Robert W. Quinn, Jr.
Director - Federal Government Affairs

Suite 1000
1120 20th St., NW
Washington, DC 20036
202 457-3851
FAX 202 457-2545

April 1, 1998

EX PARTE OR LATE FILED

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APR - 1 1998
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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

RE: Ex Parte
Application by SBC Communications, Inc. Pursuant to Section 271 of the Communications Act of 1934, as Amended, to Provide In-Region, interLATA Service in Oklahoma, CC Docket No. 97-121

Dear Ms. Roman Salas:

On Tuesday March 31, 1998, Jim Grudus, Joan Marsh, Susan Faccenda, and I of AT&T met with Michael Pryor, Jake Jennings, Jason Oxman and Andrea Kearney of the Common Carrier Bureau's Policy and Program Planning Division to discuss information regarding Ameritech's Operational Support Systems as well as the communications that AT&T has had to date with Ameritech with respect to obtaining combinations of network elements. Attached are several documents distributed during the presentation.

Two copies of this Notice are being submitted on the next business day to the Secretary of the FCC in accordance with Section 1.1206(a)(1) of the Commission's rules.

Sincerely,

Robert Quinn /mm

Attachments

cc: J. Jennings
J. Oxman
M. Pryor
A. Kearney

No. of Copies rec'd 0+2
List A B C D E

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30 South Wacker Drive
Floor 39
Chicago, IL 60606
Office 312/750-5367
Fax 312/609-6307

Ameritech

John T. Lenahan
Assistant General Counsel

VIA FACSIMILE AND U.S. MAIL

October 17, 1997

William A. Davis II
AT&T
Chief Regulatory Counsel
13th Floor
227 West Monroe Street
Chicago, Illinois 60606

Dear Bill:

This responds to your letter to me dated October 8, 1997, which I received on October 14, 1997. You asked for Ameritech's written position regarding the so-called UNE Platform.

Bill, AT&T has been fully aware of Ameritech's legal position regarding the UNE Platform: the UNE Platform, as defined by AT&T, is inconsistent with the Telecommunications Act of 1996 and not required by the interconnection agreements between our companies.

As I represented to you and to Len Cali, Ameritech agreed to work to implement the UNE Platform during the time this issue remained unresolved on appeal. Our agreement to work with AT&T, however, was with the express and mutual understanding that neither party was waiving its legal rights. As such, your apparent surprise at Ameritech's decision to "litigate" this issue is puzzling. The fact of the matter is that the legality of your vision of the UNE Platform has been the subject of litigation since at least the August 8, 1996 release of the FCC's First Report and Order in Docket 96-98.

The Order on Petitions for Rehearing of the United States Court of Appeals for the Eighth Circuit, filed on October 14, 1997, now resolves the platform issue.

As the Court held in granting certain petitions for rehearing, including Ameritech's:

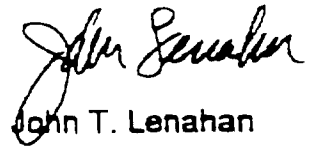
> Section 251(c)(3) requires an incumbent LEC to provide access to the elements of its network only on an unbundled (as opposed to a combined) basis. Stated another way, § 251(c)(3) does not permit a new entrant to purchase the incumbent LEC's assembled platform(s) of combined network elements (or any lesser existing combination of two or more elements) in order to offer competitive telecommunications services.

As I understand it, AT&T's "assume-as-is" UNE Platform involves access to existing assembled network elements on a combined – as opposed to an unbundled – basis. As such, AT&T's version of the UNE Platform is inconsistent with Section 251(c)(3), and clearly outside the scope of our interconnection agreement.

Therefore, continued implementation discussions regarding AT&T's UNE Platform do not seem productive. Ameritech recommends, however, that we begin discussions regarding AT&T's access to unbundled network elements under our interconnection agreement in a manner consistent with the Act and the Eight Circuit's Opinion. Such discussion should be coordinated with AT&T's account management team, which I assume will occur in the normal course of business.

Bill, if you would like to discuss our legal position in further detail, feel free to give me or Mike Karson (312/867-5568) a call.

Sincerely,



John T. Lenahan

JTL:plj

c: Neil Cox
Mike Karson

C:\LENAHAN\jt1152.doc

William A. Davis II
Chief Regulatory Counsel
Central Region

13th Floor
227 West Monroe Street
Chicago, IL 60606
312 230-2636

October 23, 1997

John T. Lenahan, Esq.
Assistant General Counsel
Ameritech
30 South Wacker Drive, Floor 39
Chicago, IL 60606

Dear John:

I have your response of October 17, 1997 to my letter of October 8, 1997 concerning the UNE Platform. Obviously our companies have on-going differences that are incapable of being resolved in correspondence between the two of us, but I will respond briefly to your letter and address the question of how we may best pursue platform issues going forward.

