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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

February 17, 1998

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
1919 M Street, NW Room 222
Washington, DC 20554

Re: Ex Parte Presentation in CC Docket No. 97-231; CC Docket No. 97-121; CC Docket No. 97-208; CC Docket No. 97-137

Dear Ms. Salas:

On Friday, February 13, 1998, Dennis Kern, Regional VP -- Eastern Financial Operations of MCI, Rodney Sampson, Senior Manager of Systems Implementation of MCI, Bob Lanier, Senior Manager of Network Provisioning of MCI, Rob Lopardo of MCI, Susan Jin Davis of MCI, Scott Barash, from the law firm of Jenner & Block representing MCI, Jon Shepard, from the law firm of Jenner & Block representing MCI, Keith Seat of MCI, Bob Edgerly of MCI, and the undersigned, met with Michael Pryor, Carol Mattey, Michael Riordan, Katherine Schroder, Lisa Choi, Jonathan Askin, Jake Jennings, Jason Oxman, Michelle Carey, Andrea Kearney, and Bill Bailey.

The purpose of the meeting was to discuss certain checklist issues in the BA-North region. The attached document briefly outlines the topics discussed.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(2) of the Commission's rules.

Sincerely,

Kimberly M. Kirby

Kimberly M. Kirby

Attachments

cc: Michael Pryor
Carol Mattey
Michael Riordan
Lisa Choi
Katherine Schroder
Bill Bailey
Jonathan Askin
Jake Jennings
Jason Oxman
Michelle Carey
Andrea Kearney

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RCN — Collocation
competition

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Petition of New York Telephone Company for Approval of its Statement of Generally Available Terms and Conditions Pursuant to Section 252 of the Telecommunications Act of 1996 and Draft Filing of Petition for InterLATA Entry Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in the State of New York	)	Case 97-0271

AFFIDAVIT OF RAHUL DEDHIYA ON BEHALF OF RCN

I, the undersigned Rahul Dedhiya, being duly sworn, hereby state as follows:

Introduction and Background

1. My name is Rahul Dedhiya. My business address is 105 Carnegie Center, Princeton, NJ 08540. I am the Director of the Technology and Network Development Group of RCN Telecom Services, Inc. ("RCN"). Among other things, I am responsible for developing and deploying networks in Massachusetts, New York and Pennsylvania. I have frequent contact with representatives of New York Telephone Company d/b/a Bell Atlantic - New York ("BA-NY") in the implementation of RCN's network in New York.

2. Prior to joining RCN (then C-TEC Corporation) in 1996, I worked for approximately 25 years (from 1971 to 1996) for BA-NY in departments dealing with switching, network operations, traffic engineering, regulatory affairs with independent telephone companies and CLECs, and BA-NY's interconnection group dealing with CLEC interconnection issues. As a result, I am quite familiar with BA-NY's service offerings and associated operations and

technical capabilities, particularly as they relate to interconnection with other local telephone companies. In 1968, I obtained my Bachelor's degree in Electrical Engineering from the University of Poona in India.

3. I have read and am familiar with BA-NY's November 6, 1997 "Supplemental Petition" in this proceeding, as well as the various exhibits it attaches. In addition to addressing certain issues raised by BA-NY in its Supplemental Petition, my Affidavit also responds to representations made by Ms. Karen McGuire in her November 3, 1997 Affidavit submitted on behalf of BA-NY.

4. RCN has installed a Lucent 5ESS switch in New York City and has interconnected that switch with BA-NY's network to serve customers in the New York City area. RCN's switch is located in leased space at 560 Washington Street in Manhattan, and it is serving primarily residential customers in New York City and its suburbs..

5. From the outset, RCN has experienced unnecessary difficulties and delays in its relationship with BA-NY. While problems certainly can arise when companies in a highly complex field attempt to work together on a project, based on my many years of experience with BA-NY, it is difficult to believe that all of the problems and delays RCN has encountered in implementing network interconnection were unavoidable or inadvertent on BA-NY's part.

Significant Difficulties with Physical Collocation

6. I must take issue with Ms. McGuire's assertion in paragraph 3 of her Affidavit that BA-NY has adequately met all concerns about its "ability to provide physical and virtual collocation in sufficient quantities on a timely basis."

