Issue 6: Cost-Based Pricing
Current Negotiated Pricing Schedule

RBOC	State	# Listings	Avg # Updates/Mo	Listing Cost
Bell Atlantic	New York	9,210,000	555,000	TBD
	Virginia	3,560,000	155,000	TBD
Bell South	Florida	4,170,000	366,000	$0.010
	Georgia*	2,150,000	210,000	$0.035
	Louisiana	1,165,000	104,000	$0.275
Pac Bell	California	8,460,000	810,000	$0.008
GTE	California	1,900,000	135,000	$0.017
	Hawaii	610,000	130,000	$0.040
	Florida	1,535,000	120,000	$0.017

***Georgia in the BellSouth Region is the only state that MCI is paying for data on a per found listing basis. In all other states, in all other RBOC regions, MCI is paying for a data on a per listing basis.**

RBOC DA Service Price Sampling

RBOC	Interstate	Intrastate	Local Resale
Ameritech	$0.205	$0.219	20% retail
Bell Atlantic	$0.275	$0.250	$0.364
Bell South	$0.292	$0.250	$0.360
Nynex	$0.258	$0.450 (NY)	$0.364
Pac Bell	$0.238	$0.270	$0.296
SWBell	$0.255	$0.298	$0.296
US West	$0.250	$0.250	$0.350
Estimated Operator Work Times	23 seconds		17 seconds

Issue 7: Routing of 555 Calls Does Not Meet Dialing Parity

- FCC granted 555 numbers to carriers in August, 1994:
  - 555-1212 grandfathered to local carriers
  - LECs must route all other 555 numbers to the owner of the number
    - 1-NPA-555 calls routed through IXC
- All BOCs route 555 numbers, using 3 digit screening, to their own operator services platform:
  - USW and BA use their own 555 numbers for new services
    - BA 555-5454 Reverse DA service available in NJ
- BA and other carriers have refused to route MCI's 555 calls as a normal local call

Issue 8: Refusal to Give National DA Data

- BOCs share own, other ILEC, and CLEC data with each other to provide national directory assistance
  - BOC customers can get national DA information
- Refuse to provide this data with CLECs
  - CLEC customers can get DA data in own state only

Ameritech

Refuses to provide the same data that they provide to themselves and charges "market based" rate:

- The "dialing parity" product offered is woefully short of parity:
  - Missing key data elements
  - Priced above cost
  - Does not include ITC's
- The "market based" product is discriminatory and not provisioned as an UNE:
  - Limited ITC Listings (<5%)
  - Non-cost per-use fee
  - Very high per-listing fee
- Ameritech sister companies exchange data for national 411
- Ameritech provides Ohio listings to Cincinnati Bell at no charge
  - Including ITCs

Ameritech - Cont.

- No charge to themselves for data in Carrier Directory Assistance products
- Ameritech charges for carrier-to-carrier DA services clearly reflect no internal charge for data:
  - Local Resale @ 30 to 35 cents per call
  - Interstate @ 20.5 cents per call

Bell Atlantic

Refuses To Provision Data In Bulk and Has Repeatedly Misled State Regulators:

- Claimed that creating tape of directory assistance listings was technically infeasible
  - At the same time, exchanged listings with GTE **and** with their own separate reverse directory assistance system
  - Prior to Act, Bell Atlantic had proposed to create a system identical to system MCI has to access these listings.
- Refuses to provide bulk data listings in NJ, WV, DC, PA, and all BA-North states except NY (under PUC orders)
- Places limitation on use of directory assistance data:
  - Limited to forward search, local directory assistance to its local subscribers
  - Delayed contract signing in DE and MD
  - DE Commission rejected
  - Restriction not placed on itself: uses all CLEC listings to provide any service

Bell Atlantic - Cont.

- Offers carriers only a bundled "Dip" into their database
  - Increases dialing delay and cost of entry
  - No restrictions on use
  - Includes all ITC listings
  - Forces carriers to use BA's system
- Fails to offer cost-based forward-looking pricing
  - 18 to 100 times higher than other RBOCs
- Drops directory listings for combinations orders in BA-S region
- Discussing data exchange between sister companies for national directory assistance

Bell South

- Refuses to provide ITC listings
- Requiring MCI to build-out dedicated facilities from each end office to TOPS switch get branded service

Southwestern Bell / PAC Bell

- SWBT:
  - Claims DA database is not a UNE
  - Requires new carriers to use resale 411 and OS service for entire NXX, if at all:
    - If resale ANI is in same NXX as facility ANI, SWBT requires carrier to use their service for both.
  - Fails to provide ITC listings:
    - Offers "Dip" service inclusive of ITCs
  - SWB-only listings priced seven times higher in SWBT vs. PacBell
  - Insists on separate license agreement even though UNE access is covered in interconnect contract
    - Fails to meet 8/6/97 dialing parity mandate

Southwestern Bell / PAC Bell - Cont.

