

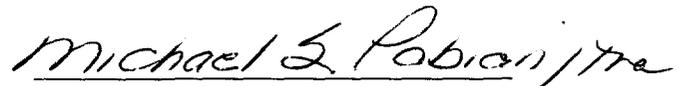
constitute sufficient safeguards against predatory conduct so that no more restrictive cap is necessary for those LECs that should decide to take advantage of any future absence of price floors.

In addition, however, streamlined regulation of LEC services is appropriate -- including presumptively lawful tariff filings on 14-days' notice with no cost support and including contract pricing capabilities -- based on an analysis similar to that used by the Commission in the case of AT&T. Examining all of those factors in light of the facts applicable to LEC access services reveals that supply elasticity is the cornerstone to an analysis of competition for LEC services.

Ameritech proposes two alternative tests of supply elasticity for the purposes of considering LEC streamlining requests. First, the Commission should find that supply elasticities are high if competitive facilities are available to customers representing at least 25% of all access traffic in the relevant market and that those facilities can accommodate immediately at least one fifth of the traffic represented by those customers. As a second test, the Commission should find that supply elasticities are high if: (i) certain conditions, that will ensure that local exchange competitors have a viable opportunity to enter and compete in the marketplace, have been met, and (ii) the viability of competition is corroborated by the presence of at least one certified competitive local exchange carrier offering service in the geographic area in question. The relevant geographic market should not be based on the pricing zones currently embedded in LEC access tariffs. Rather, the relevant market should be any group of contiguous wire centers in which the appropriate criteria are met.

Finally, nondominant treatment of relevant LEC services should flow naturally from streamlining since the "substantial competition" test for streamlining in a particular market effectively involves a finding that the carrier does not have market power.

Respectfully submitted,

A handwritten signature in cursive script that reads "Michael S. Pabian".

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