line Class Code (LCC) functionality of the 5ESS end office switch. Further, GTE conceptually agrees that LCC and or enhanced/special route indexes are basic switch processing capabilities and the potential for utilizing similar functionality may (or could be made to) exist within some or all of GTE's other switch types.

However, as we have stated in the past, it is GTE's position, in a Total Services Resale (TSR) environment, not to unbundle or unbrand GTE provided operator services. GTE's position is in compliance with both the California PUC order on resale and the Telecommunications Act of 1996, relative to a TSR environment.

GTE is currently formulating its policy for OS port unbundling and will be in a position to communicate our offering in the early to mid-May time frame. Technical feasibility studies relative to switch routing capabilities will not be conducted prior to the development of GTE's OS unbundling policy position.

Dan Bennett
National Manager-AT&T OMT

DB:scm

04/30/96

11:58

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024



Gary A. Rall
District Manager

4480 Willow Road
Room 110
Pleasanton, Ca. 94586
510-224-4121

April 19, 1996

Mr. John Peterson
GTE - Manager - National Industry Relations
606 Hidden Ridge, HQEO1155
P.O. Box 152092
Irving, TX 75015-2092

Dear John,

This letter is to confirm our conversation of today regarding my concerns with the GTE delay in scheduling negotiations meetings for billing and interconnection. At our meeting yesterday in Dallas, GTE and AT&T agreed that we would convene next week to discuss billing and interconnection issues. As we discussed, the AT&T team is ready to negotiate next week.

Today Lisa Tyler of AT&T was informed by Mike Billings of GTE that the date for billing negotiations has been postponed by GTE from next week until May 10. As we discussed this afternoon, it is unacceptable to AT&T to postpone these important negotiations beyond the agreed-upon time frames. Additionally, I stated that I have not been advised by GTE of the date for the interconnection meeting.

I appreciate your addressing these matters and look forward to your call on Monday advising me of the availability of the GTE teams to meet, as planned, with AT&T next week. It is our hope that we make good progress in these negotiating sessions.


Gary Rall

AGBR 000069

MAY-01-96 WED 02:58

510 224 4118

P. 24

MAY 03 1996



William L. West
Central States Local Infrastructure
and Access Management Vice President

19th Floor
227 West Monroe
Chicago, IL 60606
312 230-3550

April 29, 1996

Mr. M. B. Esstman
Executive Vice President
Customer Segment
GTE
600 Hidden Ridge, HQ E04819
P. O. Box 152092
Irving, TX 75015

Dear Mr. Esstman:

Section 251 (b) (3) of the Federal Communications Act of 1934, as added by the Telecommunications Act of 1996, imposes a duty on all local exchange carriers to provide dialing parity to competing providers of intraLATA toll service in a non-discriminatory manner. That statutory duty has been in effect for more than two months now. However, it does not appear that GTE North has taken any steps to comply with that statutory duty and implement intraLATA toll dialing parity within its exchanges in Indiana.

In order to secure its right to intraLATA toll dialing parity within GTE North's Indiana service area, AT&T Communications of Indiana, Inc. (AT&T), hereby submits this bona fide request that GTE North immediately implement intraLATA toll dialing parity in all of its Indiana exchanges to allow customers to select their interLATA and intraLATA interexchange carriers using the 2PIC methodology. GTE North's immediate implementation of intraLATA toll dialing parity within Indiana is necessary due to both the requirements of Section 251 (b) (3) and GTE's April 3, 1996 entry into the 1+ interLATA telecommunications market in Indiana via GTE Card Services d/b/a GTE Long Distance.

AT&T is prepared to work closely with GTE North to address any details involved with implementing intraLATA toll dialing parity within all of the exchanges within GTE North's Indiana service area. Please contact the undersigned as soon as possible so that we may begin this process.

Sincerely,

A handwritten signature in cursive script, appearing to read "W. West".

cc: Mr. S. Etzler
Ms. L. Harrington
Ms. B. Manzi
Mr. D. Proctor
Mr. F. Pytel
Mr. L. Salustro
Ms. P. Serratore
Mr. R. Shurter
Mr. R. Veneck
Mr. W. Zielke - GTE

AGBH 000095

Connie E. Nicholas
Attorney



**GTE Telephone
Operations**

600 Hidden Ridge HQE03H44
P.O. Box 152092
Irving, TX 75015-2092
214 718-4586
FAX 214 718-6372

April 29, 1996

Joyce Beasley
AT&T
295 North Maple Avenue
Room 3258D2
Basking Ridge, NJ 07920

Re: Confidentiality Agreement Between AT&T and GTE Telephone Operating
Companies

Dear Joyce:

As per your request, enclosed is one fully executed original of the agreement
referenced above. If you have any questions, please call.

Very truly yours,

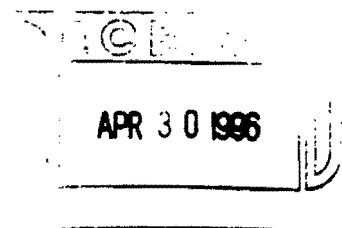
A handwritten signature in cursive script that reads "Connie E. Nicholas".

Connie E. Nicholas
Attorney

Enclosures

c: Donald W. McLeod

AGBR 003080



CONFIDENTIALITY AGREEMENT

This AGREEMENT is entered into between the GTE telephone operating companies noted on Attachment A, Contel of California Incorporated ("GTE"), and AT&T Corp., on behalf of itself and its affiliated state companies ("AT&T") (collectively "the parties") in connection with AT&T's request for negotiation of interconnection arrangements, services, and network elements under Sections 251 and 252 of the Telecommunications Act of 1996 (the "negotiations"), and any proceedings before a state public utility commission or other state agency, before the Federal Communications Commission or the United States Department of Justice, or any judicial proceeding arising from or in connection with that request (the "related proceedings").

For the purposes of the negotiations or, as necessary, the related proceedings, if any, AT&T and GTE may disclose to each other certain information that the producing or disclosing party considers proprietary, confidential or trade secret information, and AT&T or GTE may designate that information as "Proprietary Information" as defined herein. This AGREEMENT is intended to facilitate production or disclosure of such information without jeopardizing its proprietary or confidential nature or protected status.

1. "Proprietary Information" means all information or data, regardless of the form of media in which it is provided, that is considered proprietary, confidential or trade secret, and is stamped, labeled, or otherwise designated as "Proprietary", "Confidential" or "Trade Secret" or which contains other words or symbols clearly indicating that the information is intended to be secure from public disclosure. "Proprietary Information" also includes information that is provided or disclosed orally or visually if it is identified as proprietary or confidential when provided or disclosed and is summarized in a writing so marked and delivered within ten (10) days following such disclosure. The fact of the pendency of the negotiations, their status and the issues under discussion shall not be considered Proprietary Information.

2. All Proprietary Information that GTE or AT&T disclose to each other shall be treated as confidential (unless such status is specifically waived in writing by the producing party), shall be held in confidence and used only for the purposes of the negotiations and related proceedings, and shall be treated in accordance with the restrictions in this AGREEMENT. Each party shall treat the other party's Proprietary Information as it treats its own similarly-classified materials.

3. When requested, a party shall provide a non-confidential resume of the Proprietary Information to enable the recipient to determine whether to accept it. Each party has the right to refuse to accept any information under this AGREEMENT, and nothing in this AGREEMENT obligates either party to disclose to the other party any particular information.

4. Neither the Proprietary Information, nor any summaries or compilations of the whole or any part thereof, shall be revealed or distributed to anyone other than the representatives of the parties to this AGREEMENT with a need to know for purposes of the negotiations or related proceedings, or to third parties charged with responsibility for conducting and/or adjudicating the related proceedings.

5. A party may, at the time specific Proprietary Information is disclosed, request that no, or a limited number of, copies be made of such specific Proprietary Information. Copies of Proprietary Information shall include the stamp, label or designation that indicates that the information is Proprietary Information, or shall otherwise prominently bear the statement that disclosure of the contents is restricted. With the exception of a single copy which may be retained and used for implementation or enforcement of an agreement resulting from the negotiations, all copies of Proprietary Information shall be destroyed or returned, at the request of the party producing the Proprietary Information, at the conclusion of the negotiations or related proceedings. Notes, memoranda, or other written or recorded materials of any kind containing Proprietary Information or summaries or compilations of the whole or any part thereof shall likewise be destroyed, except as necessary for implementation or enforcement of an agreement resulting from the negotiations.

6. Each party agrees not to reveal any Proprietary Information received pursuant to this AGREEMENT except as permitted under paragraph 4 of this AGREEMENT; to utilize any such Proprietary Information solely for purposes of preparation for and conduct of the negotiations and related proceedings, if any, and not for any other purpose; and to keep all such Proprietary Information secure at all times in accordance with the purpose and intent of this AGREEMENT. Nothing in this AGREEMENT shall prevent either party from advising an authorized official of any state or federal agency or court with jurisdiction of the status of the negotiations, or from responding to an inquiry from such official concerning the same.

7. In any related proceeding, the parties agree to enter a protective order providing for the confidentiality or protection of Proprietary Information, or to comply with established rules and procedures for the protection of Proprietary Information. A party seeking to submit or file Proprietary Information in a related proceeding shall comply with the terms of such protective order or with such rules and procedures.

8. No patent, copyright, trademark or other intellectual property right is licensed, granted or otherwise transferred by this AGREEMENT or any disclosure hereunder, except for the right to use information in accordance with this AGREEMENT. No warranties of any kind are given or implied with respect to Proprietary Information disclosed under this AGREEMENT or any use thereof, except that the party disclosing the Proprietary Information warrants that it has the authority to make the disclosures contemplated hereunder.

9. The obligations of this AGREEMENT shall not apply to any Proprietary Information which the recipient can demonstrate:

(a) is or becomes available to the public through no breach of this AGREEMENT;

(b) was previously known by the recipient without any obligation to hold it in confidence as evidenced by documentation in the recipient's possession;

(c) is received without restriction from another source free to disclose such information;

(d) is independently developed by the recipient without use of the Proprietary Information;

(e) is approved for release by written authorization of the disclosing party.

10. In the event that the receiving party becomes compelled by lawful process (such as interrogatories, subpoenas, or civil investigative demands) to disclose any Proprietary Information, the receiving party shall provide the disclosing party with prompt written notice so that the disclosing party may seek a protective order or other appropriate remedy, or both, or waive compliance with the provisions of this AGREEMENT. In the event that the disclosing party is unable to obtain a protective order or other appropriate remedy, or if the disclosing party so directs, the receiving party shall, and shall cause its employees to, exercise its reasonable best efforts to obtain a protective order or other appropriate remedy at the disclosing party's reasonable expense. Failing

the entry of a protective order or other appropriate remedy or receipt of a waiver hereunder, the receiving party shall furnish only that portion of the Proprietary Information which it is advised by written opinion of its counsel is legally required to be furnished and shall exercise its reasonable best efforts to obtain reliable assurance that confidential treatment shall be accorded such Proprietary Information.

11. This AGREEMENT is intended to establish a procedure for facilitating negotiations and shall not be construed as an agreement by the parties that any document or data provided under the terms of this AGREEMENT in fact contains proprietary, confidential or trade secret information. Both parties reserve the right to contest the designation of any particular document or any data as containing proprietary, confidential or trade secret information. The parties shall not be deemed to have waived, in the negotiations or in any related proceeding, any objections to the relevancy, materiality, or admissibility of the Proprietary Information furnished under this AGREEMENT.


12. Each party agrees that the disclosing party would be irreparably injured by a breach of this AGREEMENT by the receiving party or its representatives and that the disclosing party shall be entitled to equitable relief, including injunctive relief and specific performance, in the event of any breach of the provisions of this AGREEMENT. Such remedies shall not be deemed to be the exclusive remedies for a breach of this AGREEMENT, but shall be in addition to all other remedies available at law or in equity; provided, however, that absent a showing of a knowing or willful violation of this AGREEMENT, neither party shall be liable to the other, whether in contract, tort, or otherwise, for special, indirect, or consequential damages.

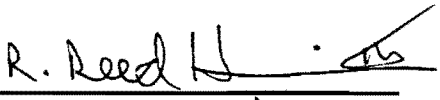
13. This AGREEMENT represents the entire understanding between the parties with respect to the subject matter hereof, and supersedes all prior communications, agreements and understandings relating thereto. The provisions of this AGREEMENT may not be modified, amended or waived except by a written instrument duly executed by both parties. This AGREEMENT shall be governed in all respects by the domestic laws of the State of Texas, (excluding its conflict of laws rules.)

14. This AGREEMENT shall be effective as of March 12, 1996 and shall continue until terminated by the conclusion of the negotiations or any related proceedings, or by either party electing to terminate upon thirty (30) days prior written notice. All obligations respecting Proprietary Information shall survive termination of this AGREEMENT for a period of three (3) years.


The GTE telephone operating
companies listed on Attachment A

AT&T

By: 
Larry J. Sparrow
Title: Vice President - Carrier
Markets
Date: 4/18/96

By: 
Title: VP - LIAM REGIL OPS
Date: 4/18/96

Contel of California,
Incorporated

By: 
Title: President
Date: 4/26/96


APPROVED AS TO FORM

Attorney for Telephone Operations
Date: 4-19-96

EXHIBIT A
GTE Telephone Operating Companies

1/31/96

GTE Alaska Incorporated
GTE Arkansas Incorporated, successor by merger with:
 Contel of Arkansas, Inc. d/b/a GTE Arkansas
GTE California Incorporated
 GTEL
GTE Florida Incorporated
 GTE Communications Corporation
GTE Hawaiian Telephone Company Incorporated
 The Micronesian Telecommunications Corporation
GTE Midwest Incorporated,
 successor by merger with:
 Contel of Iowa, Inc. d/b/a GTE Iowa
 Contel of Kansas, Inc. d/b/a Contel System of Arkansas, d/b/a GTE
 Systems of Arkansas; d/b/a Contel System of Iowa, d/b/a GTE
 Systems of Iowa
 Contel of Missouri, Inc. d/b/a GTE Missouri
 Contel System of Missouri, Inc. d/b/a GTE Systems of Missouri
 The Kansas State Telephone Company d/b/a Contel of Eastern Missouri,
 d/b/a GTE of Eastern Missouri
GTE North Incorporated,
 formerly Contel North Incorporated, successor to:
 Contel of Illinois, Inc. d/b/a GTE Illinois
 Contel of Indiana, Inc. d/b/a GTE Indiana
 Contel of Pennsylvania, Inc. d/b/a GTE Pennsylvania
GTE Northwest Incorporated,
 successor by merger with:
 Contel of the Northwest, Inc. d/b/a GTE Systems of the Northwest
 GTE West Coast Incorporated
GTE South Incorporated
 successor by merger with:
 Contel of Kentucky, Inc. d/b/a GTE Kentucky
 Contel of North Carolina, Inc. d/b/a GTE North Carolina
 Contel of South Carolina, Inc. d/b/a GTE South Carolina
 Contel of Virginia, Inc. d/b/a GTE Virginia
GTE Southwest Incorporated
 successor by merger with:
 Contel of Texas, Inc. d/b/a GTE Texas
 Contel of the West, Inc. d/b/a GTE West
Contel of Minnesota, Inc. d/b/a GTE Minnesota
Contel of the South, Inc. d/b/a GTE Systems of the South, d/b/a GTE Systems of
 Indiana, d/b/a GTE Systems of Michigan

AGBR 003086



April 30, 1996

HQE01G32
600 Hidden Ridge
P.O. Box 152092
Irving, TX 75015-2092
214/718-5988
FAX: 214/718-4353

Mr. Gary Rall
District Manager, Access Planning
AT&T
4480 Willow Road Rm 110
Pleasanton, CA 94588

Dear Gary:

As we approach the Executive Negotiating Team conference call on May 1, 1996, I want to communicate my understanding of the status of action items that we are jointly pursuing. At the April 18 meeting, GTE obtained a copy of the Local Resale and Interconnection/Unbundling matrices. These matrices include approximately 500 "requirements" that AT&T is requesting.

Our review of the matrices reveals numerous issues in which both companies have had extensive discussions and have already reached concurrence. For the issues that have not been resolved, we are hopeful that we can make substantive progress in our Subject Matter Expert (SME) calls and meetings that will occur over the next several weeks. There are other issues, particularly in the area of interconnection and unbundling, where AT&T's specific requests were not available to GTE until the matrix was shared on April 18. Since that time, GTE has undertaken an extensive internal evaluation to review AT&T's request. Our objective is to complete our evaluation of the interconnection and unbundling issues by our next Executive Negotiating Team meeting on May 7.

Since the April 18 meeting, we have scheduled and/or conducted SME level meetings to address the following issues:

1. Interconnection/Unbundling (April 23)
2. Security Issues (April 25)
3. Access to Rights-of-Way (April 30)
4. Billing for Resale (GTE has populated the matrix and shared our position/status on April 30.) A face-to-face meeting is scheduled for May 6.
5. Electronic Interface (Meeting scheduled for May 7)
6. Unbundling/Interconnection (Per our discussion on the April 23 call, GTE has committed to evaluate the AT&T request and be prepared to respond within 2 weeks --May 7.)

Mr. Gary Rall
April 30, 1996
Page 2

As our SMEs continue to meet with greater frequency, it is important to clearly identify the specific issues to be addressed in the various meetings. This will facilitate having the right people at the meetings and will ensure the most productive utilization of everyone's time. To that end, we concur in using the Local Resale and Interconnection/Unbundling matrices as a master list for identifying SME meeting agenda items.

In our April 18, 1996, executive meeting we discussed a process to escalate issues that cannot be resolved at the SME level. Should any of our SME groups reach an impasse on a specific issue, it was agreed that the issue should be escalated to the two of us for resolution. We agreed to use the form developed by AT&T (included as an attachment in your April 16, 1996, letter to Mr. Meade C. Seaman) to facilitate discussion of issues that are escalated beyond the SME level. To that end, I'm awaiting flow charts from AT&T on the preorder/order processes that AT&T is recommending and AT&T's position on the Blanket LOA and "AS IS" proposals in the agreed to format.

In order to jointly review Statements of Position on Electronic Interfaces and Letter of Authorization as outlined in Ron Shurter's proposed agenda, I believe it would be helpful if we would share our respective written positions prior to the meeting.

GTE will make every effort to fulfill the duties and obligations set forth in the Telecommunications Act of 1996. To that end, we look forward to positive and productive negotiations in the coming weeks.

Sincerely,



John C. Peterson
Lead Negotiator - AT&T
Local Competition/Interconnection Program Office

JCP:mlh

c: M. C. Seaman - HQE01G49 - Irving, TX

AGPL 002273

Donald W. McLeod
Vice President-Local
Competition/Interconnection



GTE Telephone
Operations

HQE01E93
600 Hidden Ridge
P.O. Box 152092
Irving, TX 75015-2092
214/718-6330
FAX: 214/718-4353

May 1, 1996

R.H. Shurter
AT&T Southern States & National
Local Access & Infrastructure Management
Vice President
Room 4EC101
One Oak Way
Berkeley Heights, NJ 07922

Dear Mr. Shurter:

I have reviewed your letter of April 24 summarizing the results of our Executive Negotiation meeting of April 18. In general, I concur with your assessment of outcomes of the meeting. However, I would like to clarify several items as we approach our conference call today.

First, I share your concern about our ability to close on over 500 issues and have a successful launch. This is why an issue screening process is so important, so we can focus our energies on the issues of greatest priority. As you stated in our meeting, the 80/20 rule needs to be invoked with an eye on separating 251/252 issues from other business issues. However, your letter misrepresents GTE's position relative to moving these negotiations forward. On no occasion has GTE stated we lack the resources to move negotiations forward. Rather, what we have said is that we need to focus attention on the most critical issues, clearly identify the specific issues to be addressed in the various meetings, and have an agreed to process for quickly reaching closure on issues so we both make the best possible use of our resources.

I appreciate your inclusion of the one page discussion of AT&T's views on the use of customer information with regard to the blanket Letter of Authorization (LOA) and transfer "as is" proposals. At our last meeting, Gary Rall agreed to provide GTE with a flowchart of AT&T's view of the preorder/order process supported by a written statement of position on the blanket LOA and "as is" proposals. We have not yet received the flowchart to facilitate our complete review of the AT&T position but we are in a position to share our legal view of the blanket LOA and "as is" proposal as they relate to CPNI considerations.

Related to services available for resale, your letter stated GTE has declined to specify those services it believes are not subject to resale other than voice mail. Again, I believe this is a misstatement. At the April 18 meeting, GTE presented a prepared presentation outlining GTE's response to AT&T's request for interconnection. John Peterson left a copy of the presentation with you. The presentation outlines GTE's view of items not subject to resale which is a restatement of positions GTE has previously taken with AT&T.

JUN-04-96 TUE 15:04

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P. 04

Mr. R.H. Shurter
May 1, 1996
Page 2

- 1) Non-Telcom services—this category includes enhanced services such as voice mail and non-telcom services such as inside wire installation and maintenance;
- 2) Offerings that are not services—this category includes promotional offerings, discounted calling plans, and packaged offerings, which are marketing packages rather than services;
- 3) Existing wholesale services such as access services; and
- 4) Retail price floor—The Telecommunications Act of 1996 (Act) allows incumbent LECs to establish rates to recover the cost of providing service. It is GTE's position that retail services offered today that are demonstrably below cost should not be subject to Section 251(c)(4) resale requirements.

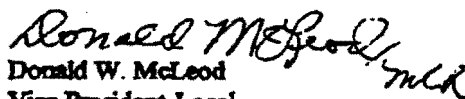
GTE provided to AT&T copies of all existing interconnection agreements, including any agreements negotiated before the date of enactment of the Act at our last meeting. I can only assume that your additional request is for copies of co-carrier agreements between LECs negotiated prior to the Act. GTE is not required under the Act to make available any contractual agreements with other LECs unless the applicable state commission under the Act has the authority and the requirement to approve such agreements (i.e., if they are agreements between competing LECs). Only three interconnection agreements have been reached under the authority of the Act and have been filed with state commissions for approval as required by the Act. I hope this clarifies the GTE position.

The 14-point checklist in Section 271(c)(2)(B) is only applicable to the RBOCs. Although, the requirements of Section 251(c), which are applicable to GTE, may already cover most of the items in the 14-point checklist, the important point is that GTE or any other incumbent LEC may negotiate agreements with ALECs that do not comply with all the requirements of Section 251.

Ron, as I was reviewing correspondence exchanged between us, I need help from you to understand the discussion in your April 11, 1996, letter related issues regarding unreasonable discrimination. Perhaps you could address this in today's conference call or in our upcoming meeting on May 7, 1996, in Irving.

Your agenda for our call today is acceptable and I look forward to a productive session.

