RECEIVED

OCT 19 1995

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Local Exchange Carriers' Rates,	)	CC Docket No. 94-97, Phase II
Terms, and Conditions for	)	
Expanded Interconnection Through	)	
Virtual Collocation for	)	
Special Access	)	
and Switched Transport	)	

DOCKET FILE COPY ORIGINAL

DIRECT CASE OF AMERITECH

Ameritech[1] submits this direct case in response to the Common Carrier Bureau's order designating issues for investigation in this proceeding.[2] Ameritech would again note that its rates for DS1 and DS3 services are not specifically based on the associated direct costs. Ameritech sets its rates on the prevailing market conditions, subject to relevant price cap restraints. Ameritech does not use a "cost plus" technique to develop its rates for DS1 and DS3 services.

As the Commission noted in the Designation Order:

> An overhead loading is the amount by which the direct cost of a service is increased in order to recover the overhead costs, which are common costs not directly attributable to a particular service.[3]

---

[1] Ameritech means: Illinois Bell Telephone Company, Indiana Bell Telephone Company, Incorporated, Michigan Bell Telephone Company, The Ohio Bell Telephone Company, and Wisconsin Bell, Inc.

[2] In the Matter of Local Exchange Carriers' Rates, Terms, and Conditions for Expanded Interconnection Through Virtual Collocation for Special Access and Switched Transport, CC Docket No. 94-97, Phase II, Order Designating Issues for Investigation, DA 95-2001 (released September 19 1995) ("Designation Order").

[3] Designation Order at fn. 14.

No. of Copies rec'd 0+9
List A B C D E

What the Commission has described is the rate setting process that existed under rate of return regulation by which a rate was intentionally set at a specified amount over direct cost in order to contribute a specified amount to the recovery of common costs. In that sense, there are no overhead loadings factored into the rates for Ameritech's DS1 and DS3 services. Rather, the extent to which the rates for DS1 and DS3 services exceed direct costs is simply "margin."

In this light and in the price cap environment in which the Commission intended to get costs "off the table" in the rate setting process, it should not be surprising -- nor should it be objectionable -- that the "margin" might vary from service to service. It should also be remembered that, especially in the case of Ameritech which leases interconnection-related equipment from its customers for $1 (and therefore, has very little capital investment associated with the provision of its virtual collocation service ("AVOIS")), a relatively small dollar contribution to overhead expenses recovered in the rates for AVOIS may appear as a "higher" percentage of overhead contribution. In other words, even a lower margin on comparable DS1 and DS3 services may actually involve significantly greater dollar contribution to common costs than a higher overhead on AVOIS.

ISSUE A: Are the Direct Cost Components of the LECs' Virtual Collocation Rates Justified?

1. Charges for Provision of Interconnector-Designated Equipment

Not applicable.

2. Charges for Installation of Interconnector-Designated Equipment

(a) Ameritech, Bell Atlantic, and GTE, which tariffed nonrecurring charges for installation of interconnector-designated equipment, must identify the components of the installation of costs recovered by these nonrecurring charges. The LECs must state whether the costs of equipment installation vary depending on the type of equipment designated by the interconnector. If so, LECs must explain these differences.

Response: Since Ameritech does not install interconnector-designated equipment (see, section 16.3.2(F) of Ameritech's tariff), Ameritech assesses no charges for the installation of interconnector-designated equipment.

(b) Ameritech, Bell Atlantic, and GTE must describe the components of the equipment installation costs recovered in their rates for their comparable DS1 and DS3 services. To the extent that these LECs' recovery of equipment installation costs differs from their recovery of the costs of installing interconnector-designated equipment, LECs must explain any differences.

Response: Not applicable, since Ameritech does not assess nonrecurring charges for the installation of interconnector-designated equipment.

(c) Not applicable.

(d) Not applicable.

3. The LECs typically develop the direct costs of maintenance by applying the appropriate ACFs to direct investment. For LECs that adopted the $1 sale and repurchase arrangement, however, it is unclear how direct investment in interconnector-designated equipment was derived. These LECs, therefore, must

explain how they derived their direct investment (e.g., interconnector's invoice price average investment in equipment).

