

III. THE DEGREE OF UNBUNDLING OF THE NETWORK MUST NOT BE CONTROLLED BY ONLY ONE PARTY

BellSouth's petition does not provide full technical details on its proposal. For example, BellSouth mentions in its waiver petition call processing based on calling party number, called number and billed number protocol parameters. However, BellSouth makes no mention of how its AIN architecture would be usable to make use of calling party name or allow access to "Name" data bases, to facilitate third party services and capabilities for which BellSouth as an AIN service provider already has access. This will discriminate against those third party providers needing access to such data bases.

Examples such as this one highlight a concern MCI has with regard to BellSouth's petition. In an ex parte in CC Docket No. 93-146, several local exchange carriers (LECs) proposed an Industry Intelligent Network Project, citing several issues that needed to be resolved by the industry, such as Uniformity, Feature Interaction Management, and Multi-Provider Management.⁴ In its comments on that ex parte, MCI raised additional issues that needed to be addressed, such as the need for a standard AIN interconnection architecture and protocols, and the participation of all providers (LECs, IXC, and others) in testing and development of the mediation software prior to its

⁴ See LEC Proposal for an Industry Intelligent Network Project, filed on June 23, 1995, in CC Docket No. 91-346, by Bell Atlantic, GTE, Pacific Bell, Southwestern Bell, and five other LECs.

installation in the network.⁵ BellSouth's waiver petition proposes to offer the AIN capabilities that BellSouth chooses to offer, rather than the capabilities the industry might find most useful. The danger of this piecemeal roll-out of AIN capabilities is that BellSouth may roll out those AIN functions that will be most useful to it rather than to other interested parties, conferring an unwarranted competitive advantage on BellSouth. The Commission must ensure that AIN is developed with input from all interested parties, rather than determined by the decisions of only one of the affected parties.

⁵ See Ex Parte Letter from Chris Frentrup, MCI Telecommunications Corporation, to William F. Caton, Acting Secretary, Federal Communications Commission, filed July 19, 1995 in CC Docket No. 91-346.

IV. CONCLUSION

Although BellSouth's waiver petition represents a small first step towards AIN, the Commission should not confuse this proposal with true network unbundling. The Commission must provide the direction to achieve actual unbundling with input from all interested parties.

Respectfully submitted,

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EXHIBIT B

Section 5d

Issues Associated with Non-LEC Requests

THIS DOCUMENT REPRESENTS A CONSENSUS OF THE
ISSUE 026 TASK GROUP
AND HAS RECEIVED IILC APPROVAL

ISSUES ASSOCIATED WITH LONG TERM UNBUNDLING AND NETWORK EVOLUTION

FOREWORD

As the telecommunications industry anticipates an extensively interconnected national network architecture, issues surrounding the evolution of that architecture must be identified, addressed and resolved to ensure that the public interest will continue to be served. In addition, historic network reliability and efficiencies must at least be maintained, if not enhanced, to preserve security and reliability and to protect customer and end user interests. Finally, the public switched network should continue to evolve in a cost-effective manner to encourage the application of available technologies and foster market-driven competition, thereby affording the marketplace the broadest possible range of products and services.

In an effort to assess the scope of long term unbundling and network evolution, the Task Group has identified two types of industry requests: logical and physical. Within the framework of the two request types, these issues have been categorized as follows:

- Physical Request Issues
 - Technical/Operational Standards

- Logical Request Issues
 - Technical/Operational Standards
 - Mediation

- Public Policy Issues

The Task Group has not prioritized the identified issues in any manner and acknowledges that the specific issues to be resolved within each category can and do overlap. Further, the Task Group recognizes that many of the identified issues are similar in nature to those being addressed by various fora and in regulatory proceedings.

Finally, recommendations have been made identifying the appropriate ATIS (Alliance for Telecommunications Industry Solutions) committees which the Task Group believes might best resolve the physical and logical issues. The committees which were identified as possible reference groups were the Standards Committee T1 - Telecommunications (T1), Network Operations Forum (NOF), Ordering and Billing Forum (OBF), and the Information Industry Liaison Committee (IILC).