Sincerely,


Donald W. McLeod
Vice President-Local
Competition/Interconnection

AGBR 000071

JUN-04-96 TUE 15:05

9089498746

P. 05



4480 Willow Road
Room J99
Pleasanton, California 94588
510 224-2277

1 May 1996

Memorandum to Dan Bennett

Attached is the list of open issues still pending from the discussions between GTE and AT&T in conjunction with Local Exchange Competition (CPUC D. 95-07-054).

These issues have been open for some time, some since October, 1995. We must have immediate resolution of these items, and in any event, no later than Friday, May 10, 1996.

These items are critical to AT&T's ability to be able to compete in the local exchange market. I would appreciate your prompt attention to this request and am anxious to meet and discuss these open items at your earliest convenience.

Sincerely,

Terry Casey
AT&T Local Negotiations Manager

Attachments

AT&T Proprietary and Confidential Information

Subject to a GTE and AT&T nondisclosure agreement and should not be shared except as provided thereto.

AGBH 000307

AT&T/GTE LOCAL RESALE ARRANGEMENTS

AT&T NEEDS	GTE PROPOSAL	DATE CLOSED
<p>DIRECTORY ASSISTANCE PROVIDED</p> <ol style="list-style-type: none"> 1. GTE will provide access to Directory Assistance data so that AT&T can self provision it's own Directory Assistance service. 2. GTE will provide the capability to route AT&T customer calls to AT&T. 3. GTE will accept AT&T Listings into their database. 		
<p>WHITE PAGES PROVIDED</p> <ol style="list-style-type: none"> 1. List of AT&T service information (price, features, availability) at price parity with GTE. Minimum of 4 pages required. 2. Provide AT&T Local Service Ad in white and Yellow Pages Directories. 		
<p>LISTINGS PROVIDED</p> <ol style="list-style-type: none"> 1. Lists at no cost to AT&T (1st number free for Business and Residence.) 2. Distribution of directory to AT&T customers at no charge. 3. Brand appearance on cover, at no parity with all other included CLCs. 4. Participate in revenues from sales of listings to 3rd parties. 5. Unlisted/unpublished at list price 6. Provide a discount for multiple listings. 		

AGBH 000308

AT&T Proprietary and Confidential Information
 Subject to a GTE and AT&T nondisclosure agreement and should not be shared except as provided thereto.

5/1/98

06/13/96

08:25

PLEASANTON ACCESS MGT WEST + 9069498746

NO. 0032

003

AT&T/GTE LOCAL RESALE ARRANGEMENTS

REQUIREMENTS		
<ol style="list-style-type: none"> 1. Provide a "real time" knowledge of deadlines. 2. Provide a commission on advertisements from AT&T customers. 3. Provide AT&T with the ability to bill the end user. 		
OPERATIONS		
<ol style="list-style-type: none"> 1. Provide the capability to route Operator calls to AT&T by Line Class Codes, Separate Trunk Groups (0+, 0-, 00-). 2. Provide access to LIDB for number validations. 3. Provide access to GTE's Emergency Number Database or Listings. 		
SUPPORT		
<ol style="list-style-type: none"> 1. GTE will continue to provide the ability for AT&T to procure T1.5 lines for Dedicated Car/Operator service traffic at a wholesale and commercially viable basis. 2. GTE will provide the ability to procure all blocking, screening and all other functions for switched hospitality lines. These features should be unbundled from the line charges. 		

AT&T Proprietary and Confidential Information
 Subject to a GTE and AT&T nondisclosure agreement and should not be shared except as provided thereto.

5/1/96

AGBH 000309

05/13/96 08:25 PLEASANTON PROCESS MGT WEST + 9089498746

NO. 032 D04

AT&T/GTE LOCAL RESALE ARRANGEMENTS

<p>1. GTE will make available the SMDI-E (Station Message Desk Interface-Enhanced) Feature capability allowing for Voice Mail services.</p> <p>2. GTE will make available the MWI (Message Waiting Indicator) Feature capability allowing for Voice Mail services.</p> <p>3. GTE will make available the CF-B/DA (Call Forwarding on Busy/Don't Answer) Feature capability allowing for Voice Mail services.</p> <p>4. GTE will make available the tariff SMDI-E interface.</p>		
<p>1. GTE will provide the ability to procure payphone lines (same as business) at a wholesale price that is commercially viable.</p> <p>2. GTE will provide competitively similar capabilities:</p> <ul style="list-style-type: none"> - Coin rating - Answer supervision (coin drop) - Access to Maintenance Diagnostic Platform 		

06/13/96

08:26

PLEASANTON ACCESS MGT WEST + 9089458745

NO. 033

025

AGBH 000310

AT&T Proprietary and Confidential Information
 Subject to a GTE and AT&T nondisclosure agreement and should not be shared except as provided thereto.

5/1/86

Donald W. McLeod
Vice President
Local Competition/Interconnection



GTE Telephone
Operations

May 8, 1996

HQE01E63
600 Hidden Ridge
P.O. Box 152092
Irving, TX 75015-2092
214/718-6330
FAX: 214/718-4353

Mr. R. Reed Harrison III
Vice President-Local Infrastructure &
Access Management-Regional Operations
AT&T
One Oak Way
Berkeley Heights, NJ 07922

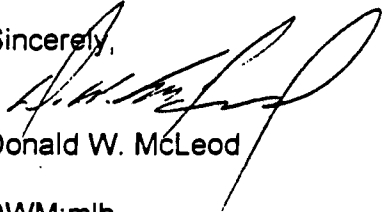
Dear Reed:

This letter is to confirm that GTE is treating your letter of March 11, 1996, to Mr. Thomas W. White, President-GTE Telephone Operations, as AT&T's official request for local service interconnection. In line with our earlier discussions, your letters dated March 19, 1996, to GTE's Regional Presidents are informational only and do not replace the aforementioned March 11, 1996, letter.

If there are other letters that AT&T has generated at a local operations level requesting interconnection, said letters are also covered by this writing per our mutual agreement on April 4, 1996 and will be treated as informational by GTE.

Thank you for your cooperation on this matter.

Sincerely,


Donald W. McLeod

DWM:mlh

c: Region Presidents
State External Affairs Directors
J. C. Appel - HQE04E23 - Irving, TX
J. C. Peterson - HQE01G32 - Irving, TX
M. C. Seaman - HQE01G49 - Irving, TX
R. H. Shurter - AT&T
C. D. Owens - HQE04E03 - Irving, TX

AGBR 000072



Joyce Beasley
General Attorney

Room 3258D2
295 North Maple Avenue
Basking Ridge, NJ 07920
908 221-6502
FAX 908 953-8360

May 8, 1996

Connie Nicholas
GTE Telephone Operations
600 Hidden Ridge, HQE03H44
P.O. Box 152092
Irving, TX 75015-2092

Re: Service Ordering and Provisioning Discussion

Dear Connie,

I am forwarding to you a brief statement of the legal issue to ensure that we clearly understand each other's position with regard to Section 702 of the Telecommunications Act.

AT&T is working with the industry to develop an agreed process for transitioning local exchange customers. The proposal relies upon the FCC's existing rules regarding interexchange carrier selection. As we have previously discussed, the FCC will be issuing a NPRM regarding local exchange carrier transitioning. AT&T will, of course, abide by the FCC's rules and those of other applicable jurisdictions.

AT&T's proposed blanket letter of authorization is also enclosed. This agreement would be entered into between carriers as part of a business arrangement. It provides for reciprocal handling of customer transitioning. The flow charts will be forwarded shortly. If you have any questions, or wish to discuss the position paper or proposed letter of authorization, please give me a call. I should be generally available the rest of the week, allowing for the usual meetings! If you want to revise the GTE portion of the position statement, please send your revisions and I will have them incorporated.

Very truly yours,

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

Joyce Beasley

AGBR 000074

May 8, 1996
Statement of Positions of AT&T and GTE

ISSUE: Does Section 702 of the Telecommunications Act of 1996 prohibit the use of a blanket letter of authorization process and the transfer "as is" of a customer's telecommunications services which are subject to resale?

GTE Position:

Section 702 prohibits one carrier sharing customer specific information as defined in the Act with another carrier except upon specific written authorization by the customer. GTE relies upon the provisions of Section 222(c)2 for its position that written authorization is required.

AT&T Position:

As a threshold matter, while Section 222(c)(2) requires a carrier to disclose CPNI "upon affirmative written request by the customer, to any person designated by the customer," Section 222(c)(1) independently allows a carrier to disclose CPNI "with the approval of the customer." Unlike the approval required in Section 222(c)(2), the approval required by Section 222(c)(1) does not need to be in writing.

Nonetheless, for purposes of the transfer and initiation of service, GTE and AT&T need not resolve this issue. The exemptions in Section 222(d) permit the use of the transfer "as is" procedure without further customer approval. Specifically, Section 222(d)1 makes explicit that nothing in Section 222 prohibits a carrier "from using, disclosing, or permitting access to" CPNI "to initiate, render, bill, and collect for telecommunications services." The term "telecommunication services" is not limited to the services provided by the carrier holding the customer proprietary network information, and allows for the transfer of CPNI as part of the transfer of service. This exemption therefore, provides protection to the providing carrier against any claim by a customer that provision of information in accordance with Section 222(d)1 is a violation of Section 702.

AT&T proposes to implement the transitioning process pursuant to business agreements between local exchange carriers. The agreements would include a letter of authorization. The AT&T proposed letter of authorization is attached. The proposed letter also includes indemnification language to protect the carrier providing the information.

AGBR 000075

LIMITED BLANKET AGENCY AGREEMENT

THIS AGREEMENT is made and entered into as of this _____ day of _____, 1996 by and between (insert appropriate AT&T entity name) a Certified Local Exchange Carrier ("CLEC") and (insert appropriate GTE entity name) in _____.

WHEREAS, CLEC will be providing local exchange service to subscribers in _____;

WHEREAS, the parties will be exchanging service orders for local telecommunications service with regard to their respective subscribers in _____;

WHEREAS, the parties are desirous of implementing an orderly and legal process for the exchange of such orders.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. **Good Faith Exchange.** CLEC and _____ do hereby agree to exchange service orders in good faith for the purpose of provisioning local telecommunications service to their respective subscribers in the State of _____.
2. **Compliance with Law.** Each party shall comply with all applicable governmental statutes, laws, rules, regulations, ordinances, codes, directives, and orders (whether federal, state municipal or otherwise, including without limitation, the rules and regulations of the (insert appropriate state agency name) and is solely responsible for its compliance with all such laws arising out of or relating to its obligations associated with such service orders.
3. **Term.** The term of the Agreement shall be for one year from the Execution Date unless earlier terminated. Upon expiration, the Agreement shall automatically renew for additional one year terms unless and until one of the parties provides written notice of termination to the other.
4. **Mutual Right to Terminate.** Either party may terminate the Agreement if:
 - a) there is a material breach of the Agreement by the other party which is not cured within 30 days after receipt of written notice to the breaching party;
 - b) without cause upon 90 days written notice.
5. **Indemnification.** Each party (the "Indemnifying Party") agrees to indemnify and hold the other party (the "Indemnified Party") harmless from and against any and all claims, proceedings, actions, damages, costs, expenses and other liabilities incurred by, or threatened, imposed or filed against, any Indemnified Party (including, without limitation, court costs and reasonable attorney fees) resulting from the breaching party's submission of an improperly prepared or incorrect exchange service order.
6. **Notification and Control.** If any claim for indemnification arises under this Agreement, the Indemnified Party shall notify the Indemnifying Party (the "Indemnity Notification") and shall consult with and keep the Indemnifying Party reasonably informed with respect to the defense, compromise, settlement, resolution or other disposition of any such claim. Upon the Indemnifying Party's request, which request may be subject to a reservation of rights (the "Control Request"), which Control Request must be in writing and received by Indemnified Party within 30 days of the Indemnity Notification, the Indemnifying Party shall be entitled to control the defense of such claim by counsel of the Indemnifying Party's choosing and at the Indemnifying Party's sole expense. In this case, the Indemnified Party shall reasonably cooperate with the Indemnifying Party in connection with the defense of any such claim, provided that such cooperation is not adverse to the Indemnified Party's legal or business interests, as reasonably determined by the Indemnified Party and promptly communicated to the Indemnifying Party upon such determination. In turn, the Indemnifying Party shall promptly inform the Indemnified Party of all material aspects of such defense, compromise, any proposed settlement, resolution or other disposition of any such claim. Upon the Indemnified Party's reasonable request, the Indemnified Party shall be entitled to participate fully and cooperatively in the defense of any such claim

at its own expense and with counsel of its choosing. Neither party shall admit any liability with respect to, or settle, compromise, resolve or discharge any such claim without the other party's prior written consent, which consent shall not be unreasonably withheld in the case of any settlement, resolution, compromise or discharge involving only the payment of money.

- 7. **LIMITATION OF LIABILITY.** THE LIABILITY OF EACH PARTY TO THE OTHER FOR DAMAGES CAUSED BY BREACH OF THIS AGREEMENT OR BY NEGLIGENT ACTS OR OMISSIONS IN CONNECTION HEREWITH SHALL BE LIMITED TO ACTUAL DIRECT DAMAGES. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY OTHER DAMAGES, LOSSES OR EXPENSES DIRECT OR INDIRECT (INCLUDING INCIDENTAL, CONSEQUENTIAL, RELIANCE OR SPECIAL), REGARDLESS OF THE FORM OF THE ACTION; PROVIDED HOWEVER, THAT NOTHING IN THIS SECTION SHALL LIMIT THE LIABILITY OF EITHER PARTY FOR WILLFUL MISCONDUCT OR FOR GROSS NEGLIGENCE.
- 8. **Applicable Law: Entire Agreement: Modification.** This Agreement shall be construed in accordance with and be governed by the laws of the State of _____, without regard to otherwise applicable conflict of law principles. This constitutes the entire agreement between the parties and supersedes all previous understandings, commitments or representations concerning the subject matter. This Agreement may not be amended or modified, and none of its provisions may be waived, except by a writing signed by an authorized officer of the party against whom the amendment, modification or waiver is sought to be enforced.
- 9. **Severability.** Nothing contained in this Agreement shall be construed to require commission of any act contrary to law, and wherever there is any conflict between any provision of this Agreement and any law, such law shall prevail; provided, however, that in such event, the affected provisions of this Agreement shall be modified to the minimum extent necessary to permit compliance with such law and all other provisions shall continue in full force and effect.

Notices. All notices and other communications from either party to the other hereunder shall be in writing and shall be deemed received upon actual receipt when personally delivered, upon acknowledgment of receipt if sent by facsimile, or upon the expiration of the third business day after being deposited in the United States mails, postage prepaid, certified or registered mail, addressed to the other party at a location specified in writing by such party. All notices required under this section shall be made both to the signatories to this agreement and to the General Counsel(s) of the respective companies executing this agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

CLEC

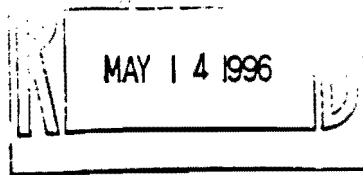
By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

A

AGBR 000077

Connie E. Nicholas
Attorney



**GTE Telephone
Operations**

600 Hidden Ridge, HOE03H44
P.O. Box 152092
Irving, TX 75015-2092
214 718-4586
FAX: 214 718-6372

May 9, 1996

**Joyce Beasley
AT&T
295 North Maple Avenue
Room 3258D2
Basking Ridge, NJ 07920**

Re: Section 702 of the Telecommunications Act of 1996 (the "Act")

Dear Joyce:

With respect to your fax on Wednesday concerning the AT&T and GTE positions relative to §702 of the Act, I thought it would be easier to simply set out the GTE position in this letter rather than to mark up your fax.

First, let me clarify that GTE's position is that §702, which adds new §222 to the '34 Act, prevents GTE from providing CPNI on an existing GTE local service customer (the information AT&T has requested in the form of the Customer Service Record or CSR) to AT&T or any other CLEC unless and until GTE receives consent from that customer in writing. Section 702, however, is not the reason for our position on the "as is" transfer procedures requested by AT&T. Our position with respect to the "as is" transfer stems from the concerns we discussed during our conference call on May 1.

The problems we have with the proposed blanket LOA procedure do stem from §222, because AT&T has indicated that it expects to receive the CSR on the basis of a blanket LOA. The CSR is clearly CPNI, and §222(c)(1) clearly states that a telecommunications carrier may not disclose individually identifiable CPNI except as required by law or with approval of the customer. Section 222(c)(2) clarifies that releasing CPNI upon "affirmative written request" by the customer is permissible. As a practical matter this (written authorization) is the only way for a carrier to insure it is not held liable for the release of individually identifiable CPNI, since this is the only form of authorization specifically blessed by the statute.

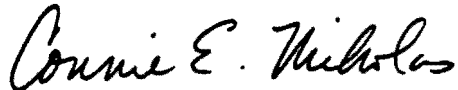
You mention in your statement on AT&T's position that the exceptions in §222(d) permit a LEC to release CPNI as part of a transfer of service to another

Joyce Beasley
May 9, 1996
Page 2

LEC, even if there is no written authorization from the customer. GTE disagrees with this position. GTE reads the exceptions in subsection (d) to apply only to the use of CPNI to "initiate, render, bill and collect" for its own telecommunications services. We do not believe this would permit GTE to release CPNI to AT&T or any other carrier without written authorization.

I hope this clarifies GTE's position on the CPNI issues raised by AT&T's proposed blanket authorization procedure.

Very truly yours,



Connie E. Nicholas
Attorney

Enclosures

c: Donald W. McLeod

AGBR 000079

05/12/96

22:42

PLEASANTON ACCESS MGT WEST → 9089498746

NO. 403 001

05-09-96 04:51PM

FROM 214 718 6366

TO 915102244118

P001



F A X M E S S A G E T O F O L L O W

DATE SENT

5/13/96

TIME SENT

p.m.

NUMBER OF PAGES
(EXCLUDING COVER SHEET)

21



GTE Telephone
Operations
Headquarters

P.O. Box 152092
Irving, Texas 75015

TO

Lisa Tyler

PHONE NO.

FAX NO.

510 224-4118

FROM

John Honabarger

PHONE NO.

718.
214-3910

FAX NO.

REMARKS

Per our discussion.

Post-It® Fax Note		7671	Date	5/13	# of pages	21
To	K. Dancy/B. Whitson		From	LTS		
Co./Dept.			Co.			
Phone	408-771-1068		Phone	570-224-3410		
Fax	788-771-2851		Fax	4118		



P002

TO 915102244118

05-09-96 04:51PM FROM 214 718 6366

AGBH 000312

AT&T and GTE National Interconnection Negotiations

Negotiation Teams/Structure National/State Issues Screening Process GTE's View of Screening Process Response to AT&T Request

National Negotiation Teams

AT&T

- Reed Harrison
- Ron Shurter
- Joyce Beasley
- ~~Gary Rall~~
- Rasul Damji
- Bonnie Watson
- Lisa Tyler

GTE

- Donald McLeod
- Meade Seaman
- Connie Nicholas
- John Peterson
- Mike Billings
- Frank Compton
- John Honabarger

GTE - DISCUSSION DRAFT

4/17/96

2

P003

TO 91510234118

FROM 214 718 6366

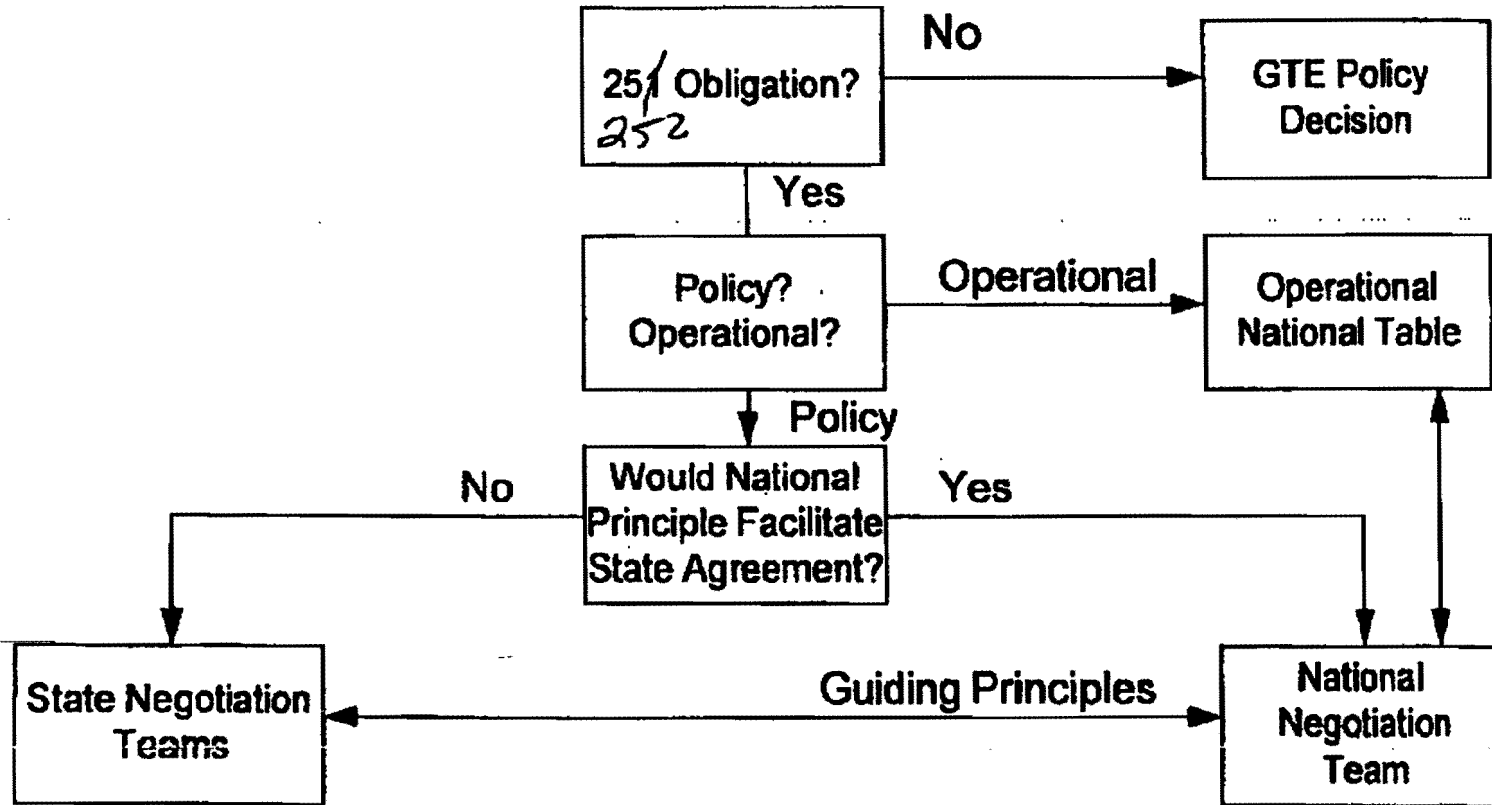
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AGBH 000313