Response: Not applicable, since Ameritech does not include maintenance costs in any tariffed recurring rate element either for the interconnector-designated equipment itself or separately for maintenance thereof. Ameritech charges for maintenance of interconnector-designated equipment only on a "time and materials" basis when requested by the interconnector-customer. (See, tariff section 16.3.5.) The "direct investment" in the interconnector-designated equipment is irrelevant in determining the rates associated with maintenance.

(b) These LECs must identify and justify any differences between their recovery of the costs of maintenance and repair of interconnector-designated equipment and their recovery of the costs of maintenance and repair of equipment used to provide their comparable DS1 and DS3 services. LECs must reference applicable sections of their special access and switched transport tariffs.

Response: The costs of maintaining equipment used to provide "comparable DS1 and DS3 services" are recovered in the recurring rates associated with those services. (See, sections 7.5.9 (B) and (C) of Ameritech's tariff.) Maintenance expenses are incurred based on the facility or equipment in use. Therefore, Ameritech identifies its maintenance expense by applying annual charge factors to the investment used to provide the applicable service. Therefore, it is reasonable to recover the cost of maintaining such equipment via the monthly charge associated with the provision of the services that that equipment supports. In the case of interconnector-designated equipment, where different interconnectors might specify different types of equipment with different maintenance and repair needs, the provision of maintenance and repair services on a time and materials basis is reasonable since it will result in charging costs to the "cost-causer." If one interconnector designates equipment that requires less maintenance and repair, that interconnector will not "subsidize" other interconnectors who may specify equipment that needs more attention.

(c) These LECs must clarify the costs they recover in their monthly recurring charges for maintenance.

Response: Not applicable, since Ameritech does not assess monthly recurring charges for maintenance of interconnector-designated equipment.

4. Charges for Cable Installation and Cable Support

(a) These LECs must specify whether their virtual collocation cable installation charges recover costs associated with labor, cabling support structures, testing equipment, and engineering. These LECs must discuss whether they recover the same types of costs in the rates for their comparable DS1 and DS3 services, and explain any differences. In addition, these LECs must explain any differences between their recovery of cable installation costs in their rates for their comparable DS1 and DS3 services. These LECs must reference the applicable sections of their special access and switched transport tariffs.

Response: Certain non-recurring rate elements associated with AVOIS recover costs for cable pulling, cable splicing, testing conduit, and riser space. (See, tariff section 16.5(3)(B).) These elements recover the cost of enabling interconnector-owned cable to be brought from the point of interface in a manhole outside the central office and connected to Ameritech-owned riser cabling and the cost of that connection to the interconnector-designated equipment in the central office. These costs are incurred specifically for the benefit of the interconnector and the interconnection of its designated equipment in the Ameritech central office. The rates for DS1 and DS3 services (tariff sections 7.5.9(B) and (C)) recover a portion of the installed cost of the Ameritech-owned cable used to provide these and other network services. Labor and other installation costs become part of the capitalized investments that are recovered in the recurring rates for all services supported by that investment.

(b) Not applicable

5. Charges for Cross-Connection Service

Not applicable.

6. Provisioning Charges

(a) The LECs must compare their virtual collocation provisioning charges (e.g., charges for service order processing and design engineering) with any provisioning charges they impose on customers of their comparable DS1 and DS3 services. If the virtual collocation provisioning charges exceed those imposed on customers of the LECs' comparable DS1 and DS3 services, the LECs must justify the additional charges assessed for virtual collocation service.

Response: Section 16.5(3)(A) and (D) of Ameritech's tariff sets forth the Service Order charge and Project Management fee associated with Ameritech's AVOIS. The Service Order charge of $181.70 compares with the Administration nonrecurring charge of $50.00 associated with DS1 and DS3 services (tariff section 7.5.13). The AVOIS charge is higher because the ordering process is a manual one that has to deal with the unique aspects of each interconnector's request. The ordering process for DS1 and DS3 services, on the other hand, is an automated one.