There were two other categories of issues not deemed appropriate for referral to ATIS-sponsored groups. The first category of issues, the task group believes, is best resolved through mutual negotiations between the involved parties on an Individual Case Basis (indicated by "ICB"). The second category, which applies to only one issue, needs to be determined by the party, whether LEC or Non-LEC, offering the access service or interconnection arrangement (indicated by LEC/Non-LEC).

Based upon input from interested parties, Public Policy issues may require coordination among various state and federal jurisdictions to assure consistent public policy.

PHYSICAL REQUEST ISSUES OVERVIEW

Issues associated with administering and implementing physical interconnection are identified in the section dealing with Technical/Operational Issues. Issues included in this section deal with how interconnecting companies will coordinate end user service provisioning through service orders, testing, trouble reports, assignment procedures and directory availability. Also identified are issues associated with "one-on-one" interfaces involved with the sharing of space, capacity planning, network survivability and operational support systems.

Standards issues identified with Physical Requests are discussed in a separate section. Some of these, such as transmission performance and SONET, are being addressed in current standards proceedings, but will require review to assure that the outcome of these proceedings includes reflection of a multi-provider environment. On the other hand, the Task Group identified the Serving Access Interface as a requested physical interconnection point where no standards work has been initiated to date.

PHYSICAL REQUEST ISSUES
CATEGORY: TECHNICAL/OPERATIONAL (T/O)

<u>Issue Number</u>	<u>Description of Issue</u>	<u>Requests Affected</u>	<u>Recomm</u>
T/O 1	Assignment and Inventory		
	A) Current availability of and accuracy in assignment records related to Service Access Interface (SAI)	1a, 1b	NOF
	1) Undocumented pair changes, etc.		
	2) Priorities of service restoral vs. record keeping		
	B) The viability of telephone-number-based loop assignment systems in a multi-provider environment may need to be examined.	1-3	NOF
T/O 2	Trouble Report Administration		
	A) No industry guidelines exist regarding how end users should report trouble where a single customer's service is provided by multiple service providers (i.e., Who receives the trouble?)	1-5, 12, 15	NOF
	B) Industry guidelines may need to be modified or developed for trouble report control and coordination among the service providers jointly providing service to a single end user.	All but 8, 16	NOF
	C) Industry guidelines for handling "network-initiated" troubles may need to be revised to accommodate an expanded multi-provider environment.		
	1) What types of tests are appropriate and how frequently should they be initiated?	1-5	NOF
	2) Who tests joint links?	1-3,5	NOF
	D) Industry guidelines may need to be developed for cross-entity billing of trouble isolation and handling in a multi-provider environment.	All	ICE

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PHYSICAL REQUEST ISSUES
CATEGORY: TECHNICAL/OPERATIONAL (T/O)

<u>Issue Number</u>	<u>Description of Issue</u>	<u>Requests Affected</u>	<u>Recomm.</u>
T/O 3	Testing		
	A) Responsibilities are not assigned and procedures may not exist for isolating trouble in a multi-provider environment.		
	1) Can network indicators (such as 120 IPM, "fast busy") be developed and implemented which would aid in indicating the source of network congestion?	1-5,15	NOF
	2) Will loop testing functionality, test access and dispatch be required of all providers in a multi-provider environment?	1-5, 12,15	NOF
	3) How can testing be coordinated in situations such as an unattended central office?	All but 16	NOF
	4) Will provider personnel have access to other providers' trouble shooting equipment, such as the automatic number announcement circuit (ANAC) or telemetering equipment?	All	ICB
	5) Will test messages and/or signals be carried across networks? If so, how?	All but 16	NOF
	B) Separating the loop from the switch, or feeder loop plant from the distribution loop plant at the SAI, will cause difficulty in obtaining systems support.	1a,1b	ICB
	1) Unless test access is designed with separation of the distribution loop, no surveillance, testing and/or isolation can be administered without dispatch.		
	2) Guidelines regarding such multi-provider dispatch Do not exist.		
	C) Expansion of current "electrical" interconnection capabilities to other means (e.g., fiber-optics) may raise maintenance and repair and testing problems.	All but 16	NOF
T/O 4	Shared Space (e.g., physical, virtual collocation)		
	A) Availability and capacity (both current and planned) of space for facilities or interconnection	All but 13, 16	ICB
	1) The interconnection type requested (e.g., fiber vs. copper) could impact availability of space at interconnection points (e.g., SAI, conduit, C.O.).		
	B) Space Administration and Access	All but 13, 16	ICB
	1) How will limited space be allocated?		
	2) How can security be maintained in a shared environment? For example, will direct connections be allowed?		
	3) Who will have access to shared facilities?		
	4) Whose labor force will do the actual physical interconnection?		
	5) What are the responsibilities of each provider?		