Key Issues Screening

- Issue Screening
 - » 251/²⁵²Obligation
 - » National Principles/Guidelines
 - » National Operations/Implementation Table Issues
 - » State Issues
- Align Teams with Issue Definitions

Request Screening Flow



Policy Issues

Non-251 Requests

1252

- **Directory Company Requests**
 - » AT&T logo on cover of the Directory
 - » Amount of Information in the Customer Guide Section
 - » Yellow Page Commissions
- **Branding of Customer Contacts**
 - » Branding of DA & Operator Services
 - » AT&T Door Hanger for non access on repair call

Operational National Table Issues

- **Centralized Operations, Systems, & Platforms**
 - » **Electronic Interfaces**
 - Interim Solutions
 - Longer Term Solutions
 - » **Uniform Ordering, Provisioning, and Maintenance Procedures**
- **GTE Operational Teams**
 - » **Structure**
 - » **AT&T Point of Contact**

National Principles Resale 251(b)(1)

- Services not subject to Resale
 - » Non-Telcom Services
 - » Offerings that are not services
 - » Existing wholesale services
 - » Retail cost floor
- Avoided cost definition
- Cross-class selling
- "AS-IS" transfer of service
- Blanket LOA request

GTE - DISCUSSION DRAFT

4/17/96

7

P008

TO 91519224118

FROM 214 719 6386

05-09-96 04:51PM

AGBH 000318

National Principles Resale 251(b)(1)

- **Electronic Interfaces-Timing & Cost Recovery**
 - » Order Entry
 - » Installation/Due Date Information
- **Directory Company Issues**
 - » Secondary Distribution
- **Service Quality Standards**

GTE - DISCUSSION DRAFT

4/17/96

8

AGBH 000319

05-00-96 04:51 PM

FROM 214 718 6366

TO 915102244119

P009

100-400-503

National Principles

Number Portability 251(b)(2)

- **Interim Number Portability**

- » Solutions Available

- » Implementation/Cost Recovery is a state level issue

- **Long Term Portability**

- » Reassess opportunity for joint efforts based on outcome of CC Docket 95-116 (Order due May 1996)

National Principles Dialing Parity 251(b)(3)

- 1+ intraLATA toll
 - » National dialing parity roll-out plan available by May 1
 - » Conversion in technically capable switches will be phased during 1996 & 1997
 - » Customer Notification/Cost Recovery--state level issue
- Access to telephone numbers
 - » Already provided based on industry guidelines
 - » Transfer of administration to be selected by the North American Numbering Council (CC Docket 92-237)
- Operator Services/Directory Assistance
- Directory Listing

National Principles

Access to Rights-of-way 251(b)(4)

- Prices of these elements
- Access to prints, databases, and other documents
 - » Not an obligation of the Act
- GTE needs specific requests
 - » Require location specific requests
 - » State level negotiations will be initiated when requests are received

National Principles

Reciprocal Compensation 251(b)(5)

- **GTE needs specific requests**
 - » Require location specific interconnection points
 - » State level negotiations will be initiated when requests are received
- **Transport & termination of traffic**
 - » Support application of appropriate access charge elements
 - » Oppose bill-and-keep compensation
- **Existing ILEC agreements outside the scope of 251**
 - » AT&T request for existing ILEC contracts
 - » New ILEC agreements subject to 251

National Principles Interconnection 251(c)(2)

- **GTE needs specific requests**
 - » Require location specific interconnection points
 - » State level negotiations will be initiated when requests are received
- **GTE will provide ALEC agreements**
 - » Agreements reached in Florida & California
 - » Matter of public record when filed for approval

National Principles

Unbundled Access 251(c)(3)

- Technically feasibility definition
- Bona fide request definition
- Unbundled network elements
 - » Technically feasible
 - » Proprietary considerations
 - » Essential to provision of service

National Principles

Notice of Changes 251(c)(5)

- Existing industry guidelines and procedures address notification and publication of technical and operational standards
- Identify additional guidelines/processes deemed necessary
 - » Refer to the appropriate industry standards or forums body

National Principles Collocation 251(c)(6)

- **Equipment Restrictions**
 - » Only equipment necessary for interconnection is subject to 251
- **GTE needs specific requests**
 - » Require location specific requests
 - » State level negotiations will be initiated when requests are received
- **Pricing**
 - » Location specific pricing

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AGBH 000327

National Principles Numbering Administration 251(e)

- **Access to telephone numbers**
 - » Already provided based on industry guidelines
 - » Transfer of administration to be selected by the North American Numbering Council (CC Docket 92-237)
- **Costs**
 - » Borne by all telecommunications carriers
 - » Competitively neutral recovery
 - » NANC charged with implementation and cost recovery

National Principles Access & Interconnection Requirements 251(g)

- Interexchange and information access services provided to AT&T based on existing business relationship
 - » Sections 251(b) and (c) are intended to foster competition for local telephone service not to rework existing toll arrangements
- AT&T agreement not to use 251 interconnection arrangements to avoid access charges for interconnection of toll services

State Specific Issues

- **Resale**
 - » Retail Services & Features
 - » Service Quality Standards based on PUC requirements
 - » Pricing implementation based on National Principles
 - » Limitations on cross-class selling
- **Interim Number Portability**
 - » Implementation/Cost Recovery
- **1+ IntraLATA Dialing Parity**
 - » Customer Notification
 - » Cost Recovery

05-09-96 04:51PM FROM 214 718 6366 TO 91510204118 P029

AGBH 000330

State Specific Issues

- **Access to Rights-of-way**
 - » location specific points of access
 - » terms & conditions
 - » pricing/implementation
- **Reciprocal Compensation**
 - » location specific points of interconnection
 - » terms & conditions
 - » pricing/implementation

State Specific Issues

- **Interconnection**
 - » location specific points of interconnection
 - » terms & conditions
 - » pricing/implementation
- **Unbundling**
 - » pricing implementation
- **Collocation**
 - » location specific points of interconnection
 - » terms & conditions
 - » pricing/implementation

P022

TO 915102244118

FROM 214 718 6366

DATE 04-17-96

AGBH 000332

GTE Telephone Operations
Pricing and Tariffs Department

Incremental Cost Methodology
and
Models

Bert I. Steele

AGBH 000333

05-10-96 08:21AM FROM 214 718 6366

TO 919087712851

P010

Marginal Vs. Incremental



MARGINAL COST measures the change in costs associated with the production of one more unit of output, holding constant the production levels of all other product and service outputs offered by the company.

INCREMENTAL COST measures the change in costs associated with the production of an incremental unit of output, holding constant the production levels of all other product and service outputs offered by the company.

INCREMENTAL COST can be thought of as the real-world approximation to the concept of marginal cost.

Long Run Vs. Short Run



LONG RUN refers to a situation such that all inputs utilized by the company in producing its outputs can be adjusted.

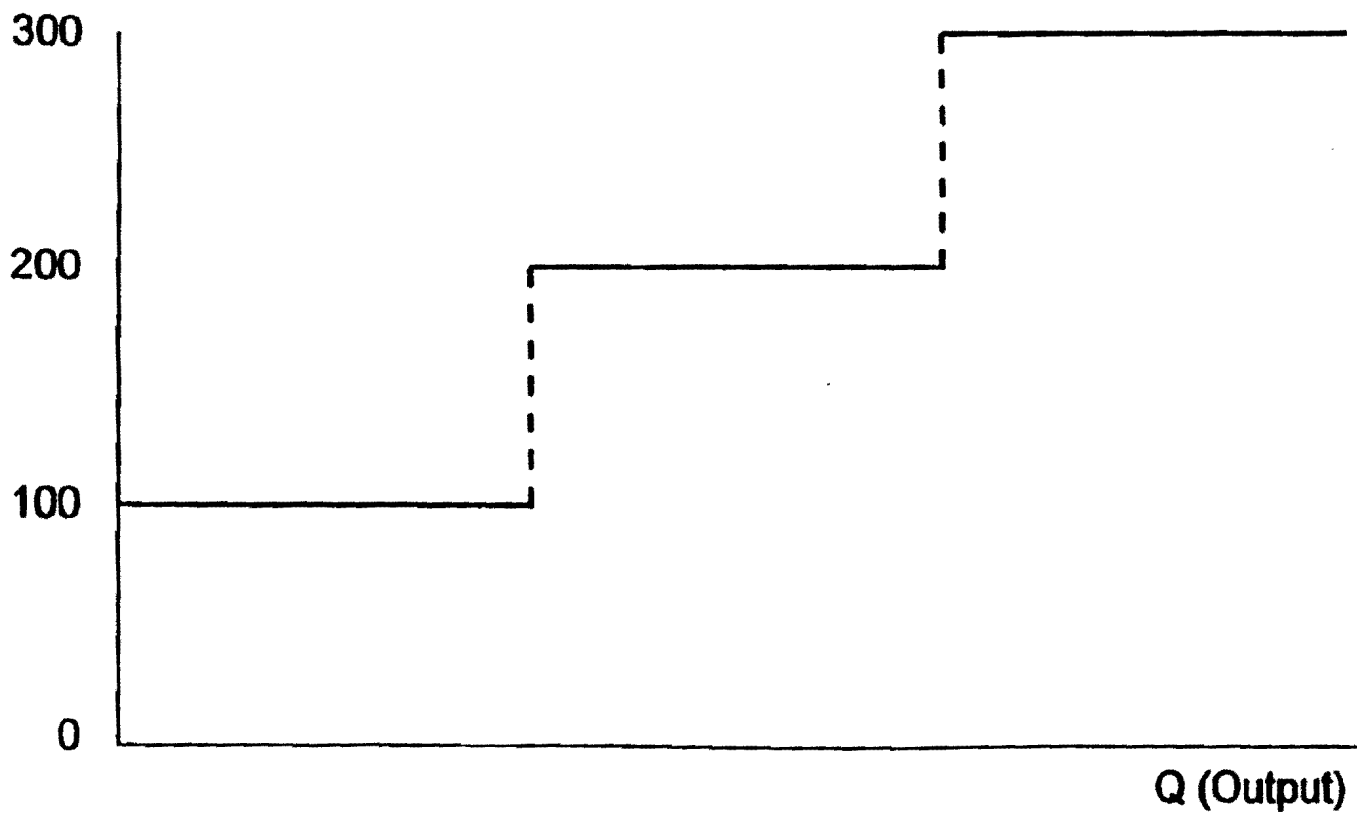
SHORT RUN refers to a situation such that one or more inputs utilized by the company in producing its outputs cannot be adjusted.

Lumpy Investment



- The smallest manageable incremental change in output for telecommunications is typically larger than one unit.
- Network switching and transport capacity is purchased from vendors in increments or blocks which are usually greater than one unit of output for a product or service offered under tariff.

Lumpy Investment



AGBH 000337

05-10-96 08:21AM FROM 214 718 6366

TO 91908712851

PG14

LRIC (Long Run Incremental Cost)



- GTE's costing standard
- Captures the long run advancement or delay of future costs – Changes in demand may not necessarily cause immediate changes in costs
- Appropriate for evaluating price changes to existing services and the introduction of new services

LRIC Conceptual Framework



VOLUME - SENSITIVE COSTS are costs that vary with output.

VOLUME - INSENSITIVE COSTS are costs that do not vary with output (also referred to as fixed costs).

GROUP RELATED VOLUME - INSENSITIVE COSTS are costs that do not vary with output, common to a group of services.

Cross Subsidization

CROSS SUBSIDIZATION is defined as the pricing of some services above their incremental costs in order to allow other services offered by the company to be priced below their incremental costs of production

Test for Cross Subsidization

TWO-STEP PROCESS:

1. The price for the service must cover its volume sensitive costs.
2. The revenues for the service must cover its volume sensitive and volume insensitive costs.

Relevant Technologies for Measuring LRIC



- Forward looking
- Known technologies currently being deployed
- Certain embedded technologies not relevant (e.g., analog switching)

Forward Looking Technology



TYPICAL ASSESSMENT

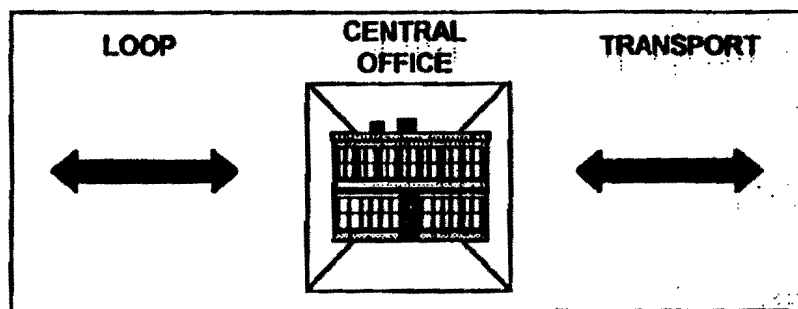
<i>BASIC LOOPS</i>	Mix of copper and pair-gain
<i>DS-1 LOOPS</i>	Mix of copper and fiber
<i>DS-3 LOOPS</i>	Fiber
<i>SWITCHING</i>	Digital
<i>TRANSPORT</i>	Fiber

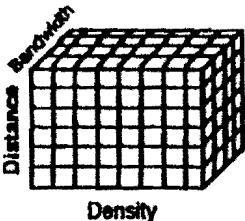
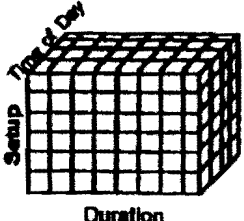
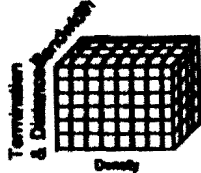
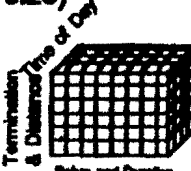
Capacity Cost Calculation



- Provides a reasonable and efficient means of determining LRIC
- Used to identify the volume sensitive costs
- Capacity cost calculation essentially smooths the lumpy investment to account for the advancement or delay of future costs

Basic Network Functions



Loop Components	Switching Components	Transport Components
<p>A. Loop</p>  <p>B. Supplemental Features</p>	<p>A. Terminations (by type) B. Switched Usage (by type, by office size)</p>  <p>C. Switching Features</p>	<p>A. Dedicated (by system/office size)</p>  <p>B. Switched Transport (by system/office size)</p>  <p>C. Supplemental Features</p>

AGBH 000345

05-10-96 08:21AM FROM 214 718 6366

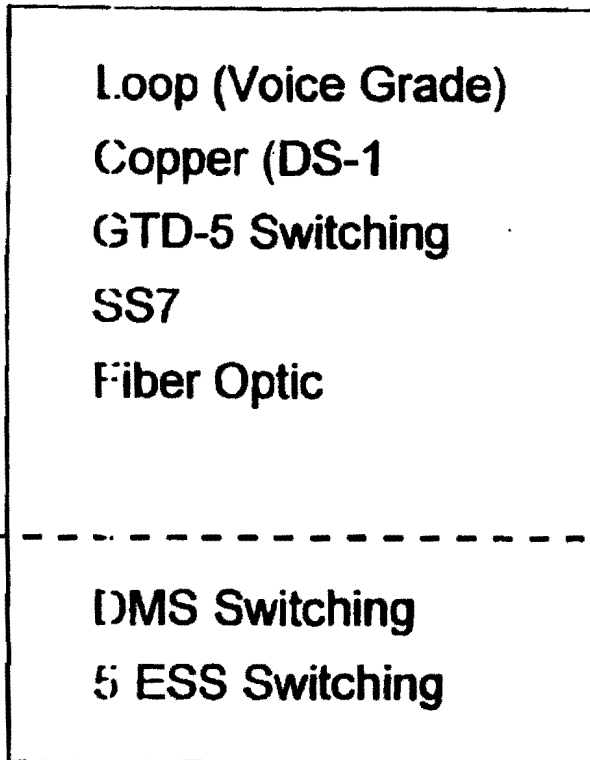
TO 919087712851

P022

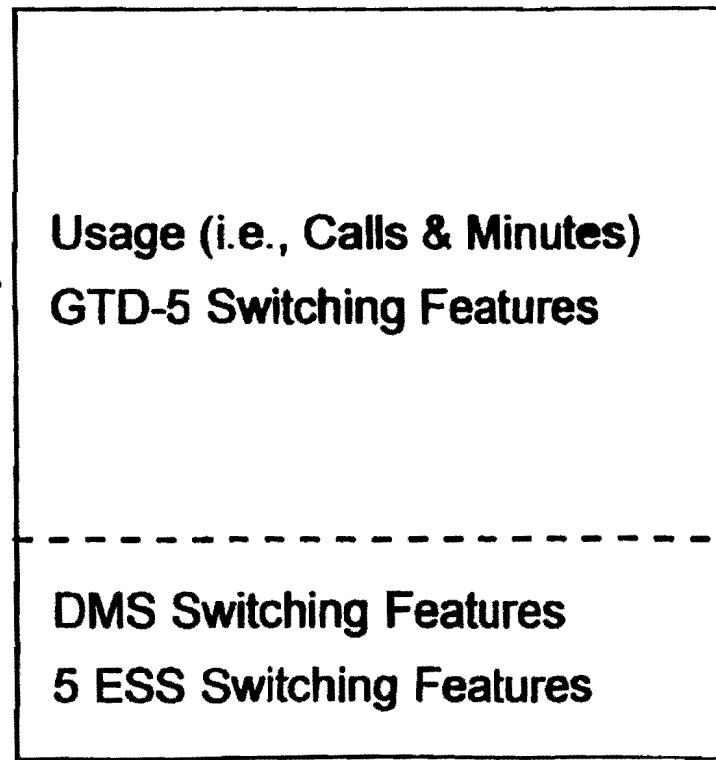
COSTMOD SYSTEM



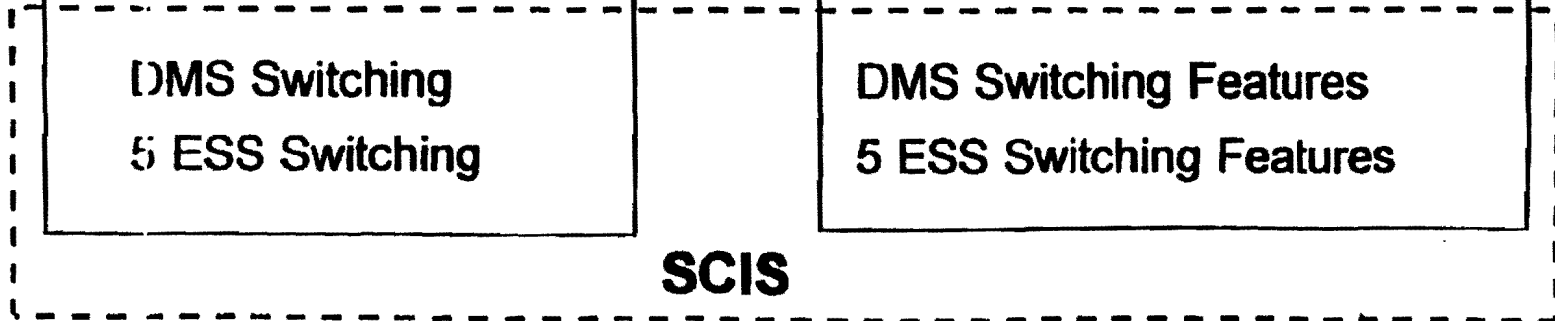
TECHNOLOGY MODULE



APPLICATION MODULE

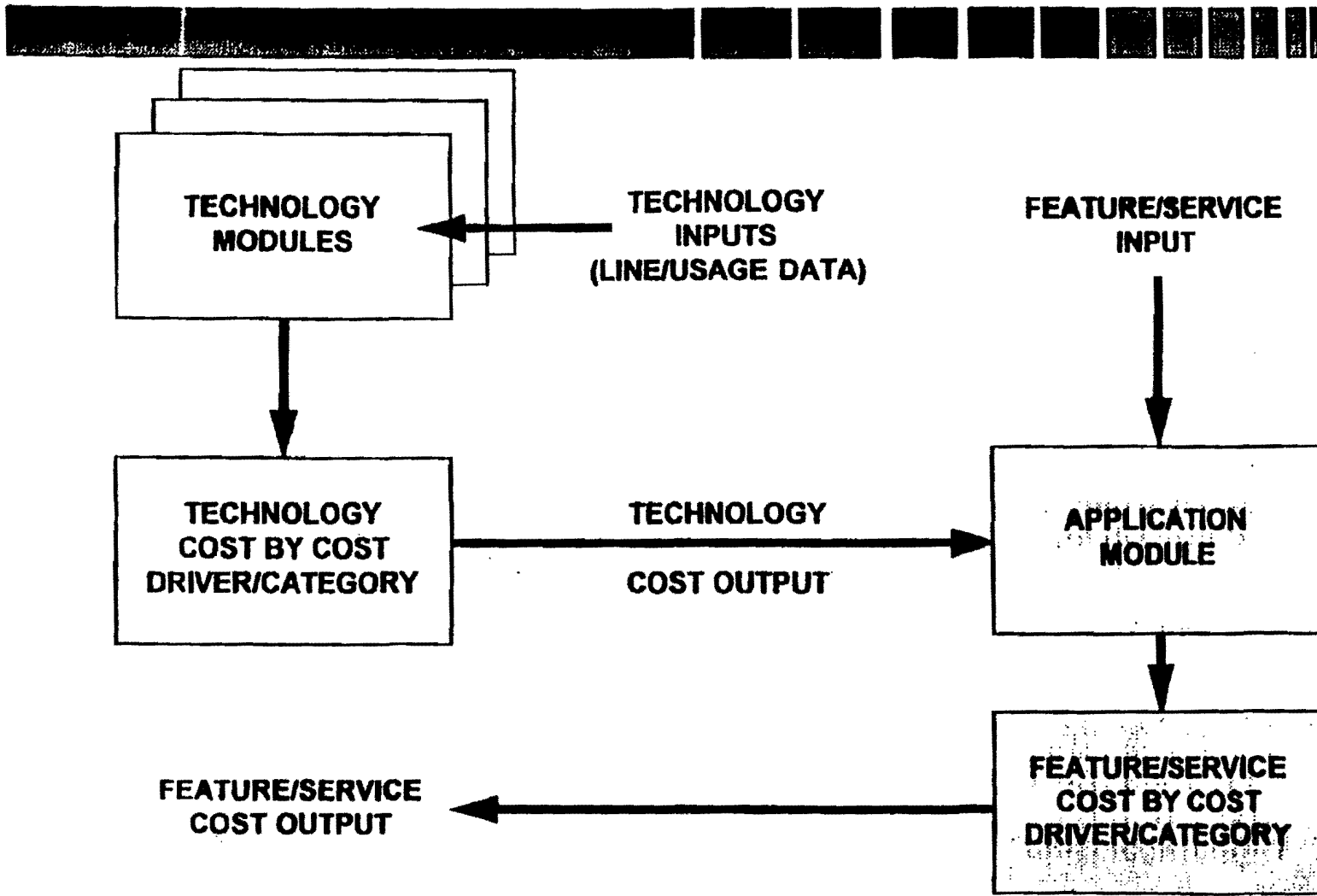


SCIS



COSIMOD SYSTEM

(Costs for Network Services)