The AVOIS Project Management fee of $3,601.26 includes the major project management tasks performed by the Digital Transport Engineering ("DTE") group in conjunction with vendor installation of AVOIS equipment. The tasks included are as follow:

A. Central Office walkthrough to coordinate space allocation process with building and power engineers (6 hours).

B. Develop detailed drawings of physical requirements. Furnish information to customer's installation vendor (8 hours).

C. Detail cable naming and labeling to be utilized by the customer's installation vendor to assist vendor in completion of the Tirks EIU forms which are a requirement for tracking equipment (6 hours).

D. Provide site access and construction coordination for the installation vendor, respond to vendor questions and resolve problems encountered during construction (12 hours).

E. Inspect work and develop a list of conditions to be corrected to meet Ameritech and industry electrical standards (4 hours).

F. Respond to questions and problems arising during equipment power up and testing (4 hours).

This compares with the Design and Central Office nonrecurring charge of $120-137.50 for DS1 service. There is a $0 charge for DS3 service. (See, tariff section 7.5.13.) The Project Management fee is higher because it recovers costs specifically associated with the placement of interconnector-designated equipment in Ameritech's central office. In the case of Ameritech's DS1 and DS3 services, similar costs associated with locating equipment in central offices that supports multiple services are generally capitalized as part of the installed cost of the equipment which is recovered in the recurring rates for the service. In AVOIS, Ameritech's recurring charges do not recover the cost of the interconnector-designated equipment or its installation.

(b) The LECs must specify whether they recover provisioning costs associated with their comparable DS1 and DS3 services through overhead loadings or through direct assignment to particular rate elements. In their responses, LECs must reference the applicable sections of their special access and switched transport tariffs.

Response: See previous response.

7. Charges for Power to Interconnector-Designated Equipment

(a) The LECs that recover the costs of providing power to interconnector-designed equipment in their rates for virtual collocation service must identify and describe the particular power costs recovered in each nonrecurring and recurring virtual collocation rate elements. LECs must specify whether they recover these power costs through overhead loadings and/or through direct assignment to particular virtual collocation rate elements.

Response: Ameritech recovers the costs of providing power to interconnector-designated equipment through the nonrecurring Power Delivery rate element and the recurring Power Consumption rate element. The Power Delivery element recovers the cost of 48V DC distribution facilities, fusing, and cabling placed specifically to serve the interconnector-designated equipment. The Power Consumption rate element per fuse amp recovers the recurring costs of the basic DC power utilized by the interconnector-designated equipment.

(b) The LECs required to respond to (a), above, must explain whether they recover power costs in their rates for comparable DS1 and DS3 services. If so, the LECs must specify whether they recover these costs through overhead loadings or through direct assignment to the rate elements for comparable DS1 and DS3 services. LECs must reference the applicable sections of their special access and switched transport tariffs.

Response: The costs to power the equipment used to provide DS1 and DS3 services are built into the costs for circuit equipment through the annual charge development process and recovered in the Local Distribution Channel, Channel Mileage Termination, and Channel Mileage Rate elements for DS1 service, and the Service Package, Service Channel, Channel Mileage Termination, and Channel Mileage rate elements for DS3 service. These rate elements are all set forth in sections 7.5.9(B) and (C) of Ameritech's tariff.

(c) LECs that established separate power rates elements for virtual collocation-location service, but not for comparable DS1 and DS3 services, must explain why this is reasonable. In addition, any LEC that bundled power costs into other rate elements for virtual collocation service but not for their comparable DS1 and DS3 services must explain why this is reasonable.

Response: In the normal case, where Ameritech provides the equipment utilized to provide particular services, power consumption is factored into part of the ongoing costs of operating the equipment. In the case of AVOIS, while Ameritech technically "owns" (leases) the equipment used to provide that service, it does not levy a separate charge, since Ameritech only pays a $1 lease fee. That being the case, the cost of powering that equipment must be recouped in a separate, stand-alone charge. AVOIS, by its nature, involves the interconnector-customer obtaining services from Ameritech on an *a la carte* basis. There is nothing unreasonable about this practice and, in fact, it enables the interconnector to take just those services that it requires and just to the extent that it needs them. Where another customer buys an end-to-end service from Ameritech, separately stating the charge for power involved with each particular service would serve no useful purpose. It would be similar to having a car dealer or manufacturer separately itemize the charges for an engine, wheels, doors, windshield, and other elements that are essential to the operation of the vehicle.

