

the requirement or requirements to which the petition applies. In considering a

petition from a rural carrier, the Commission will consider if the request is necessary in

order to avoid a significant adverse economic impact on users of telecommunications

services generally, to avoid imposing a requirement that is unduly economically

burdensome, or to avoid imposing a requirement that is technically infeasible. The

request must also be found to be consistent with the public interest, convenience, and

necessity. Having addressed the modifications to staff's proposal necessitated by the

adoption of the 1996 Act, it is now appropriate to discuss the positions expressed by the

commenting parties.

The OSLECs' request for a blanket exemption, for seven years, from local

exchange competition premised upon their refraining from competing outside their

service territories is denied. A recurring theme running throughout the 1996 Act is to

promote local exchange competition. In enacting this legislation, it is important to note

that while Congress did afford RLECs and rural carriers with certain protections, the

1996 Act does not provide any carrier with a blanket exemption from competition nor

are there any provisions specifically affording these carriers with a time line to prepare

themselves for competition. The attached guidelines do provide the OSLECs with an

automatic exemption from certain obligations placed upon ILECs generally. In addition,

the OSLECs have the ability to seek a modification or suspension from specific

requirements upon a proper showing. For these reasons, the OSLECs request for a

blanket, seven-year exemption is denied.

The OSLECs' joint petition seeking a suspension of the application of the

requirements of subsections (b) and (c) of Section 251 of the 1996 Act is also denied. The

1996 Act contemplates that, in considering a petition for modification or suspension by a

rural carrier under Section 251(f)(2), a state commission will make certain very distinct

findings regarding economic impacts on users of telecommunications services or on the

petitioner or the technical feasibility of the request. In addition, the state commission

must find that the request is consistent with the public interest, convenience and

necessity. In order to satisfy our obligations under the 1996 Act, it will be necessary for

an ILEC seeking a determination under the rural carrier provisions to make a separate

application to the Commission setting forth with particularity the provisions from

which it seeks a modification or suspension and all relevant information necessary for

the Commission to make that determination. The joint petition sought by the OSLECs

in this proceeding fails to provide any information from which the Commission can

make the required findings on an individual company basis. Specifically, the OSLECs'

joint petition fails to provide us with any information necessary to make a

determination on the impact such a petition will have on users of telecommunications

services generally, the economic burden these requirements place upon the OSLECs; or

the technical infeasibility of these standards. In addition, nothing has been presented

which substantiates that this request is consistent with the public interest, convenience,

and necessity. By this determination, we are specifically denying the joint petition

submitted by the OSLECs. Moreover, as set forth in more detail within the guidelines,

we envision that rural carrier exemption requests will be filed on an individual

company-specific basis and not in a mass joint petition such as was filed by the OSLECs

in this proceeding.

Several ILECs urged us to broaden the definition of a SLEC to include those

companies serving up to 500,000 access lines. As pointed out in the comments, this

definition would exclude all but the four largest ILECs operating in Ohio. It is

unnecessary for us to adopt such an expansive definition in these guidelines. To the

extent that a RLEC or rural carrier serving greater than 15,000 access lines believes it is

unique, the 1996 Act affords those companies either an automatic exemption from

certain provisions of the 1996 Act or offers those companies an opportunity to seek, on a

rule-by-rule basis, a modification or suspension from many of the provisions affecting

that carrier. In considering such requests for modification or suspension, the state

commission is directed to determine if the request is necessary to avoid significant

adverse economic impact on users generally, to avoid imposing unduly economically

burdensome requirements, or to avoid imposing technically infeasible requirements

and find that the request is consistent with the public interest. This process provides

LECs meeting the requirements of the 1996 Act adequate opportunities to seek

exemptions or modifications based upon the unique circumstances of an individual

company. No other waiver process is necessary for these LECs.<sup>20</sup> As a final matter, any

LEC seeking a waiver(s) pursuant to Section 251 of the 1996 Act, or which seeks a

waiver(s) of these guidelines shall specify the period of time for which it seeks such

waiver(s) and a detailed justification therefore.