05-10-96 08:21AM FROM 214 718 6366

TO 91908712851

P024

AGBH 000347

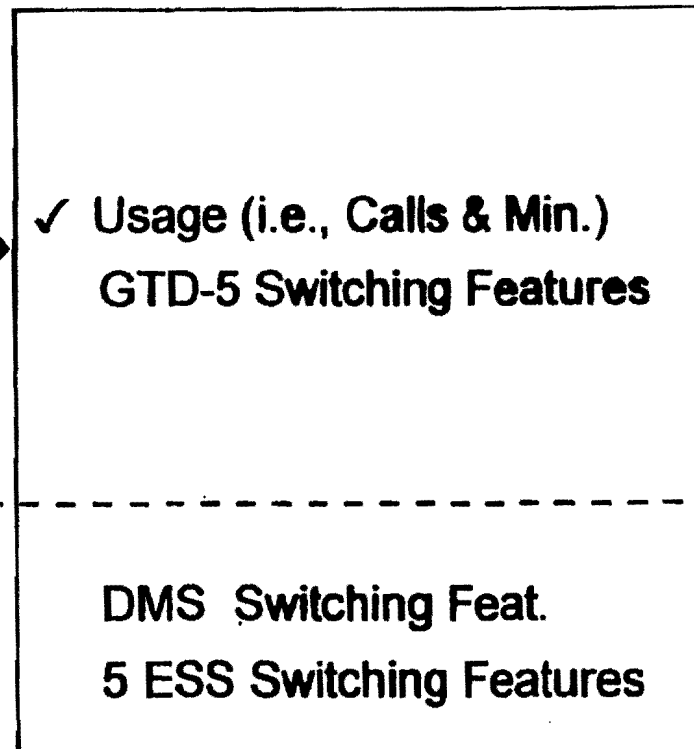
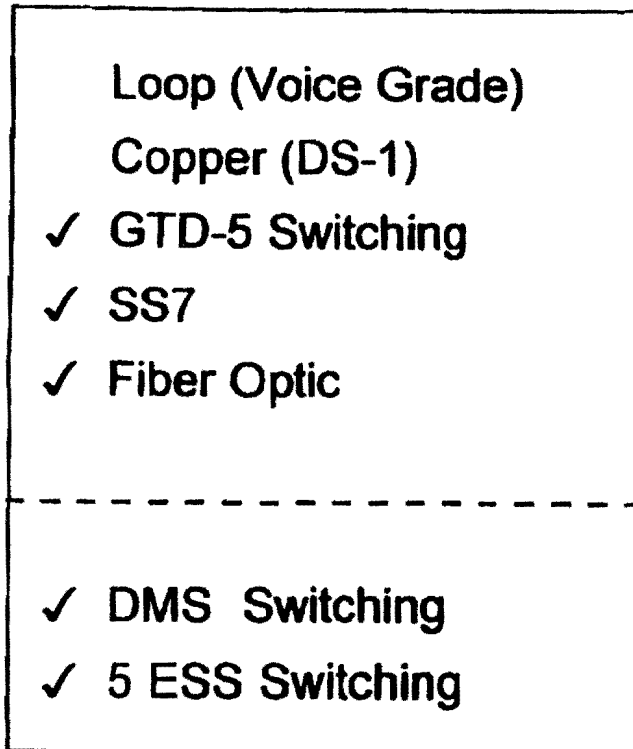
COSTMOD SYSTEM

(Costs for Usage Services)



TECHNOLOGY MODULE


APPLICATION MODULE



SCIS

✓ = Indicates relevant modules

Summary

- 
- LRIC is our standard
 - Captures volume sensitive and volume insensitive costs
 - Provides sufficient cost information for evaluating price changes to existing services and the introduction of new services
 - Forward-looking technologies

Summary (cont'd)



- The Capacity Cost Calculation
- Cost Drivers and Basic Network Functions
- The COSTMOD SYSTEM -- Combining Technology Modules and Application Modules to determine the costs for network services

Detailed Log of Meetings with LECs
Meeting/Communications Log

Meeting ID GM0510P

Date and Time of Contact Friday, May 10, 1996
9:00 - 11:00 CDT

Notes Prepared By: Lisa Tyler-Stanley

Nature of Contact First Negotiations Session on Pricing Issues

Participants

<u>AT&T</u>	<u>GTE</u>
Brenda Kahn	Michelle Minney
Gary Rall	Meade Seaman
Lisa Tyler-Stanley	Burt Steele
Diane Toomey	Dennis Trumbull

Detailed Statement

Brenda Kahn reviewed AT&T avoided cost models (See Handout).

- Using avoided retail cost
- AT&T's view of FTA Section 252; AT&T interpretation on
 - direct costs
 - indirect costs
 - cost of customer facing retail functions
- Provides discounts
 - Wholesale inefficiencies
 - inferior operational interfaces
- AT&T relying on publicly available information (ARMIS)
 - direct costs: 6220 Operator Systems Expense, 6610 Marketing Expense, 6620 Customer Service, 5300 Uncollectibles,
 - Indirect -6110 Network Support

Issues

Brenda Kahn reviewed AT&T's concerns:

- Contel - Need clarification on where that is...? Is it publicly available?
- Sections 4303, 4304, 4308
- Need 1994 and/or 1995

AGPL 002310

Detailed Log of Meetings with LECs
Meeting/Communications Log

Per Meade Seaman, GTE to respond with answer by 5/15/96.

GTE Concerns:

GTE (Seaman, Trumbull) questioned if this was the same as the Selwin presentation
Need definition of network inefficiencies (e.g. are switch overbuilds included - are PUC
mandated overbuilds included)?

Also need clarification of avoided/avoidable costs. Need clarification of identifiable
elements at the lowest level for business, residential, usage, vertical services. Doesn't
account for volume characteristics.

GTE uses net avoided based on

- Product Management costs
 - used switched and specials access surrogates by work center (business center)
 - looks at an order for an end-user on a line equivalent basis
 - Assumptions are used
 - used national data
 - ordering
 - apportioned by line or minute equivalent
 - Expenses with non recurring revenue
 - Not in the analysis - not specifically identified on a recurring rate
 - excluded in the GTE studies
 - New non-recurring based on the nuances of wholesale
- Need AT&T to provide a response on
 - amount of operator systems in the costs
 - AT&T to respond by 5/15/96

TSLRIC Discussion

- GTE view: If you price at TSLRIC joint and common costs are exorbitant - you go
out of business.
- AT&T view: TSLRIC and profit unbundling

Discussion to be completed in future sessions.

AGPL 002311

**REGARDING
CHANGE AS IS**

Facsimile Cover Sheet

To: *CONNIE E. NICHOLAS*
Company: *GTE*
Phone: *4586*
Fax: *214-718-1250*

From: *JOYCE BEASLEY*
Company: *AT&T*
Phone: *908-221-6052*
Fax: *908 953-8360*

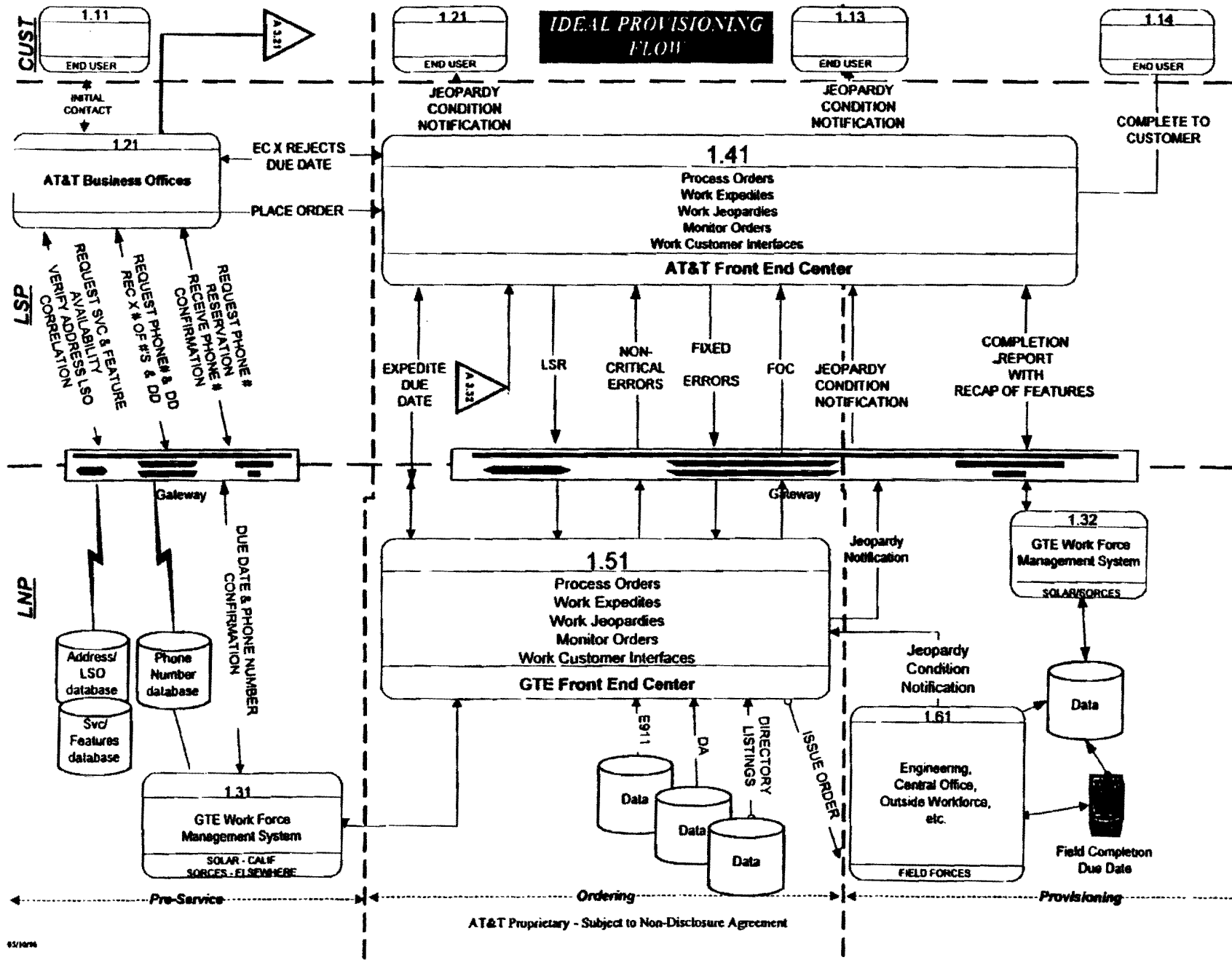
Date: *5/10/96*
Pages including this cover page: *5*

Comments:

AS PROMISED -

TRANSACTION REPORT							P. 01	*
							MAY-10-96 FRI 03:35 PM	*
DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	*
MAY-10	03:33 PM	912147181250	1'47"	5	SEND	OK		*

Return to Joyce



Definition of abbreviations, acronyms and symbols

= Number

CUST = CUSTomer (in this example, an End User)

DA = Directory Assistance

DD = Due Date

FOC = Firm Order Confirmation

LNP = Local Network Provider (in this example, GTE)

LSO = Local Serving Office

LSP = Local Service Provider (in this example, AT&T)

LSR = Local Service Request (in this example, a document GTE requires of AT&T to provide service)

REC X # OF #'s = RECeive X (some number or amount) OF numbers

SOLAR/SORCES = GTE systems

Svc = Service

Definition of abbreviations, acronyms and symbols

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LNP = Local Network Provider (in this example, GTE)

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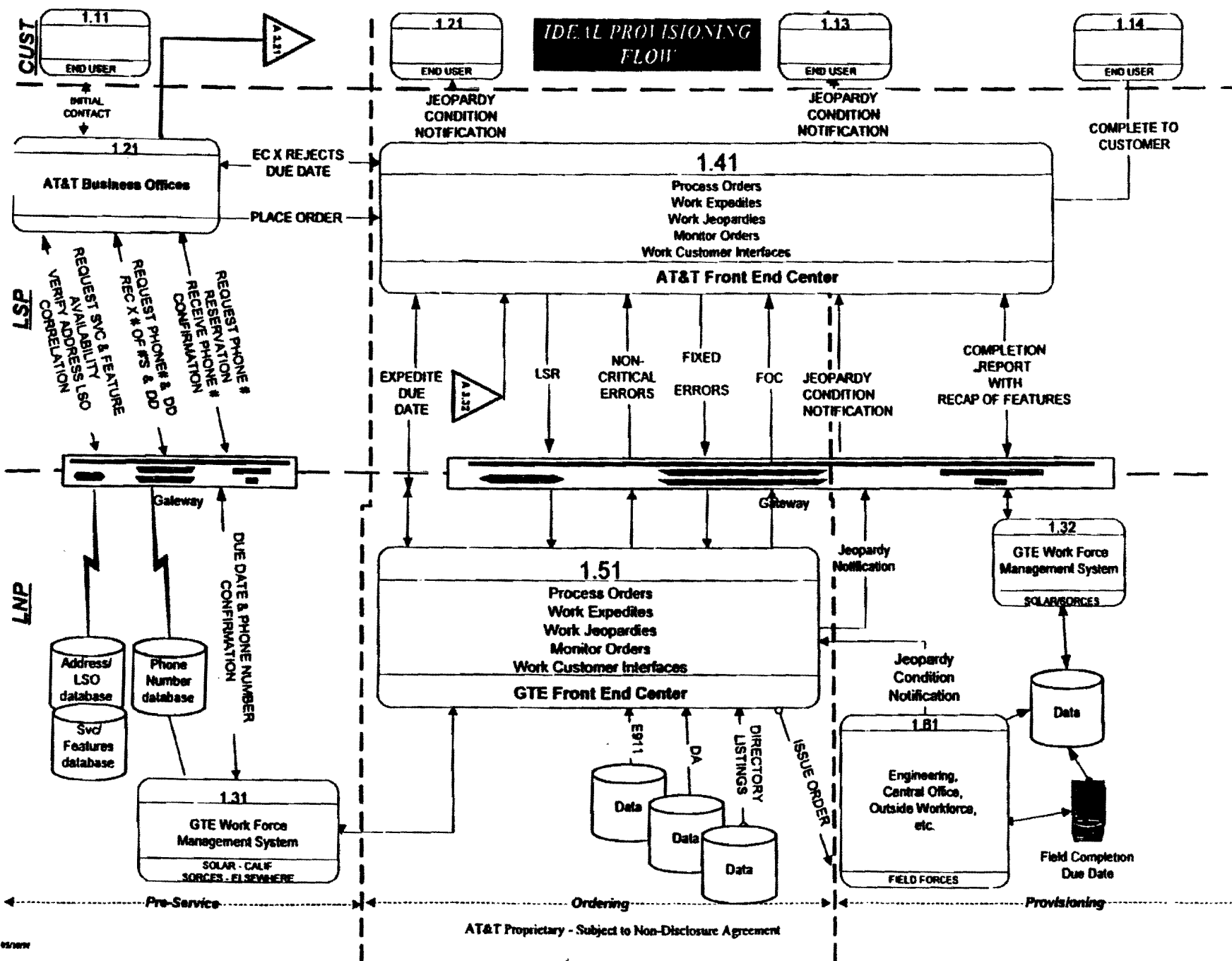
LSP = Local Service Provider (in this example, AT&T)

LSR = Local Service Request (in this example, a document GTE requires of AT&T to provide service)

REC X # OF #'s = RECeive X (some number or amount) OF numbers

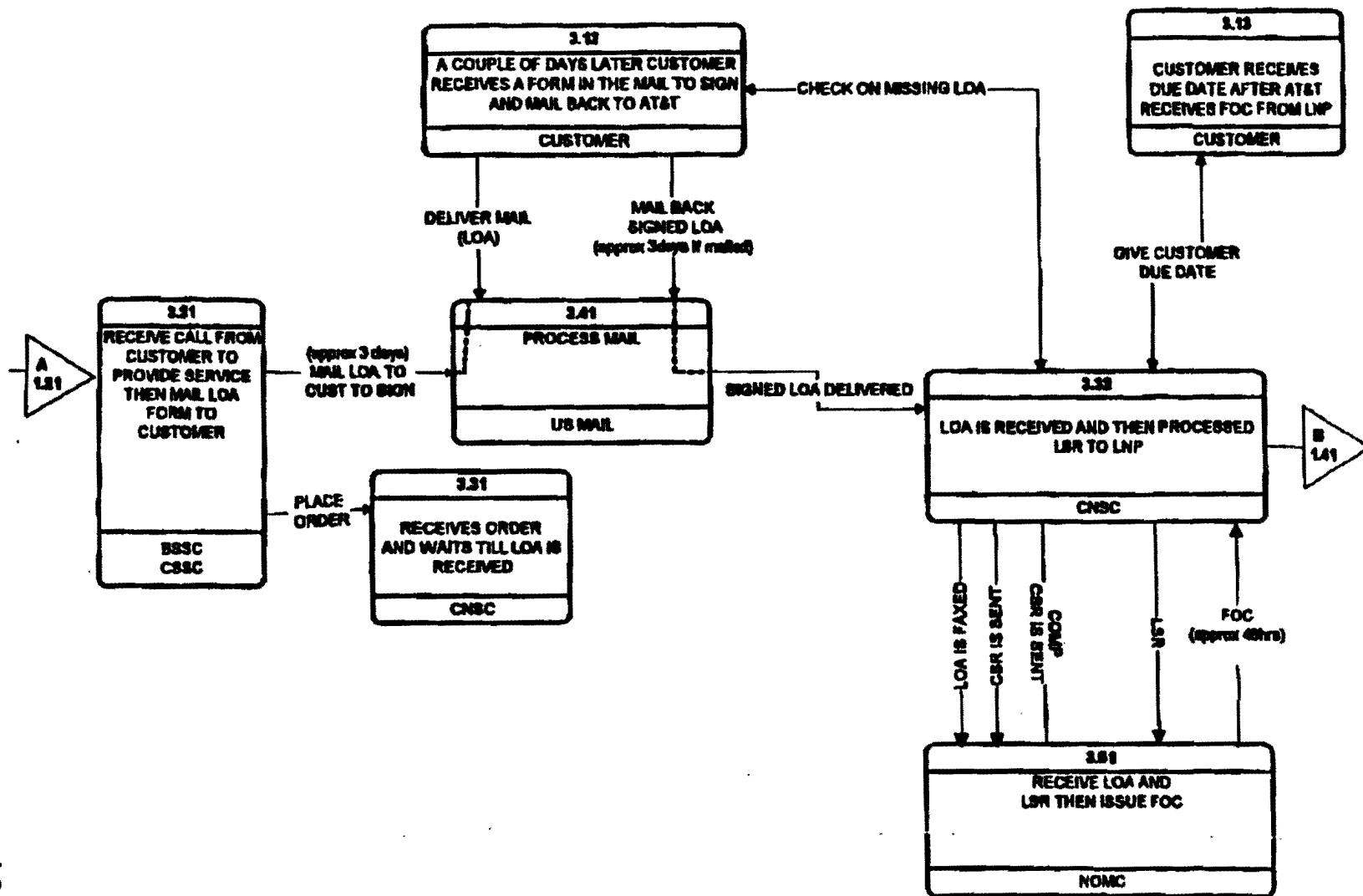
SOLAR/SORCES = GTE systems

Svc = Service

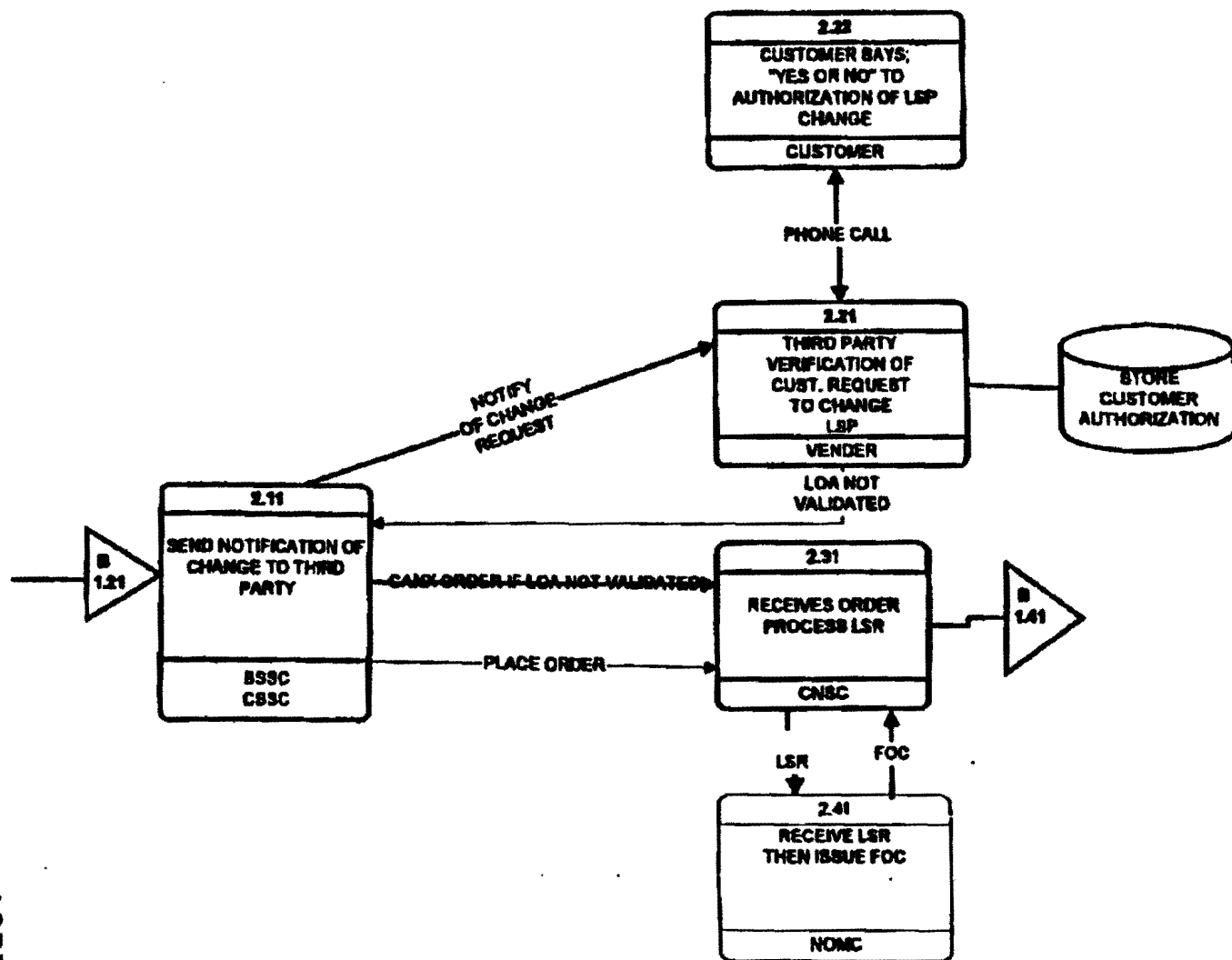


AGBR 000090

**ADD TO PROVISIONING PROCESS IF SIGNED
LOA IS REQUIRED
ADD AT LEAST 5 EXTRA DAYS TO THE PROCESS**



**ADD TO PROVISIONING PROCESS IF
THIRD PARTY VERIFICATION IS REQUIRED**



AGBR 000092



Joyce Beasley
General Attorney

Room 3258D2
295 North Maple Avenue
Basking Ridge, NJ 07920
908 221-6502
FAX 908 953-8360

May 13, 1996

Connie E. Nicholas
Attorney
GTE Telephone Operations
600 Hidden Ridge
HQEO3H44
P. O. Box 152092
Irving, TX 75015-2092

Dear Connie:

Enclosed is a revised issue statement regarding the use of the blanket letter of authorization process. I will be in the office until after noon on Tuesday if you would like to make further revisions prior to our meeting on Wednesday.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Joyce Beasley".