7. RCN has considerable difficulties attempting to collocate in BA-NY's central

office on West 73rd Street in Manhattan. Upon RCN's inquiry, BA-NY informed RCN that there was space available for collocation of RCN's facilities in this 7-floor office building. Further discussion revealed, however, that the space designated by BA-NY as "available" for collocation by RCN is on the unfinished 7th floor of the building, which must be entirely built-out, at RCN's expense, prior to the installation of RCN's facilities (although they will occupy a fraction of the total floor space).[1/] This seventh floor is entirely raw space, without finished floors, walls or ceilings, or even the required HVAC and electric power. All of these features for the entire floor would have to be installed at RCN's sole expense before any space in that building could be used by RCN for collocation. BA-NY has estimated that the cost to RCN to build out the entire floor will be between $700,000 and $800,000, which is prohibitive, unreasonable and unnecessary.

8. In my opinion, this is an exorbitantly high cost for the installation of the rather limited facilities required by RCN. The normal charge by BA-NY to construct collocation cages is $85,000 per cage: the additional charges for building out space are nearly 10 times as high as the cost of constructing a cage. In certain circumstances, of course, the build-out expense to RCN might be mitigated by contributions of other telephone companies seeking to collocate in this space. However, in this situation, such contribution is highly unlikely, because this central office serves primarily residential users and the level of revenue that may be generated renders the cost of collocation set by BA-NY prohibitive. In fact, these costs already have deterred the only two other companies that were considering collocation in this central office, and, to the best

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[1/] RCN will use 300 square feet out of the approximately 1400 square feet that would have to be built out.

of my knowledge, there are no other companies considering collocation. Accordingly, the likelihood is that RCN would bear the cost of building out an entire floor of BA-NY's office building simply for the privilege of collocating modest facilities there, using only slightly more than 20% of the finished space.

9. Apart from the extremely high cost of collocation at BA-NY's West 73rd Street central office, the 7th floor is obviously the most undesirable floor in this building for collocation, because it is directly under the building's roof, greatly increasing the expense associated with the initial space build-out as well as the long-term maintenance of the facilities. The location potentially subjects RCN's delicate electronic equipment to greater extremes of temperature and possible water leaks less likely to occur on lower floors. Moreover, since switching equipment generates significant heat, locating it directly under a building's roof is likely to require additional cooling capacity during the hottest months of the year.

10. RCN received a "walk through" of the West 73rd Street central office which revealed that BA-NY does, in fact, possess other suitable space, besides the 7th floor, for physical collocation of RCN's facilities.[2] In particular, on the 2nd floor of the building, it would appear that there is about 1,000 square feet available and suitable for collocation. When RCN inquired about the possibility for collocation of its facilities on the second floor, BA-NY claimed to be reserving the 2nd floor for virtual collocation. As far as I know, no party has requested

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[2] I should note that BA-NY initially refused on several occasions to allow RCN to do a "walk through" of the West 73rd Street central office, without specifying any sufficient reason. Ultimately, RCN requested that Commission staff help resolve the matter. Only after Staff intervened did BA-NY relent and permit RCN representatives to view the interior of the building.

virtual collocation at the West 73rd Street central office. Furthermore, there is no apparent reason, technical or otherwise, why RCN's facilities could not be placed on the 2nd floor, which is already built-out, equipped with HVAC, and sufficient to accommodate RCN's facilities. Currently, BA-NY is not offering the space on the second floor to physical collocators (although RCN has a request pending).

11. In addition, RCN could possibly use the fourth floor of the building for physical collocation because it is finished and presently houses a decommissioned (and unused) 1ESS switch. However, BA-NY has informed RCN that the space may not be used because BA-NY does not plan to remove the 1ESS switch until later in 1998 and it is unclear whether the HVAC in place (which had supported the 1ESS switch for approximately 20 years) would be sufficient for RCN's collocated facilities. BA-NY is unwilling to move up the date that the 1ESS switch is scheduled to be removed to accommodate physical collocation by its competitors.

