

ORIGINAL

EX PARTE OR LATE FILED



Frank S. Simone  
Government Affairs Director

Suite 1000  
1120 20th Street, N.W.  
Washington, DC 20036  
202 457-2321  
FAX 202 457-2545  
EMAIL fsmone@att.com

RECEIVED

NOV 15 2000

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

November 15, 2000

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S. W. – Room TWB-204  
Washington, D. C. 20554

Re: Ex parte, CC Docket No. 00-217, Application of SBC Communications Inc., Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region InterLATA Services in Kansas and Oklahoma

Dear Ms. Salas:

On Tuesday, November 14, 2000, Dina Mack, Eva Fettig and the undersigned of AT&T met with Richard Lerner, Rhonda Lien, Thomas Navin and Adam Candeub of the Common Carrier Bureau's Competitive Pricing Division and John Stanley of the Common Carrier Bureau's Policy and Program Planning Division. The purpose of the meeting was to discuss SBC's refusal to provide CLECs with the practical ability to interconnect at any technically feasible point in its network, including – if a CLEC so chooses – at a single point within each LATA. The attached summary of the Oklahoma Corporation Commission's October 24, 2000 technical conference regarding SBC's interconnection policies was distributed during the meeting. This document outlines the topics discussed with the Bureau staff.

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

Sincerely,

cc: A. Candeub  
R. Lerner  
R. Lien  
T. Navin  
J. Stanley

No. of Copies rec'd  
List ABCDE

at 1

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICATION OF THE ATTORNEY )  
GENERAL OF THE STATE OF )  
OKLAHOMA, AT&T COMMUNICATIONS )  
OF THE SOUTHWEST, INC., BROOKS )  
FIBER COMMUNICATIONS OF TULSA, )  
INC., COX OKLAHOMA TELCOM, INC., )  
MCI TELECOMMUNICATIONS )  
CORPORATION, AND SPRINT )  
COMMUNICATIONS, L.P. TO EXPLORE )  
SOUTHWESTERN BELL TELEPHONE )  
COMPANY'S COMPLIANCE WITH )  
SECTION 271(C) OF THE )  
TELECOMMUNICATIONS ACT OF 1996 )

**FILED**

OCT 31 2000

COURT CLERK'S OFFICE - OKC  
CORPORATION COMMISSION  
OF OKLAHOMA

CAUSE NO. PUD 970000560

RECEIVED

NOV 15 2000

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**AT&T COMMUNICATIONS OF THE SOUTHWEST, INC. RESPONSE TO  
STAFF REPORT ON 10/24/00 TECHNICAL CONFERENCE**

AT&T Communications of the Southwest, Inc. ("AT&T") submits this response to the Staff Report on the Technical Conference as required by Order No. 445855. AT&T offers this summary of the October 24, 2000 technical conference in an effort to assist the Commission in obtaining an understanding of the main points that were established or learned during the technical conference.

1. Any mandatory local calling area, e.g., the Oklahoma City WACP, constitutes one, single "SWBT Exchange Area," as that term is used in section 1.2 of Attachment 11.

SWBT was clear that each of the Oklahoma mandatory local calling areas is considered to be a single exchange area, and does not have multiple exchange areas within it. So long as SWBT is held to that interpretation, the issue of a single point of interconnection serving multiple exchanges does not arise *within* a WACP. It would be a helpful clarification to section 1.2 of Attachment 11 to add the header of this paragraph. Regardless, SWBT should be held to its representations that an entire WACP will be

treated as a single local exchange area for purposes of interconnection and Attachment 11.