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PHYSICAL REQUEST ISSUES
CATEGORY: TECHNICAL/OPERATIONAL (T/O)

<u>Issue Number</u>	<u>Description of Issue</u>	<u>Requests Affected Recomm</u>	
T/O 5	Capacity Planning A) Traditional LEC forecasts and engineering will not, by themselves, be sufficient to drive network deployment in a multi-provider environment. 1) How will capacity engineering be accomplished for network components in a multi-provider environment? 2) When necessary, how can timely forecasts and planning information be assimilated among all parties? Who could access such data?	All	ICB
T/O 6	Provisioning A) Load balancing in a multi-provider environment (e.g., Integrated Digital Loop Carrier, Hybrid Fiber/Coax) B) Ability of operational support systems (OSSs) to operate in a multi-provider environment to allow assignment and design of circuits	1-10, 12,13 All	ICB ICB
T/O 7	Service Ordering A) Service order coordination in a multi-provider environment B) Current service orders may not reflect some points of interconnection on a single end-user account. C) Work order records required for service connection may need to be distributed among multiple providers.	All All All	OBF OBF OBF
T/O 8	Service Order Codes A) New service order codes may be required for unbundled network service components B) Sharing of service order codes among system providers should be examined.	All All	OBF OBF
T/O 9	Directory Listings and Databases A) Providing directories and database services in a multi-provider environment 1) Will directories be developed on a separate or combined basis? 2) Who will handle Directory Assistance (DA) for Non-LEC customers? For a LEC customer asking for a Non-LEC number and vice versa? 3) How will DA operator recording and billing be done? 4) How will cross-charging for database entries be done?	1-6, 10	ICB

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PHYSICAL REQUEST ISSUES
CATEGORY: TECHNICAL/OPERATIONAL (T/O)

<u>Issue Number</u>	<u>Description of Issue</u>	<u>Requests Affected</u>	<u>Recomm.</u>
T/O 10	Network Reliability and Survivability A) Concerns arise from collocation of equipment, without NEBS, UL, etc. compliance	All	ICB
T/O 11	Operational Support Systems A) Procedures for OSS Access in a multi-provider environment. For example: - access only to allowed data - access only to subscribed functionalities - affect only "own" services	1-5,13 &15	IILC

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PHYSICAL REQUEST ISSUES
CATEGORY: STANDARDS (S)

<u>Issue Number</u>	<u>Description of Issue</u>	<u>Requests Affected</u>	<u>Recomm</u>
S 1	Transmission Standards A) Transmission quality standards (switching, transport and loop) may need to be reexamined to reflect a multi-provider environment	All but 16	T1
S 2	Service Access Interface (SAI) A) Standards do not exist for third party interconnection at the SAI	1a, 1b	T1
S 3	Synchronous Optical Network (SONET) A) The Data Communications Channel (DCC) for SONET is not standardized for interoperability among different vendors' equipment B) SONET transport cannot be partitioned any lower than the network element level	3, 10, 12, 13, 16	T1

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LOGICAL REQUEST ISSUES OVERVIEW

Issues associated with administering and implementing logical interconnection are identified in the section titled "Technical/Operational." Included in this section are those issues dealing with how interconnecting companies will coordinate end user service provisioning through service orders, testing, trouble reports, trigger provisioning and trigger usage. Standards issues identified with Logical Requests center on the review of standards proceedings to ensure that existing or ongoing work involving Logical Requests reflect a multi-provider environment. Areas needing such a review include identification and development, or modification of, appropriate multiple provider, non-call-associated, message sets.