12. Thus, rather than allow RCN to collocate for a reasonable sum of money in an available, and suitable, portion of the second floor of its office building, BA-NY is "reserving" the space for the possibility that parties may request virtual collocation in the future and instead making available to actual requestors an unsuitable, unfinished floor that will have to be built-out at extreme expense. Moreover, BA-NY has determined that the fourth floor will remain "dead space" for the foreseeable future, as storage for an unused piece of equipment, rather than making it available to its competitors. BA-NY's intransigent stance has already deterred two of the three CLECs which originally intended to collocate at the West 73rd Street central office. Based on these results, it is clear to me that BA-NY's manipulation of its available collocation space to the detriment of its competitors serves as an effective barrier to competitive entry.

13. RCN has encountered similar difficulties collocating in another BA-NY central office. BA-NY estimates that a CLEC desiring collocation at its central office located on East 79th Street in Manhattan must pay $1.2 million to build out 2100 square feet of space to accommodate CLEC facilities. Fortunately, in this location, there are several CLECs interested in physically collocating, perhaps ultimately reducing the build-out costs to $200,000 per company. But this is still a princely sum, and there may be space available at the East 79th Street central office where collocation could be done without additional construction costs.

14. Ms. McGuire states in her Affidavit at paragraph 7 that BA-NY has received numerous requests for collocation at central offices "where space is not readily available for physical collocation arrangements," and that, in some of these instances, "raw space is available that could be made ready for physical collocation of interconnection facilities at an additional one-time cost." These terse statements imply that BA-NY is using its best efforts in good faith to make suitable space available to collocators on a reasonable basis; but, as I explain above, this is not the full story. There is good reason to believe that BA-NY may be attempting to foist unnecessary costs and unfavorable conditions on collocators to discourage, delay, or render economically infeasible their efforts to gain access to certain central offices, by "reserving" suitable space in those same central offices for non-existent virtual collocators or other uses, compelling physical collocators either to build out raw space at great expense, or to walk away.

15. As I noted previously, this conduct has already discouraged potential competitors and RCN would not have discovered this tactic except for the direct intervention of the Commission in overcoming BA-NY's repeated refusals to allow a "walk-through" of its central offices. BA-NY's refusals may well have been intended to prevent RCN from realizing that it is

"reserving" other suitable, finished space that could be used for collocation by CLECs at a far lower cost. Based on this experience, I believe that the Commission should require that BA-NY offer all prospective collocators a "walk-through" of its central office facilities prior to finalizing arrangements in each instance where BA-NY claims that special construction or space preparation is required to fulfill a request for physical collocation. The Commission may wish to take a closer look at the "33 COs where there are space constraints" noted in Ms. McGuire's Affidavit (at paragraph 8) to determine the validity of the "constraints."

Difficulties Concerning Unbundled Network Elements

16. BA-NY has attempted to use the recent changes in the regulation of incumbent LECs on the federal level as an excuse to create additional difficulties for CLECs in New York. One particularly frustrating tactic employed by BA-NY involves its recently-announced decision to cease accepting orders for, and provision of, "rebundled" network elements pursuant to the terms of its existing tariffs and interconnection agreements.

17. In a tariff issued last May, BA-NY offered certain combinations of unbundled network elements called the "extended link" that RCN planned to employed for its network. The extended link is composed of the customer's link, the transport to reach that link, and a customer interface panel ("CIP") to connect the two. RCN intended to buy extended links primarily in order to provide dialtone over its own switch to customers served by central offices in which RCN does not collocate. After extensive design review meetings with BA-NY, RCN began the process of obtaining extended links by ordering four CIPs in August. BA-NY subsequently installed the CIPs in early October. RCN then began the process of ordering the transport and link components of the extended links that it sought.

18. However, on October 27, 1997, BA-NY's parent corporation, Bell Atlantic, sent RCN (through its affiliate RCN Services, Inc.) a letter stating that, effective November 27, 1997, BA-NY would not accept further orders for rebundled network elements and that existing arrangements involving rebundled network elements would either have to be terminated or "migrated" to (i) a resale arrangement, or (ii) a set of individual unbundled network elements to be rebundled by RCN. This latter alternative would involve placing "any necessary orders for cross-connects to or augments of existing collocation [arrangements], or [] establish[ing a new] collocation [arrangement] at the relevant central office location." *See* Exhibit A (containing Bell Atlantic's letter of October 27, 1997).