**2. The O2A does not adequately define terms and conditions for sharing the cost of interconnection facilities, through reciprocal compensation or otherwise.**

From AT&T's perspective, this was the lesson of the discussion, which began during SWBT's presentation of Example No. 1 (attached as Exhibit A) and recurred throughout the day, regarding SWBT's position that it is not obligated to pay reciprocal compensation related to CLEC's transport of a SWBT-originated call from the POI to the CLEC switch. Section 1.2 of the Attachment 11 says that each party will be responsible (including, presumably, financially responsible) for providing the facilities on its side of the POI. Under SWBT's Example No. 1, when a CLEC customer calls a SWBT customer, and the POI is located at the SWBT tandem, SWBT presented that the CLEC would pay SWBT reciprocal compensation to terminate the call over the SWBT facilities on its side of the POI. Specifically, SWBT said that these charges would include reciprocal compensation charges for tandem switching, tandem transport (i.e., transport from the SWBT tandem to the SWBT end office, and end office switching). However, when that same call flow is reversed, and SWBT's customer calls the CLEC's customer, SWBT took the position that the only reciprocal compensation charge that SWBT would pay the CLEC is for end office switching. SWBT said that it would not be required to pay reciprocal compensation for the CLEC transporting the call from the POI to the CLEC's switch. Rather, SWBT claimed that the cost of the interconnection facility between the CLEC switch and the POI (at the SWBT tandem) would be allocated "equitably" between SWBT and the CLEC, through negotiation of multiple

interconnection arrangements between CLEC and SWBT at the time that they interconnect their networks. Cox stated that it had not experienced such equitable sharing of interconnection facilities in its dealings with SWBT in Oklahoma, and AT&T stated that it also had not experienced such equitable sharing in its dealings with SWBT in Texas, under the same interconnection language (section 1.2) which has been incorporated into the O2A. CLECs asked where in the O2A they could find language that committed SWBT to the type of equitable interconnection cost sharing that it described. SWBT could not identify any such provisions in the O2A, other than references to the parties "mutually agreeing" to certain interconnection arrangements.

The O2A does identify one specific arrangement in which the CLEC is required to provide the facilities on SWBT's side of the POI, even within a single exchange. Section 1.2 provides that, where a CLEC has established collocation at an end office, any direct trunks will be provisioned over the CLEC collocation facility. SWBT confirmed that, under this provision, wherever a CLEC is collocated, transport between the POI and the end office where the CLEC is collocated will be over direct trunks to the CLEC collocation area, with the CLEC financially responsible for those trunks and SWBT not obligated to pay compensation for the CLEC's use of those trunks to terminate SWBT-originated traffic. Cox in particular pointed out that this provision creates a compensation imbalance in every office where a CLEC is collocated. SWBT replied that the O2A, or at least Attachment 11, is probably not the interconnection agreement of choice for a CLEC who collocates in all or many SWBT central offices.

SWBT described that there are instances in which SWBT provides direct trunking from a SWBT end office to a POI and that, in those cases, SWBT will not charge the

CLEC reciprocal compensation for transporting CLEC-originated calls over those trunks, i.e., the only reciprocal compensation charge applied in those instances would be end office switching. AT&T proposed to put language identifying that arrangement into section 1.2, in order to clarify this arrangement in the same fashion that SWBT has included the provision described in the preceding paragraph relating to situations where the CLEC has collocated in a SWBT end office. Specifically, AT&T proposed that section 1.2 include a sentence like the following: "Where SWBT provides direct trunking between an end office and the POI, SWBT will transport CLEC-originated calls over those trunks without charge to the CLEC." SWBT objected to making any changes to the O2A, even of a clarifying nature.

AT&T also proposed that the O2A be clarified to make explicit a requirement that the costs of interconnection facilities be equitably apportioned between SWBT and CLEC. SWBT repeatedly took the position that such equitable apportionment should and does occur through negotiations over the complete set of interconnection arrangements needed between a CLEC and SWBT, negotiations that would occur under the framework of the O2A or whatever interconnection agreement the parties had entered into. AT&T and Cox pointed out that the principle requiring such apportionment is not stated anywhere in the O2A. That gap could be filled by adding a term like the following, after the sentence of section 1.2 that requires each party to be responsible for providing necessary equipment and facilities on their side of the POI:

"The cost of interconnection facilities will be apportioned equitably between SWBT and CLEC, either on the basis of individual interconnection facilities or across a set of facilities by which SWBT and CLEC interconnect their respective networks. Specific apportionment of the cost of interconnection facilities will be subject to negotiation and, if necessary, resolution in accordance with the

provisions of General Terms and Conditions, section 9.5 (Formal Resolution of Disputes).”