### C. Complaints

Ameritech suggests clarifying this section by simply stating that both LECs and

NECs, as telephone companies, are subject to the complaint process set forth in Section

4905.26, Revised Code (Ameritech initial comments at 22). OCC disagrees with this

proposal and suggests, as an alternative, that failing to abide by the rules established in

this docket constitutes an unjust and unreasonable practice pursuant to Section 4905.26,

Revised Code (OCC reply comments at 51). OCTA recommends referencing that the

Commission has recognized the importance of differentiating

between "regular"

complaints brought pursuant to Section 4905.26, Revised Code, and carrier-to-carrier

complaints as addressed in the Regulatory Oversight section (OCTA initial comments at

6). OCC asserts that the Commission should specify that the complaint process is

available to consumers (OCC initial comments at 26). TCG Cleveland (TCG)

recommends that the Commission adopt an expedited complaint process to be

completed within 120 days following the filing of a complaint (TCG initial comments at

4).

As noted in the attached guidelines, the reference to complaints has been

removed from the Certification section altogether. The revised guidelines address

carrier-to-carrier complaints under the Regulatory Oversight section while consumers'

complaints are now addressed in the Consumers' Safeguards section. This should

alleviate many of the concerns raised by the commenters on this issue. However, while

sympathetic to the arguments raised by TCG regarding resolving complaints within 120

days of filing, we find it unwise to adopt such an approach. Some carrier-to-carrier

disputes involve such technical issues that it would be impossible to always guarantee

conclusion of a complaint within the suggested time frame. Moreover, the

Commission's ability to expeditiously resolve disputes is, to some degree, dependent

upon the cooperation provided by the parties. For example, endless discovery disputes

would certainly affect the timing of the Commission's order. We have already made

changes to streamline our complaint process in our administrative rules and in our

arbitration guidelines. Moreover, any complainant can request use of a Commission-

authorized alternative dispute resolution process. We believe that no further

clarification is needed in these guidelines.

#### D. Minimum Requirements

GTE recommends removing the minimum requirements establishing an

applicant's corporate standing, listing of the officers and directors, illustrative proposed

end user and carrier-to-carrier tariffs, newspaper notification, and information

pertaining to similar operations in other states (GTE initial comments, Appendix at 4).

Scherers maintains that the requirement for illustrative tariffs prior to certification is

not warranted but instead would recommend a brief explanation of the services to be

provided. Scherers points out that, in a competitive market, illustrative tariffs will

eliminate the competitive edge for new providers (Scherers initial comments at 6). OCC

avers that adopting GTE's position would deprive the Commission of information

pertinent to a finding of public convenience as required by Section 4905.24, Revised

Code (OCC reply comments at 52). AT&T objects to maintaining

detailed maps at the

Commission delineating service areas, arguing that to do so is an unnecessary

regulatory requirement (AT&T initial comments, Appendix A at 10-11). ALLTEL and

GTE suggest making the provision of exchange maps one of the enumerated minimum

requirements (ALLTEL initial comments, Attachment 2 at 5; GTE initial comments,

Appendix B at 4). OCC agrees with ALLTEL's and GTE's proposed revision. OCC also

notes that a high degree of confusion could result if there is no central repository

defining service territories, particularly once current exchange boundaries begin to

dissolve (OCC reply comments at 52). TCG asserts that NEC applicants should not be

required to submit pro forma income statements and a balance sheet because, given the

varying types of corporate structures available, staff may want different kinds of

financial materials from NECs (TCG initial comments at 4).