8. Charges for Floor Space

(a) BellSouth, Ameritech, CBT, and any other LEC that recovers the costs of floor space in its rates for virtual collocation service, must describe the particular floor space costs recovered in their non-recurring and recurring virtual collocation rates elements. These LECs must specify whether they recover these floor space costs through overhead loadings or through direct assignment to particular collocation rate elements.

Response: Ameritech recovers the central office floor space costs through direct assignment in the following recurring rate elements: Riser (per fiber termination) and Equipment Bay (per 7' bay installed). The Riser per fiber termination rate element recovers floor space costs involved in terminating Ameritech-owned fiber cables to a cross-connect panel office separate from the equipment bay. The Equipment Bay element recovers the floor space costs utilized by the interconnector-designated equipment installed on the Ameritech-provided bay.

(b) The LECs required to respond to (a), above, must explain whether they recover the costs of floor space in their rates for their comparable DS1 and DS3 services. If so, the LEC must specify whether they recover floor space costs through overhead loadings or through direct assignment. Assignment to the rate elements for their comparable DS1 and DS3 services. The LEC must reference the applicable sections of their special access and switched transport tariffs.

Response: The cost of floor space for equipment used to provide DS1 and DS3 services is built into the costs for circuit equipment through the annual charge development process and recovered in the Local Distribution Channel, Channel Mileage Termination, and Channel Mileage rate elements for DS1, and the Service Package, Service Channel, Channel Mileage Termination, and Channel Mileage rate elements for DS3 service. These rates elements are found in sections 7.5.9(B) and (C) of Ameritech's tariff.

(c) LECs that established separate floor space rate elements for virtual co-location service, but not for their comparable DS1 and DS3 services, must explain why this is reasonable. In addition, any LEC that bundled floor space cost into other rate elements for virtual co-location service, but not for their comparable DS1 and DS3 services, must explain why this is reasonable.

Response: For the same reason that a separate rate element for power is appropriate in the case of AVOIS, so also is a separate rate element for floor space. Again, Ameritech levies no charge for interconnector-designated equipment involved in the provision of AVOIS. That being the case, it is appropriate to recover the cost of floor space occupied by that equipment as a separate rate element.

9. Cost of Money Factors

The Bureau requires the LECs subject to this investigation to provide the cost of money factor used for their virtual collocation services and for the comparable DS1 and DS3 services with the lowest overhead loadings. The LECs must justify any differences in these cost of money factors. In their responses, the LECs must include the interest rate, depreciable life, and time period (in years) for computing the present discounted value.

Response: Only four rate elements associated with AVOIS have capital costs. These are the Equipment Bay, Cross-Connects, Riser, and Power. These elements have investment in circuit equipment, Account 2232, and the cost of money annual charge factor applied to this investment uses a 10.9% return on capital and an economic life of seven years. The rates for Ameritech DS1 and DS3 services are sufficient to cover an annual charge factor for circuit equipment that utilizes the same 10.9% return on capital and the same seven-year economic life.

10. Completion of Direct Cost Information Charts

The Bureau requires all LECs to complete the charts in Appendix C to this Order for their following four services: DS1 virtual collocation service; DS3 virtual collocation service; the comparable DS1 service with the lowest overhead loading; and the comparable DS3 service with the lowest overhead loading.

Response: See attachments. TRP information related to comparable DS1 and DS3 services is being submitted under separate cover with a request for confidential treatment.

ISSUE B: Are the Rate Structures Established in the Virtual Collocation Tariffs Justified?

1. Nonrecurring Charges for Interconnector-Designated Equipment

Not applicable.

2. Charges for Training

(a) Several LECs charge an average per diem charge for training expenses. These LECs must comment on whether it is reasonable to establish a generally available average per diem charge for travel expenses that would include: food, lodging, transportation, training seminar costs, and technician wages. These LECs must also discuss whether it is reasonable to develop a nonrecurring charge that recovers these travel expenses.

Response: Not applicable, since Ameritech does not assess such charges.