In addition to the Technical/Operational and Standards issues, the Logical Requests have associated with them some issues of Mediation. While the Mediation issues identified here relate more to the Logical Requests, further examination of potential future interconnection arrangements may result in identification of mediation concerns surrounding the "physical" networks, as well. While related to Technical/Operational issues, this category really needs to stand alone, since it will require not only technical and operational solutions, but numerous industry definitions, standards work and common assumption sets, as driven by marketplace needs.

LOGICAL REQUEST ISSUES
CATEGORY: TECHNICAL/OPERATIONAL (T/O)

<u>Issue Number</u>	<u>Description of Issue</u>	<u>Requests Affected</u> <u>Recomm</u>	
T/O 1	Trigger usage in a multi-provider environment. For example: <ul style="list-style-type: none"> - the number of providers per trigger per line - the number of services per trigger per line - the number of query destinations per trigger per line - the number of triggers per call, by class of service 	D	IILC
T/O 2	Trigger provisioning and subscription in a multi-provider environment, including: <ul style="list-style-type: none"> - support systems - administration 	D	IILC
T/O 3	Uniformity of deployment of IN features across networks in a multi-provider environment. For example: <ul style="list-style-type: none"> - IN Release level - Feature availability 	A,B,C, D,E,I	LEC Non- LEC
T/O 4	Addressing and routing in interconnected networks: <ul style="list-style-type: none"> - what elements exist or can be addressed - where are they (Global Title Translations [GTT], point codes) 	A,B,C, D,E,F, K,L	T1
T/O 5	Trouble conditions in a multi-provider environment <ul style="list-style-type: none"> - end-user reporting - coordinating reports and dispatch - trouble isolation and indicators 	All	NOF
T/O 6	Testing and validation systems and procedures in a multi-provider environment. For example: <ul style="list-style-type: none"> - data fill in service management - service logic creation 	A,F,G, H,J	NOF
T/O 7	Network capacity engineering in a multi-provider environment <ul style="list-style-type: none"> - processing capacity - memory capacity - throughput - association of load and cost to provider 	All	ICB
T/O 8	Service ordering and provisioning in a multi-provider environment; for example: <ul style="list-style-type: none"> - entry of trigger-associated data into an SCP or external database(s) - customer record maintenance and coordination - responsibilities and process for dispute resolution 	All	OBF

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LOGICAL REQUEST ISSUES
CATEGORY: TECHNICAL/OPERATIONAL (T/O)

<u>Issue Number</u>	<u>Description of Issue</u>	<u>Requests</u>	
		<u>Affected</u>	<u>Recomm.</u>
T/O 9	Identification of means to measure service levels accommodating a multi-provider environment	All	NOF
T/O 10	Billing capabilities, procedures and systems accommodating a multi-provider environment	All	OBF
T/O 11	Support necessary for the handling of default situations in a multi-provider environment	All	NOF
T/O 12	Testing and validation of multiple provider interconnections	All	ICB
T/O 13	Procedures for OSS Access in a multi-provider environment. For example: <ul style="list-style-type: none"> - access only to allowed data - access only to subscribed functionalities - affect only "own" services 	All	IILC

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LOGICAL REQUEST ISSUES
CATEGORY: STANDARDS (S)

<u>Issue Number</u>	<u>Description of Issue</u>	<u>Requests Affected</u>	<u>Recomm</u>
S 1	Identification and development of non-real-time interoperability interface standards appropriate for a multi-provider environment.	G,H,J	T1
S 2	Identification and development of appropriate real-time interoperability interface standards for third party service platforms and databases in a multi-provider environment	A,C,E, F,I	T1
S 3	Identification and development or modification of call-associated interoperability standards appropriate for a multi-provider environment. Example of areas needing to be addressed: <ul style="list-style-type: none"> - Global Title Translations (GTT) - Subsystem Numbers (SSN) - GTT and SSN assignment guidelines - default treatment 	B,C,E, K,L	T1
S 4	Identification and development or modification of non-call-associated message sets appropriate for a multi-provider environment such as: <ul style="list-style-type: none"> - provider identifier - requester identifier - network identifier 	A,F,G	T1
S 5	Development of new standards to expand SS7 signaling capacity from 64 Kb to a rate that supports the increased volumes resulting from a multi-provider environment.	B,C,E K,L	T1