We disagree with GTE and Scherers that illustrative tariffs need not be submitted

with the initial filing seeking certification. Illustrative tariffs provide the Commission

insight into the services being proposed by an applicant as well as the terms and

conditions under which the proposed services will be offered. We acknowledge,

however, that it may not be possible at the time a certification proceeding commences to

have a full and complete tariff. Therefore, final tariffs need not be filed until the

applicant is prepared to commence serving consumers. However, the final tariffs may

not differ from those offered in support of the application. Public Utility Service v. Pub.

Util. Comm. , 62 Ohio St. 2d 421 (1980). In any event, we fail to see how providing

illustrative tariffs is any more onerous than submitting a written explanation of the

services the applicant proposes to provide. Further, we agree with OCC that accurate,

detailed, up-to-date maps delineating service territories will be even more important in

a competitive market than in monopoly markets of the past. Therefore, this

requirement will be maintained. Finally, we note that TCG's argument concerning

financial information need not be adopted in these revised guidelines. Financial

wherewithal to provide basic local exchange service is one of the key elements<sup>the</sup>

Commission must determine before certifying an applicant. Thus, some sort of

financial showing must be demonstrated in the certification proceeding. To the extent,

however, that an applicant can demonstrate to the Commission its financial

wherewithal through financial information other than pro forma income statements

and balance sheets, the Commission would be willing to consider such alternative

information.

#### E. Accounting Standards

Certain commenters support the staff's proposal that

accounting records for all

local providers affiliated with cable TV providers be consistent with the Uniform

System of Accounts (USOA). GTE and Cincinnati Bell recommend adopting relaxed

accounting principles for all providers but concede that if the ILEC is required to follow

the USOA, then the NECs should as well (GTE initial comments, Appendix C at 5;

Cincinnati Bell initial comments, Appendix B at 2 and Appendix C at 8). The NECs

primarily maintain that they should not be subject to any accounting standards which

could constitute a barrier to entry. AARP registers a concern regarding the lack of a

requirement for separate cable and telephony operations. AARP submits that any local

service provider which also operates another monopoly service, such as cable, should be

required to insulate the finances and operations of these services to the greatest extent

possible (AARP initial comments at 3-4). Cincinnati Bell concurs with AARP's separate

affiliate concern (Cincinnati Bell initial comments, Appendix B at 2). Providing

accounting records consistent with USOA would also require the application of USOA

affiliate transaction rules according to Ameritech. It would then be appropriate to

reevaluate this requirement for all local providers following the transition to a

competitive market (Ameritech initial comments at 24).

The Commission determines that, at this time, all LECs must maintain their

accounting records in accordance with the USOA. NECs, however, may utilize Class B

USOA accounts. Compliance with the USOA is the only truly effective method to

afford this Commission the ability to gauge the types of facilities and equipment being

utilized by all local providers. In addition, utilization of USOA standards allows the

Commission to make some comparisons among company accounts and, along with use

of necessary separations processes, will guard against market abuses associated with

cross-subsidization. USOA will also be critical in the separation of video and telephone

services for both regulatory and for tax purposes. We have relaxed our requirements in

response to the filed comments by only requiring Schedule B of USOA which is

significantly easier to comply with. We will entertain waivers for unique circumstances

and pledge to review the issue once the transition period is complete and a true "level

playing field" is established. Due to the flexibility afforded companies associated with

keeping accounting records in accordance with Generally Accepted Accounting

Principles, that method of record-keeping is inferior to USOA for the purposes we

intend to use the information. We may revisit the necessity of this requirement in the

future.

#### F. Certification Process

The staff proposal confirms that the Commission will act expeditiously on all

applications for certification to provide local services. In addition, the proposal

confirms that a hearing may be called pursuant to Section 4905.24, Revised Code.

Several new entrants suggest that the Commission adopt specific time frames in which

the certification process would have to be completed. TCG submits that the 1996 Act has

already determined that competition is proper and necessary for the public convenience.

Therefore, the need for a certification hearing becomes moot (TCG supp. comments at

3). AT&T recommends that those companies already certified in Ohio should be

permitted to amend their existing certificate to provide local service seven days after

filing the information outlined in Section II.B.7 of the proposed rules (AT&T initial

comments, Appendix A, Part 1 at 10).