(b) A number of LECs charge training expenses to interconnectors based directly on ticket stubs and other receipts. These LECs must comment on whether this direct "pass through" to interconnectors is reasonable and whether it is reasonable to permit interconnectors to pay third parties directly for airline and other training expenses.

Response: While Ameritech pays for the wages of its personnel during training, it will pass through other related expenses such as transportation, room and board, and any fees assessed by the customer's selected training vendor. This is reasonable because it results in the "cost causer" being charged for relevant costs. If the customer selects equipment with which Ameritech personnel are already familiar, no training will be necessary and no training-related charges would be assessed. It is reasonable to permit interconnectors to pay third parties directly for airline and other related training expenses. Ameritech's tariff does not prohibit such an arrangement.

(c) The LECs should comment on whether it is reasonable to tariff rate structures that would avoid double recovery of training costs if a subsequent interconnector requests the same equipment, or if the LEC subsequently acquires the interconnector-designated equipment for use in its own network.

Response: Since the customer is responsible for providing training of Ameritech employees, and since the Ameritech pays the wages of its employees during training, Ameritech assesses no training charges per se. The only thing that the customer may be responsible for is the related cost of travel, room and board, and any fees assessed by the training vendor. Since the customer is responsible or in the case of <u>necessary</u>

training of Ameritech personnel, Ameritech's tariff does not contemplate double recovery of these training-related costs. If a subsequent interconnector requests equipment on which Ameritech personnel have already received training, no additional training will be required and the second interconnector will not be assessed any training-related charges. If Ameritech subsequently acquires equipment that is the same as the interconnector-designated equipment for use in other parts of its network, it is likely that the use will be more widespread than the localized interconnection arrangement. Therefore, training of additional personnel will probably be necessary. Of course, that subsequent training would not be charged to the interconnector.

(d) The LECs must address whether it is reasonable to use the LECs' costs to train their technicians to service equipment used to provide LECs comparable DS1 and DS3 services as a guideline in developing interconnector training expenses.

Response: Ameritech does not assess training charges per se. It is reasonable to require the interconnector to provide for training since it enables the interconnector to control the cost. The interconnector may be responsible for miscellaneous expenses such as travel and room and board since they are incurred for the benefit of the interconnector.

(e) Any LEC that filed an average rate to recover airline expenses associated with training must describe in detail its method of computing averaged rate.

Response: Not applicable.

3. Clarification of Training Provisions

(a) All LECs must identify any provisions in their virtual collocation tariffs describing types of equipment to which training charges do not apply because the LECs use such equipment in their networks. Any LEC that does not currently have such a provision of procedure for identifying such equipment must explain why its approach is reasonable.

Response: The type of equipment used by Ameritech varies by central office. Interconnectors are able to choose the type of equipment they prefer. Ameritech will tell interconnectors, on a case by case, office-specific basis, whether Ameritech technicians need to be trained to service the equipment selected by the interconnector.

(b) All LECs must specify the minimum number of technicians that must be trained to maintain and repair interconnector-designated equipment in each central office and explain why it is reasonable to train this number of technicians.

Response: Ameritech works with each interconnector on an installation-specific basis to determine how may technicians need to be trained and how much training is required to meet the interconnector's maintenance needs. Since each central office has technicians specific to that office, it would not be sufficient to simply train one technician for all of Ameritech or in a specific state to meet the needs of the interconnector-customer.

(c) All LECs must describe their policies regarding training of LEC personnel to maintain and repair interconnector-designated equipment. LECs must discuss the initial training to maintain and repair interconnector-equipment, and any subsequent training that is required.

Response: Section 16.3.2(I) of Ameritech's tariff describes Ameritech's practice:

> The Customer will provide for training of a mutually acceptable number of Telephone Company employees to provide requested maintenance and repair of any equipment used to provide AVOIS which is otherwise not used by the Telephone Company. Under Telephone Company training provisions, the customer either provides his own trainer or contracts directly with a training vendor to train Telephone Company personnel, therefore, no telephone company training charges apply.
>
> The Telephone Company will pay the wages of Telephone Company personnel during training. The Customer may be responsible for other Telephone Company personnel training related expenses such as transportation reimbursement, room, board, and any fees assessed by the Customer selected training vendor.
>
> The Customer may choose not to provide training to Telephone Company employees in advance. In that event, the Customer will provide real-time training in the event of a case of trouble and hourly maintenance charges would then apply, pursuant the Section 16.5(5).