Similarly, the lack of clarity regarding each party’s obligation to pay reciprocal compensation for transport over facilities provided by the other party on the terminating party’s side of the POI could be eliminated by adding the following, immediately after the sentence suggested above:

“When traffic is passed from one party to the other at the POI, the terminating party is entitled to compensation from the other party, under Attachment 12: Reciprocal Compensation, for all transport and switching provided by the terminating party on its side of the POI, unless the parties agree otherwise with respect to particular interconnection arrangement(s).”

3. SWBT contends that no rate has been established for the “common transport” referenced in section 1.3 of O2A Attachment 11.

Section 1.3, added by the Nunc Pro Tunc Order, appears to allow for a CLEC to have a single POI within a LATA. However, that section places financial responsibility on the CLEC for transport of all traffic between the POI and any exchange within the LATA that is outside the exchange where the POI is located. Section 1.3 says that SWBT agrees to provide “dedicated transport or common transport” for this purpose. At the technical conference, CLECs asked for a specific identification of the charges that would apply to this use of dedicated or common transport. SWBT responded that the “common transport” charges set in the UNE schedule of prices within the O2A do not apply to “common transport” as referred to in section 1.3, and that the rates or charges for this section 1.3-type of “common transport” have not been developed by SWBT. Any CLEC who wishes to use “common transport” under section 1.3 to avoid the necessity of establishing a POI within each exchange in the LATA (and to avoid the necessity for paying for an entire dedicated transport facility to each exchange, the effective equivalent

of establishing multiple POIs) first must negotiate and, failing agreement, arbitrate a price for this version of common transport. From AT&T's perspective, this position is ludicrous. It was SWBT, and not the CLECs, that proposed the language contained in section 1.3 of Attachment 11 as an amendment to the O2A, and chose specifically to use the term "common transport," which is defined and priced in other sections of the O2A. See O2A Attach. 6: UNE § 8.1.1 ("Definition: Common Transport is a shared interoffice transmission path between SWBT switches. Common Transport will permit CLEC to connect its Local Switching element with Common Transport to transport the local call dialed by the Local Switching element to its destination through the use of SWBT's common transport network. Common Transport will also permit CLEC to utilize SWBT's common network between a SWBT tandem and a SWBT end office."). It is a basic tenet of contract interpretation that, unless specifically provided, terms in a contract should be defined and interpreted in a consistent manner.

Indeed, the lack of a rate for section 1.3-common transport, which SWBT did not make known prior to the technical conference, confirms that, at present, a CLEC must continue to establish a POI in every exchange within the LATA where it wishes to provide service. Until the common transport rate has been established, a CLEC's "right" to use a single POI within a LATA under section 1.3 is illusory. (SWBT agreed during the technical conference that the other two options provided under section 1.3 - CLEC self-provisioning of transport facilities on SWBT's side of the POI or use of third-party facilities - constituted the establishment of multiple POIs within the LATA. The only options for maintaining a "single POI" that are created by section 1.3, in SWBT's view, are using dedicated or common transport provided by SWBT between the POI and the

foreign exchanges. However, using dedicated transport requires the CLEC to incur the full cost of a transport facility, little different from self-provisioning or using third-party facilities, and common transport is not yet priced, according to SWBT).

4. SWBT confirmed that, when a single POI is used under section 1.3 to serve multiple exchanges, the CLEC will be required under the O2A to bear the cost of transport on SWBT's side of the POI, both for traffic originated by CLEC customers and for traffic originated by SWBT customers.