I am puzzled by your statement that AT&T's version of the UNE Platform is both inconsistent with Section 251(c) of the Act and "clearly outside the scope of our interconnection agreement." I understand your citation to the 8th Circuit Court of Appeals' decision of October 14, 1997 in connection with the first point (and as noted we will continue to differ on the merits of that reading of the Act); at the same time, however, there exists clear state law basis for the platform in a number of our states (e.g., Michigan, Illinois). Moreover, as to the scope of the interconnection agreements, I wonder whether and how your position takes into account Schedule 9.5, Sec.1.17, which provides:

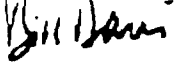
> "When AT&T orders Network Elements or Combinations that are currently interconnected and functional and remain interconnected to the same adjacent Network Elements, such Network Elements and Combinations will remain interconnected and functional without any disconnection or disruption of functionality of such Network Elements. There shall be no charge for such interconnection. Consequently, for Ameritech retail Customers who simply wish to switch their local service providers and keep the same type of service provided through the same equipment, this method of ordering will accomplish this with no physical changes required in the existing Network Elements. Under these circumstances, it shall not be necessary for AT&T to collocate

> equipment in Ameritech Central Offices to connect the unbundled Network Element. If shared Network Elements are used, Ameritech will be responsible for all engineering, provisioning and maintenance of these components to ensure they support the agreed-upon grade of service."

Among the network "combinations" which Ameritech agreed to provide pursuant to Section 9.3.4, of course, is the "Unbundled Element Platform with Operator Services and Directory Assistance." We read these sections of the interconnection agreement to provide expressly for AT&T's version of the UNE Platform, and I am therefore at a loss as to how Ameritech can reconcile these provisions with its position that the AT&T UNE Platform is "outside the scope" of our agreement.

In any event, and without prejudice to our legal positions, AT&T is prepared to pursue discussions of UNE Platform issues – including Ameritech's proposed approach to UNE availability in light of the 8th Circuit's ruling – from an operational and business perspective. In particular, AT&T will need to know with specificity just how Ameritech proposes to make each UNE available to requesting carriers on a separated basis in a manner that will allow those requesting carriers to combine such elements. Bruce Bennett will be taking up these issues, consistent with your suggestion, in discussions with Ameritech's AT&T account management team.

Sincerely,



William A. Davis, II

cc: Neil Cox, Esq.
Mike Karson, Esq.

bcc: Len Cali
Bruce Bennett

Bruce C. Bennett
Director of
Product Delivery

35th Floor
227 W Monroe Street
Chicago, IL 60606-5016
312 230-3312
FAX 312 230-8886

November 14, 1997

VIA FACSIMILE

Daniel J. Kocher, Director
Planning and Implementation
Ameritech
350 North Orleans, 3rd Floor
Chicago, Illinois 60654

Dear Dan,

In our November 6, 1997 meeting we discussed certain operational issues associated with Ameritech's proposed methods for making UNEs available to CLECs, assuming the 8th Circuit Court decision is not overturned. Ameritech's response, in general, was that the CLECs would be required to recombine Network Elements in collocation space purchased on terms and conditions per the Interconnection Agreement. This letter sets forth AT&T's understanding of Ameritech's requirements based on our discussions and seeks your confirmation of our understanding. Also, AT&T is submitting additional questions to better understand Ameritech's operational plans and requirements for recombined UNEs. Ameritech agreed to respond to in writing to additional questions on UNE recombining.

Listed below are the questions AT&T asked Ameritech in our meeting and the Ameritech responses as we understand them:

1. **What are the elements Ameritech will offer to CLECs on an unbundled basis?**

   Ameritech will keep the loop and NID connected and will not provide a loop without a NID. The elements Ameritech will make available are: loop and NID combined, local switching including signaling inherent in the switch (including access to databases), transport – both dedicated and Ameritech's version of "shared", tandem switching, tandem transport and OS/DA.

2. **How will CLECs be required to recombine the elements?**

   Ameritech requires CLECs to combine elements in collocation space. Each CLEC will require collocation space in each central office, including tandem offices, in order to recombine UNEs. At the Main Distribution Frame, Ameritech will "disconnect" an existing loop when a CLEC furnishes a valid customer request for service. Ameritech would establish jumpers for both the loop and switch side connection on Ameritech's Main Distribution Frame ("MDF"). An Ameritech-approved third party vendor would be required to establish the connection between the collocation cage and Ameritech's MDF. The CLEC will establish its own MDF in its collocation cage and will be responsible for physically cross-connecting loop jumpers and line port jumpers on its MDF. Ameritech indicated that

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a CLEC may make all the connections within its cage at one time. Additionally, Ameritech indicated that an Intermediate Distribution Frame ("IDF") connection between its MDF and the collocation cage may also be required in some central offices. Ameritech said it would not utilize a common frame outside of the collocation space to terminate multiple CLECs' cross-connects. Moreover, cross-connection of Ameritech switching with dedicated transport trunks would be performed in the collocated space under Ameritech's definition of "shared" transport.

3. **Does Ameritech allow CLECs to share the same interoffice transport used by Ameritech?**

   No. A CLEC purchasing UNE interoffice transport will be purchasing dedicated interoffice trunks and cannot simultaneously use the same interoffice transport used by Ameritech.

4. **Can CLECs purchase Ameritech's "shared" transport in quantities smaller than a full trunk group?**

   The lowest quantity currently negotiated and practically implemented for interconnection is the DS1 level. Upon request, Ameritech will split the "shared" transport bill for a DS1 among sharing CLECs.

5. **How does Ameritech complete a line assignment for its existing customers?**

   A physical disconnection and reconnection often is not necessary when an existing loop is assigned to an Ameritech customer; rather, Ameritech is able to accomplish this task via an electronic (keyboard) input.