4. U S West's and Ameritech's Rate Structures for Cabling

The Bureau requires U S West and Ameritech to explain in detail their cabling rate structures for virtual collocation service.

Response: Ameritech's rate structure for cabling is contained in section 16.5(3)(B) of its tariff. These elements recover the cost of bringing interconnector-owned cable from the interconnection point in the manhole to the interconnector-designated equipment in the Ameritech central office. Several elements have an "initial" of "first" rate and then a "subsequent" rate. The rate structure is completely justifiable. The "first foot" rate, for example, recovers all of the costs of the pulling activity that do not vary by the amount of cable pulled -- i.e., those costs that are not "per foot" sensitive. These include the costs of site preparation including set up of tools and equipment, reels of cable, pulleys, etc. These costs are incurred no matter how many feet are "pulled." Therefore, it makes sense not to recoup those costs in a charge applicable to activity that does not generate the costs -- i.e., the pulling of additional feet of cable.

ISSUE C: Are the Terms and Conditions in the Virtual Collocation Tariffs Reasonable?

1. SWB's Obligation to Accept Interconnector-Designated Equipment.

Not applicable.

2. Use of Outside Contractors for Installation, Maintenance and Repair of Interconnector-Designated Equipment.

(a) All LECs must specify the circumstances under which they use outside contractors for installation, maintenance or repair. In addition, LECs must describe the particular functions performed by these outside contractors.

Response: With respect to switch equipment installed in Ameritech central offices, the equipment vendor usually performs the installation work. With respect to transmission equipment, two equipment vendors supply the installation services associated with their equipment. There are 10 other independent contractors that are used from time to time to install transmission equipment.

Ameritech generally performs all maintenance and repair of its central office equipment with two exceptions: 1) the unusually complex situation in which the equipment vendor itself may be called in, and 2) plug-ins, which are routinely sent out to a third party for repair.

(b) All LECs must discuss whether they permit interconnectors to choose from a list of certified contractors available to install, maintain, or repair the interconnector-designated equipment. All LECs must specify how they notify interconnectors of these contractors. Any LEC that does not permit the interconnector to choose from a list of certified contractors must explain the reason for its policy.

Response: Ameritech does allow interconnectors to choose from a list of certified contractors to install the interconnector's designated equipment. Ameritech provides a list of certified installation contractors as part of the product management process or earlier at the interconnector's request. Under Ameritech's AVOIS tariff, the interconnector chooses the type of equipment and deals directly with its chosen contractor for the installation of this equipment in Ameritech's central office. (See, section 16.3.2(F).) Maintenance and repair work is performed by Ameritech personnel at the interconnector's direction and request on a time and material basis. (See, section 16.3.5 of Ameritech's tariff.) This is consistent with the manner in which Ameritech handles the installation and repair of its won central office equipment.

(c) All LECs must state whether they will honor an interconnector's request that the LEC add to its list a contractor that meets the LEC's certification requirements. Any LEC that will not honor such request must explain the reason for its policy. The LECs should reference the applicable provisions of their virtual collocation tariffs.

Response: In response to an interconnector's request, Ameritech will add, to its certified installation vendor list, any contractor that meets its certification requirements.

3. Installation, Maintenance and Repair Intervals

(a) The LECs must explain how their installation intervals for interconnector-designated equipment comply with the Commission's requirement that, at a minimum, the LECs install interconnector-designated equipment under the same time intervals that apply to installation of comparable LEC equipment.

Response: Not applicable, since the interconnector chooses a separate contractor for installation of its designated equipment in the Ameritech central office. (See tariff sections 16.3.2(E) and (F).)

(b) The LEC must discuss whether it would be reasonable to notify interconnectors of the LECs' specific maintenance and repair intervals by including appropriate language in their tariffs. In particular, LECs must comment on whether it would benefit interconnectors without being unduly burdensome to LECs to state in their tariffs:

(1) The frequency with which they perform maintenance and repair of interconnector-designated equipment;

(2) The maximum response time to intermittent service outages; and

(3) The restoration priorities if a LEC's wire center is inoperative.