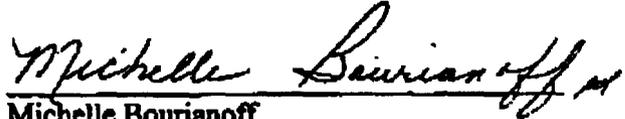
This was shown in Example Nos. 4 and 5 (attached as Exhibit A) as presented by SWBT. From AT&T's perspective, this is discriminatory – CLEC is required to bear the cost of SWBT transporting its own customers' traffic from the originating end offices to the POI, and CLEC is required to pay dedicated transport charges (or to-be-developed common transport charges), rather than reciprocal compensation to transport CLEC-originated traffic from the POI to the terminating end offices.

#### Conclusion

The October 24, 2000 technical conference brought out a valuable clarification, in the form of SWBT's representation that a mandatory local calling area, including each of the Oklahoma WACPs, is a single local exchange area, as that term is used in section 1.2 of O2A Attachment 11. Otherwise, however, the technical conference confirmed that the O2A does not, in its present form, establish terms and conditions that provide Oklahoma CLECs with nondiscriminatory access to interconnection at cost-based rates. Terms and conditions for pricing the interconnection facilities themselves are not clear, the "common transport" SWBT put forward as a means for addressing the single POI issue has not been priced and, according to SWBT, is not subject to the common transport prices set out elsewhere in the O2A, and the conference confirmed that section 1.3

requires the CLEC to pay for transport facilities on SWBT's side of the POI, as well as on its own, without reciprocal compensation from SWBT. While these matters can and will be addressed in interconnection agreement arbitration, AT&T submits that it would be appropriate for the Commission to take note of the learnings from the technical conference and to recommend in its report to the FCC that these are matters that should be resolved before the FCC could conclude that SWBT is in compliance with checklist item one (interconnection) or checklist item thirteen (reciprocal compensation).

Respectfully submitted,



Michelle Bourianoff

Mark Witcher

AT&T Communications of the Southwest, Inc.

919 Congress Ave, Suite 900

Austin, Texas 78701-2444

Telephone: 512-370-1083

Kathleen M. LaValle

Patrick R. Cowlshaw

Cohan, Simpson, Cowlshaw & Wulff, L.L.P.

2700 One Dallas Centre

350 North St. Paul

Dallas, Texas 75201

Telephone: 214-754-0246

Marc Edwards

Phillips McFall McCaffrey McVay & Murrah P.C.