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LOGICAL REQUEST ISSUES
CATEGORY: MEDIATION (M)

<u>Issue Number</u>	<u>Description of Issue</u>	<u>Requests</u>	
		<u>Affected</u>	<u>Recomm</u>
M 1	Identification and definition of real-time and non-real-time functions of mediation appropriate for a multi-provider environment. Examples of areas to be addressed include: <ul style="list-style-type: none"> - <u>Architectural Design Issues</u> <ul style="list-style-type: none"> - placement of mediation functions in network(s) - impact of function and its placement on performance and capacity (of network and / or its components) - impact of function on call-processing (delays) - <u>Service Management Issues</u> <ul style="list-style-type: none"> - partitioning of access (i.e., to permit access only to own data) 	All	IILC
M 2	Control and management of mediation function(s) appropriate for a multi-provider environment	All	IILC
M 3	Application of mediation across multiple networks and providers	All	IILC
M 4	Management of interactions among features in a multi-provider environment, including service precedence rules	All	IILC

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PUBLIC POLICY ISSUES OVERVIEW

The local telecommunications environment in the United States is evolving from one of a sole, regulated provider of traditional local telephone service into one of competition among multiple providers. These providers may offer any combination of network facilities (such as loops, switching, signaling and/or transport), voice, data and/or video services over short and/or long distances, to end users. To assure that end-users receive compatible end-to-end products in all areas of the country, providers' networks need to be interconnected with one another, creating a "network-of-networks."

To benefit end-users and providers alike and to allow a fully competitive market to develop and thrive, we believe it is necessary to revisit public policies that were established to oversee a single-provider telecommunications environment, but could now potentially inhibit competition. Competition may be a far more effective safeguard for the public interest than is regulation.

In the process of identifying and recording public policy issues, the IILC established a basic principle that allowed all participants to identify issues that may not be policy issues for all, but would be part of the 026 public policy document. Public policy issues, thus, are included which are specific to interconnection, as well as to those more broadly related to a multi-provider telecommunications environment. It should be noted that the IILC has made no attempt to develop a consensus position regarding the resolution of these public policy issues. Interested parties may need to pursue public policy issues of concern to them in the appropriate Federal and/or State jurisdictions.

Within a broad public policy framework, the various service providers should be capable of resolving many of the technical/operational, standards and mediation interconnection issues on their own, one-on-one and in various industry forums, such as the IILC, ICCF, NOF, etc

UNBUNDLING/INTERCONNECTION ISSUES
CATEGORY: PUBLIC POLICY (PP)

<u>Issue Number</u>	<u>Description of Issue</u>
PP 1	Network Reliability/ Survivability/Performance in a multi-provider environment A) As additional interconnection among networks is allowed, regulatory oversight associated with fault prevention and reporting must be accommodated. B) Network "Certification" procedures may need regulatory review. C) Minimum service levels, monitoring and network performance requirements may need regulatory review to assure they reflect a multi-provider environment.
PP 2	Carrier of Last Resort A) Carrier Of Last Resort (COLR) obligations and responsibilities may need to be re-examined in a multi-provider environment (e.g., reserve facility capacity and cost recovery)
PP 3	Directory Listings and Database Services A) Public policy input may be necessary in resolving published directory and directory database listing issues. (Related issues are addressed in Physical issue T/O 9.)
PP 4	Operational Support Systems (OSS) A) Regulatory policies associated with access to OSSs may need to be examined to assure they reflect a multi-provider environment.
PP 5	Universal Service A) The need for, and definition of, Universal Service may need to be further examined for impacts from and on a multi-provider environment B) Obligations and responsibilities associated with Universal Service, if still a policy goal, may require revisions for a multi-provider environment C) Similarly, subsidies (both explicit and implicit) associated with any Universal Service policy may need to be examined to assure they reflect a multi-provider environment
PP 6	Interconnection A) Regulatory guidelines for reciprocity in providing interfaces may be required for interconnection, signaling and services in a multi-provider environment B) Existing regulatory and legal constraints that may inhibit a fully competitive multi-provider environment need to be examined and possibly revised (e.g. resale rules/SPOI/market trials).
PP 7	Compensation A) Policies associated with investment made under rate of return regulation (particularly for facilities abandoned solely due to competition) may need review for impacts of a multi-provider environment

