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January 8, 1997

Mrs. Blanca Bayo, Director  
Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

970000

Dear Mrs. Bayo:

As you know, AT&T and Sprint have been negotiating since July 31, 1996, when AT&T made a bona fide request for interconnection, resale and unbundled network elements from Sprint under Sections 251 and 252 of the Telecommunications Act of 1996, 47 U.S.C. §§ 251-252. Based on the substantial progress made in the negotiations to date, and to avoid burdening the Commission with a possibly unnecessary arbitration proceeding, AT&T and Sprint have agreed not to file for arbitration at this time, but instead to continue their negotiations in the hope of reaching a complete agreement. Consequently, those negotiations between AT&T and Sprint will not result in an arbitration filing in Florida in the immediate future.

The parties will continue to pursue agreement regarding interconnection, resale, and unbundled elements through the negotiation process. If necessary, AT&T will file new formal requests for interconnection, resale and unbundled network elements from Sprint under Sections 251 and 252 of the Act, which would create a new timetable under the Act for the filing of arbitration petitions. Should that occur, AT&T's arbitration petition would reflect the progress of negotiations to the time the petition was filed, including those to date, and likely would be limited to a relatively narrow set of issues.

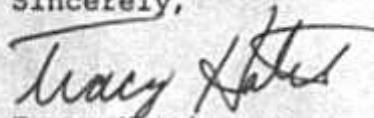
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DOCUMENT NUMBER-DATE  
**00302 JAN-97**  
FPSC-RECORDS/REPORTING

Mrs. Blanca Bayo  
January 8, 1997  
Page 2

Please contact me should there be any questions  
regarding the foregoing.

Sincerely,



Tracy Hatch

Attachment

cc: Chairman Julia Johnson  
Susan F. Clark  
J. Terry Deason  
Diane K. Kiesling  
Joe Garcia  
Walter D'Haeseleer  
Martha Carter-Brown



Harold H. Blumenthal  
National Local Infrastructure &  
Access Management  
Vice President

Room 4EC101  
One Oak Way  
Berkeley Heights, NJ 07802  
908 771-3800  
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AT&T Mail 684444444

January 2, 1997

Mr. Alan J. Sykes  
Vice President - Revenues  
Sprint Local Telecommunications Division - Revenues Department  
2330 Shawnee Mission Parkway  
Westwood, Kansas 66205

Dear Alan,

In light of the time constraints under which we are operating, I wanted to respond promptly to a suggestion that you made at the end of your December 30 letter. That suggestion -- "to restart the clock" -- may provide a way to relieve us from these time constraints while continuing to negotiate in good faith.

You and I agree that our negotiations so far have been very productive. Some significant issues remain, which may or may not be resolvable through further negotiations. Several of those issues are addressed in your letter; I will defer responding in detail on those points for the moment. In addition, as your letter notes, we still have substantive and logistical work to do in reaching final legal agreement on the terms and conditions of the Interconnection Agreement. As your letter also notes, however, time is running out on us under the statutory timetable. We agree that the interests of both AT&T and Sprint would be best served if we could continue to negotiate without having to file for arbitration now, as long as we could both be comfortable that our respective positions and the fruits of our efforts so far would not be jeopardized. This is, I believe, what you had in mind when you suggested in your December 30 letter that we consider restarting the clock.

In response to your suggestion, I propose that we agree as follows:

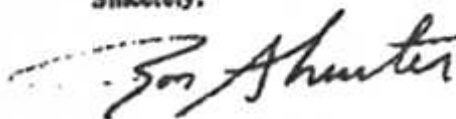
1. Neither AT&T nor Sprint will file for arbitration against the other in any state in January 1997.
2. We will continue our negotiations on the Interconnection Agreement, with the understanding that we both may continue to modify our respective negotiating positions but that neither of us will attempt to use this letter agreement itself or the failure to file for arbitration as a justification for backtracking on matters previously addressed, particularly those that are either "business agreed" or "legal agreed."

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3. Our objective remains to reach a final Interconnection Agreement. Nonetheless, it may be important to preserve the rights that the Communications Act (as amended) confers on both of us in the event that we are unsuccessful in that regard. Accordingly, we agree that AT&T may "restart the clock," as your letter suggests, by giving you new requests for interconnection under Sections 251 and 252 of the Communications Act that would effectively incorporate by reference our prior efforts and positions. Sprint agrees that it would not object to such procedure under the Communications Act. Whether the clock would need to be restarted would depend, in part, on the success of our efforts in the next several weeks.
4. Our agreement regarding a joint approach to the rural exemption issue, which is reflected in our December 5 letter agreement, would continue to apply.

If you agree with the foregoing, please indicate your agreement by signing on the line provided at the end of this letter. Upon receipt of your signed agreement no later than January 6, 1997, AT&T will notify the relevant state commissions that AT&T does not plan to file for arbitration at this time. I have enclosed a duplicate original. Please sign and return it to me for my file.

Sincerely,



National Local Infrastructure &  
Access Management  
Vice President

Agreed to on behalf of Sprint

By:   
Title: Vice President - Revenues

Dated: January 3, 1997