6. **Does a CLEC have to purchase signaling separate from switching?**

   No. On the line side, the line card has signaling as an embedded function. On the trunk side, a CLEC can purchase either MF or SS7 trunks. The basic signaling capability is inherent in the switch; signaling is not ordered separately if switching is ordered. This basic signaling capability includes access to the Ameritech databases (i.e. 800/888, 911, LIDB, etc. databases). A CLEC purchasing switching and SS7 trunks does not have to purchase separate access to Ameritech's signaling network and associated databases. Signaling includes both TCAP and ISUP signaling.

7. **When will Ameritech's unbundled elements ordering guide be updated to reflect the 8th circuit court ruling?**

   Ameritech promised to furnish a date for updating its unbundled ordering guide. (AT&T posed this question to our Ameritech Account Manager on 10/23/97 and is still waiting for an answer. Ameritech has a message on its WEB site indicating that the unbundled ordering guide will be updated to reflect the 8th Circuit Court ruling).

8. **Will Ameritech allow CLECs to recombine UNEs without collocation? Is Ameritech combining elements today via a remote terminal?**

   Ameritech requires collocation for CLEC recombining of UNEs. For the vast majority of Ameritech's own customers, service is provisioned via a software update using a remote terminal. Ameritech makes a physical connection to provide service only for new lines (e.g. second lines).

9. **Are there ways that CLECs can have direct access to the Ameritech MDF? Is there software to recombine without a physical reconnection?**

   Ameritech does not anticipate providing CLECs direct access to Ameritech equipment. Ameritech has not given any thought to a software- based method of recombining separate elements.

10. **What happens if Ameritech does not have sufficient room to accommodate collocation in a specific central office?**

    Under these circumstances, Ameritech would allow virtual collocation, and would require Ameritech escort of the CLEC technician to perform work on the virtually collocated equipment.

11. **Can CLECs pre-wire in a collocation space?**

    Ameritech will not prohibit a CLEC from prewiring in its collocated space. A CLEC can also prewire all of its tie lines to and from the MDF (or IDF where one exists) at one time.

12. **How will Ameritech ensure coordination of the loop and line port connections for each CLEC customer service order?**

    The CLEC would have to specify the physical appearances of the loop and switch line port on the individual orders: Ameritech has processes in place to coordinate the separate orders required for the loop and the line port on the switch.

13. **How many loop and line port jumper connections could Ameritech complete in a single day?**

    Ameritech indicated there is a physical limit to the number of conversions which can be done in any given day because of the manual effort involved, but was not able to quantify this limit. To date, Ameritech has not completed any studies or given any thought to what the maximum number of daily connections would be.

14. **Assume a CLEC intends to purchase collocation space solely for purposes of recombining the necessary UNEs into the platform combination, rather than purchasing collocation space for providing facilities-based service, and therefore will not need space for equipment such as light guide equipment: under these circumstances will Ameritech allow the CLEC to purchase collocation space in increments less than 100 square feet?**

    Yes. Ameritech will reconsider minimum UNE collocation space requirements, and will provide AT&T with a response on this question.

15. **Collocation requirements will increase the loop length. If this additional length necessitates loop conditioning, who is responsible for performing the conditioning – Ameritech or the CLEC?**

    The CLEC is responsible.

16. **Will Ameritech provide CLECs access to its engineering records, since the records need to be updated to reflect the new loop length to ensure MLT testing works properly?**

    As necessary, access to records will be provided. Ameritech said it would investigate MLT impacts of its collocation proposal and will provide AT&T an answer.

17. **How does maintenance of the recombined unbundled elements work?**

    Ameritech has responsibility for the actual maintenance of the elements and the CLEC has responsibility for properly combining the elements. The CLEC must identify and sectionalize the maintenance problem. The CLEC must notify Ameritech which elements are not working properly and Ameritech will initiate corrective action. Ameritech will provide CLECs access to the necessary maintenance tools and diagnostics.

Listed below are additional questions related to Ameritech's requirements for CLECs to recombine unbundled network elements:

18. Has Ameritech developed methods and procedures to describe how it will separate already-combined elements and how CLECs will be required to recombine elements? If not, when will this be done and when will the M&P's be available to CLECs?

19. What OSS impacts are anticipated from Ameritech's recombining proposals? What OSS will Ameritech access/utilize to separate elements and will CLECs utilize to recombine elements? How will Ameritech provide CLECs access to these OSS?

20. What impact does Ameritech's recombining proposal have on engineering and inventory records? What records will Ameritech access or modify to separate already connected elements? What records will need to be accessed and/or updated for a CLEC to complete recombination of UNEs? What is Ameritech's plan to accurately maintain such records? How will multiple CLECs using recombined UNEs be given access to Ameritech's engineering and inventory records?

21. Has Ameritech investigated any alternatives to collocation for the recombination of network elements (for example, providing CLECs direct access to Ameritech's network equipment for physical recombining or logical separation and recombining)? If so, what are Ameritech's reasons for not making these alternatives available to CLECs? If not, when will this investigation be done?

22. Will Ameritech have any restrictions on the number of recombined UNE customers which may be converted to CLECs on a daily basis?

23. How quickly can Ameritech install collocation cages in all of the Ameritech Michigan central offices?

24. What is the availability of collocated space in each Ameritech central office? Please describe any limitations which may exist.

25. Assuming a CLEC has prewired loop and switch connections in its collocation space to blocks on Ameritech MDF and/or IDF frames, what is the expected duration of customer down time for conversion of an existing Ameritech customer to a UNE CLEC customer?

26. How does Ameritech propose to remedy the provisioning/service parity issues associated with its collocation proposal e.g., (1) electronic provisioning vs manual provisioning; (2) additional loop lengths; (3) additional possible points of failure?

