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August 7, 1997

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, NW. Room 222
Washington, DC 20554

Re: Ex Parte - CC Docket 97-137 Application by Ameritech Michigan for Authorization Under Section 271 of the Communications Act to Provide in Region InterLATA Service in the State of Michigan.

Dear Mr. Caton:

On Wednesday, August 6, 1997, Rick Bailey, Len Cali and I, all of AT&T met with Kathleen Franco of Commissioner Chong's office. The purpose of this meeting was to review AT&T's comments filed in the above-referenced proceeding. In addition, AT&T discussed the Commission's authority and duty to assess an RBOC's compliance with the competitive checklist, including the provisions of Sections 251 and 252(d) incorporated therein, in evaluating an application for interLATA authority pursuant to Section 271 of the Act. Finally, AT&T reviewed the Commission's rules on unbundled network elements in light of the recent decision by the 8th Circuit in Iowa Utilities Board v. FCC, and explained that the Act and nonvacated Commission rules continue to require Ameritech and other incumbent LECs to provide combinations of unbundled network elements at cost-based rates, and prohibit them from separating network elements that are already combined, except at the request of the CLEC. A copy of the outline used in the presentation is attached.

Two copies of this Notice are being submitted to the Secretary of the Federal Communications Commission in accordance with Section 1.1206(a)(1).

Sincerely,

Betsy J. Brady

cc: K. Franco

Attachment

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Ameritech-Michigan's Section 271 Application Cannot Be Granted On This Record

Ameritech has not satisfied the checklist in a number of ways:

- Unbundled Network Elements
  - no shared transport
  - no access
  - non-cost-based rates
  - needlessly burdensome and anticompetitive ordering process

Ameritech has not satisfied the checklist in a number of ways:

- Operations Support Systems
  - marketplace- and customer-affecting, discriminatory access
  - no meaningful performance measures
  - inadequate UNE specifications

Ameritech has not satisfied the checklist in a number of ways:

- No customized routing to OS/DA
- Inadequate interim number portability
- Inadequate access to conduits and rights of way

Ameritech has also defied its Section 272 obligations

- Ameritech has chosen to provide in-region interLATA service through a pre-existing affiliate, ACI
- But Ameritech explicitly refuses to disclose all previous transactions with ACI
- And what it does disclose is inadequate
- Without that disclosure, the FCC cannot find that in-region authorization will be carried out in accord with Section 272

At bottom,
even without reaching the question of facilities competition or the public interest,
it is clear:

Ameritech's application is fatally flawed