Joyce Beasley
General Attorney

Attachment

AGBR 000093

Revised May 13, 1996
Statement of Positions of AT&T and GTE

ISSUE: Does Section 702 of the Telecommunications Act of 1996 prohibit the use of a blanket letter of authorization process?

GTE Position:

Section 702 prohibits one carrier sharing customer specific information as defined in the Act with another carrier except upon specific written authorization by the customer. GTE relies upon the provisions of Section 222(c)2 for its position that written authorization is required. GTE believes that the exceptions in subsection (d) apply only to use of CPNI by a carrier for that carrier's own telecommunications services.

AT&T Position:

As a threshold matter, while Section 222(c)(2) requires a carrier to disclose CPNI "upon affirmative written request by the customer, to any person designated by the customer," Section 222(c)(1) independently allows a carrier to disclose CPNI "with the approval of the customer." Unlike the approval required in Section 222(c)(2), the approval required by Section 222(c)(1) does not need to be in writing.

Nonetheless, for purposes of the transfer and initiation of service, GTE and AT&T need not resolve this issue. The exemptions in Section 222(d) permit the use of the blanket letter of authorization procedure without further customer approval. Specifically, Section 222(d)1 makes explicit that nothing in Section 222 prohibits a carrier "from using, disclosing, or permitting access to" CPNI "to initiate, render, bill, and collect for telecommunications services." The term "telecommunication services" is not limited to the services provided by the carrier holding the customer proprietary network information, and allows for the transfer of CPNI as part of the transfer of service. This exemption therefore, provides protection to the providing carrier against any claim by a customer that provision of information in accordance with Section 222(d)1 is a violation of Section 702.

AT&T proposes to implement the transitioning process pursuant to business agreements between local exchange carriers. The agreements would include a letter of authorization. The AT&T proposed letter of authorization is attached. The proposed letter also includes indemnification language to protect the carrier providing the information. AT&T's proposal is based upon the FCC's Part 64 rules for carrier selection.

Donald W. McLeod
Vice President
Local Competition/Interconnection



May 13, 1996

HQE01E63
800 Hidden Ridge
P.O. Box 152092
Irving, TX 75015-2092
214/718-6330
FAX: 214/718-4353

R. H. Shurter
AT&T Southern States & National
Local Access & Infrastructure Management
Vice President
Room 4EC101
One Oak Way
Berkeley Heights, NJ 07922

Dear Mr. Shurter:

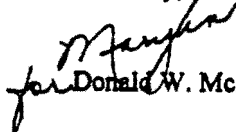
This letter will serve to confirm our Executive Negotiation meeting for Wednesday, May 15 at GTE Telops Headquarters in Irving, Texas. At your request, we will move up the start time to 8:30 a.m. We will be meeting in the West Building and will meet you in the West lobby at 8:15 a.m.

Our staffs have jointly worked together in establishing the following agenda:

1. Issue Screening and Escalation Process
2. Issue Assessment
3. Current Status of Negotiations
4. Joint Work Plan Objectives
5. Pricing Methodology

If you have any questions, please call my secretary, Marilyn Holford at 214/718-6927.

Sincerely,


for Donald W. McLeod

AGBH 000113

**EXECUTIVE NEGOTIATING TEAM
MEETING AGENDA**

**MAY 15, 1996
GTE Irving Offices
Room: W03M54
8:30 a.m.**

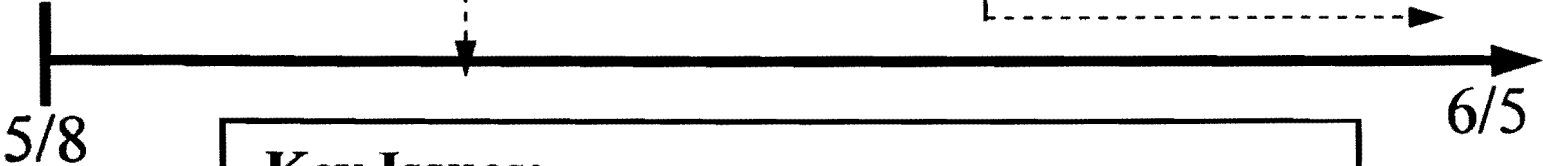
- **Interconnection Rural Exemption - GTE**
- **New Interconnection Request - AT&T**
- **Negotiation Process - Joint**
 - **Joint Work Plan**
 - **Current Status of Negotiations**
 - **Key Issues/Priorities**
 - **Core Team Screening Schedule**
- **Pricing Methods & Issues**
 - **TSR Methods & TSLRIC - AT&T**
 - **Linkage of TSR & Unbundled Pricing - GTE**
- **Other Items**

AGBH000114

**AT&T/GTE Negotiations
TSR Operations**

**SME Work Process Flows,
Program Requirements,
Preliminary Testing**

**Screening
Process**

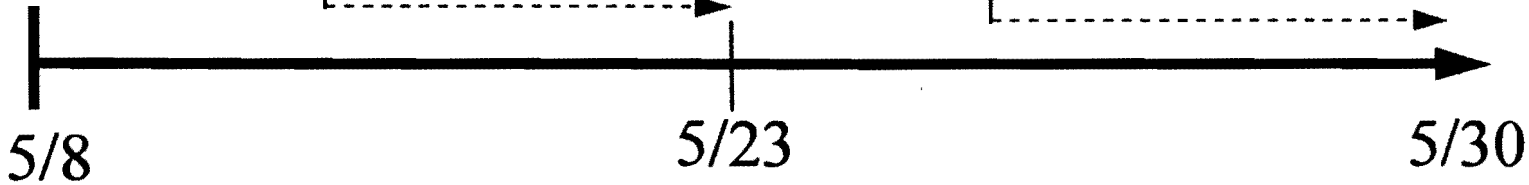


Key Issues:
**CPNI, Features, Funding, Access to Databases,
Branding of Customer Contacts,
Blanket LOA/Change As Is/ 3 Feeds,
Service Quality Standards,
Services & Features Available for Resale,
Dialing Parity**

**AT&T/GTE Negotiations
Operator Services/Directory Assistance**

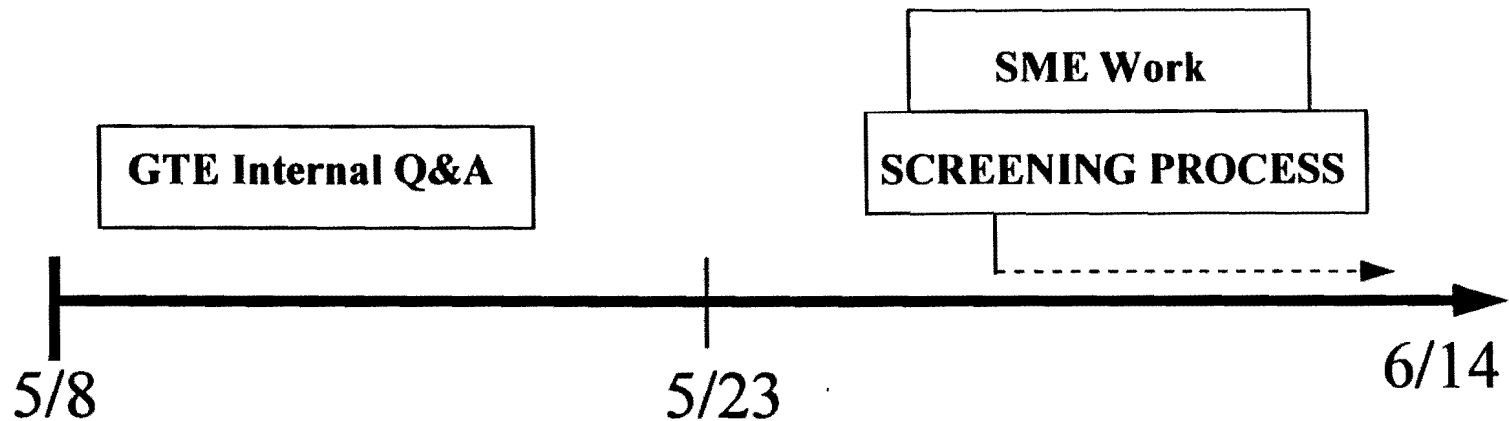
**OS/DA
Position Definition (GTE)
Q&A - Intercompany**

**OS/DA
SME WORK**



**Key Issues: OS/DA in Unbundled Environment,
Unbundling Vs. TSR**

AT&T/GTE Negotiations Transport, Loops, Collocation*



Key Issues:

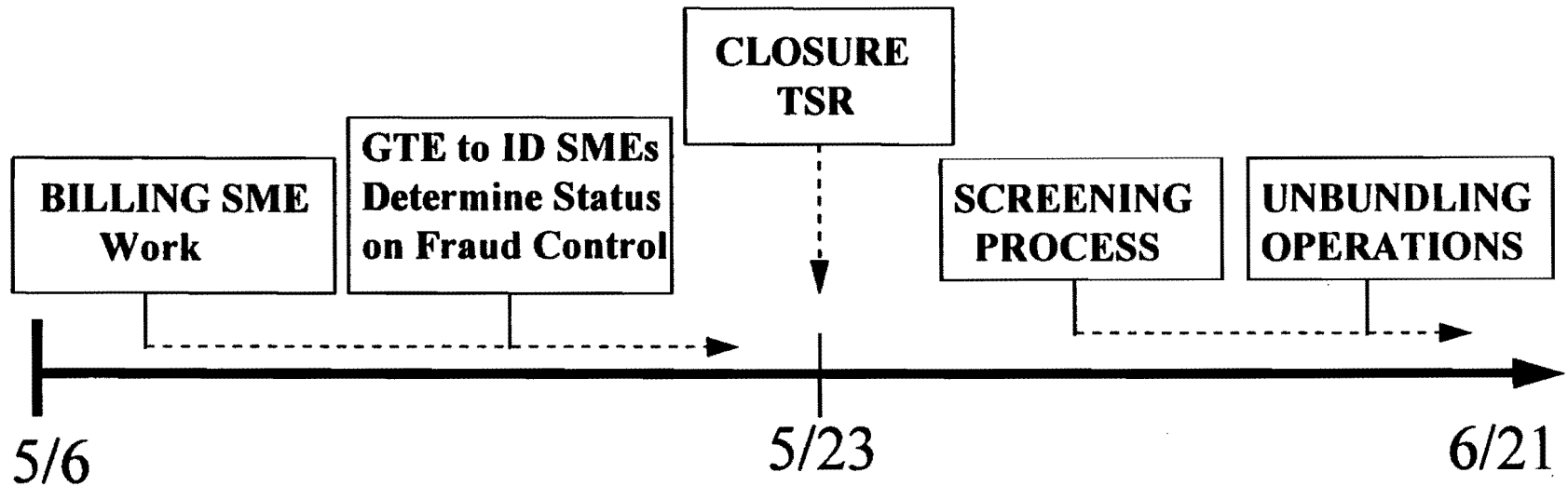
- Request for LEC-to-LEC Contracts
- Transport, Dedicated Unbundling
- Basic Network Functions & Combinations
- Switching (Features & Functions)
- AIN

AGBH 000117

* Signalling, Switching and AIN

May 14, 1996

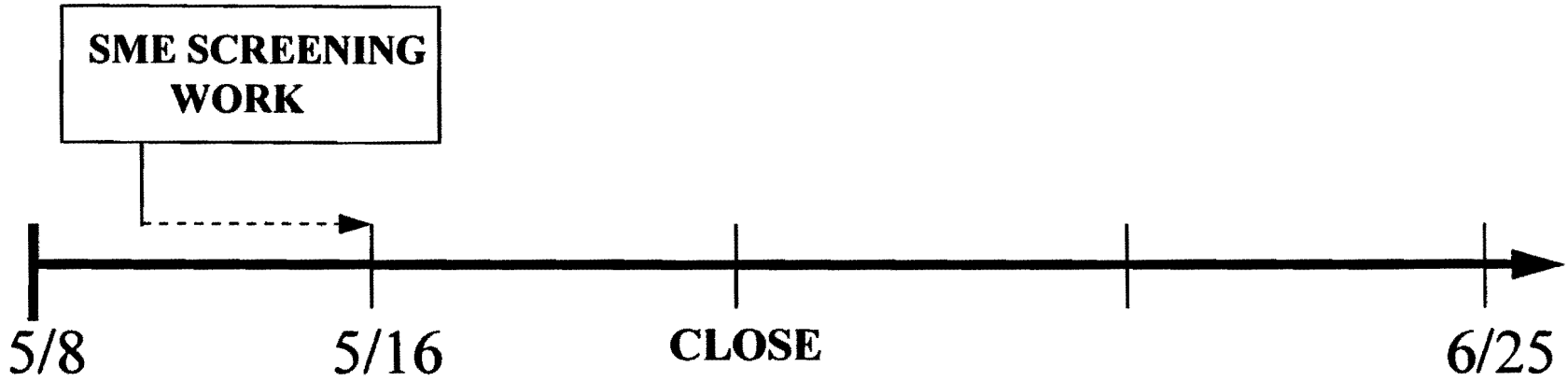
AT&T/GTE Negotiations Billing & Fraud Control



Key Issues:

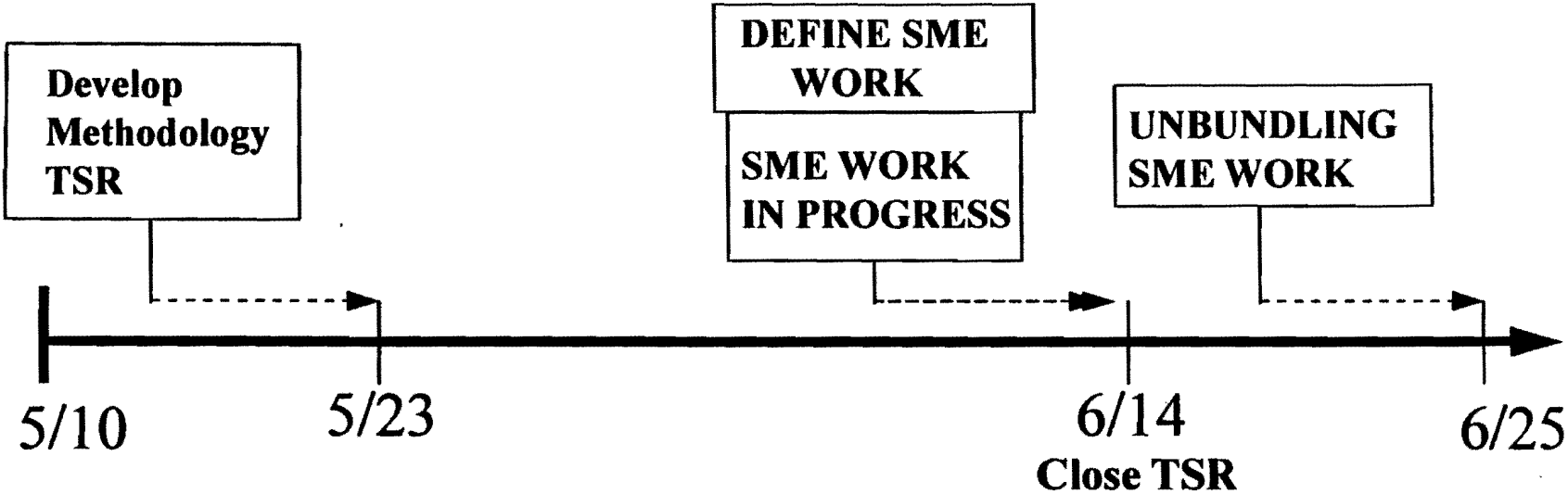
- **BILLING IN AN UNBUNDLED ENVIRONMENT.**
- **FRAUD POLICY - Call Annoyance**

**AT&T/GTE Negotiations
Unbundling - ROW**



- Key Issues:**
- Capacity Planning
 - Reciprocity
 - State Request
 - Access & Interval

AT&T/GTE Negotiations Pricing



Key Issues:
- **TSR Avoided Cost Method**
- **Unbundling @ TSLRIC**

TSK

Wholesale Inefficiencies

Carrier to Carrier Inefficiencies (do not include retailing inefficiencies since they have already been backed out):

- **Investment Inefficiencies**
 - Overbuild
 - Poor Quality / Old Technology
- **Network Operation Inefficiencies**
 - Overbuild
 - Poor Quality / Old Technology
- **Overlay for Indirect Costs**
 - The costs of running a more efficient operation should be less than the cost of running an inefficient operation.

AT&T and GTE Negotiations
5/14/96

ID	Task Name	April				May				June			
		4/7	4/14	4/21	4/28	5/5	5/12	5/19	5/26	6/2	6/9	6/16	6/23
1	TSR												
2	Operations (Features, Services)					6/8						6/8	
3	Process Flow - Operations					6/8						6/8	
4	Programming Requirements					6/8						6/8	
5	Billing - TSR					6/8						6/4	
6	Fraud Control					6/8						6/31	
7	Identify SMEs/Determine Existing Status					6/8						6/31	
8	Screening Process - TSR						5/16					6/30	
9	Testing					6/8						6/31	
10	Unbundling - OS/DA												
11	GTE Definition of Position					6/8						6/23	
12	Q&A With AT&T					6/8						6/23	
13	Closure Of Remaining Issues							6/24				6/30	
14	Unbundling - Interconnect/Transport/Loops												
15	GTE Internal Q&A					6/8						6/23	
16	AT&T/GTE Screening Process							6/24				6/30	
17	Unbundling - Signal/Switching/AIN												
18	GTE Internal Q&A					6/8						6/23	
19	AT&T/GTE Screening Process							6/24				6/30	
20	Unbundling - Right-of-Way												
21	Screening Process					6/8						6/16	

① AGREEMENT
& BEING
DRAFTED

OR

② DISAGREEMENT
& P.B. BEING
BEING DRAFTED

Project: Date: 5/14/96	Task		Summary		Rolled Up Progress	
	Progress		Rolled Up Task			
	Milestone		Rolled Up Milestone			

**AT&T and GTE Negotiations
5/14/96**

ID	Task Name	April				May				June			
		4/7	4/14	4/21	4/28	5/5	5/12	5/19	5/26	6/2	6/9	6/16	6/23
22	Unbundling - Ancillary												
23	911/E911 Clarification					5/8	6/14 ✓						
24	LNP Number Assignments-Clarification					5/8	6/14 ✓						
26	Define Principles						6/16			6/30 ✓			
26	Define Technical Requirements						6/16			6/30 ✓			
27	Ancillary - Dialing Parity	4/11										6/23 ✓	
28	Ancillary - CPNI	4/11										6/23 ✓	
29	Ancillary - Lifeline	4/11										6/23 ✓	
30	Ancillary - Disabled	4/11										6/23 ✓	
31	Billing - Unbundling												
32	Screening Process - Billing in Unbundled Environme								6/23			6/31 ✓	
33	Link to Pricing/Operations/Billing										6/14		6/21
34	Pricing												
36	Develop Methodology - TSR					6/8						6/14	
36	Define SME Work					6/8							6/25
37	Develop Methodology - Unbundling					6/8							6/25

Project:
Date: 5/14/96

Task  Summary  Rolled Up Progress 
 Progress  Rolled Up Task 
 Milestone  Rolled Up Milestone 

**AT&T and GTE Negotiations
5/14/96**

ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
1	TSR	23d	5/6/96	6/5/96		
2	Operations (Features, Services)	21d	5/8/96	6/5/96		
3	Process Flow - Operations	21d	5/8/96	6/5/96		
4	Programming Requirements	21d	5/8/96	6/5/96		
5	Billing - TSR	20d	5/8/96	6/4/96		
6	Fraud Control	20d	5/6/96	5/31/96		
7	Identify SMEs/Determine Existing Status	20d	5/6/96	5/31/96		
8	Screening Process - TSR	11d	5/16/96	5/30/96		
9	Testing	17d	5/9/96	5/31/96		
10	Unbundling - OS/DA	17d	5/8/96	5/30/96		
11	GTE Definition of Position	12d	5/8/96	5/23/96		
12	Q&A With AT&T	12d	5/8/96	5/23/96		
13	Closure Of Remaining Issues	5d	5/24/96	5/30/96		
14	Unbundling - Interconnect./Transport/Loops	17d	5/8/96	6/30/96		
15	GTE Internal Q&A	12d	5/8/96	5/23/96		
16	AT&T/GTE Screening Process	5d	5/24/96	5/30/96	15	
17	Unbundling - Signal/Switching/AIN	17d	5/8/96	6/30/96		
18	GTE Internal Q&A	12d	5/8/96	5/23/96		
19	AT&T/GTE Screening Process	5d	5/24/96	5/30/96	18	
20	Unbundling - Right-of-Way	7d	5/8/96	6/18/96		
21	Screening Process	7d	5/8/96	5/16/96		
22	Unbundling - Ancillary	17d	5/8/96	6/30/96		
23	911/E911 Clarification	5d	5/8/96	5/14/96		
24	LNP Number Assignments-Clarification	5d	5/8/96	5/14/96		

**AT&T and GTE Negotiations
5/14/96**

ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
25	Define Principles	12d	5/15/96	5/30/96		
26	Define Technical Requirements	12d	5/15/96	5/30/96		
27	Ancillary - Dialing Parity	31d	4/11/96	5/23/96		
29	Ancillary - CPN	31d	4/11/96	5/23/96		
29	Ancillary - Lifeline	31d	4/11/96	5/23/96		
30	Ancillary - Disabled	31d	4/11/96	5/23/96		
31	Billing - Unbundling	22d	5/23/96	6/21/96		
32	Screening Process - Billing in Unbundled Environme	7d	5/23/96	5/31/96		
33	Link to Pricing/Operations/Billing	6d	6/14/96	6/21/96		
34	Pricing	35d	5/8/96	6/25/96		
35	Develop Methodology - TSR	28d	5/8/96	6/14/96		
36	Define SME Work	35d	5/8/96	6/25/96		
37	Develop Methodology - Unbundling	35d	5/8/96	6/25/96		

AGBH 00012E



R. Reed Harrison III
Vice President
Local Infrastructure & Access Management
Regional Operations

Room 4ED103
One Oak Way
Berkeley Heights, NJ 07922
908 771-2700
FAX 908 771-2219
AT&T Mail atmail:rrharrison

May 14, 1996

Mr. Donald W. McLeod
Vice President
Regulatory and Government Affairs - East
Local Competition/Interconnection Program Office
HQE01E63
P.O. Box 152092
Irving, Texas 75015-2092

Dear Mr. McLeod,

AT&T requests the commencement of negotiations under Section 252 of the Telecommunications Act of 1996 for the states of Alabama and Kentucky. This request includes all interconnection issues enumerated in Sections 251 and 252, including prices and terms for network elements used for the origination and completion of interexchange services traffic. My expectation is that our companies can come to a mutually acceptable arrangement through negotiations as envisioned by the Act.