The Commission possesses the statutory authority to certify multiple telephone

companies pursuant to Section 4905.24, Revised Code. In order to meet the "proper and

necessary for the public convenience" standards set forth in the statute, the Commission

will evaluate an applicant's financial, managerial, and technical capabilities to provide

the proposed service. Satisfactory demonstration of an applicant's technical, financial,

and managerial capabilities establishes that the public convenience is served by

certifying the applicant. To confirm the Commission's commitment to act

expeditiously on applications for certification, the guidelines have been revised to

reflect a 60-day automatic approval process for certification applications absent full or

partial suspension. We acknowledge, however that, in some cases in which interested

entities have filed a motion to intervene and have set forth sufficient concerns related

to the financial, managerial and technical capabilities of the applicant, it may be

appropriate to judge a particular applicant's qualifications through a hearing procedure.

An applicant seeking a certificate to provide basic local exchange services will also

no longer have to publish legal notice of the pendency of its application. Those persons

interested in such applications are directed to consult the Commission's docketing

division or check the Commission's internet home page for a list of daily docketing

activity. This certification process is entirely consistent with the 1996 Act. Section

253(B) of the 1996 Act authorizes state commissions to impose competitively neutral

requirements which are necessary to preserve and advance universal service, protect

the public safety and welfare, ensure the continued quality of telecommunication

services, and safeguard the rights of consumers.

Regarding AT&T's proposal to allow currently certificated entities who are

providing competitive services to merely amend their authority, on seven days notice,

to provide local services, we find that such suggestion should not be adopted. The

Commission agrees with OCC that the General Assembly, in adopting H.B. 563, has

drawn a distinction between the provision of toll services and basic local exchange

services. Due to the importance of basic local exchange service for all subscribers, this

Commission has regulated local service more pervasively than any other

telecommunications service. For instance, we have adopted telephone service

standards and made those standards applicable only to local exchange carriers. In

addition, under 92-1149, we have created categories into which all services are placed

and reserve the most stringent regulation over the provision of services classified as

basic local exchange services. With this background in mind, we have to date been

requiring all providers, including AT&T (and any other provider already authorized to

provide a telecommunications service in Ohio), who desire to provide basic local

exchange service, to obtain a certificate to offer local services. We believe that this

procedure is necessary in order to fulfill our statutory obligation to ensure that the

public convenience standard has been met by all local exchange providers.

#### G. ILECs as NECs

This provision of the staff proposal and the questions associated with it in

Appendix C engendered significant comment from the interested parties. Several ILECs

maintain that the Commission should permit them to establish subsidiaries to act as

NECs outside of their current local service territories. Ameritech, while requesting

clarification of the staff's proposal, set forth its understanding that an ILEC could seek to

expand its existing service area as well as be permitted to establish a subsidiary which

could provide service both within and without the ILECs's current service areas

(Ameritech initial comments at 23). Commenting on the affiliate transaction

requirements, United/Sprint maintains that none of the Commission's fears from the

United Telephone Long Distance (UTLD) proceeding (Case No. 86-2173-TP-ACE)

(Finding and Order dated December 7, 1988) have come to pass and that, therefore, the

FCC's affiliate transaction guidelines should be sufficient to ensure that a subsidiary

company does not gain an undue advantage in the marketplace (United initial

comments at 8). OCC and many of NECs object to the LEC's positions on ILECs being

NECs. The supplemental comments filed in this matter generally reflect that, in light of

the 1996 Act, this provision of the staff's proposal is no longer valid.