19. In its letter, Bell Atlantic takes the position that the recent 8th Circuit decision allows the incumbent LEC to discontinue offering rebundled network elements to CLECs, apparently even to the extent of abrogating existing interconnection agreements that have been approved by this Commission. RCN asked BA-NY for clarification of this letter. In response to RCN's inquiries, BA-NY representatives stated that RCN could still order the CIPs, because the tariff is still in effect (until November 27), but that nothing beyond that date could be guaranteed. Of course, this uncertainty makes it impossible for RCN to serve these customers with its existing business plan, and it may well preclude RCN from serving certain high capacity business customers at all. Migrating prior arrangements to either resale or to a set of individual unbundled network elements recombined by RCN (plus any additional features necessary to obtain the same functionality as offered in the LEC-provided combination of network elements) results in an uneconomic configuration.

20. Not only has this approach on the part of Bell Atlantic rendered the

implementation of portions of RCN's planned network in the foreseeable future (and its ability to serve various clients) uncertain, but it also has simply delayed RCN's business plan and increased RCN's cost of doing business unnecessarily. In response to RCN's repeated requests for clarification, BA-NY has stated that it plans to hold "a workshop" on December 9, 1997 to discuss the recombination of certain unbundled network elements, but has made no specific commitment to any particular offering. Thus, BA-NY has delayed even a discussion of the fate of this important set of tariff offerings for several weeks and offered very little assurance that the issue will be favorably resolved or effectively addressed.

Route Diversity Problems that Disadvantage CLECs

21. Even the basic structure of BA-NY's network is inherently disadvantageous to competitive local providers and does not provide anything close to parity. For example, BA-NY has six tandems in its LATA and each one governs traffic to a certain sector of the network. Internally, BA-NY has two separate routes to each sector of its network, effectively providing BA-NY customers an adequate level of redundancy and reliability. This is not the same for interconnectors, because they are only afforded access to one tandem for each network sector. If that tandem becomes inoperative for any reason, there is no alternative routing for CLEC customers. In response to RCN's request that CLECs be afforded the same level of network redundancy that BA-NY reserves for itself, BA-NY representatives have replied that this is not possible. However, I am aware of no technical reason why CLECs could not be afforded the same route diversity and redundancy that BA-NY enjoys.

22. BA-NY simply appears to be insensitive to the route diversity issues that CLECs require for sound system design, and this can result in a greater level of vulnerability for CLEC

networks. For example, RCN has interconnected with BA-NY's SS7 network by purchasing SS7 links from BA-NY to connect RCN's Manhattan switch to BA-NY's signal transfer points. RCN has requested full route diversity for these SS7 links, but BA-NY nevertheless placed a substantial portion of both the primary and back-up links in the same conduit.[3] RCN's SS7 network is vulnerable at the point of this conduit because a cut in the primary SS7 link will likely affect the back-up link. I have requested that BA-NY address this lack of diversity, but it has not yet done so. I raise the issue here because I believe that BA-NY routinely provides itself with full route diversity for its SS7 network.

Miscellaneous Delaying Tactics that Impede Competition

23. Based on my experience, it is apparent to me that BA-NY is responsible for creating many unnecessary delays and complications in its relationship with RCN. These delays and difficulties unnecessarily compound the problems that companies such as RCN already face in their complex relationship with BA-NY and have the effect of preventing RCN from deploying its network on a reasonably timely basis and in an efficient manner.

24. For example, BA-NY has refused to supply central office boundary maps to RCN, making it essentially impossible for RCN to access the information necessary to design and optimize its networks. Without such maps, RCN cannot be certain whether it needs to collocate in a given central office to serve its intended subscribers. The Commission should require BA-NY to make this basic information available to CLECs to avoid gross inefficiency and wasteful expenditures.

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[3] RCN's primary and back-up SS7 links travel in the same conduit for approximately 900 feet.