Thank you for your cooperation on this matter. If you have any questions I can be reached at (312) 230-3312.

Sincerely,

Bruce Bennett (cv)

Bruce Bennett

BB/cv

AT&T Corporate Center
227 West Monroe
Chicago, Illinois 60606

November 18, 1997

Bonnie Hemphill
General Manager - AT&T CLEC Sales
Ameritech Information Industry Services
350 North Orleans, Floor 3
Chicago, Illinois 60654

Dear Bonnie:

As mentioned in my last correspondence to you the AT&T Collocation team would meet to discuss and develop a collocation forecast for Ameritech. At that meeting, several observations were noted which impact the coordination and development of the forecast data which we are to provide to Ameritech. In light of Ameritech's position regarding the 8th Circuit decision on the method of combining network elements, and its insistence upon combining network elements through collocation, the team needs to reconsider the impact on our collocation requirements in Ameritech end offices. Our current collocation data and analysis must now be re-evaluated to determine how to factor in this criterion. Consequently, in order to provide you with an useful forecast, I have requested that the AT&T Collocation team reassess our current forecast data and make the appropriate modifications.

The reassessment and analysis of these revisions would ultimately impact the initial timeframes reflected in Section 6.2.5 (Collocation Planning) of the Implementation Plan. AT&T proposes to provide Ameritech with a two-year rolling revised annually forecast starting on January 20 1998 for the Termination Points, Existing Space, Future LSO's in Existing Market and Future LSO's. We would also submit on a two-year rolling revised Quarterly forecast for Power starting on January 20, April, July, and October respectively. The team has developed forecast templates in which to provide this information to Ameritech (Attachments 1-4). A two-year forecast that does not account for the latest information, in this case consideration of Ameritech's position on the 8th Circuit decision, does not provide it's intended value. Given the dynamic nature of this business it also seems appropriate to consider a six month true up option in the two-year forecast. As of this time however, I can inform you that AT&T has no plans for collocation in Wisconsin or Indiana for 1998. Should that plan change due to our business needs, I will notify you in a timely fashion so as to provide you with adequate time to respond to the requirements.

Your feedback on this proposal is necessary for our team to move forward.
If you have any questions or need further clarification regarding the aforementioned I can be contacted at 312-230-2450.

Antoinette Thomas

Copy to:
Steve Hunsberger
Rhonda Johnson
Dan Noorani
Rob Polete

Term Points
Draft

Termination Points (MDF,DSX1, DSX3, OCX)
Interval-2 Year Rolling Revised Annually
Requirements - 1) Location, 2) Current Terminations, 3) Incremental Growth

						CY+1					CY+2				
	Current					Incremental					Incremental				
				LGX					LGX					LGX	
LSO	DSO	DS1	DS3	OSP	EQ	DSO	DS1	DS3	OSP	EQ	DSO	DS1	DS3	OSP	EQ
CHCGILAUH00															
CHCGILCLH32															
CHCGILEDH01															
CHCGILFRH27															
CHCGILHBH02															
CHCGILIDH11															
CHCGILIRH01															
CHCGILKIH02															
CHCGILLRH07															
CHCGILLWH04															
CHCGILMEH02															
CHCGILNEH01															
CHCGILRPH02															
CHCGILSUH08															
CHCGILCAH01															
CHCGILDOH01															
CHCGILLAH02															
CHCGILLDH02															
CHCGILMOH03															
CHCGILOKH02															
CHCGILWBH23															
BLWDILBWH08															
DWGVILDGH05															
EMHRILETH00															
GENVILGNH02															
GLEUILGEH01															
HLSDILHDH02															
HNDLILHIH02															
LBRDILLMH08															
LGRCILLGH02															
NPVLILNAH04															
NPVLIVNEH03															
OKBRILOAH01															
OKPKILOPH01															
RVGVILRGH01															
SMMTILSMH03															
WHTNILWHH03															
ARLHILAHH05															
DRFDILDFH00															
LBVLILLIH03															
LKFRILLFH02															
NBRKILNBH04															
NBRKILNTH08															
WLNGILWGH05															
BNSVILBVH05															
CHCGILOHH09															
DSPLILXLH02															
EGVGILEGH07															
EVTNILEVH01															
GLVWILGVH03															
HFESILWLH02															
MRGVILMGH02															
PRRGILXLH01															
SCBGILCDH03															
SCPKILSPH00															
SKOKILSKH03															
WLMTILWIH02															
WNTKILWNH03															

Power
Interval-2 Year Rolling Revised Quarterly
(Requirements - 1) Location, 2) Current Fused Amps, 3) Incremental Growth