The Commission finds that staff's proposal should be amended. The revised

guidelines reflect that an ILECs will be permitted to establish an affiliate to compete as a

NEC in both contiguous and noncontiguous exchanges outside the

incumbents' existing

service areas. ILEC affiliates will, however, be subject to the affiliate transaction

standards embodied in the UTLD processing and Ameritech Advanced Data Services,

Inc. (Case No. 93-1081-TP-UNC, Finding and Order dated August 19, 1993) and any other

requirements the Commission may impose. There are a number of reasons supporting

the revisions to staff's proposal in this area. First, as noted by several of the ILECs

commenting on this section, the staff's proposal would have the effect of removing

additional competitors from the pool of potential entities providing competitive

telecommunication services in Ohio. In many instances, ILEC affiliates operating

outside of the ILECs own existing service areas will have little or no market power that

can be yielded against other competitors since there will be no ownership of essential

telecommunication facilities on the date the affiliate begins serving end users. All

parties are put on notice that we will be diligently reviewing the terms and conditions

of all arrangements in which an ILEC affiliate is interconnecting with another ILEC to

ensure that other LECs are not treated in a discriminatory or anti-competitive manner.

We also agree with United/Sprint that there have been no significant problems

concerning UTLD; however, we believe that it is precisely due to the affiliate

requirements adopted in that case that there have not been any problems. Therefore,

we determine that it is in the public interest to permit the

ILECs to compete, through a separate subsidiary, in areas where they have no essential telecommunication facilities at this time.

#### H. Expansion of Operating Authority

Staff's proposal set forth a procedure whereby NECs would be permitted to

expand their operating authority. Staff's proposal drew a distinction between

expansions into areas where publication had already occurred and expansions into areas

where publication had not already occurred. Several commenters interpret staff's

proposal to mean that a hearing would not be permitted on an expansion request into

areas where publication had not already taken place. Ameritech states that both NECs

and ILECs should be permitted to expand their operating authority by providing the

same information required in the initial certification application.

The Commission finds it appropriate to clarify the staff's proposal. A NEC

desiring to expand its service area beyond that which was authorized in its certification

proceeding must file with the Commission an application to amend its certificate. The

application should include a detailed description of the new proposed service territory

and supporting documentation indicating that the applicant is technically, financially,

and managerially capable of conducting operations on an expanded basis. Applications

to amend a certificate will be subject to a 30-day automatic approval process. ILECs will

continue to be prohibited from expanding their existing service areas other than

through the Commission's EAS process. ILECs will, however, as set forth above, be

permitted to establish separate NEC affiliates that can seek to provide service in any of

its non-affiliate exchanges throughout Ohio.

#### I. Serving Area: Self-Definition and Service Coverage

Staff's proposal permits NECs to self-define their service area, but requires them

to do so by established ILEC exchanges. TCG submits that both NECs and ILECs should

be permitted to self-define the area in which they will serve customers (TCG initial

comments Appendix A at 7). Ohio Direct/Ridgefield Homes jointly posit that

customers are harmed by the archaic boundary lines which define the ILECs service

territories. Requiring NECs to provide service based upon the current telephone

boundaries only exacerbates the problem (Ohio Direct/Ridgefield Homes initial

comments at 3).

The staff's proposal also placed an obligation on the NECs to provide service to

all customers upon request, unless unable to purchase services for resale from the

relevant ILEC. Several parties argue that this is a reasonable restriction upon the

services to be provided by the NECs. Ameritech would add that the services must be

offered at just and reasonable rates (Ameritech initial comments at 28). Other

commenters note that restricting NEC serving areas to ILEC exchange boundaries creates

a barrier to entry and would effectively mandate resale by NECs which have no interest

in resale. Consumer commenters are concerned that such a requirement will

perpetuate the existing exchange boundary problems that exist today.