One Leadership Square, Twelfth Floor

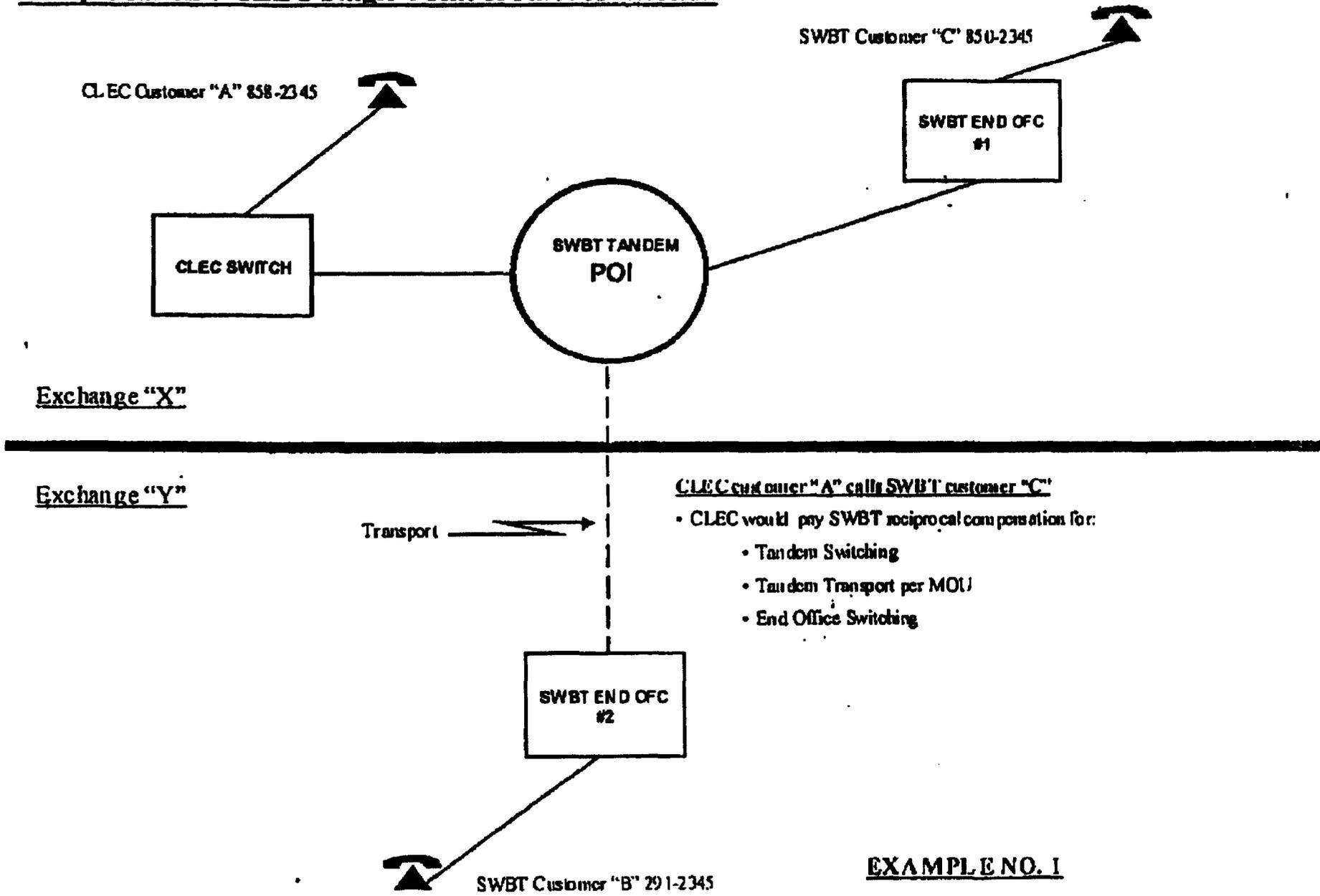
211 North Robinson

Oklahoma City, Oklahoma 73102

Telephone: 405-235-4100