In accordance with the Telecommunications Act, the formal date for commencement of the negotiations for Alabama & Kentucky would be the day after receipt of this letter. I propose that our negotiations for all of these states include all GTE telephone companies including CONTEL. Consistent with the ongoing national negotiations for the first twenty states notified, we propose that the negotiations be held on a combined basis and at a corporate level.

We realize there are a significant number of issues to resolve. We are confident that with a concerted and cooperative spirit, we can resolve these issues in a mutually agreeable manner.

Sincerely,

Handwritten signature of R. Reed Harrison III, consisting of the name "R. Reed Harrison" followed by a stylized "III" and a horizontal line.

AGBR 000095

Copy to:

GTE

M. Billings
F. Compton
J. Peterson
C. Nichols
M. Seaman

AT&T

J. J. Beasley
W. J. Carroll
R. H. Shurter

AGBR 000096

Date: 5-14-96 7:00pm

From: S.Ritchie:frsd:gtfl

To: D.R.Bennett:tel:gtego, J.R.Langley:tel:gtego, M.Billings:tel:gtego

cc: S.Ritchie:frsd:gtfl, L.Weber:tel:gtego

Subj: AT&T Conference Call Minutes 5/14/96

Dan,

Following is a synopsis of the AT&T/GTE conference calls held on 5/14 regarding Matrix 1 - End User Data Transfer issues. I will update with 5/15 conference information in second memo.

Please provide a copy of this to appropriate GTE personnel and a copy to AT&T representatives Tony Navarro and Joan Grover.

Thanks,
Sheila

Conference Call 5/14/96 4:00PM EST - 5:25PM EST

Attendees:

Joan Grover	AT&T
Tony Navarro	AT&T
Les Weber	GTE
Sheila Ritchie	GTE

Meeting Purpose:

Answer open issues and/or provide status on Matrix 1 End User Data Transfer issues.

Meeting started at 4:00PM EST with:

1. Introductions
2. A description of the GTE "daily" ALEC usage file process was provided:

Interim process:

- file will be provided out of end user billing system
- code in progress (estimated delivery date end of May 1996)
- establishing a generic GTE process, any deviations to process can be requested and addressed on a PON basis
- it is anticipated that this file will be a billable item, no specific details at this time, subject currently under review
- frequency of file for interim process will be based on billing system processing cycles (no special/unique request assignment available with interim).
- if usage file requested, specific record exchange details and processes will need to be addressed. Some of the details are addressed in the requirements document
- interim process is a method to make the unrated usage file available quickly

AGPL 002314

Longer Term process:

- requirements in progress
- would allow more sophistication in process

GTE views sections 1-4 as a direct reference to the "ALEC Daily" usage file. AT&T concurred.

3. Review/discussion of Local Resale Data Transfer Requirements Document

Pages 1-3 reviewed

Agreed:	Needs further review/comment
direct feed	EMR record types (full description of types)
EMR format	EMR edits/Reject codes/Return Codes
EMR standard format	

Advised event based billing is not part of resold services, therefore use of 42-50-01 records and the requested field modification for event based billing indication will not be provided by GTE.

Fax data provided to AT&T to identify existing Remote ID/Naming conventions used to send from GTE to AT&T and the reverse mapping from AT&T to GTE. AT&T, Tony to review this with messaging group and provide comment.

GTE asked if existing NDM transmission facilities will be used. Tony to research and advise.

GTE questioned if local and intraLATA toll records were to be in separate packs. AT&T advised that even though may use same NDM facility, they wish to keep local EMR and InterLATA EMI separate. Tony will determine if separate transmissions are requested.

4. Action Item Status provided: (data to be used on next call 5/15/96)

AT&T

1090 - Tony to provide return codes that will be used by AT&T via Fax 5/15

1110 - Routing Contact Garry Perrotta tel # 908 519-5787

1125 Location Kansas City

GTE questioned 1 or all existing locations, Tony to check

1180/1185 - (Tony) work in progress

1190 - Tony to provide examples of unguided messages in system.
If critical fields aren't populated (Critical Message)
To #; From #

Les advised from # error condition would never get to AT&T
as GTE is using from # as a key toline screening due to the
absence of a CIC on the records.

1210 - issue still open

1240 - AT&T was issue to be removed from discussion

We briefly discussed the Tool Document (Notations will be updated and
faxed for additional discussion on 5/15 call)

Discussion ensued on measurement of flat rated services. GTE position
is NOT to provide measurement capability, no usage records will be
provided. MRC flat rate billing will be provided. We discussed options
available using California and Texas as examples. AT&T could opt to
order measured service instead of flat rate or a PON process to request
measurement capability in addition to flat rate charging.

Les questioned what AT&T position/request would be in this situation
because that may have an impact on increased capacity of AMA storage.
Tony advised that this would need to be reviewed, AT&T would look at
this request on a state by state basis, he recommends that GTE look at
increased capacity issues.

GTE

1080/1085/1090

GTE is committed to EMR standards, we need to see AT&T list of expected
EMR return codes and edits and will confirm GTE use of codes/edits. We
agreed EMR standards are a guide and that not all are used. We both
want to agree to the same set of EMR codes and agree on what is EMR
standard.

1061 - work in progress. We discussed at a high level some of the data,
issue is still open until we identify by record what will be
distributed.

1115 - Attachment A Physical Characteristics of Data Tapes/Cartridges
can be complied with by GTE. We both noted that this is a back-up plan
only NDM is the preferred method. GTE requested that we used the same
process/requirements as in place for InterLATA. Tony advised that AT&T
does not want to re-fername the processes. We discussed, adding similar/
same verbiage to these requirements. The main issue is that the back up
plan will be used in an emergency type situation. GTE does not wish to
re-create data on cartridge or tape when delayed NDM transmission is an
option. Past experience has shown that NDM failure is not a common
occurrence.

4

Tony agreed to look into discussion.

1130 - Attachment C

GTE agreed general fields/format of AT&T reports is acceptable. We acknowledged that record IDs would reflect only those agreed upon.

1175 - NDM transmission discussion in progress

1220 - GTE will not agree to provide 42-50-01 records with event billing field identification as we do not agree that event based services are resalable.

5. A follow up call was scheduled for May 15th at 12:30 EST to continue the discussion. (Conference Call Number 813 276-0113, Passcode 5427#)

6. Other Issues:

Settlements Process:

Tony Navarro has asked that GTE personnel look into the following issue. It has not been established as an action item, he requesting that we (GTE) initiate research as AT&T is pursuing this direction and it will be formally requested/discussed at a later time. (heads up information)

AT&T is looking into a settlement process for incollect/outcollect messages. They are looking to sign up a National CMDS host for inter and intra-region type settlements process. They want to enter into a contract/agreement process with the CMDS host company.

We advised that we would take this issue back through Dan Bennett for GTE review.

Question Is GTE a CMDS host company?

How does AT&T go about setting up CMDS Intra-region agreements?

If not CMDS host, does GTE need separate contract/agreement.

AGPL 002317

11:23 AM '96

DRAFT FOR DISCUSSION 5/15/96

1001

By 5/19 1001 - confirm we use these EMR standard records identify differences or not use

LOCAL SERVICE USAGE MATRIX

COMPANY NAME:			
TYPE OF SERVICE/CALL	SERVICE AVAILABLE	UNRATED STANDARD	POTENTIAL DEVIATIONS
Flat Local Call Sent Paid	USAGE RECORD NOT PROVIDED ON FLAT RATE <i>STW. LB</i>	10-01-31 Message Type = 1 Rate Class = 4,5	
Measured Local Call Sent Paid	YES ALL STATES	10-01-31 Message Type = 1 Rate Class = 4,5	
Flat Lifeline Local Call Sent Paid	NO	10-01-31 Message Type = 1 Rate Class = 4,5	(FLAT RATE NOT MEASURED IN GTE - NO USAGE RECORD)
Measured Lifeline Local Call Sent Paid	YES	10-01-31 Message Type = 1 Rate Class = 4,5	LIFELINE DISCOUNTS NOT APPLIED
Intrastate Sent Paid	YES	10-01-01 Message Type = 1 Rate Class = 4,5	
Directory Assistance	YES	10-01-32 - dc	INTERIM BILL ENDUREX LONG TERM TARIFF/CONTRACT
Directory Assistance Call Completion		10-01-01 or 10-01-31 Indicator 24 = 3	

NEED ✓ P/S

✓ P/S
✓ P/S

✓ P/S
✓ P/S

AGPL 002319

TOOL 1

LOCAL SERVICE USAGE 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	NO	10-01-16 NPA NXX = Line # = Service/Feature =	
Marine/Aircraft/High Speed Train Toll Charge		RATED 01-01-80	
Marine/Aircraft/High Speed Train Radio Link Charge		RATED 01-01-81	
Header and Trailer	YES AGREED TO USE	20-20-01/20-20-02 From RAD = From Remote ID = Send To Billing RAD = 119	RAD CODE TABLE DRIVEN NEED TO PROVIDE RAW/OCN DATA

UNTIL INDUSTRY
CHANGE, IF ANY

JANUARY
JANUARY

GTE PSI CARRIER MKTS
TJ 318139780991

FROM SF LEC-IM 4154422916

6-16-1996 8:07PM
813-975-0691
6481-01-1M
15:20

VPLS
VPS

AGPL 002320

TOOL 2

LOCAL SERVICE USAGE MATRIX				
COMPANY NAME:				
TYPE OF SERVICE/CALL	SERVICE DESCRIPTION	SERVICE AVAILABLE	UNRATED STANDARD OR EXPECTATION	POTENTIAL DEVIATIONS
Directory Assistance by Appointment	customer receives DA service by scheduling an appointment; service is billed on minutes of operator work time, not on a per listing basis.	NO	10-01-32 Type of DA Service = 2	Rochester sends 01-01-32 with a unique To Number of 718 874-8000 or 718 874-5100
Enhanced Directory Assistance FNPA DA	customer calls the Local DA operator and asks for a number outside the NPA		10-01-32 Indicator 26 = 1	Rochester sends 01-01-32 and Indicator 26 = 1
Directory Assistance Call Completion (DACC)	customer calls the DA operator and allows the call to be completed by the provider		10-01-32 for the DA call and 10-01-01 or 10-01-31 with Indicator 24 = 3 for the completed call	ok

919139750531
TC

813-975-0691
16:21

FROM SF LEC-IM 4154422916

GTE PSI CARRIER MKTS

TDD ?

TOOL 3

LOCAL SERVICE USAGE MATRIX

COMPANY NAME:			
TYPE OF SERVICE/CALL	SERVICE AVAILABLE	UNRATED STANDARD OR EXPECTATION	POTENTIAL DEVIATIONS
Telecommunication Relay Service		Indicator 24 = 1	
Pre Bill Credits	YES	03-01-XX OK	NONE - ALL STATES
Enhanced 911 - outbound call from a 911 center to a client or customer	NO	To NXX = 911 last 3 digits of line # = From NXX	NOT recorded
Manual or One Number Dialing for Handicapped (exempt from operator surcharges; receives direct dial rate)		Message Type = 1 Rate Class = 5	RECORDED AS SENT AND EXEMPTIONS MUST BE HANDLED SEPARATELY

AGPL 002321

PS

AGPL 002322

TOOL 4

LOCAL SERVICE USAGE MATRIX			
COMPANY NAME:			
TYPE OF SERVICE/CALL	SERVICE AVAILABLE	UNRATED STANDARD OR EXPECTATION	POTENTIAL DEVIATIONS
		MT = Message Type RC = Rate Class	
Collect Automated		MT = 4, RC = 5	
Collect Non-Automated		MT = 4, RC = 1,3	
Third Number Automated		MT = 2, RC = 5	
Third Number Non-Automated		MT = 2, RC = 1,3	
Collect/Third Number - customer has trouble completing call		Collect MT = 2, RC = 3 Third Number MT = 2, RC = 3	
Send Paid Operator Assisted		MT = 1, RC = 1,3	
Send Paid - customer has trouble completing call		MT = 1, RC = 5	
Calling Card Automated		MT = 3, RC = 5	
Calling Card Non-Automated		MT = 3, RC = 1,3	
Calling Card - customer has trouble completing call		MT = 3, RC = 5	
Time & Charge		Indicator 12 = 1	

TOOL 5

LOCAL SERVICE USAGE MATRIX

COMPANY NAME:				
TYPE OF SERVICE/CALL	DESCRIPTION	SERVICE AVAILABLE	UNRATED STANDARD OR EXPECTATION	POTENTIAL DEVIATIONS
Repeat Dial Per Use	allows customer to redial a number when a busy signal is encountered		42-50-01 pos 168 - 172 = 00001	
Call Return Per Use	allows the customer to automatically return the most recent incoming call, even if it is not answered		42-50-01 pos 168 - 172 = 00002	
Call Trace Per Use	allows the tracing of nuisance calls		42-50-01 pos 168 - 172 = 00003	
3 Way Calling Per Use	allows customer to add on a third party without operator assistance		42-50-01 pos 168 - 172 = 00004	
TO PREVENT DUPLICATE BILLING, AT&T WHO POPULATE PORTIONS 66 - 80 (LOCAL COMPANY WITH 000001 AND INCREMENT BY ONE UNTIL		TO PREVENT DUPLICATE BILLING, AT&T WOULD LIKE TO POPULATE POSITIONS 66 - 80 (LOCAL COMPANY USE) WITH 000001 AND INCREMENT BY ONE UNTIL REACHING		

EVENT BILLING NOT RESALE

AGPL 00237

6-16-1996 8:09PM

FROM SF LEC-IM 4154422916

08/15/1996 07:41 813-975-0691

08/15/1996 16:22 FROM

GTE PSI CARRIER MKTS

TO 91813759591

PAGE 17

P. 12

TOOL 6

LOCAL SERVICE USAGE MATRIX

COMPANY NAME:			
TYPE OF SERVICE/CALL	SERVICE AVAILABLE	UNRATED STANDARD OR EXPECTATION	POTENTIAL DEVIATIONS
No Charge 811	NO	10-01-01,18,31 Indicator 30 = 9	} NOT CLEANED
No Charge 811	NO	10-01-01,18,31 Indicator 30 = 9	
No Charge 911	NO	10-01-01,18,31 Indicator 30 = 9	
Attempts	NO	Indicator 18 = 2 or 3	} out
No Charge Signaling Irregularity		10-01-01,18,31,32,35,37,80,81 Indicator 30 = 9	
Free Call (Call Code 074)	NO	10-01-32 Indicator 30 = 9	

AGPL 002324

6-16-1996 8:10PM FROM SF LEC-IM 4154422916
 05/15/1996 07:41 813-975-0691 GTE PSI CARRIER MKTS TO 319139750591
 16:23 5207

P. 13
 PAGE 13

TOOL 8

LOCAL SERVICE USAGE MATRIX

COMPANY NAME:			
TYPE OF SERVICE/CALL	SERVICE AVAILABLE	UNRATED STANDARD OR EXPECTATION	POTENTIAL DEVIATIONS
No Charge DA	NO	10-01-32 Indicator 30 = 9	
No Charge No AMA	NO	10-01-01, 18, 31, 32, 35, 37, 80, 81 Indicator 30 = 9	NEED TO CHECK ON IDS
No Charge Language Assistance	NO	10-01-01, 18, 31, 32, 35, 57, 80, 81 Indicator 30 = 9 ? if charge applies	"
No Charge General Assistance	NO	10-01-01, 18, 31 Indicator 30 = 9	"

CHARGEABLE
 10-01-32
 CREATED

CHARGEABLE RECORDS
 CREATED

Costal - CA -

AGPL 00232F

From: attmail!mps!gperrott (Gary Perrotta)
Date: Mon May 13 11:25:33 EDT 1996
Subject: Message Receipt Critical Errors
attmail!anavarro (Anthony D Navarro)
Content-Length: 1728

5/15
Faxed to
Sheila Ritchie - GTE
Les Webber - GTE

ry.

FYI from LD-MPS regarding LEC critical edit/returns:

Here are the error conditions and associated return codes that Message Receipt considers critical errors. These errors are returned back to the sending LEC.

RETURN CODE	ERROR	DESCRIPTION
03	9031	LEC Post Bill Adjustment Return
04	9011	To Number = From Number
	9023	Invalid Rate Class/Message Type Combination
	9058	Invalid Credit Code
	9059	Non-Numeric Data in Numeric Field
37	9110	Invalid Appended Module
40	9001	Invalid Record Category
	9002	Invalid Record Group
	9003	Invalid Record Type
41	9006	Invalid Record Date
42	9009	Invalid From Number
44	9012	Invalid To Number
	9077	Invalid LEC Owned CIID From/To State Charge
46	9018	Invalid State or Local Tax
52	9014	Invalid Billable Time
	9021	
	9024	Invalid Method of Recording
58	9016	Invalid Rate Class
	9010	Invalid Message Type For Tennessee Prison
	9017	Invalid Message Type

62 9045 Invalid Ind19 and Ind23 Values
 9075 Invalid Ind19 Value for CIID Record
 9078 Invalid Rounding Ind, Billable Minutes = 0

63 9065 Invlaid Unrated Conference Call Serial Number

 9005 Cannot Derive Valid Bill NPA-NXX
 9019 Invalid Billing Number

71 9076 Invalid LEC Owned CIID Settlement Code

If you have any questions, please call

Thanks

Gary Perrotta Message Receipt Analyst
908-519-5787

MESSAGE CONFIRMATION

05/15 07:09 00'52" 912147193985

DATE	TIME	S.R-TIME	DISTANT STATION ID	PAGE	RECD
05/15	07:09	00'52"	912147193985		

To: Fax: Dan Bennett GTE

AGPL 002348

DRAFT

EMERGENCY RESTORAL PROCEDURES (ROW)

- GENERAL** In the event of an emergency, restoration procedures may be affected by the presence of CLECs facilities in or on Owner's structures. While Owner maintains no responsibility for the repair of damaged CLECs facilities (except under special maintenance contract), it must none the less control access to its structures if restoral of affected facilities is to be achieved in an orderly fashion.
- PRIORITIZING RESTORAL WORK** Where Owner and CLEC's are involved in emergency restorals, access to Owner's structures will be controlled by Owner's Maintenance District Manager or his/her on-site representative according to the following guidelines:
- Service Disruptions/Outages**
- While exercising its right to first access, Owner should always grant equal access to all occupants in or on it's facilities and every effort should be made to accommodate as many occupants as is reasonably safe. Therefore, reasonable, simultaneous access will not be denied unless public or other safety considerations would prohibit such access.
 - Where simultaneous access is not possible, access will next be granted according to longevity in/on the structure (i.e., first in time, first in right).
 - Where longevity in the structure cannot be ascertained, access will be prioritized on a first come, first served basis.
- Service Affecting**
- While exercising its right to first access, Owner should always grant equal access to all occupants in or on it's facilities and every effort should be made to accommodate as many occupants as is reasonably safe. Therefore, reasonable, simultaneous access will not be denied unless public or other safety considerations would prohibit such access.
 - Where simultaneous access is not possible, access will next be granted to occupants according to the level of damage to its facilities and the likelihood that damage will result in service disruption. Where likelihood that damage will result is not clearly discernable, access will be granted according to longevity in/on the structure (i.e., first in time, first in right).
 - Where longevity in the structure cannot be ascertained, access will be prioritized on a first come, first served basis.
- POINT OF CONTACT** When an emergency situation arises which necessitates CLEC access to a manhole after Owner's normal business hours, CLEC should call Owner's Emergency Control Center (ECC). All calls during normal business hours must be direct to the appropriate Owner's engineer. For after-hours calls, Owner's ECC will contact the Maintenance Center responsible for after-hours coverage of the affected area. The maintenance supervisor contacted by the ECC will return the CLEC's call and will arrange for access with on-call maintenance field personnel during the emergency condition.