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UNBUNDLING/INTERCONNECTION ISSUES
CATEGORY: PUBLIC POLICY (PP)

<u>Issue Number</u>	<u>Description of Issue</u>
PP 8	Network Disclosure A) Existing network disclosure rules, including requirements to disclose proprietary interfaces, may need to be examined to assure they reflect a multi-provider environment.
PP 9	Privacy/Protection of Customer Proprietary Network Information (CPNI) A) Rules for access to and use of provider and customer information by end users and other providers, may need to be developed or modified to ensure the privacy of all parties in a multi-provider environment.
PP 10	Law Enforcement Wire Taps A) Existing guidelines (including recently passed legislation) governing the proper placement of legally obtained wire taps may need to be examined to assure it reflects a multi-provider environment.
PP 11	Settlements A) Current settlement processes may need to be examined for impacts of a multi-provider environment.
PP 12	Customer Education A) Guidelines and requirements may be needed to educate providers and consumers on their interconnection opportunities and responsibilities, as competitive alternatives become available.
PP 13	Rights-Of-Way A) Rules, regulations and agreements concerning rights-of-way may need to be examined to assure they reflect a multi-provider environment.
PP 14	Essential Services A) Regulations, responsibilities and agreements on provision of essential services (e.g., 911 and Telecommunications Relay Service) may need to be examined for impacts of a multi-provider environment. B) Services requiring a database query in a multi-provider environment may need to be examined with regard to the following: <ul style="list-style-type: none">• Should the time for an expected response expire, who is responsible for assuring the call goes to police, EMS or fire, if that was the intended destination?• What restrictions should be put on a provider to ensure that access to emergency services is protected? C) Policies on National Security/Emergency Preparedness (NS/EP) may need to be examined for impacts of a multi-provider environment.

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EXHIBIT C

IILC Issues and Related Activity Report

IILC Active Issues

#026. *Long Term Unbundling and Network Evolution*

Recent Regulatory Activity

- Arizona Corp. Comm. December 1994 approves rules for local exchange and intraLATA toll competition. The rules require intraLATA toll equal access by 7/1/96, a two PIC system, certification procedures for CLECs, mandatory participation in a universal service fund.
- Arizona July, 1995 Corp. Comm. adopted rules to allow local service competition. The rules authorize new market entrants in switched local and intraLATA toll services.
- Arizona August, 1995 TCG Phoenix, an affiliate of Teleport Communications Group, has asked the Corp. Comm. for authority to provide switched local service in the Phoenix area. TCG Phoenix is a partnership involving Teleport, Cox Communications and TCI.
- California April, 1995 PUC proposed rules for local competition on April 26, 1995. Proposed rules would require Pacific Bell and GTE to unbundle local loops, line-side ports, signaling links, signal transfer points, and service control points by Jan. 1, 1996. Number portability would be provided initially through call forwarding, direct inward dialing, or equivalent means. The rules envision the long-term solution to be development of a number portability database through cooperative efforts of LECs, CLECs, and IXCs. Parties have 30 days to respond. The PUC will issue rules after considering the comments.
- California July, 1995 The PUC set interim rules for local exchange competition. Bundled resale competition will begin 3/1/96. The Commission will address the rate for resale, interconnection, universal service, network unbundling and other local exchange competition issues in further hearings which it hopes to conclude by January 1, 1996.
- Colorado May 1995 The Colorado legislature passed a bill authorizing local service competition, effective July 1, 1996. The bill allows the Colorado Public Utilities Commission (PUC) to approve adjustments in residential rates that reflect the change in the gross domestic product-price index less a productivity adjustment set by the PUC. A Committee on Telecommunications Policy was established. The bill also establishes an advisory committee and a working group to propose local competition rules by January 1, 1996.
- Florida May 1995 The Florida legislature passed a bill allowing local exchange competition. Parties would have 60 days, starting July 1, 1995 to negotiate interconnection arrangements. Unbundling of the LEC network would start July 1, 1997, or when the LECs could provide interLATA service, whichever comes later.
- Florida July 1995 Teleport Communications group and MCI metro have given notice to the Florida PSC that they will serve as local exchange carriers, under the new state law. Certificates allowing the two carriers to provide local service will be effective January 1, 1996.
- Georgia, April, 1995 The Georgia legislature has passed and sent to the Governor a bill allowing local exchange competition, effective July 1, 1995. The PSC will establish implementation rules including unbundling and resale of services.