LSO	Current Fused Amps	CY+1 Incremental Fused Amps	CY++2 Incremental Fused Amps
CHCGILAUH00			
CHCGILCLH32			
CHCGILEDH01			
CHCGILFRH27			
CHCGILHBH02			
CHCGILIDH11			
CHCGILIRH01			
CHCGILKIH02			
CHCGILLRH07			
CHCGILLWH04			
CHCGILMEH02			
CHCGILNEH01			
CHCGILRPH02			
CHCGILSUH08			
CHCGILCAH01			
CHCGILDOH01			
CHCGILLAH02			
CHCGILLDH02			
CHCGILMOH03			
CHCGILOKH02			
CHCGILWBH23			
BLWDILBWH06			
DWGVILDGH05			
EMHRILETH00			
GENVILGNH02			
GLELILGEH01			
HLSDILHDH02			
HNDLILHIH02			
LBRDILLMH08			
LGRCILLGH02			
NPVLILNAH04			
NPVLIVNEH03			
OKBRILOAH01			
OKPKILOPH01			
RVGVILRGH01			
SMMTILSMH03			
WHTNILWHH03			
ARLHILAHH05			
DRFDILDFH00			
LBVLILLIH03			
LKFRILLFH02			
NBRKILNBH04			
NBRKILNTH06			
WLNGILWGH05			
BNSVILBVH05			
CHCGILDHH09			
DSPLILXLH02			
EGVGILEGH07			
EVTNILEVH01			
GLVWILGVH03			
HFESILWLH02			
MRGVILMGH02			
PRRGILXLH01			
SCBGILCOH03			
SCPKILSPH00			
SKOKILSKH03			
WLMTILWIH02			
WNTKILWNH03			

Space
Interval-2 Year Rolling Revised Annually
Requirements - 1) Location, 2) Current Square Feet, 3) Incremental Growth in Square Feet, 4) Current # of Bays, 5) Incremental Growth in Bays

	Physical			Virtual		
LSO	Current Square Feet	CY+1 Incremental Square Feet	CY+2 Incremental Square Feet	Current # of Bays	CY+1 Incremental # of Bays	CY+2 Incremental # of Bays
CHCGILAUH00						
CHCGILCLH32						
CHCGILEDH01						
CHCGILFRH27						
CHCGILHBH02						
CHCGILIDH11						
CHCGILJRH01						
CHCGILKJH02						
CHCGILLRH07						
CHCGILLWH04						
CHCGILMEH02						
CHCGILNEH01						
CHCGILRPH02						
CHCGILSUH06						
CHCGILCAH01						
CHCGILDOH01						
CHCGILLAH02						
CHCGILLDH02						
CHCGILMOH03						
CHCGILOKH02						
CHCGILWBH23						
BLWDILBWH06						
DWGVILDGH05						
EMHRILETH00						
GENVILGNH02						
GLELILGEH01						
HLSDILHDH02						
HNDLILHIH02						
LBRDILLMH06						
LGRCILLGH02						
NPVLILNAH04						
NPVLIVNEH03						
OKBRILOAH01						
OKPKILOPH01						
RVGVILRGH01						
SMMTILSMH03						
WHTNILWHH03						
ARLHILAHH05						
DRFDILDFH00						
LBVLILLIH03						
LKFRILLFH02						
NBRKILNBH04						
NBRKILNTH06						
WLNGILWGH05						
BNSVILBVH05						
CHCGILOHH09						
DSPLILXLH02						
EGVGILEGH07						
EVTNILEVH01						
GLWVILGVH03						
HFESILWLH02						
MRGVILMGH02						
PRRGILXLH01						
SCBGILCOH03						
SCPKILSPH00						
SKDKILSKH03						
WLMTILWIH02						
WHTKILWNH03						

Future LSO's
Draft

Future LSO's in Existing Markets
Interval-2 Year Rolling Revised Annually
Requirements - 1) State, 2) Geographical Area, 3) Current LSO's, 4) Incremental Growth

State	Existing Market	Current # LSO's	CY+1 Incremental # LSO's	CY+2 Incremental # LSO's
Illinois				
Indiana				
Michigan				
Ohio				
Wisconsin				

Future LSO's
Interval-2 Year Rolling Revised Annually
Requirements - 1) Current LSO's in the Five Ameritech States, 3) Incremental Growth

Current # LSO's	CY+1 Incremental # LSO's	CY+2 Incremental # LSO's

Bruce C. Bennett
Director of
Product Delivery

25th Floor
227 W. Monroe Street
Chicago, IL 60606-5018
312 230-3312
FAX 312 230-8886

December 16, 1997

VIA FACSIMILE AND US MAIL

Daniel J. Kocher, Director
Planning and Implementation
Ameritech
350 North Orleans, 3rd Floor
Chicago, Illinois 60654

Dear Dan,

I am following up on the status of a response to my November 14, 1997 letter (attached) I sent you following our November 6, 1997 meeting. Included in the letter is a series of questions we asked Ameritech at the meeting and AT&T's understanding of Ameritech's responses. We also included questions related to Ameritech's requirements for CLECs to recombine unbundled network elements which were not specifically addressed at the meeting. It has been over a month since I sent you the letter which Ameritech agreed to respond to in writing, and I have not received a response. We would really appreciate Ameritech's answers to these questions as quickly as possible.

If you should have any questions or would like to discuss anything I can be reached at (312) 230-3312. Thank you in advance for your cooperation on this matter.

Sincerely,

Bruce Bennett

BB/cv

Attachment

cc: Bonnie Hemphill

Recycled Paper

Bruce C. Bennett
Director of
Product Delivery

25th Floor
227 W. Monroe Street
Chicago, IL 60606-5016
312 230-3312
FAX 312 230-8886

January 28, 1998

VIA FACSIMILE AND U.S. MAIL

Daniel J. Kocher, Director
Planning and Implementation
Ameritech
350 North Orleans, 3rd Floor
Chicago, Illinois 60654

Dear Dan,

I am following up on the status of a response to my December 16, 1997 and November 14, 1997 letters regarding Ameritech's requirements for CLECs to recombine unbundled network elements. We have not yet received the response you agreed to provide and therefore can only assume that we have correctly characterized Ameritech's position on recombination in the November 14, 1997 letter.