25. Another tactic on BA-NY's part that delays or impedes competition involves reluctance in making available for CLECs on a timely basis the level of interconnection necessary to conduct their businesses properly. For example, BA-NY and RCN agreed in section 4.2 of the October 15, 1996 Interconnection Agreement executed between RCN and NYNEX (now BA-NY), to implement (as a part of a Joint Grooming Plan to be established) either a jointly-maintained SONET network or interconnection of networks at an optical level. In either case, this would involve using STS-1 interconnection protocol. However, despite its commitment in the Interconnection Agreement, BA-NY has not acted on RCN's request to interconnect using STS-1, but instead states that it intends to furnish only a DS3 level of interconnection. The result is that RCN must re-design its network for a DS-3 level of interconnection and purchase and install costly multiplexing and other devices to interface with BA-NY's network.

26. BA-NY's failure to furnish RCN STS-1 interconnection in violation of the parties' interconnection agreement should be contrasted with Ms. McGuire's assertion in her Affidavit (at paragraph 14) that virtual collocators are offered "SONET, OC3, OC12 and OC48 levels with interconnection to service/elements at DS3, *STS-1* and DS1 electrical tributaries interconnected at BA-NY's distribution frames." (Emphasis added).

27. BA-NY is also responsible for sundry implementation problems that have imposed additional costs and delays. For example, BA-NY requested in design meetings that RCN connect to its tandems with B8ZS level connectivity. RCN designed its system to accommodate this feature, but when RCN requested that it be implemented, BA-NY replied that it did not have the proper interfaces for B8ZS and could not connect with RCN. BA-NY

suggested that RCN revert to AMI format, and limit its B8ZS to a single T1 for each tandem. RCN was forced to redesign its system again, and BA-NY promised to provide those B8ZS interfaces in October. Most of November is now past, but BA-NY still has not provided the B8ZS connectivity, even for the single T1 that it promised for each tandem. BA-NY's failure to provide the B8ZS connectivity, and its reversion to AMI format, violates the parties' Interconnection Agreement because it does not permit RCN to provide ISDN services as agreed to between the parties.

Unnecessary Difficulties and Delays in Ordering and Provisioning

28. In addition to the problems set forth above, BA-NY also has infused the process of interconnecting with unnecessary delay. When RCN requests interconnection facilities, BA-NY will not permit it simultaneously to request trunking arrangements on those facilities or trunking arrangements that could be reached by those facilities. RCN must wait to place its full trunking order until after the facilities are operational because BA-NY claims that its inventory of trunking facilities does not contain those facilities that RCN requests until they are built and tested. However, BA-NY requires an additional 60 days to implement trunking arrangements (which it could not implement earlier because its practice is not to include RCN's requested facilities in its inventory until after they are built and tested). Therefore, since BA-NY does not receive RCN's trunking order until after the facilities are in the ground, it gets another two months to delay RCN. I have asked BA-NY to recognize our orders for trunking on the day that we order interconnection facilities (so that the 60-day clock starts running from that point). So far, BA-NY has not agreed to this approach and it has failed to offer a satisfactory reason for its position. It is my opinion that BA-NY's excuse for not processing RCN's trunking order at the

same time as RCN's order for facilities is merely a reference to out-dated standard operating procedures and no technical limitation prevents BA-NY from processing the orders simultaneously.

Insufficient Allocation of Resources and Lack of Organization

29. Finally, in addition to its well-documented delays undermining RCN's efforts to deploy a network, BA-NY has simply failed to devote sufficient resources on a more general level to address the needs of CLECs seeking to interconnect and implement their various provisioning and billing systems.[4] This makes it nearly impossible to plan and implement a network on a reasonable timetable and without incurring unreasonable costs. For example, instead of having a project manager in charge of BA-NY's role in RCN's network implementation project[5] in Manhattan, there is fragmented responsibility for different aspects of the implementation, complicating BA-NY's decision-making process and making it difficult to finish tasks on a schedule. BA-NY has repeatedly refused to commit to *any* project timeline, increasing RCN's costs and creating uncertainty for its customers. RCN's switched network should have been operational in July of this year, but approximately six weeks passed in which we were bogged down in unnecessary delays.[6] These problems are compounded by the recent

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[4] For example, BA-NY's failure to allocate sufficient resources to bill RCN for on-going network interconnection costs has resulted in RCN's bills containing unrelated charges. RCN is in the time-consuming process of determining what costs properly belong in other bills.

[5] RCN's network implementation project involves obtaining necessary trunking and SS7 links from BA-NY and performing various types of traffic exchange testing.