#026, Long Term Unbundling and Network Evolution

Recent Regulatory Activity - Continued

- Georgia, May 1995 MFS Communications Co., Inc. asked the Georgia PUC for authority to offer switched local services in the Atlanta area through its subsidiary MFS Intelenet, Inc. MFS already has a fiber network in place in the Atlanta area and plans to offer a full range of local exchange services and additional services, such as calling card, 800 service, voice mail, customized billing, management reports, etc. The PSC has adopted interim rules on procedures for seeking local certificates, but it did not expect to receive an application this soon. The new Georgia law leaves interconnection arrangements to negotiations between the LECs and the new service providers.
- **Hawaii, July 1995 The Governor recently signed into law a new telecommunications bill that opens the local exchange market to competition. Upon a bona fide request from "an entity seeking to provide intrastate telecommunications", each carrier must provide interconnection, nondiscriminatory access to its poles, ducts, conduits, and rights of way, nondiscriminatory access to network functions and services, including resale and sharing; and unbundled access to network functions.**
- Illinois, December 1994 Ameritech proposed to the DOJ, a trial of its "Advanced Universal Access Plan" seeking a waiver of the MFJ to provide originating interLATA service in the Chicago LATA in exchange for unbundling its network and providing interconnection to competing carriers
- Illinois, April, 1995 The DOJ approved the Ameritech plan for wholesaling its network services to competitors and reselling interLATA services on a trial basis in Chicago and Grand Rapids, Michigan. The plan must still be approved by Judge Greene and is contingent on rulings by the involved state commissions on local service competition. Ameritech must also demonstrate to the DOJ that a climate for local competition has been created in the two trial cities
- Illinois, April, 1995 The Illinois Commerce Commission ordered Ameritech to unbundle its network and interconnect with CLECs (Certified Local Exchange Competitor). The order proposes new rules and directs the Commission's staff to examine certain issues raised by local service competition. The order is another step toward the implementation of Ameritech's plan.
- Illinois, May 1995 A T & T asked the Illinois Commission for authority to provide local exchange service in the Chicago area. It wants to resell all local exchange services.
- **Illinois August 1995 LDDS Worldcom sought authority from the Illinois and Michigan Commissions to provide local service in the Chicago and Grand Rapids area.**
- Iowa March, 1995 McLeods Telemanagement, Inc. has been authorized to provide facilities-based switched local service in Cedar Rapids. It is the first competitive carrier to receive this authority in Iowa. McLeods and U S WEST are directed to negotiate an agreement on interconnection issues such as number portability, interconnection rates and compensation for terminating traffic