If Ameritech's position on these issues has changed we would greatly appreciate a response to our letter.

Sincerely,

Bruce Bennett

BB/cv

cc: Bonnie Hemphill

Recycled Paper

Ameritech Information Industry Services
350 N. Orleans, Floor 3
Chicago, Illinois 60654
Phone: 312/335-6559 Fax: 312/335-2927

Bonnie Hemphill
General Manager - AT&T

February 10, 1998

Mr. Bruce Bennett
Director of Product Delivery
AT&T
227 W. Monroe, 25th Floor
Chicago, Illinois 60606

Dear Bruce,

This responds to your letter of November 14, 1997 to Dan Kocher and subsequent correspondence concerning the November 6, 1997 meeting when Dan, Mike Karson and I were invited to speak with Maureen Gerson, Bob Sherry, Bob Falcone and yourself concerning AT&T's ability to combine network elements pursuant to the Eighth Circuit Court's ruling. That meeting was held as a follow-up to John Lenahan's October, 17, 1997 letter.

At that three hour meeting, we described in detail how Ameritech today provides access to network elements and how AT&T could, if it chose to do so, use these existing arrangements to combine those network elements with its own facilities or with other network elements provided by Ameritech to provide telecommunications services. While our discussion dealt with details, the subject matter itself was not new to any of us. The manner in which Ameritech provides access to these network elements has been extensively documented at Ameritech's web site, in our Interconnection Agreement and its associated Implementation Plan, and in the thousands of pages filed with Ameritech's two 271 applications.

During the meeting, we emphasized the following points:

1. Ameritech has provided other CLECs with access to tens of thousands of unbundled loops which have been successfully combined within those carriers' networks to serve their customers. Procedures have been established to coordinate the disconnection of Ameritech's retail service with the installation of a CLEC's service to minimize any customer inconvenience during the transition.

2. Ameritech does not dictate to AT&T how network elements that it purchases should be combined. On several occasions Dan Kocher corrected misstatements made by the AT&T representatives that Ameritech was "requiring" AT&T to perform certain functions in combining network elements.

3. Although it is obvious that combining network elements as they are currently provided can be accomplished in collocation space, Ameritech is open to negotiate any other

technically feasible alternative that AT&T cares to propose. AT&T indicated that it would be making such a proposal shortly.

Unfortunately, although the meeting was established to exchange our respective views of the court's decision, once the meeting started you provided little explanation of AT&T's position on the issue. You stated that you were not authorized to discuss AT&T's views at that time. Several times during the meeting, you or one of the other AT&T representatives indicated that AT&T was preparing alternative arrangements which it intended to formally propose to Ameritech. As the meeting adjourned, it was Ameritech's understanding that AT&T would be making those proposals in the near future. It was to those forthcoming proposals that Ameritech agreed to respond. Nearly three months have passed since that meeting. To date, Ameritech has not received any proposals from AT&T even though the Eighth Circuit's order was clear that the responsibility to combine network elements rests with AT&T, not Ameritech.

With regard to the November 14th correspondence, I must admit that there was some puzzlement on our part when we received your document when we understood that AT&T was preparing to open negotiations on an alternative proposal to the existing collocation arrangements. Our original intention was to respond when AT&T shared its proposal with us. However, I think it is now obvious that your proposal is delayed. You may refer to the three points listed above as an accurate summary of Ameritech's position and Ameritech's willingness and ability to provide access to network elements so that they can be combined by AT&T(with details provided in the extensive documentation mentioned earlier).

I also believe that AT&T's position contained in its forecast letters of November 18, 1997 and December 18, 1997 was disingenuous. Since AT&T has steadfastly refused to accept both the UNE platform and shared transport definitions contained in our Interconnection Agreement or the Eighth Circuit's rulings, they could have no impact on AT&T's ability to fulfill its contractual obligations for forecasts. In any case, since you now have our response, there should be no further impediment to your forecasting process.

I also note that AT&T has publicly announced abandonment of its resale efforts although substantial order volumes continue through our service center. I am curious as to whether this announcement, along with the Eighth Circuit's ruling, will result in a changed position vis-a-vis the UNE Platform, which for all intent and purposes was nothing more than resale at TELRIC rates. If you have any information with regard to this situation that you would be willing to share, Ameritech would appreciate it.

Bruce, to the extent you wish to enter into meaningful dialogue on your network element combination alternatives, your account team at Ameritech, stands ready to do so. When you obtain the authorization to discuss these items, please feel free to forward any proposals you wish Ameritech to consider.

Sincerely,

Bonnie Hemphill

Bruce C. Bennett
Director of
Product Delivery

25th Floor
227 W. Monroe Street
Chicago, IL 60606-5016
312 230-3312
FAX 312 230-8886

February 27, 1998

VIA FACSIMILE AND U.S. MAIL

Bonnie Hemphill
General Manager
Ameritech Information Industry Services
350 North Orleans
Floor 3
Chicago, IL 60654

Dear Bonnie:

I am in receipt of your February 10, 1998 letter replying to my letter of November 14, 1997. Your letter fails to respond to AT&T's requests – contained in my initial letter and reiterated in follow-up correspondence on December 16, 1997 and January 28, 1998 that Ameritech clarify and confirm its position on the manner in which it proposes to make available unbundled UNEs to CLECs, including an explanation of how Ameritech combines UNEs for its own use and how Ameritech will separate UNEs that are currently combined. The information we requested is essential for AT&T to evaluate whether your current collocation-based offering is a reasonable means to combine Ameritech UNEs (loops and switches), as well as to assess possible alternatives.