MESSAGE CONFIRMATION

05/17/96 13:30
LOCAL EAS/STATION EAS/PL EN/MA/DEPT

DATE	TIME	S.R-TIME	DISTANT STATION ID	MODE	PAGES	FEE
05/17	13:30	00'45"	214 718 6366	FAX	1	0.00

Fax to Dan Bennett, GTE

AGPL 002374

DRAFT

EMERGENCY RESTORAL PROCEDURES

- GENERAL** In the event of an emergency, restoration procedures may be affected by the presence of CLECs facilities in or on LEC's structures. While LEC maintains no responsibility for the repair of damaged CLECs facilities (except under special maintenance contract), it must none the less control access to its structures if restoral of affected facilities is to be achieved in an orderly fashion.
- PRIORITIZING RESTORAL WORK** Where LEC and CLECs are involved in emergency restorals, access to LEC's structures will be controlled by LEC's Maintenance District Manager or his/her on-site representative according to the following guidelines:
- Service Disruptions/Outages**
- While exercising its right to first access, LEC should always grant equal access to all occupants in or on it's facilities and every effort should be made to accommodate as many occupants as is reasonably safe. Therefore, reasonable, simultaneous access will not be denied unless public or other safety considerations would prohibit such access.
 - Where simultaneous access is not possible, access will next be granted according to longevity in/on the structure (i.e., first in time, first in right).
 - Where longevity in the structure cannot be ascertained, access will be prioritized on a first come, first served basis.
- Service Affecting**
- While exercising its right to first access, LEC should always grant equal access to all occupants in or on it's facilities and every effort should be made to accommodate as many occupants as is reasonably safe. Therefore, reasonable, simultaneous access will not be denied unless public or other safety considerations would prohibit such access.
 - Where simultaneous access is not possible, access will next be granted to occupants according to the level of damage to its facilities and the likelihood that damage will result in service disruption. Where likelihood that damage will result is not clearly discernable, access will be granted according to longevity in/on the structure (i.e., first in time, first in right).
 - Where longevity in the structure cannot be ascertained, access will be prioritized on a first come, first served basis.
- POINT OF CONTACT** When an emergency situation arises which necessitates CLEC access to a manhole after LEC's normal business hours, CLEC should call LEC's Emergency Control Center (ECC). All calls during normal business hours must be direct to the appropriate LEC's engineer. For after-hours calls, LEC's ECC will contact the Maintenance Center responsible for after-hours coverage of the affected area. The maintenance supervisor contacted by the ECC will return the CLEC's call and will arrange for access with on-call maintenance field personnel during the emergency condition.

AT&T

4480 Willow Road
Room J99
Pleasanton, California 94588

Fax Cover Sheet

DATE:	May 17, 1996	TIME:	10:16 AM
TO:	Dan Bennett GTE	PHONE:	214 717-7687
		FAX:	214 718-6366
FROM:	Terry Casey	PHONE:	510 224-2277
		FAX:	510 224-1850

RE: AT&T/GTE TSR Open Issues

Number of pages including cover sheet: 5

Message

Dan,

Please review the attached and get back to me as quickly as possible with your availability to discuss these issues.

AGPL 002369



4480 Willow Road
Room J99
Pleasanton, California 94588
510 224-2277

17 May 1996

Memorandum to Dan Bennett:

Attached is the list of open issues still pending from the discussions between GTE and AT&T in conjunction with Local Exchange Competition (CPUC D. 95-07-054). This list of issues is part of the larger matrix previously provided to GTE under the heading of *Basic Service Requirements*. I have extracted the issues for which my team has responsibility and have created the attachment; this list contains no new issues.

These issues have been open for some time, some since October, 1995. We must have immediate resolution of these items, and in any event, no later than Friday, May 31, 1996.

These items are critical to AT&T's ability to be able to compete in the local exchange market. I would appreciate your prompt attention to this request and am anxious to meet and discuss these open items at your earliest convenience.

Sincerely,

A handwritten signature in cursive script that reads "Terry Casey".

Terry Casey
AT&T Local Negotiations Manager

Attachments

AGPL 00237C

AT&T Proprietary and Confidential Information

Subject to a GTE and AT&T nondisclosure agreement and should not be shared except as provided thereto.

AT&T/GTE LOCAL RESALE ARRANGEMENTS

AT&T NEEDS	GTE PROPOSAL	DATE CLOSED
DIRECTORY ASSISTANCE - AT&T PROVIDED		
<ol style="list-style-type: none"> 1. GTE will provide access to Directory Assistance data so that AT&T can self provision it's own Directory Assistance service. 2. GTE will provide the capability to route AT&T customer calls to AT&T. 3. GTE will accept AT&T Listings into their database. 		
LISTINGS-CUSTOMER GUIDE/ADVERTISING		
<ol style="list-style-type: none"> 1. List of AT&T service information (price, features, availability) at price parity with GTE. Minimum of 4 pages required. 2. Provide AT&T Local Service Ad in white and Yellow Pages Directories. 	<p><i>2415 combined</i> <i>2420</i></p>	
LISTINGS-WHITE PAGES		
<ol style="list-style-type: none"> ✓ 1. Lists at no cost to AT&T (1st number free for Business and Residence.) <i>2405</i> ✓ 2. Distribution of directory to AT&T customers at no charge. <i>2410</i> ✓ 3. Brand appearance on cover, at no parity with all other included CLCs. <i>2425</i> ✓ 4. Participate in revenues from sales of listings to 3rd parties. <i>2435</i> ✓ 5. Unlisted/unpublished at list price <i>2410</i> ✓ 6. Provide a discount for multiple listings. <i>2445</i> 		

AGPL 002371

AT&T/GTE LOCAL RESALE ARRANGEMENTS

LISTING-YELLOW PAGE		
<p>1. Provide a "real time" knowledge of deadlines. 2455</p> <p>2. Provide a commission on advertisements from AT&T customers. 2460</p> <p>3. Provide AT&T with the ability to bill the end user. 2465</p>		
OPERATOR SERVICES-AT&T PROVIDED		
<p>1. Provide the capability to route Operator calls to AT&T by Line Class Codes, Separate Trunk Groups (0+, 0-, 00-).</p> <p>2. Provide access to LIDB for number validations.</p> <p>3. Provide access to GTE's Emergency Number Database or Listings.</p>		
HOSPITALITY/HOTEL, MOTEL		
<p>1. GTE will continue to provide the ability for AT&T to procure T1.5 lines for Dedicated Car/Operator service traffic at a wholesale and commercially viable basis.</p> <p>2. GTE will provide the ability to procure all blocking, screening and all other functions for switched hospitality lines. These features should be <u>unbundled</u> from the line charges.</p>		

AGPL 002372

AT&T/GTE LOCAL RESALE ARRANGEMENTS

<p>VOICE MAIL</p> <ol style="list-style-type: none"> 1. GTE will make available the SMDI-E (Station Message Desk Interface-Enhanced) Feature capability allowing for Voice Mail services. 2. GTE will make available the MWI (Message Waiting Indicator) Feature capability allowing for Voice Mail services. 3. GTE will make available the CF-B/DA (Call Forwarding on Busy/Don't Answer) Feature capability allowing for Voice Mail services. 4. GTE will make available the tariff SMDI-E interface. 		
<p>PAYPHONE SERVICES</p> <ol style="list-style-type: none"> 1. GTE will provide the ability to procure payphone lines (same as business) at a wholesale price that is commercially viable. 2. GTE will provide competitively similar capabilities: <ul style="list-style-type: none"> - Coin rating - Answer supervision (coin drop) - Access to Maintenance Diagnostic Platform 		

AGPL 002373

05/22/96

22:45

PLEASANTON ACCESS MGT WEST + 9089498746

NO. 472

001



Lisa M. Tyler

4480 Willow Road
Room 1-04
Pleasanton, Ca. 94566
610-224-3410

May 23, 1996

Mr. John Peterson
GTE Telephone Operations
Room E01G82
600 Hidden Ridge
Irving, Texas 75015

John,

Attached for your review is a recap of the Screening Process discussion held yesterday (May 22nd).

Should you have questions, please don't hesitate to give me a call on (510) 224-3410.

Lisa Tyler
GTE Negotiations Team
AT&T

Attachment

Cc: R. Damji, S. Noble, B. Watson

Post-It® Fax Note	7671	Date	
To	Rahul Damji	From	Sandra Noble
Cellular		Co.	
Phone #		Phone #	510-224-4232
Fax #	987712857	Fax #	

AGBH 000353

AT&T and GTE Core Negotiating Team Meeting - May 22, 1996**Attending via Conference Call:****AT&T: Rasul Damji, Lisa Tyler, and Sandra Noble****GTE: John Peterson and John Honaberger**

- The AT&T and GTE core negotiating team affirmed that the agreed upon screening process would start with TSR issues, working to meet all deadlines in the jointly developed timeline and escalating to the executives those issues which are jeopardizing the agreed timeline.
- In process discussions, the team reviewed and slightly modified the 'draft' tracking matrix for screening issues. The team agreed that, in addition to the issues tracking numbers, the team will reference requirement matrix numbers so that the core team matrix could be tied into the SME matrices. Modifications to simplify and clarify the matrix were agreed upon.
- The team scheduled a further two hour conference call for Thursday afternoon, May 23rd to review GTE's response to the issues identified by AT&T.
- The team agreed that each will clearly define issues and exchange positions prior to this call.

Action Items:

Lisa and John Honaberger will provide written position responses on Thursday morning to the issues matrix.

John will establish a conference bridge for Thursday's call.

John Peterson will ensure adequate GTE resources are available for the SME negotiating teams and provide status on Thursday.

FAX MESSAGE TO FOLLOW



GTE Telephone
Operations
Headquarters
P.O. Box 152092
Irving, Texas 75015

DATE SENT 5/24
TIME SENT 1.50
NUMBER OF PAGES 3
(Excluding Cover Sheet)

TO Lisel Tyler
Rosal Danzi

PHONE NO. 510-224-3410
908-771-4068

FAX NO. 510-224-4118
908-771-4068

FROM John Peterson

PHONE NO. 214-718-548X

FAX NO. 214-718-6366

REMARKS:

**AT&T and GTE Core Negotiation Team Meeting
May 23, 1996**

Attending via Conference Call:

AT&T: Rasul Damji, Lisa Tyler, and Sandra Noble

GTE: John Peterson and John Honabarger

- The agenda for the May 30, 1996, Executive Team Meeting was discussed. The following items were noted as possible agenda items:
 1. Status of Activity.
 2. Core Team Issues.
 3. Action Register review.
 4. Next steps/Scheduling etc.
- The team discussed the AT&T SME comments regarding the adequacy of GTE resources on the billing SME team. John Peterson reviewed the policy team process that GTE had undertaken to complete the analysis of the massive AT&T request and to identify resource requirement. The teams are currently in the process of concluding their analysis. Some teams are ahead of others. Only at the conclusion of the analysis process can a realistic determination of resources be made. John Peterson review the GTE actions that have taken place in the short time frame sense AT&T provided their detailed request. John Peterson agreed to call Rasul and provide an update on the GTE teams activity, however, no commitment of a time for resolution of this perceived lack of resources.
- Both companies agreed to improve upon the scheduling of SME meeting so as to minimize overlap periods.
- GTE discussed the status of GTE rural exemption issue. The list of impacted locations is currently being finalized and will be available Tuesday or Wednesday (5/28 or 29/96)
- AT&T and GTE SMEs joined the Core Team meeting to describe a technical break through related to the interim solution for real-time delivery of orders. This discussion was very positive, however, it also identified 24 or so critical issue areas that must be resolved before conclusion of this section. Understanding the this positive solution and the requirements surrounding our being able to bring it to a close we agreed that the target date of June 5 may have to be move out to some extent. An analysis of the work activities related to completion of this project will be completed to demonstrate the needed time requirements.

Page 2 of 2

- Discussion were continued on the identified issues for Core Team Screening. Some positions will be expanded so as to include additional background and reasoning.
- It was agreed that an additional conference call meeting would take place May 24, 1996 to continue discussion of the identified issues for Core Team Screening.

Additions and corrections to the review of the May 22, 1996 Core Negotiating Team Meeting are as follows:

- GTE did not agree to "working to meet all deadlines in the jointly developed timeline and escalating to the executives those issues which are jeopardizing the agreed timeline."
 1. First GTE never agreed to a timeline. GTE did agree to a workplan with target dates. GTE also agreed that we must take a real world approach and after operational evaluation has taken place we would adjust the workplan target date as need be.
 2. Secondly, GTE never agreed to escalate any issue to the executives which might jeopardize a target workplan date. Just because a small technical problem might delay the target date a few days is not reason to burden the executive team.

GTE does not agree to the last statement on the meeting review. "John Peterson will ensure adequate GTE resources are available for the SME negotiating teams and provide status on Thursday."

First, the SME teams are not negotiating teams. The SME teams are to find workable solutions to technical problems based on their companies polices. Additionally, John Peterson agreed to looking into the allegation by an AT&T SME that GTE did not have adequate resources available on the network operations team.

AGBH 000366

Meade C. Seaman
Director-Local
Competition/Interconnection



GTE Telephone
Operations

May 28, 1996

HQE01G49
600 Hidden Ridge
P.O. Box 152092
Irving, TX 75015-2092
214/718-1333
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R.H. Shurter
AT&T Southern States & National
Local Access & Infrastructure Management
Vice President
Room 4EC101
One Oak Way
Berkeley Heights, NJ 07922

Dear Mr. Shurter:

Per our agreement, I have summarized the results of the most recent Executive Negotiations meeting which was hosted by GTE, in Irving, on May 15, 1996.

ATTENDEES

Meeting attendees from GTE included: McLeod, Seaman, Peterson, Nicholas, Billings, Compton. AT&T attendees included: Harrison, Shurter, Beasley, Tyler-Stanley. Two new attendees from AT&T were Rasul Damzi and Pat Walsh. Rasul replaces Gary Rall, who is now dedicated totally to PacBell and Pat Walsh is an officer in AT&T's Legal and Governmental Affairs office. He has joined the team to assist Joyce Beasley.

RURAL EXEMPTION

GTE opened the meeting by outlining GTE's action to declare itself as a rural telephone company under Sec. 251(f)(1) of the Telecom Act for selected states. GTE took action in Illinois because the Hearing Examiner had requested each party in the Illinois resale/unbundling docket to declare their position by May 10, 1996. GTE intends to pursue this exemption in all qualifying states. GTE informed AT&T that it will notify AT&T, in writing, of the final list of states when the list has been finalized.

Ron Shurter stated that AT&T was clearly disappointed in GTE's declaring this on day 63 of the negotiations. This is a setback in AT&T's view to accomplishing the time line. McLeod responded by stating that GTE is exercising it's business option under the Act and that GTE still intends to negotiate a 20 state agreement with AT&T, pending the outcome of the negotiations and the regulatory decisions on the rural exemption. All discussions regarding systems, operational interfaces, etc.

AGBH 000103

Mr. Ron Shurter
May 28, 1996
Page 2

remain the same for all states. The impacted issues for rural exempted states would be unbundling, collocation and the reduced scope of resale.

NEW REQUEST FOR INTERCONNECTION

AT&T made a formal request for interconnection with GTE for the states of Alabama and Kentucky. May 16, 1996 will be considered day 1 for these two states. AT&T requests for interconnection negotiations in other GTE states will follow by the end of June. The parties agreed to bring these two states into the operational aspects of the negotiation.

JOINT WORK PLAN

Lisa Tyler-Stanley presented a work plan jointly developed by the AT&T/GTE Core Team. The plan has very aggressive targets for reaching agreement and closure on a variety of issues. The work plan reflects AT&T's priority of resolving total service resale issues early in the negotiation process.

The group also discussed a process for resolution of escalated issues. The Core Team will be responsible for seeking to resolve issues escalated from SME meetings. Issues brought to the Executive Team are to be provided in written form so the issue can be understood and each respective company's position on the issue clearly stated. John/Rasul had some conversation about the need for flexibility in refining the write ups so that the final product truly reflects the issue under discussion.

The group agreed that conference calls between Don, John, Ron and Rasul should be used to expedite resolution where possible. The group agreed that there will be issues with no resolution. In this case each company would agree to disagree and set the issue aside for possible arbitration. It was also agreed that the workplan needed to be amended to reflect: 1)GTE's rural exemption action, 2) AT&T interconnection request for the states of Alabama and Kentucky, and 3) to reflect the work activities associated with contract drafting, approval and signature.

AT&T'S REQUEST FOR INTERCONNECTION CONTRACTS

GTE and AT&T differ on the interpretation of the Act as it relates to AT&T's request to provide all existing interconnection contracts. GTE's position on this issue was covered in McLeod's May 1, 1996 memo to Shurter.

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Mr. Ron Shurter
May 28, 1996
Page 3

AT&T stated that the contracts were useful in establishing feasible interconnection points and suggested they be provided "without prejudice" meaning that provision of the contracts would not implicitly change either company's business or regulatory position.

GTE stated that many of these contracts were struck in a different era and under a different set of business conditions and so their terms and conditions were not relevant to this process. AT&T agreed to prepare a more specific request for GTE's consideration.

PRICING

After lunch, about an hour's discussion on price took place. The main areas discussed were avoided cost for resale and TSLRIC for unbundled elements. AT&T and GTE agreed we are far apart on these issues but the open dialogue was encouraging.

AT&T's view on avoided cost centers around 4 digit accounting codes such as marketing expense, customer service and uncollectibles as well as factoring in assumed inefficiencies in GTE processes, operations and investments (technology).

GTE's avoided cost approach is consistent with the recent filing in California. GTE's approach is based on a centralized work center concept and identifies avoided cost for 8 to 10 service categories. GTE pointed out the need to also consider "new wholesale cost" (i.e. additional costs incurred to make a service available for resale) in developing net avoided cost.

It was agreed that the pricing experts need to get together and share information and work the issues per the workplan. GTE desires to include pricing as an agenda item on all Executive Negotiation meetings in the future. Agreements on the wholesale product line in a resale and unbundled environment need to be linked directly to joint agreement on pricing methods and levels.

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Mr. Ron Shurter
May 28, 1996
Page 4

FUTURE MEETINGS

The next meeting is scheduled for May 30, 1996 in New Jersey. Future face-to-face meetings are scheduled for June 12 and June 26th. A conference call was also tentatively scheduled from 12:00 to 2:00 p.m. CST on June 19, 1996.

Sincerely,



Meade C. Seaman
Director-Local
Competition/Interconnection
Program Office

MCS:mlh

c: GTE Executive Negotiating Team

AGBH 000106



R. Reed Harrison III
Vice President
Local Infrastructure & Access Management
Regional Operations

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AT&T Mail atmail!rrharrison

May 30, 1996

Mr. Michael B. Esstman
Executive Vice President
GTE Corporation
HQE04819
600 Hidden Ridge
Irving, TX 75015

Dear Mike:

It's late afternoon, and we have just concluded a meeting of the AT&T/GTE Executive Team assigned to deal with the interconnection, Total Services Resale, and related matters raised in my March 11 letter to you and Tom White. That letter was sent over ten weeks ago. Yet today I listened to the reports of your people confirming only very minimal progress in many important areas on the part of GTE (i) toward responding to AT&T's requests and (ii) toward resolution of critical issues.

Indeed, ten-plus weeks after we initiated this process, your GTE Executive Team could not tell me what services would be made available to AT&T for resale at discounted prices, or at all. To my question as to when I might finally expect such information, I was essentially told that they didn't know. I informed your team that this is unacceptable.

It is abundantly clear to me that we need very strong senior leadership focus at GTE on the interconnection needs (and rights under the 1996 Act) of AT&T, and on the assignment of the necessary and right resources to meet those needs. We plainly don't have that now. I learned night before last that Don McLeod, the leader of your Executive Team in the AT&T-GTE negotiations, would not be joining us for today's Executive Team meeting – a meeting that we jointly scheduled with him (at your offices in Irving) only two

AGBR 000206

Mr. Michael B. Esstman
GTE Corporation
May 30, 1996
Page 2

weeks ago. We did not learn this from Don or his colleagues, who never contacted us or otherwise notified us of his planned absence from this critically important interconnection meeting. We learned it, rather, from an AT&T secretary who was attempting to confirm that hotel arrangements had been made for him.

I raise this point only as a symptom of the apparent indifference of GTE to the negotiation process. I want to emphasize to you, moreover, the very deep and fundamental problems we have encountered in our efforts over many months, both before and after passage of the 1996 Act, to negotiate local interconnection, resale and related arrangements with GTE. I perceive unwillingness by GTE to engage in bona fide interconnection negotiations, and resulting delay in the negotiations – and in AT&T's entry into local markets. I use the term unwillingness because I am both aware and confident of GTE's capability to deal with the interconnection requests we have communicated to GTE.

Our needs have been clear to GTE from the time of my March 11 letter, and certainly since our discussions with GTE on April 2, when we displayed for GTE the annexed presentation materials (Attachment A). Indeed for many months prior to that presentation, our interconnection and Total Services Resale requirements have been known to GTE, because they were made clear to GTE in negotiations initiated at the instance of the California Public Utilities Commission. And repeatedly, following the March 11 letter and April 2 presentation, we have detailed those needs.

Thus, for example, at an April 18 meeting with your negotiating team, we delivered a comprehensive matrix which restated all of our interconnection TSR requirements. A copy of that matrix is annexed (Attachment B). But notwithstanding our establishment of processes and working teams (SME Teams, Core Team, Executive Team) to facilitate your consideration of and response to our requests, progress toward resolution has been minimal. This very concern was a focus of our Executive Team meeting at your offices in Irving two weeks ago. At that time, John Peterson and Rasul Damji, leaders of the joint GTE-AT&T Core Team, presented a work plan. That work plan, a copy of which is annexed (Attachment C) called for the crystallization of various TSR, unbundling and other issues by late May and early June. Some of these dates have come and gone with no input or response from GTE on critical items. In this instance, and on a number of occasions at the Core Team level, we have encountered such failures on the part of GTE to do what is necessary to realize our joint work plan.

AGBR 000207

As a result, and as Meade Seaman acknowledged at today's meeting, we are behind, indeed way behind schedule in achieving a negotiated agreement. And, whatever our view of his characterization and description of the GTE effort, it confirms at minimum the need to assign substantial additional GTE resources to this critical project.

We have been prepared from the outset to receive, reply to, negotiate and otherwise deal timely, in good faith and in earnest with GTE responses on the interconnection and TSR requests we communicated to GTE. We remain ready, willing, able and anxious to do so. But I have not perceived a corresponding sense of urgency, energy or interest on the part of GTE. Dozens if not hundreds of interconnection requests remain unresolved and for many of these we have had no substantive response from GTE.

We should look as well for the type of breakthrough opportunities that AT&T identified at today's meeting. Thus, to the extent that your Core Team leader, John Peterson, has referred to price as an important and "enabling" issue, and to the extent we are unlikely to reach closure with Meade or GTE on pricing models, we can properly put price on the shelf and push through on a host of technical interconnection issues that are suited for early closure. In brief, we can put this thing properly together and argue about cost and price in the legal and administrative arena.* **I will fax to you on Monday a listing of those ready-for-closure items.**

Mike, we are well past the half-way mark of our negotiation process but, for the reasons I have described, we remain far from realization of a negotiated agreement. Achievement of that agreement is in jeopardy. I urgently request, therefore, your personal intervention and that of the most senior management at GTE Corporation, with a view toward timely resolution of as many as possible of our now longstanding interconnection, TSR and unbundled element requests.