#026, Long Term Unbundling and Network Evolution

Recent Regulatory Activity - Continued

- **Iowa, May, 1995** The Iowa legislature passed a bill allowing local competition and providing for price cap regulation for larger LECs. Price regulation is available to larger LECs after approval of tariffs that offer unbundled access to "essential facilities." The Iowa Utilities Board must initiate a rulemaking proceeding on local competition rules by September 1, 1995. The rules would cover certification, unbundling, interconnection, and access to LEC rights-of-way. The law requires "reciprocal, cost-based compensation" for termination of traffic between LECs and competitors. LECs must provide interim number portability until the board determines that a final plan is economically and technically feasible.
- **Kentucky, PSC, Jan. 1995**, rules to provide dialing parity on a 2-PIC basis for intraLATA toll service by end of 1997
- **Maryland August 1995** Teleport Communications Group has filed with the Maryland PSC for authority to offer competitive local residence service. It plans to offer local switched services in the Baltimore LATA.
- **Michigan, PSC , October 1994** authorizes U S Signal Corp to provide local exchange service. January, 1995 U S Signal asked the PSC to prescribe interconnection arrangements. February, 1995 PSC mandates reciprocal compensation and interim number portability rates. PSC also will start a generic proceeding on interconnection issues on June 1 to conclude by March 1, 1996 to address permanent arrangements for unbundling, mutual compensation and number portability
- **Michigan, March, 1995** MCI Metro received authorization to provide local exchange service in twenty exchanges in the Detroit area.
- **Michigan, May 1995** Teleport Communications Group received authority to provide local exchange services in Michigan. It plans to offer operator services, directory assistance, lifeline, 900 blocking, and custom calling features within its 120 mile Detroit network, and plans to resell some of Ameritech's services. Also, A T & T applied for authority to offer competitive local exchange service in the Grand Rapids area. Initially it plans to be a re-seller.
- **Minnesota, PSC** mandates intra LATA dial 1+ equal access by February 15, 1996
- **Minnesota, May 1995** The Minnesota legislature passed a bill that would permit local exchange competition by August 1, 1995. Interim rules would apply initially, but the PUC must approve final regulations by August 1, 1997. LECs with 50,000 or more subscribers must provide interconnection to competing carriers. The bill also provides for alternative regulation for incumbent LECs.
- **Nevada August 1995** The Nevada PSC granted authority to provide nonswitched local service to Phoenix FiberLink, the first competitive access provider (CAP) to apply in Nevada. Phoenix FiberLink expects to begin service in a few months.
- **New Hampshire, May 1995** The New Hampshire legislature passed a bill authorizing local exchange competition by December 31, 1996. The PUC is authorized to allow entry into the local market if the area is serviced by a LEC with 25,000 or more access lines and if entry would be "consistent with the public good."

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Recent Regulatory Activity - Continued

- New Jersey, Jan. 1995. MFS Intelenet requests authority to provide local switched service and seeks co-carrier status
- New York, October 13, 1994, NY PSC approves the Rochester Open Market Plan to become effective Jan. 1, 1995
- New York, Jan. 24, 1995. MFS and NYNEX sign an interconnection agreement, pending PSC approval, to include mutual compensation and improved number portability
- New York, Feb., 1995, CableVision Lightpath, Inc. and NYNEX sign an interconnection agreement allowing CableVision to provide local exchange service to its cable customers. The agreement provides for reciprocal compensation for terminating calls and provides for interim number portability through use of remote call forwarding
- New York, Feb., 1995 PSC proposed state-wide application of the interim local number portability system adopted as part of Frontier's Open Market Plan. It also authorized a feasibility study of long term solutions to the number portability problem. It further suggested a framework for achieving interconnection agreements and reciprocal compensation arrangements. It hopes to conclude meetings on the details of these proposals by the end of March.
- New York, March, 1995 NYNEX and a group of CAPs, IXCs and other carriers are planning to conduct a trial of number portability in NYC and Rochester. The trial is an attempt to go beyond interim number portability. It is scheduled to begin in February 1996
- **New York, July 1995 An industry task force issued requests for proposals. The task force selected the response from MCImetro and several equipment manufacturers for trials in Manhattan. U. S. Intelco Networks and its partners were selected to run trials in the Rochester area. The PSC will review the plans of the two groups and make recommendations to the full commission, perhaps in August.**
- North Carolina, Feb., 1995 Bills authorizing the PSC to adopt rules governing interconnection, rates for interconnection, unbundling of networks, number portability, and universal service policies have been introduced in the North Carolina House and Senate. No hearings have been held yet.
- North Carolina, April 1995 The legislature enacted a law that permits full local exchange competition. Under the law, local exchange competition begins on July 1, 1996, or on the date that incumbent LEC comes under price cap regulation, whichever occurs first. The North Carolina Commission must also find that local competition is in the public interest. The Commission is authorized to define rules for interconnection, unbundling, number portability, local service resale, and universal service requirements. The Commission must adopt interim rules on universal service by the end of 1996. Permanent rules on universal service must be in place by July 1998
- **North Carolina, April 1995 IntelCom Group, Inc. (ICG) has begun construction of a 35 mile network connecting the cities of Greensboro and Winston-Salem.**