Your letter attempts to suggest that Ameritech has not responded to my November 14, 1997 letter because it has been waiting for an AT&T proposal. What we agreed to at our November 6, 1997 meeting, however, was that AT&T would summarize in writing what it understood Ameritech's position to be on those questions, and that Ameritech would respond in writing, and that was not tied to any AT&T alternative proposal. If, as you contend, you were "puzzled" by my November 14th letter, presumably you remained puzzled by my subsequent requests for the information, and yet you never called and never responded. If Ameritech had a different understanding, in other words, it was incumbent on Ameritech to respond in some fashion rather than simply remain silent for three months.

Your latest letter, moreover, is not responsive. We fully understand that Ameritech has provided CLECs with their own switches access to your unbundled loops by using collocation to connect to their networks. AT&T's questions were posed to gain an understanding of whether Ameritech's collocation product, designed for connecting UNEs in an environment for CLEC switch providers to access unbundled loops in your network, is reasonable when Ameritech provides both the loops and the switch. As we discussed in our meeting, it is AT&T's view that

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collocation as a method to connect an ILEC's own switches with its own unbundled loops serves no valid commercial purpose, but additional information, which only Ameritech holds, is needed to more fully evaluate this issue. The "three points" and the "extensive documentation" which you outline in your letter thus fail to address the questions posed in my letter.

Further, your statement that I or anyone else from AT&T said we were not authorized to discuss AT&T's views is just plain wrong. We came to the meeting seeking clarification and detail around Ameritech's position, as indicated above. It is, after all, up to Ameritech to state how it proposes to make unbundled UNEs available to CLECs based upon the 8th Circuit's decision, before CLECs can determine how they might be combined. Additionally, however, we discussed preliminarily AT&T's proposal to utilize the "recent change process" to separate and reconnect Ameritech's unbundled loops and ports, although of course not in the level of detail that would be necessary to work through those issues. As indicated below, we are prepared to pursue those discussions.

Frankly, Bonnie, thinking back on this Ameritech's insistence upon attorney involvement in what should be business meetings, prior even to exploring the technical and operational issues, appears to be a big part of the problem. In an effort to proceed on a business to business level, I would suggest the following. First, I would appreciate a response to our questions included in my February 10, 1997 letter. Second, I propose we schedule a meeting to discuss AT&T's "recent change proposal" in greater detail, approximately a week subsequent to Ameritech's response to our questions. The meeting would be held without attorneys present. As indicated in Bill Davis's letter to John Lenahan on October 23, 1997, AT&T is prepared to pursue these discussions, without prejudice to either party's legal position, from an operational and business perspective. You are exactly right when you say these issues should be worked through the account team.

Your prompt written reply would be appreciated. Please call if you would like to discuss any aspect of this matter in greater detail.

Sincerely,

Bruce Bennett

BB/cv

350 North Orleans Street
Floor 3
Chicago, IL 60654
Office 312/335-6531
Fax 312/467-9026

Theodore A. Edwards
Vice President - Sales
Local Exchange Carriers

Ameritech.

March 16, 1998

VIA FAX: (312) 230-8834 & FIRST CLASS MAIL

Vice President - Central States Local Service Organization
AT&T
227 West Monroe Street, 13th Floor
Chicago, Illinois 60606

Dear Sir or Madam:

I am writing pursuant to Section 29.3 of the Interconnection Agreements under Sections 251 and 252 of the Telecommunications Act of 1996 by and between Ameritech and AT&T (individually and collectively, the "Agreement") to require renegotiation of certain provisions of the Agreement in light of the final and nonappealable decision of the United States Court of Appeals for the Eighth Circuit in Iowa Utilities Board v. F.C.C., 120 F.3d 753, (8th Cir. 1997), which decision vacated certain rules contained in Part 51 of Title 47 of the Code of Federal Regulations (such vacated rules referred to herein as the "Vacated Rules").

As you know, the Vacated Rules were in effect when the Agreement was negotiated, arbitrated, signed and approved. Consistent with Section 29.3, the Eighth Circuit's final and nonappealable decision vacating the Vacated Rules gives rise to an "Amendment to the Act" (as defined in Section 29.3 of the Agreement) and Ameritech therefore demands renegotiation of the provisions in the Agreement that were affected by such Amendment to the Act.

In keeping with the good faith requirement of Section 29.3, Ameritech requests that AT&T identify a point of contact to negotiate the amendment. Accordingly, please identify to me in writing by no later than March 23, 1998, AT&T's point of contact and I will have the applicable Ameritech negotiation team contact that individual.

If you have any questions, please call me at (312) 335-6531.

Sincerely,

T. A. Edwards

cc: Bonnie Hemphill
AT&T Vice President - Law & Government Affairs
VIA FAX: (312) 230-8835

Philip S. Abrahams
Senior Attorney

13th Floor
227 West Monroe Street
Chicago, Illinois 60606
312 230-2645

March 23, 1998

Via Fax and U.S. Mail

Mr. Michael J. Karson
Vice President & General Counsel
Ameritech Information Industry Services
350 North Orleans
Floor 5
Chicago, IL 60654

Dear Mike:

This is in response to Ted Edwards' March 16, 1998 letter proposing that our companies renegotiate certain provisions of the Interconnection Agreement in light of the "final and nonappealable" decision of the United States Court of Appeals for the Eighth Circuit.