**ATTORNEYS FOR  
AT&T COMMUNICATIONS OF THE  
SOUTHWEST, INC.**

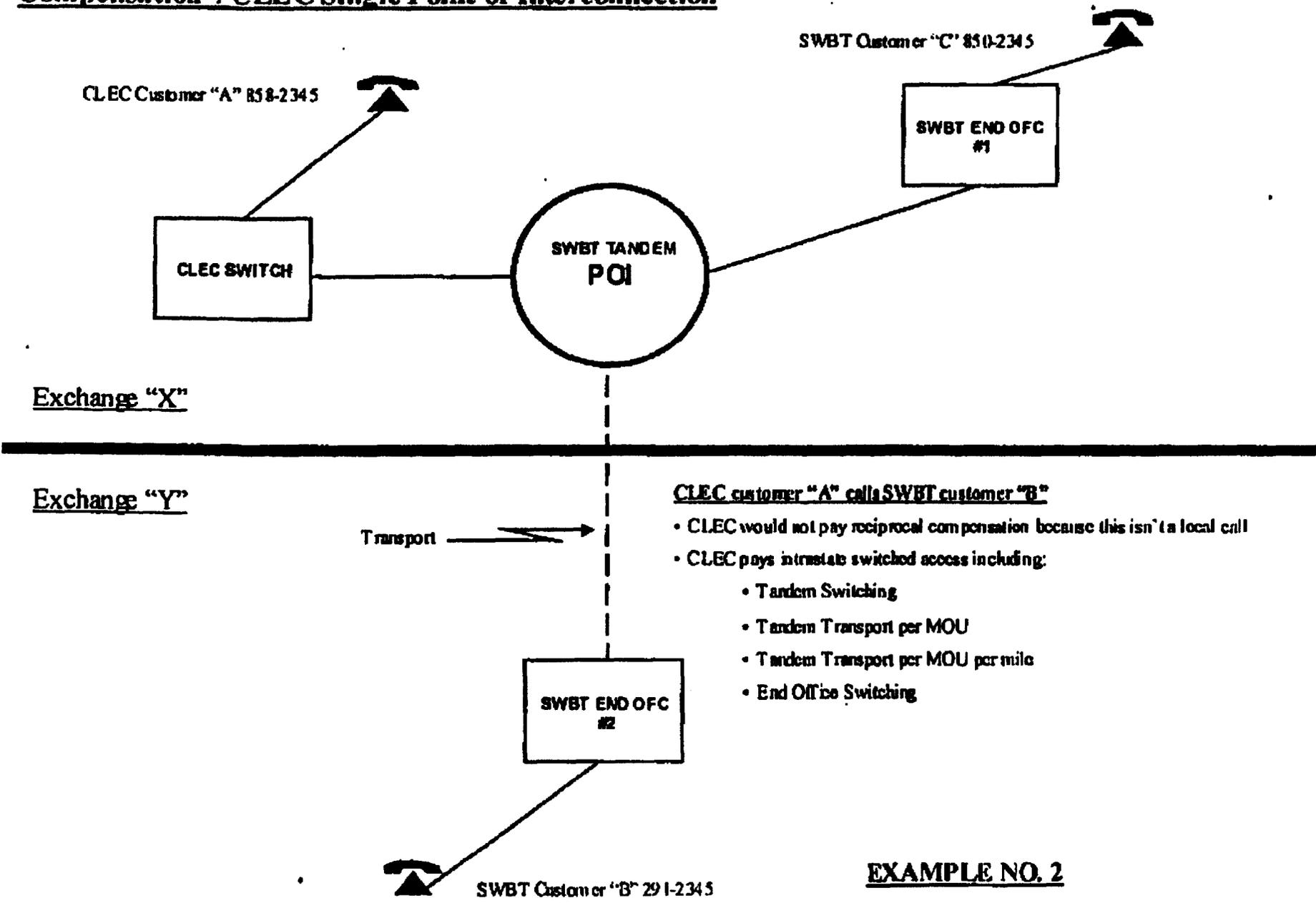
**Compensation / CLEC Single Point of Interconnection**