The Commission agrees with those commenters suggesting that the Commission

remove the requirement that NECs' self-defined service coverage be accomplished by

current ILEC exchanges. Staff's rationale for this requirement was that it would

minimize customer confusion and require the NECs to fully consider all of the

ramifications of serving a particular exchange area. While laudable goals, we believe

that customer confusion can be minimized by providing to the customers clear and

concise marketing and educational materials. Experience with competition in the long

distance market has shown us that customers are generally wary of changing their

existing utility service. Thus, the NECs will have significant obstacles to overcome in

order to entice customers to leave their incumbent provider and switch to a NEC. That

fact alone will require the NECs to expend significant resources

to explain the services

and the service coverage offered by them. With so much to overcome to entice

customers to switch their local service, we believe that NECs will already have

thoroughly considered all of the ramifications before seeking to provide service in a

particular area. Therefore, we find this requirement unnecessary. We have, however,

added a provision making it clear that a NEC will have an obligation to serve all

customers requesting service on a nondiscriminatory fashion. By making this

determination, we are not foreclosing the filing of complaints against a NEC pursuant

to Section 4905.26, Revised Code.

Although we are not adopting staff's initial recommendation to require all NECs

to serve all customers in an exchange, we remain concerned with the potential for

"cream skimming" and unequal obligations of ILECs and NECs in this regard. We have

addressed this issue by requiring NECs who do not serve an appropriate proportion of

residential and business customers to contribute more to the universal service fund

than the ILEC on a proportional basis. We also are providing all LECs with a financial

incentive to serve low income customers through a credit to their universal service

fund obligations if they serve such customers in an exchange through expanded lifeline

programs. We think that addressing the issue through universal service funding is far

more appropriate than the "command and control" approach, advocated by OCC and

others which would discourage niche providers from entering specialized markets.

## J. Local Calling Areas

Staff's proposal would permit NECs to establish their own local calling areas.

Staff also sought comment on whether a ILEC should be permitted to redefine its local

calling area at this time. Century and Ameritech propose that ILECs should be

permitted to adjust their local calling areas to meet the local calling areas established by

the NECs within their service territories with whom they compete (Century initial

comments at 5; Ameritech initial comments at 29). Century maintains that NECs

should be prohibited from billing calls as toll while paying only local traffic termination

charges (Century initial comments at 5).

Of course ILECs will continue to have the current EAS procedures available to

them in order to expand their local calling areas on a nonoptional basis. However, we

recognize that there may be situations where the ILECs may need to respond to a

competitive market. Therefore, we would allow ILEC flexibility in situations where

competitors have entered the market and begun serving customers to propose optional

alternative local calling plans through an ATA process. We are also committed to

speeding up the current EAS process wherever appropriate and will continue to do so.

We have already indicated a willingness to accept alternatives that may meet specialized

needs as evidenced by the Commission's acceptance of a county-wide calling plan for

Ashtabula County. See Board of County Commissioners et al. v. Western Reserve,

United, Conneaut, and Orwell Telephone Companies, Case No. 95-168-TP-PEX (April 25,

1996) and comments of Ashtabula County Telephone Coalition. ILECs are encouraged

to work with the Commission and its staff in order to find satisfactory methods to

expedite the process and explore new alternatives that meet the needs of customers in a

nondiscriminatory and pro-competitive manner. We also affirm that NECs should be

permitted to establish their own local calling area which can arguably vary from the

ILECs. As pointed out by staff, end users should ultimately benefit from this proposal

because they will have the ability to compare providers based not only upon price,

quality, and perceived value but upon calling area as well. Additionally, as staff pointed

out, we anticipate that the need for customers to file for EAS will lessen as NECs

commence serving customers through local calling areas that do not coincide with the

ILECs' calling areas.

#### K. Minimum Service Requirements

The staff's proposal would subject facilities-based and

nonfacilities-based

providers to the Commission's minimum telephone service standards (MTSS). In

addition, all ILECs and NECs would be permitted, as is presently the case, to seek a

waiver or modification of a particular standard based upon their own unique

circumstances. Several commenters claim that competition will lessen the need for any

minimum standards and, therefore, these providers encourage the Commission to

reevaluate and lessen, where possible, the MTSS in the newly competitive

environment.

