

ATTACHMENT E

**USTA COMMENTS
CC DOCKET NO. 96-262
OCTOBER 26, 1998**

USTA Pricing Flexibility Proposal

Relevant Market			
Geographic Components		Service Components	
MSA, contiguous MSAs, or a LATA		Transport	Switched Access
		Residence and SL Business	Multi-Line Business
Phase 1			
Transport Competitive Trigger		Regulatory Flexibility for Phase 1 Services	
State approved interconnection agreement or SGAT, and customers are utilizing alternative transport services		<ul style="list-style-type: none"> • New services relief: <ul style="list-style-type: none"> - No public interest showing - No cost support 	
Switched Access Competitive Trigger		<ul style="list-style-type: none"> • Eliminate Part 69 codification 	
State approved interconnection agreement or SGAT, and customers are utilizing alternative switched access services		<ul style="list-style-type: none"> • Price deaveraging • Expanded volume and term pricing • Contract pricing • Promotional pricing 	
Phase 2			
Transport Competitive Trigger		Regulatory Flexibility for Phase 2 Services	
25% of ILEC's transport demand is addressable through collocation arrangements or alternative networks, and customers are utilizing these alternative transport services		<ul style="list-style-type: none"> • "X" Factor = GDPPI and no LFAM • Simplified price cap basket structure 	
Switched Access Competitive Trigger			
25% of ILEC's local exchange service demand (in total or by residence/SL business vs. ML business service components) is addressable through UNEs sold to competitors or through alternative facilities, and customers are utilizing these alternative switched access services			
Phase 3			
Competitive Trigger		Regulatory Flexibility for Phase 3 Services	
Competitors are capable of serving at least 75% of the market as defined in Phase 2, and customers are utilizing these alternative access services		Services removed from price caps	

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ILEC PRICE CAP STRUCTURE PROPOSED