Since Ted's letter is not explicit, please submit to me, in writing, the specific provisions of the Interconnection Agreement that you wish to renegotiate and indicate the basis for that request (i.e., please cross-reference those provisions to the "final and nonappealable" portions of the Eighth Circuit's decision). Upon receipt, AT&T can both determine if our companies are in agreement with the status of the portion(s) of the order in question and how to move forward under Section 29.3 of the Interconnection Agreement.

Sincerely,

Phil

Philip S. Abrahams

cc: Ted Edwards - Ameritech
Jane Medlin
Bill West

NOTEBAERT SAYS AMERITECH CAN'T FOLLOW FCC SEC. 271 'ROAD MAP'

CHICAGO -- Although Ameritech initially was enthusiastic about FCC development of "road map" for RHCs to use in meeting requirements for long distance entry, company has found after further study that it's "impossible" to follow those directions, Ameritech Chmn. Richard Notebaert told reporters Tues. in news conference here. He said Ameritech has decided it can't file any more entry applications until it determines whether new FCC members will have different interpretation of Telecom Act checklist requirements. He gave keynote speech at USTA convention here earlier in day.

Road map is nickname for guidance included in FCC order in Aug. denying Ameritech's Sec. 271 request to offer long distance in Mich. In that order, Commission outlined what RHC needed to do to win approval of application. Ameritech last summer hailed that action as victory for RHCs because FCC never before had issued directions to meet checklist.

However, on closer study company discovered it would have to spend at least $200 million and more than year's work to meet some requirements involving billing, operational support systems and certain technical details of interconnection, Notebaert said. He said guidelines would require changes in billing system -- for example, to accept 6 entries instead of 2 -- and information that isn't even available now. He said company is waiting to see whether FCC will clarify problem when it rules on BellSouth's Sec. 271 petition in Dec. Ameritech officials said they have held many meetings with FCC staff in effort to resolve problem but haven't received any assurance that revisions will be made.

Ameritech also is hesitant to file for Sec. 271 entry until it determines how newly constituted FCC will interpret recent ruling by 8th U.S. Appeals Court, St. Louis, on unbundled elements and shared transport, Notebaert said. He said court's language on rebundling was "very straightforward" but so was its earlier language on forward-looking pricing that FCC interpreted in way that RHCs found questionable. In pricing case, FCC had continued to apply forward-looking pricing principles in reviewing Sec. 271 applications, action that RHCs have challenged in court. Because of uncertainty at federal level, Ameritech "isn't pushing very hard" to win state approval for long distance entry, Notebaert said.

In his speech at USTA convention, Notebaert urged telcos to be "imaginative" and "bold" in facing newly competitive world. Like other speakers' at this year's sessions (see separate story, this issue), his comments almost took form of pep talk to smaller companies. He said that increased competition in cellular market helped Ameritech by encouraging it to try harder to meet customers' needs and to offer digital cellular service quickly. As result, he said, Ameritech has experienced 30% annual growth rate. By being "bold" and entering cable market when some predicted failure, Ameritech is "winning more than a third of the cable households where our service is up and running," he said.

Notebaert said that meeting customer needs is best way to compete: "Our future is in the hands of our customers. Nothing has more bearing on our ability to prosper than to see the world through their eyes." He said some in audience might point out that they didn't offer cellular or couldn't see getting into cable since they count customers only "in the thousands." Notebaert warned that "that kind of thinking is the path to oblivion" and all companies must "unshackle our imaginations and, as we like to say at Ameritech, look at this business through the windshield rather than the rear-view mirror."

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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Review of Ameritech Ohio's Economic Costs for Interconnection, Unbundled Network Elements, and Reciprocal Compensation for Transport and Termination of Local Telecommunications Traffic.	)))))	Case No. 96-922-TP-UNC

SECOND ENTRY ON REHEARING

The Commission finds:

(1) On June 19, 1997, the Commission issued an Opinion and Order addressing in detail the total element long run incremental cost (TELRIC) studies submitted by Ameritech Ohio (Ameritech) in this matter. These TELRIC studies were intended to establish the rates for unbundled network elements which Ameritech proposes to charge competitors for provisioning unbundled network elements as required by the Telecommunications Act of 1996 (1996 Act)[1] and this Commission's local service guidelines set forth in Case No. 95-845-TP-COI (845 Guidelines).

(2) On September 18, 1997, the Commission issued an Entry on Rehearing modifying and clarifying, to the limited extent addressed therein, the June 19, 1997 Opinion and Order.

(3) On October 20, 1997, applications for rehearing of the Commission's September 18, 1997 Entry on Rehearing were timely filed by Ameritech, AT&T Communications of Ohio (AT&T), and MCI Telecommunications Corporation (MCI)[2] pursuant to Section 4903.10, Revised Code, and Rule 4901-1-35, Ohio Administrative Code. Memoranda contra the applications for rehearing were timely filed by Ameritech and jointly by AT&T and MCI.

(4) In their joint application for rehearing, AT&T and MCI aver that the Commission erred in its September 18, 1997 Entry on Rehearing concerning the application of the 20 percent reduction in shared costs. AT&T and MCI allege that, rather than adopt their position and reduce the shared cost percentage

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1 Codified as 47 U.S.C. 151 et seq.

2 Consistent with their earlier practices in this matter, AT&T and MCI submitted a joint application for rehearing.