* We have also identified with your team and its counsel some issues, including costs for pricing and price, which may require appropriate administrative or judicial determination. But achievement of a negotiated agreement on the host of other technical and business issues surrounding interconnection and resale should not be held hostage to the resolution of those items. It is incumbent on your company and mine to work hard and in good faith toward resolution of as many such issues as we reasonably can.

Mr. Michael B. Esstman
GTE Corporation
May 30, 1996
Page 4

It remains AT&T's objective to achieve just such an agreement in writing with you. But things appear headed nowhere under GTE's present approach. More focus and more dedicated resources are essential. Thank you for your early attention to this request.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Reed Harrison III", written over a horizontal line.

R. Reed Harrison III
Vice President -
Local Infrastructure and Access Management
Regional Operations

Copy to:
Mr. D. W. McLeod
Mr. J. Peterson

AGBR 000209

Mr. Michael B. Esstman
GTE Corporation
May 28, 1996

ATTACHMENT A

Telecommunications Act of 1996

AT&T Requirements Presented at
April 2, 1996 Meeting



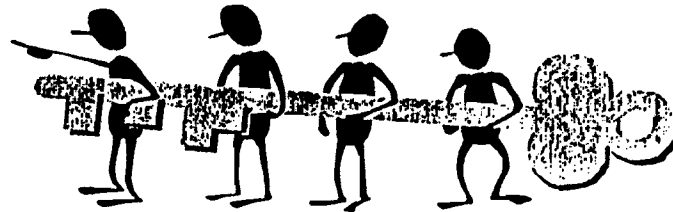
Telecommunications ACT of 1996

AT&T and GTE Negotiations Kick-off Meeting April 2nd 1996

- Structure
- Scope of Negotiations and Key Issues Discussion
- Schedule
- Next Steps



Building on the California "Head Start" •1996 Telcom Bill Requires Negotiations



- **Deploy Empowered National Negotiating Teams (AT&T Account Representation)**
- **Reach Agreement Through Negotiation building on Industry and Regulatory work already completed**
- **Reach Agreement as soon as possible**
- **Begin System Interface And Process Design/Implementation Work As Quickly As Possible In Support Of Agreements Reached**



Telecommunications Act of 1996 Joint Executive Team

Team	Roles
AT&T	
Reed Harrison Ron Shurter Joyce Beasley	- VP LIAM and Regional Operations - VP Nationals and Southern Region - Representing Regulatory & Government Affairs
Gary Rall	- Lead Negotiator and Project Leader
GTE	
Donald McLeod Larry Sparrow Mike Billings	- VP Regulatory & Government Affairs - President Carrier Market - Director-Program Office Project Management
Frank Compton	- Director-AT&T National Account Management
Meade Seaman	- Director-Local Competition/ Interconnection
John Peterson	- Manager-National Industry Relations Regulatory & Governmental Affairs
Dan Bennett	- National Manager - AT&T OMT



Uniform Network Issues

- ◆ Agreements & Operating Principles
- ◆ Centralized Operations, Systems & Platforms
 - Electronic Interface
 - Uniform Ordering, Provisioning, & maintenance procedures
- ◆ Database Access Procedures
 - Customer Information Exchange
- ◆ Pricing Methodology
- ◆ Performance Metrics



State Specific

- ◆ Retail Services & Features List
- ◆ Pricing Implementation
 - Resale at Wholesale Rates
 - Unbundled BNFs
- ◆ PUC Requirements
 - Taxes, Customer notification etc.



AT&T Requirements

1. LOCAL SERVICES RESALE

- ALL RETAIL OFFERS AVAILABLE AT WHOLESALE PRICE STRUCTURES THAT REFLECT RETAIL OFFER DISCOUNTS AND VOLUME TAPERS
- SUPPORTING PROCESSES AND ELECTRONIC INTERFACES THAT ARE EQUAL TO OR BETTER THAN THOSE SUPPORTING GTE'S RETAIL OFFERS
- ALL END USER CUSTOMER CONTACTS/INTERFACES BRANDED AT&T



AT&T Requirements

2. UNBUNDLED NETWORK ELEMENTS

- LOOP AND SUB-COMPONENTS
- LOCAL AND TANDEM SWITCHING AND FEATURE CAPABILITIES
- ALL SIGNALING CAPABILITIES & TRANSPORT
 - SERVICE CONTROL POINTS & SIGNALING TRANSFER POINTS
 - AIN END-OFFICE TRIGGERS
- FACILITIES TRANSPORT AND TRUNKING



AT&T Requirements

2. UNBUNDLED NETWORK ELEMENTS (Cont.)

- **OTHER RELATED SERVICE CAPABILITIES
(E.G. OPERATOR SERVICES, 911/E911, DIRECTORY
SERVICES, ET AL)**
 - Price each element distinctly
 - Prices set at TSLRIC and be commercially viable
 - Supporting processes and electronic interfaces
 - AT&T branding of end user elements and no branding
of other elements.



AT&T Requirements

3. DIALING PARITY

- LOCAL TOLL PRESUBSCRIPTION IN ALL STATES COMPLETED BY A DATE CERTAIN FOR EACH STATE
- ACCESS TO TELEPHONE NUMBERS, OS, DA AND LISTINGS
- ABILITY FOR END USER TO RETAIN TELEPHONE NUMBER
- LRN NUMBER PORTABILITY SOLUTION AVAILABLE AT DATE CERTAIN

4. ACCESS TO POLES, DUCTS, CONDUIT AND RIGHT OF WAY

- PRICES OF THESE ELEMENTS AT TSLRIC
- ACCESS TO PRINTS, DATABASES AND OTHER ENGINEERING DOCUMENTS AS REQUIRED



AT&T Requirements

5. COLLOCATION

- **PHYSICAL COLLOCATION PREFERRED**
 - Dual entrance facilities
 - No equipment restrictions
 - Hubbing to AT&T network
 - 24 X 7 access to equipment

- **IF VIRTUAL ARRANGEMENT IS REQUIRED - (no CO space)**
 - Require remote access to equipment

- **FLOOR SPACE SET AT TSLIRC PRICING**



AT&T Requirements

6. OTHER ITEMS TO DISCUSS (not an all inclusive list)

- **TIMELY NOTIFICATION AND ACCESS TO ALL FUTURE GTE RETAIL OFFERS FOR RESALE AND NETWORK TECHNICAL ADVANCES FOR UNBUNDLED NETWORK ELEMENT OFFERS**
- **NOTIFICATION OF CHANGES TO ALL NETWORK INTERFACES**
- **EFFICIENT DISPUTE RESOLUTION MECHANISMS DEFINED**



Operational Interfaces

- **For effective Local Competition, local service resellers must be able to provide features and functionality to customers which are at least at parity with Incumbent Local Exchange Carriers (LEC's)**



TSR Operational Interfaces

Process	Data Needed	Timeliness
Pre Service Order	SAG, Service/Feature Availability	Real-Time Electronic Bonding
Pre Service Order	Telephone Number Assignment	Real-Time Electronic Bonding
Pre Service Order	Installation and Repair Scheduling	Real-Time Electronic Bonding
Service Ordering	Service Order Edits	Edits/ Acknowledgment in seconds, Completion within 1 day (EDI)
Service Ordering	Rejects/ Completion	Rejects immediately as discovered, Completion in real time



TSR Operational Interfaces

Process	Data Needed	Timeliness	Data Format
Maintenance	LEC Network Affecting Events	Real-Time Electronic Bonding	Transaction
Maintenance	Loop Test	Real-Time Electronic Bonding	Transaction
Maintenance	Dispatch Scheduling	Real-Time Electronic Bonding	Transaction
Billing Usage	Recorded Messages	Daily -NDM	AMA/EMR Standard
CARE	CARE Records	As needed	CARE 960 Byte Standard

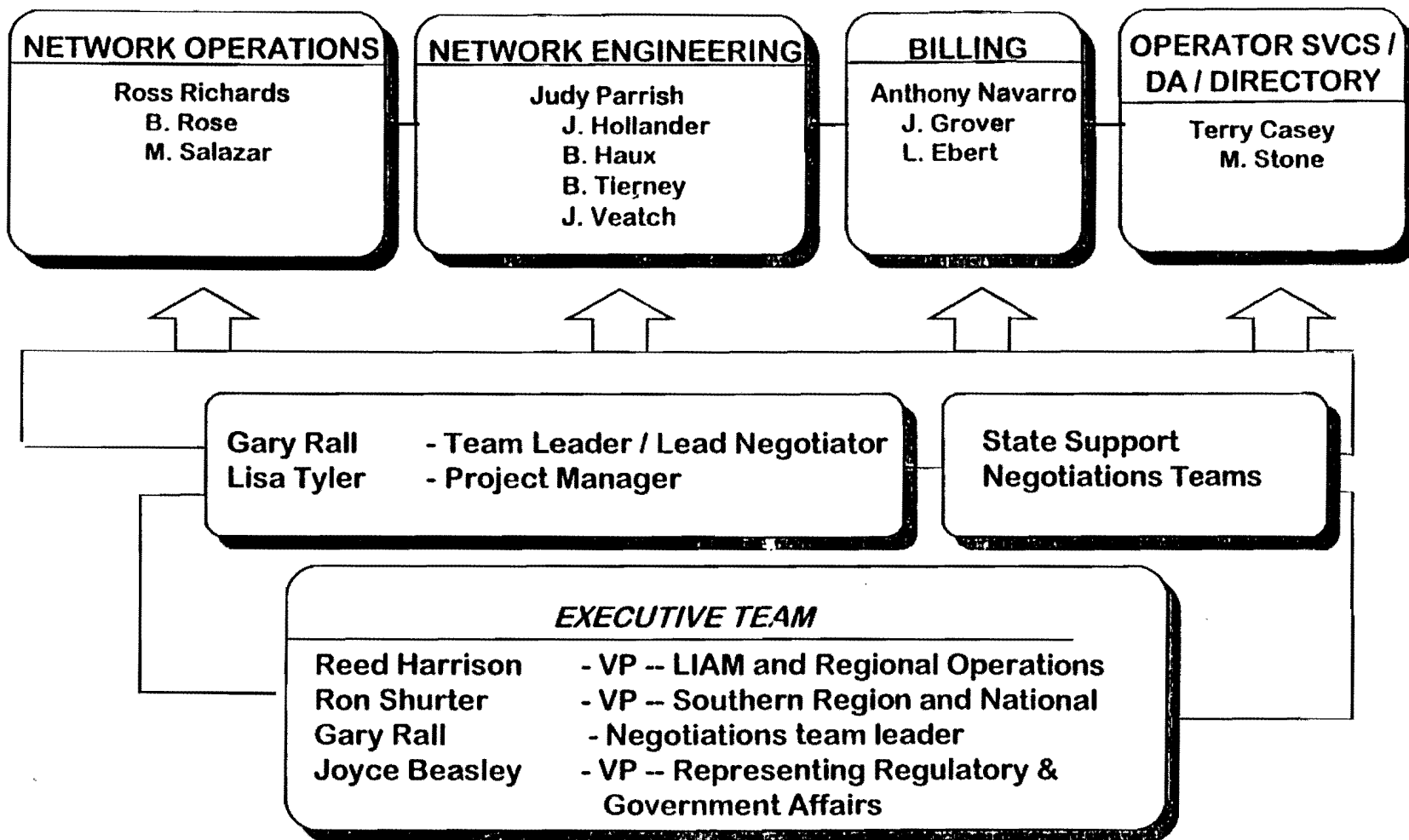


Unbundled Network Elements

- ◆ Network Interface Device
- ◆ Loop Distribution
- ◆ Loop Concentration/Multiplexer
- ◆ Loop Feeder
- ◆ Local Switching
- ◆ Operator Services
- ◆ Directory Assistance
- ◆ Common Transport
- ◆ Dedicated Transport
- ◆ Data Switching
- ◆ Operations Support Systems
- ◆ Digital Cross-Connection Systems
- ◆ SS7 Message Transfer & Connect Control
- ◆ Signaling Link Transport
- ◆ SCPs/Databases
- ◆ Tandem Switching
- ◆ Advanced Intelligent Network Elements
 - EO switch triggers
 - SCP
 - SMS
 - SCE
- ◆ Any Other Feasible Elements



AT&T Negotiating Team Structure





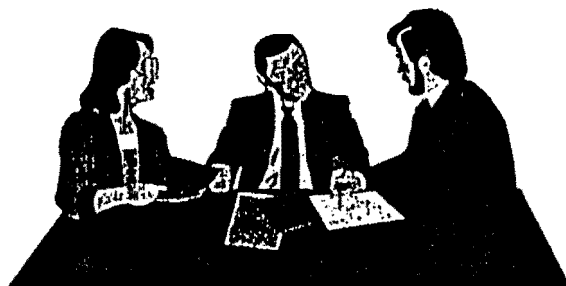
Timeline for Negotiations

TIMELINE FOR NEGOTIATIONS

3/12/96 AT&T REQUEST TO NEGOTIATE RECEIVED BY GTE	3/13/96 DAY ONE	7/25 thru 8/19/96 REACH NEGOTIATED AGREEMENT OR FILE FOR ARBITRATION	11/17/96 PERIOD FOR STATE REVIEW OF NEGOTIATED AGREEMENT ENDS (assuming that agreement was submitted on 8/20)	12/12/96 PERIOD FOR ARBITRATION ENDS	1/12/97 PERIOD FOR STATE REVIEW OF ARBITRATED AGREEMENT ENDS (assuming that agreement was submitted on 12/13)
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Next Steps



- **Next Meeting: April 3, 1996**
 - Map out electronic process flows
 - Technical feasibility of Operator Services Platform
- **Week of April 8, 1996**
 - Begin interconnection discussions
- **Executive Team Meetings**
 - Bi-weekly meetings $\left\{ \begin{array}{l} \text{Face-to-Face} \\ \text{Conference Calls} \end{array} \right.$
 - Conference calls as needed with 48 hour notice



The following slides provided as backup.



Competitive Checklist

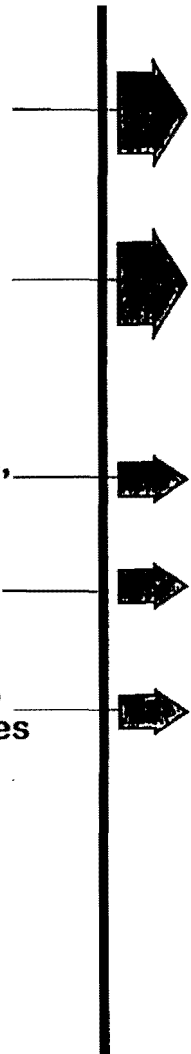
Network Interconnection at "any technically feasible point...."

Non-discriminatory access to network elements

Non-discriminatory access to LEC poles, ducts, conduits and rights of way

Unbundled loop, local switching and transport

Non discriminatory access to 911, E911, Operator Services and Directory Services



AT&T Requirements*

Basic Network Functions as needed to support equipment interconnection
Physical Collocation

Parity with LEC
Number assignment
Billing Information
Databases
AIN E/O Triggers
TSLRIC Pricing

Provide make/owned controlled conduits, etc.

Allows for NI at any feasible point

Linkage to AT&T OS & DA Platforms

* Not all inclusive



Competitive Checklist

AT&T Requirements*

Non-discriminatory access to telephone numbers for assignment



Databases

Non-discriminatory access to databases and associated signaling



SS7 Message Transfer & Connection Control Signaling Link Transport

Local number portability



Short term and Long Term Commitment

Resale of services at retail at wholesale rates



Pricing based upon avoided costs

Reciprocal compensation arrangements



Bill & Keep

Local and toll dialing parity



IntraLATA Presubscription

* Not all inclusive



CHECKLIST

1. **Interconnection**
2. **Non-discriminatory access to local network elements (unbundling)**
3. **Non-discriminatory access to rights of way (poles, ducts, conduits)**
4. **Local loop transmission from the central office to the customer's premises, unbundled from local switching or other services**
5. **Local transport from the trunk side of a wireline local exchange carrier switch unbundled from switching and other services**
6. **Local switching unbundled from transport, local loop transmission, or other services**
7. **Non-discriminatory access to 911 and E911, directory assistance services, and operator call completion services.**
8. **Directory listings for customers of the other carrier's telephone exchange service.**
9. **Non-discriminatory access to telephone numbers for assignment to the other carrier's telephone exchange service customers**
10. **Non-discriminatory access to databases and associated signaling necessary for call routing and completion.**
11. **Number portability**
12. **Dialing parity**
13. **Reciprocal compensation arrangements**
14. **Resale**



The Federal Legislation States:

The agreement shall include a detailed schedule of itemized charges for interconnection and each service or network element included in the agreement.

The agreement, including any Interconnection agreement negotiated before the date of enactment of the Telecommunications Act of 1996, shall be submitted to the State commission under subsection (e) of this section.



Resale

The Federal Legislation Requires:

(4) RESALE. --The duty__

(A) to offer for resale at wholesale rates any telecommunications service that the carrier provides at retail to subscribers who are not telecommunications carriers; and

(B) not to prohibit and not to impose unreasonable or discriminatory conditions or limitations on, the resale of such telecommunications service, except that a State Commission may, consistent with regulations prescribed by the Commission under this section,, prohibit a Reseller that obtains at wholesale rates a telecommunications service that is available at retail only to a category of subscribers from offering such service to a different category of subscribers.

-SEC.251.(C)(4)

(duty of the incumbent LEC)



Resale The Federal Legislation Requires:

(d) PRICING STANDARDS.--

(3) WHOLESALE PRICES FOR TELECOMMUNICATIONS SERVICES.--

For the purposes of section 2.5.1(C)(4), a State Commission shall determine wholesale rates on the basis of retail rates charged to subscribers for the telecommunications service requested, excluding the portion thereof attributable to any marketing, billing, collection, and other costs that will be avoided by the local exchange carrier.

-SEC.2.5.2(D)(3)



Unbundling The Federal Legislation Requires:

(3) UNBUNDLED ACCESS.-- The duty to provide to any requesting telecommunications carrier for the provision of a telecommunications service, nondiscriminatory access to network elements on an unbundled basis at any technically feasible point on rates, terms, and conditions that are just, reasonable, and nondiscriminatory in accordance with the terms and conditions of the agreement and the requirements of this section 252.

An incumbent local exchange carrier shall provide such unbundled network elements in a manner that allows requesting carriers to combine such elements in order to provide such telecommunications service.

-SEC.2.5.1(C)(3)



Unbundling The Federal Legislation Requires:

(d) PRICING STANDARDS.--

(1) INTERCONNECTION AND NETWORK ELEMENT CHARGES.--

Determination by a State commission of the just and reasonable rate for the interconnection of facilities and equipment for purposes of subsection (C)(2) of section 251, and the just and reasonable rate for network elements for purposes of subsection (C)(3) of such section--

(A) shall be--

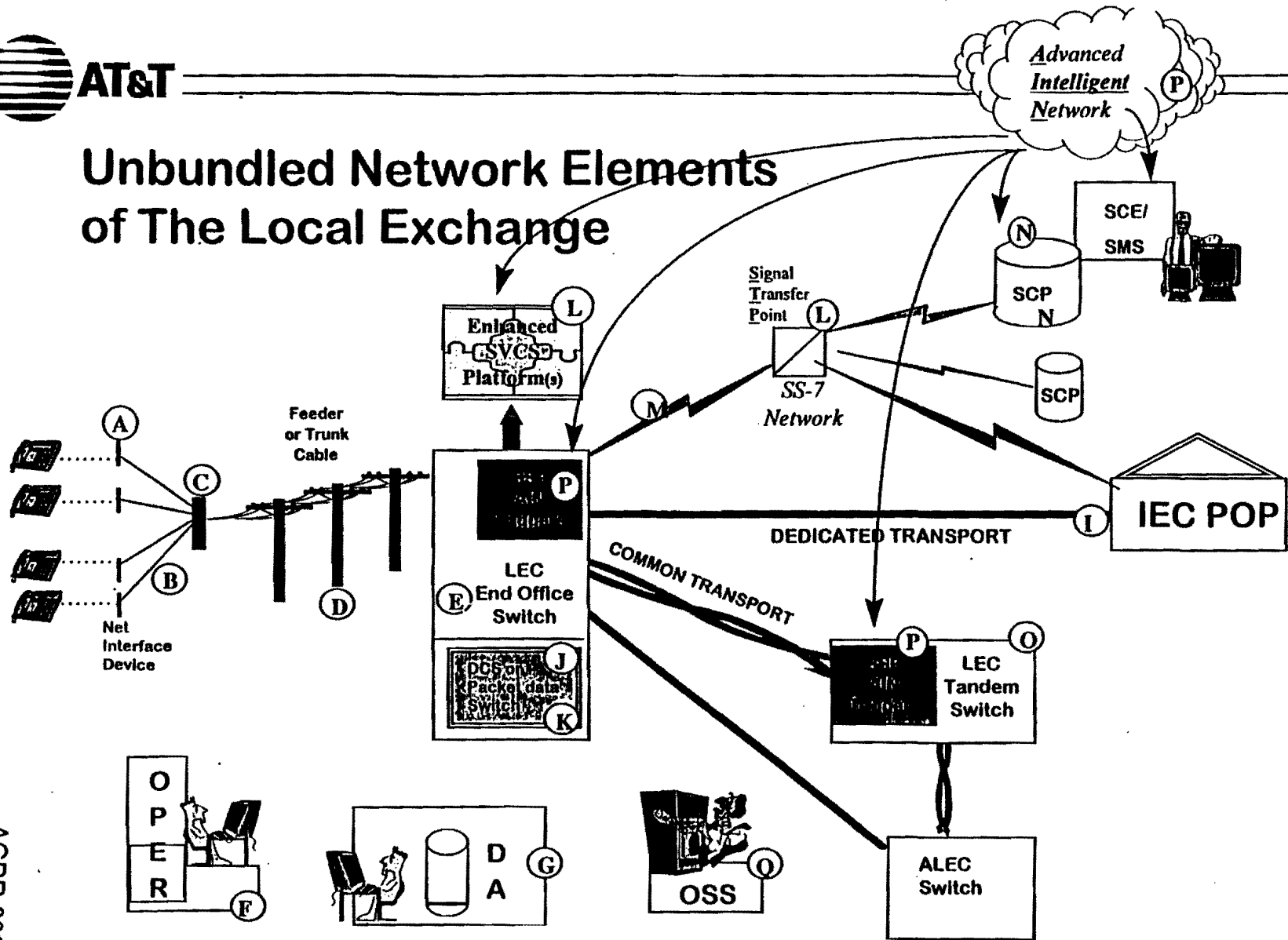
(i) based on the cost (determined without reference to rate of return or other rate-based proceeding) of providing the interconnection or network element (whichever is applicable), and

(ii) nondiscriminatory, and (B) may include a reasonable profit

-Section.252.(d)(1)



Unbundled Network Elements of The Local Exchange



AGBR 000134