[6] For instance, BA-NY has been unable to engage in joint testing of RCN's switched network for a period of four to six weeks because its tandems were in a "quiet period." Such periods occur when BA-NY upgrades or makes additions to its switches. I do not question

Bell Atlantic merger, which caused certain functions and responsibilities to be reassigned, resulting in further delays and a general lack of responsiveness.

30. This concludes my Affidavit.

Date: November ______, 1997

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Rahul Dedhiya

STATE OF NEW JERSEY)
) ss:
COUNTY OF MERCER)

Signed and sworn to before me, a Notary Public in and for the State of New Jersey, this ______ day of November, 1997.

______________________________[SEAL]
Notary Public

My Commission Expires:________________

210232.1

question BA-NY's right to have quiet periods, but it neglected to inform us of the schedule for them. Thus, while we were in the process of putting the finishing touches on our switched network, BA-NY announced that it could not assist us in performing necessary testing. Had we known of the quiet periods further in advance, we would have expedited our schedule for testing.

EXHIBIT A

RCN / BA

Bell Atlantic

Bell Atlantic Network Services, Inc.
1320 N. Court House Road, 9th Floor
Arlington, VA 22201
Voice(703) 974-4610
Fax(703) 974-2183

Jeffrey Masoner
Vice President, Interconnection Services
Policy & Planning

October 27, 1997

VIA FEDERAL EXPRESS
Executive Vice President
C-TEC Services, Inc.
105 Carnegie Center
Princeton, NJ 08540

Dear Executive Vice President:

This letter is to advise you that, effective November 27, 1997, the Bell Atlantic operating telephone company operating in New York ("Bell Atlantic") will no longer accept orders for or provide rebundled network elements pursuant to the terms of the existing interconnection agreement(s) between C-TEC and Bell Atlantic (the "Agreement(s)") or pursuant to NY PSC Tariff No. 916. This letter is also to advise you of the need to amend the Agreement(s) pursuant to Section 28 thereof to reflect the recent Eighth Circuit decision on rebundled network elements.

On October 14, 1997, the United States Court of Appeals for the Eighth Circuit ruled that Section 251(c)(3) of the Telecommunications Act "does not permit a new entrant to purchase the incumbent LEC's assembled platform(s) of combined network elements (or any lesser existing combination of two or more elements)...." In contrast, according to the Court, the Act "unambiguously indicates that requesting carriers will combine the unbundled elements themselves." Based on the Court's ruling, the purchase of ILEC-rebundled network elements (including 'platforms,' bundled loop and transport, or other combinations) is in contravention of the Act. Similarly, Section 3.1 of NY PSC Tariff No. 916 expressly limits the scope of the Tariff to the provision of unbundled network elements "to enable a Requesting Telecommunications Carrier to provide Telecommunications Services consistent with Section 251 of the Act."

Accordingly, to the extent C-TEC is currently purchasing network elements rebundled by Bell Atlantic, C-TEC must migrate those rebundled circuits to one of the following alternate arrangements by providing written notice and submitting appropriate orders to Bell Atlantic:

- Migrate existing rebundled network elements to resale arrangements;
- Migrate existing rebundled network elements to individual unbundled network elements that C-TEC rebundles in a collocation arrangement (C-TEC must place any necessary

orders for cross-connects to or augments of existing collocation, or to establish collocation at the relevant central office location(s)); or

- Terminate existing rebundled network elements.

C-TEC must place orders to effect the option chosen by C-TEC by December 29, 1997. In the event that C-TEC chooses to migrate existing rebundled network elements to resale or to terminate those existing arrangements, then all orders shall be completed on the first available date due. In the event C-TEC chooses to migrate existing rebundled network elements to individual unbundled network elements that it rebundles in a collocation arrangement, then orders to an existing collocation arrangement shall be completed on the first available date due. In the event that an existing collocation site must be augmented, or that C-TEC does not currently have a collocation site at the relevant central office, then C-TEC must place orders for the necessary augments or collocation arrangements pursuant to Bell Atlantic's collocation tariffs and/or contracts.