- Pacific Bell:
  - After SWBT merger, PacBell will not include CLEC listings
  - PacBell provides no access to ITC listings
  - PacBell and GTE exchange CLEC and ITC listings in discrimination against other carriers

U.S. West

- No access to ITC listings even though provided to their own national 411 and Electronic Directory Assistance service and interLATA reverse Directory Assistance
- No pricing proposal despite repeated requests by MCI
- Provides national 411 service and interstate reverse directory assistance service

Other LECs

- Southern New England Telephone (SNET)
  - Summer 1996, MCI formally requested access to directory assistance data, SNET refused
  - SNET refers to state law in this area that only requires read-only access
  - State law implemented in March 1996 - prior to FCC Order
- Cincinnati Bell
  - Summer 1996, MCI formally requested access to directory assistance listings
  - Arbitration hearing pending

States Are Following the FCC's Lead

- California
  - PUC ruled that Pac Bell and GTE must provide listings at the cost of the media (e.g. mag tape or Network Data Mover (NDM))
- Florida
  - PUC ordered GTE to provide listings via mag tape or Network Data Movers (NDM)
  - BellSouth already in compliance
  - Must include all Independent Telcos

States Are Following the FCC's Lead - Cont.

- Hawaii
  - PUC ruled that GTE must provide DA listings by mag tape
  - From the Hawaii Administrative Rules, title 6, chapter 80, Competition in Telecommunications Services, paragraph 6-80-63 states:

"All telecommunications carriers, including the incumbent carrier, shall provide customer list

information gathered in their capacity as providers of telecommunications service on a timely and unbundled basis, under nondiscriminatory and reasonable rates, terms, and conditions, to any telecommunications carrier, or person upon request for the purpose of providing directory assistance or publishing telephone directories in any format. "

States - Cont.

- Minnesota
  - Commission ruled that US West must provide CLECS with the same access to customer name and address as US West has and the data may be electronically transferred
  - Commission also ruled that volume or term requirements on CLECs requesting access to directory assistance databases would constitute a barrier to entry

States - Cont.

- Minnesota Statute:
  - Section VII - D - Access to Directory Assistance Databases
    - "The Act and FCC Interconnection Order are clear that US WEST must provide unbundled access to its directory assistance database at the request of a CLEC, with costs to be recovered through TELRIC-based rates established for the service.
    - The Commission disagrees with the ALJs recommendation to limit the requirement to a read-only basis. The Act and the Interconnection Order contemplate the Incumbent's providing unbundled access on a nondiscriminatory basis, on the same terms it itself uses. The CLECs must have the same access to customer name and address as US WEST has, with one qualification: the database may be electronically transferred in a manner which will preclude CLECs from manipulating or changing information in the original US WEST database.
    - The Commission agrees with the ALJs that US WEST may not impose volume or term requirements on CLECs requesting access to directory assistance databases. These requirements are not contemplated in the Act or Rules and would constitute a barrier to entry. Further, a term requirement could lock a CLEC into the purchase of an unbundled network element, even when market place realities may otherwise indicate that facilities-based service may be preferable."

States - Cont.

- New Jersey
  - Originally ruled for Bell Atlantic but staff subsequently suggested MCI file for reconsideration on the issue
- New York
  - Contradictory language occurred in Arbitration Decision and contract language
  - Commission approved contract language
  - NYNEX requested reconsideration
  - Commission ruled in MCI's favor stating that MCI had made the more compelling argument
  - Must include all Independent Telcos

States - Cont.

- Texas
  - PUC ordered GTE and SWBT to provision listings via mag tape
- Virginia
  - SCC ordered GTE and Bell Atlantic-VA to provide listings via mag tape
  - " Means of Access to directory assistance Data. BA-VA is required to furnish MCI its basic directory assistance data, on magnetic tape or some other suitable medium provided that BA-VA's directory assistance database is not exposed to unreasonable risk of destruction. BA-VA shall work with MCI in an effort to provide directory assistance data without harm to BA-VA's database. BA-VA is required to provide daily updates to that data and MCI is required to pay BA-VA's efficiently incurred costs of providing the data."

RBOCs Delaying Despite Clear State Commission Rulings

- Delaware
  - Arbitration Panel ruled that MCI may have access to directory assistance listings with no use restriction
- Maryland
  - BA must give listings on mag tape "as requested by MCI."
- Missouri
  - Arbitration Award, Paragraph 13, p.13 - "The Commission finds that all parties should supply their customer information to each other at no charge."