Response: In the case of Ameritech, such provisions would not be reasonable, nor are they necessary. Maintenance and repair are performed only at the request of the interconnector. Moreover, the interconnector is free to train LEC personnel to conduct periodic inspection of its designated equipment if it so desires.

Trouble reports for all central office equipment -- interconnector-designated or otherwise -- are generally handled on a first come, first served basis. However, trouble tickets generated around the same time frame may be prioritized based on the size and/or severity of the outage -- e.g., a transmission system or high capacity circuit outage will generally be restored before a single circuit service outage. Response time is also affected by office staffing levels and time of day. Response time is quicker in a staffed office than an unstaffed one and quicker during regular business hours than after hours due to availability of technicians to handle calls. This is true for equipment used to provide service to any Ameritech customer: interconnector, interexchange carrier, or end user.

The "maximum response time" for repair service is not stated in the tariffs for other Ameritech services, nor are the restoration priorities in the event an entire wire center is out of service. Requiring tariffing of these provisions specifically for AVOIS could inhibit Ameritech's ability to serve the needs of all its customers by restricting the flexibility of the LEC to adapt to the needs of a given situation.

(c) The LECs must address whether they offer interconnectors the same range of service options that LECs offer their comparable services customers. LECs must reference the applicable sections of their tariffs.

Response: Certain installation and service guarantees are offered to customers of Ameritech DS1 and DS3 services -- including those services cross-connected to an interconnection arrangement. Installation guarantees for DS1 and DS3 services are described in section 7.4.15. LT1 and LT3 installation guarantees are in section 6.8.2(C)(10). Service guarantees for both DS1/LT1 and DS3/LT3 services are described in section 2.4.4(B)(10). Such guarantees are not offered to AVOIS customers because Ameritech does not select the equipment involved nor does it install the equipment. To offer installation or service guarantees would, effectively, involve guaranteeing the interconnector's selection of equipment and an independent contractor's work done under the direction of a third party. For that reason alone, such guarantees would not be appropriate.

4. U S West Insurance Requirement

Not applicable.

5. LECs' Liability

(a) The LECs must explain the policies articulated in their tariffs concerning an interconnector's right of action against the LEC for negligence, gross negligence, willful misconduct, or intentional harm. The LECs must explain why these provisions are reasonable.

Response: There are no tariff provisions specific to AVOIS with respect to a customer's right of action against Ameritech. Rather, the general liability provisions contained in section 2.1.3 of Ameritech's tariff apply to virtual collocation services. In particular section 2.1.3(A) provides:

> The Telephone Company's liability, if any, for its willful misconduct is not limited by this tariff. With respect to any other claim or suit, by a customer, or by any others, for damages associated with the installation, provision, preemption, termination, maintenance, repair or restoration of service, and subject to the provisions of (B) through (H) following, the Telephone Company's liability, if any, shall not exceed an amount equal to the proportionate charge for the service for the period during which the service was affected. This liability for damages shall be in addition to any amounts that may otherwise be due the customer under this tariff as a Credit Allowance for a Service Interruption.

In their applicability to interconnectors, these provisions are reasonable because they apply to all of Ameritech's customers.

6. Ordering and Billing Collocation Services

Not applicable, since there are no restrictions in Ameritech's tariff as to who may order and be billed for virtual collocation services.

Respectfully submitted,

Michael S. Pabian

Michael S. Pabian
Attorney for Ameritech
Room 4H82
2000 West Ameritech Center Drive
Hoffman Estates, IL 60196-1025
(708) 248-6044

Dated: October 19, 1995

CC DOCKET NO. 94-97, PHASE II

AMERITECH DIRECT CASE

TRP INFORMATION RELATING TO COMPARABLE DS1 AND DS3 SERVICES

Data submitted under separate cover with request for confidential treatment

CC DOCKET NO. 94-97, PHASE II

AMERITECH DIRECT CASE

TRP INFORMATION RELATING TO VIRTUAL COLLOCATION SERVICES ("AVOIS")