In order to ensure that there is no interruption is service, IN THE EVENT C-TEC FAILS TO SPECIFY ITS ELECTION OF THE FOREGOING OPTIONS BY SUBMITTING THE APPROPRIATE ORDER(S) TO BELL ATLANTIC BY DECEMBER 29, 1997, BELL ATLANTIC WILL MIGRATE ANY OF C-TEC'S EXISTING REBUNDLED NETWORK ELEMENT ARRANGEMENTS TO A RESALE ARRANGEMENT AND CHARGE C-TEC ACCORDINGLY.

With respect to the conforming amendments (including changes to draft agreements yet to be signed) to the Agreement(s), we will forward to you the changed provisions shortly. Pursuant to those amendments, C-TEC will still be able to provide service using a full set of Bell Atlantic facilities, either through resale of Bell Atlantic retail services or through C-TEC's recombination in a collocation arrangement of the individual unbundled network elements that C-TEC wishes to recombine.

If you have any questions, you may contact me on (703) 974-4610 or your account manager.

Sincerely,

Jeffrey A Masoner

Jeffrey Masoner

cc: J. Goldberg
A. Yanez
C. Tai, Esq.
R. Milch, Esq.

MCI

BELL ATLANTIC - NORTH: STATUS OF SELECTED CHECKLIST ISSUES

Dennis Kern, Regional VP- Eastern Financial Operations; Rodney Sampson, Senior Manager of Systems Implementation; Bob Lanier, Senior Manager of Network Provisioning; Rob Lopardo, Director-State Regulatory Affairs

February 13, 1998

Summary of Presentation

- Regional Overview
- Open Issues:
  - UNE OSS
  - Parity
  - Collocation
  - Capacity Constraints
  - Combinations
- Other Checklist Problems
  - Transport
  - Reciprocal Compensation
  - Interconnection

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UNE OSS

- **Problems:**
  - No EDI interface for ordering UNEs;
    - No process in place to resolve unresolved "policy" issues from UNE Collaborative
    - No process to monitor implementation of build-out of ordering interfaces
  - No efficient, electronic interfaces and processes for:
    - Preordering
    - Provisioning
    - Billing
    - Maintenance and Repair
  - No process in place to develop preorder, billing, maintenance and repair interfaces and processes for UNEs
  - No process to ensure parity in provisioning: ability to handle commercial volumes

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UNE OSS - Cont.

- **Problems, Cont.:**
  - Loop Provisioning:
    - Delays in Loop Delivery
    - No efficient (i.e., electronic) provision of loop cross connections
- **History: Resale OSS Deficiencies**
  - EDI Development and Testing
  - Effect on Commercial Launch
- **Result:** MCI cannot order unbundled loops and UNEs in commercial volumes and receive parity of provisioning, billing, repair and maintenance
- **Action Needed:** MCI has requested NY PSC to: (1) resolve policy issues; (2) monitor build out; (3) oversee and be involved in testing
- **Standard: Parity**

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Measuring Parity

Performance Standards and Measurements with Self-Executing Remedies

- **Problem:** Performance measurements contained in the "interim guidelines" are not sufficient to measure parity
- **Result:** MCI receives lower quality of service than BA
- **Action Needed:** Expedited establishment of permanent performance measures and penalties that ensure parity of service: quick action on LCI Petition

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Collocation

Exorbitant Collo Cage Prices

- **Problem:** No permanent pricing. Interim non-cost based rates for collocation: current recurring and non-recurring charges are excessive (certain collo cages in New York are priced in the range of $400,000 to $600,000)
- **History:** Lack of Timeliness in Provisioning and Denial of Access Due to lack of Space
- **Result:** High price tags force MCI to pull back on its facilities based local market entry strategy
- **Action Needed:** MCI has requested NY PSC to set permanent, cost-based pricing for collo, both recurring and nonrecurring
- **Standard:** Permanent cost based pricing for collocation, both recurring and non-recurring

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Collocation

Virtual Collo Process and Procedures in Disarray

- **Problem:** No operational parity between a physical and virtual collo; no performance standards and penalties for virtual collo
- **Result:** Lack of workable process for virtual collocation leaves MCI with no alternative if physical collo is impossible due to space limitations or priced excessively
- **Action Needed:** MCI has requested NY PSC to develop process, procedures, and performance standards for virtual collos.
- **Standard: Parity --** The continued development of workable processes, procedures and performance standards that will make virtual collo an effective option for reaching customers

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