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GTE Communications Corporation

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Reply to:
HQL06C37

September 10, 1997

Director, Local Carrier Markets
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2330 Shawnee Mission Parkway
Westwood, Kansas 66205

970901-TP

Director, Carrier Markets
Sprint
P.O. Box 165000
Altamont Springs, Florida 32716-5000

To Whom it May Concern:

Subject: RESPONSE TO YOUR LETTER DATED AUGUST 28, 1997

We received your letter dated August 28, 1997, regarding possible modifications to the Resale Agreement that United Telephone Company of Florida and GTE Card Services, Inc., now GTE Communications Corporation, (collectively, the "Parties") have currently pending before the Florida Public Service Commission. In that letter, you promised to identify at some later date those provisions of the Resale Agreement you deem may be subject to modification in light of recent decisions of the United States Eighth Circuit Court of Appeals relating to certain FCC rules on local competition. As your letter acknowledges, the Resale Agreement does have provisions that govern modifications under these conditions, and the Parties should proceed accordingly.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU I
- CTR _____
- EAG _____
- LEG I
- LIN _____
- OPC _____
- RCH _____
- SEC I
- WAS _____
- OTH _____

While we have not seen your list of proposed modifications, we are confident, based on our review of the relevant court of appeals opinions, that such modifications, if any, will be minor. Your letter states incorrectly that the Parties have entered an "Interconnection/Resale Agreement." The Parties entered a resale-only agreement. Most of the FCC rules affected by the court of appeals do not relate to resale under the Telecommunications Act of 1996. Consequently, the impact of those decisions, if any, should be insubstantial.

In addition, not only were the negotiations "conducted under the frame work of the FCC's regulations," but also that of the earlier stay of the court of appeals, *Iowa Utilities Board, et al., v. FCC*, 109 F.3d 418 (8th Cir. 1996). Many of the FCC rules the court of appeals recently vacated were already inoperative during the Parties' negotiations by virtue of the stay.

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Hence, the Parties knew at the time of negotiating this Resale Agreement which FCC regulations were "correct as a matter of law," and which were open to negotiations between the Parties.

As your letter states, and the Resale Agreement provides, the Parties are and will continue to do business under the Resale Agreement even while it may be subject to future modification. Moreover, we believe that the Florida Public Service Commission's review and approval of this agreement should not nor need not be delayed or denied. Meanwhile, we await receipt of your proposed modifications.

Sincerely,



Dale Titel
Director - Vendor Management - LEC Services

DT:lmw

c: Jack Burge - Sprint
Paul Fuglie - GTE
D. Bruce May - Holland & Knight
Tom Riordan - GTE
Craig Smith - Sprint
Pat Westbay - GTE
Florida Public Service Commission