The Commission will certainly continue to review and revise provisions within

the MTSS which are outdated or no longer warranted. In addition, it should be made

clear that, as set forth in the proposed guidelines, LECs may seek a waiver or

modification of any minimum standard when circumstances so warrant. Having made

that determination, we also find it appropriate to retain the requirement, except for the

revisions discussed below, that all NECs and ILECs abide by the MTSS which currently

exist and as may be modified by this Commission.<sup>21</sup> These standards set forth the

minimally acceptable service that end users should be able to expect from the company

providing them local exchange service. It may be that, over time, competition evolves

to the point that it is reasonable to do away with some of these standards. At this time,

however, we believe that the most appropriate manner in which to proceed is to

address company-specific waiver requests as is our current practice.

### III. INTERCONNECTION

As noted previously in this order, adoption of the 1996 Act has caused substantial

revision to the Compensation Section of the staff's proposal. In fact, the issues

associated with compensation have now been broken out into three new sections

entitled Interconnection, Compensation for the Transport and Termination of Traffic,

and Pricing Standards. An overview of the requirements found within these three new

sections is set forth below. Issues raised in the earlier comments in this docket, to the

extent those concerns are still relevant, will be addressed herein.

The revised standards make it clear that all LECs (ILECs and NECs) have a duty to

interconnect with the facilities and equipment of other telecommunication carriers

upon bona fide request. All LECs have the duty to negotiate the terms and conditions of

the interconnection agreements in good faith. Interconnection to the existing network

is to be accomplished through Feature Group D type interconnection. The requested

interconnection is to be accomplished at any technically feasible point in the network

with quality at least equal to that provided by that LEC to

itself. All LECs have a duty to

provide physical collocation unless such request is impractical for technical reasons,

space limitations, or because the interconnecting carrier requests virtual collocation.

Interconnection rates, terms, and conditions shall be established through negotiation or

arbitration. The rates, terms, and conditions of interconnection shall be set forth in

agreements which must be reviewed and approved by this Commission.

Interconnection arrangements, approved by this Commission pursuant to Section 252 of

the 1996 Act, must be made available to any other requesting telecommunications

carrier upon the same terms and conditions as those provided in the agreement. Rates,

terms, and conditions may also be established through tariffs approved by the

Commission. The Commission reserves the right to require the filing of tariffs

establishing interconnection rates, terms, and conditions. The interconnecting NEC

may mirror the ILEC's interconnection rates or establish its own interconnection rates.

The revised guidelines also set forth a detailed explanation of what is to be

included in a bona fide request. Generally, a bona fide request must identify the:

requested meet point; type of collocation requested; compensation arrangement desired;

unbundled network components required, if any; necessary access to poles, conduit, and

other right-of-way; requested retail components to be offered for resale, if any; type of

interim number portability, until a long term solution is available; access to essential

databases; and a requested completion date.<sup>22</sup> The providing carrier may charge a

reasonable application fee, subject to Commission authorization, which covers the

reasonable cash outlays expended in the course of fulfilling the bona fide request.

The revised guidelines also set forth a procedure whereby parties may negotiate

or arbitrate, if necessary, the terms and conditions of an interconnection agreement.<sup>23</sup>

In addition, the revised guidelines reflect that the Commission will act on

interconnection arrangements adopted pursuant to negotiation or arbitration within a

certain period of time following submission of the agreements to the Commission for

review. The Commission's guidelines clarify that existing EAS compensation

arrangements for the transport and termination of traffic between non-competing

carriers shall be maintained in certain circumstances. We further clarify that such

arrangements were not approved by the Commission pursuant to Section 252 of the

1996 Act and shall only be available to other similarly situated LECs establishing an

arrangement with a non-competing LEC. As a final matter pursuant to the 1996 Act,

Ameritech is provided the opportunity to prepare and file a general statement of the

terms and conditions of interconnection which complies with these guidelines and

with the 1996 Act. The statement will take effect 61 days after