**EXAMPLE NO. 1**

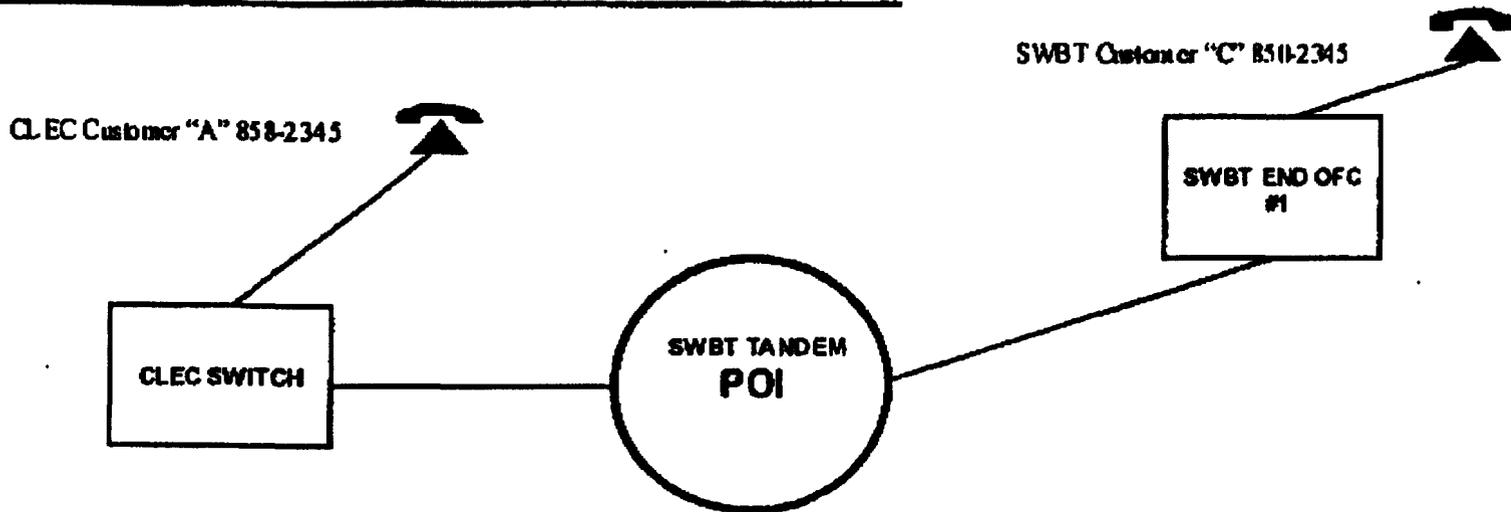
Exhibit A

**Compensation / CLEC Single Point of Interconnection**



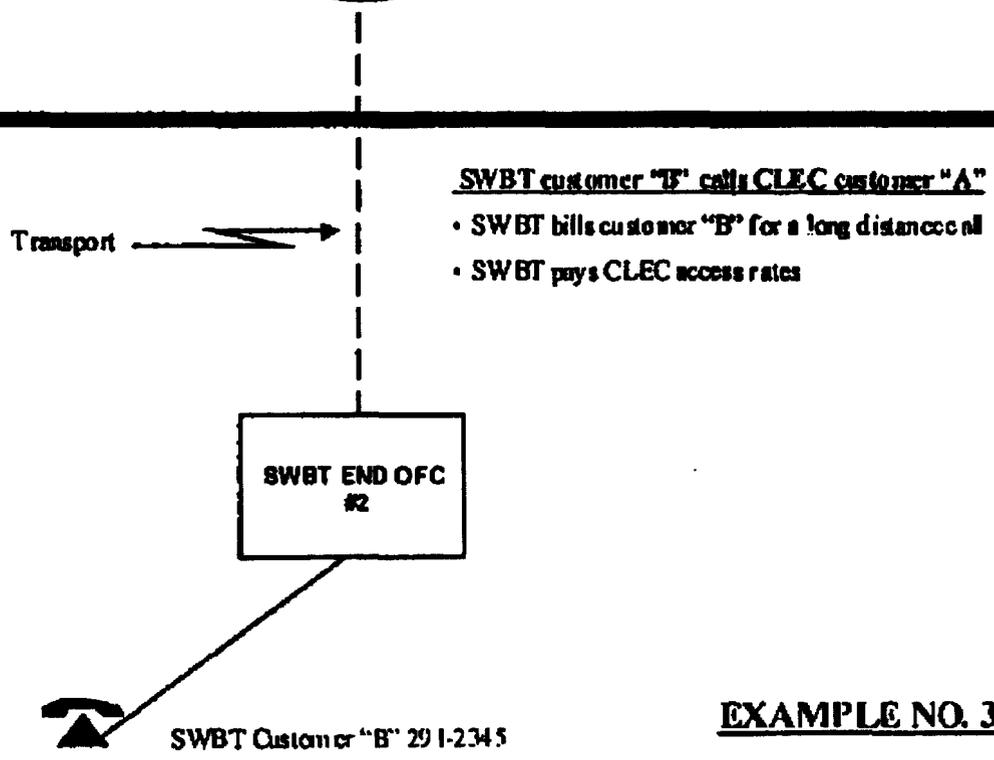
**EXAMPLE NO. 2**

Compensation / CLEC Single Point of Interconnection



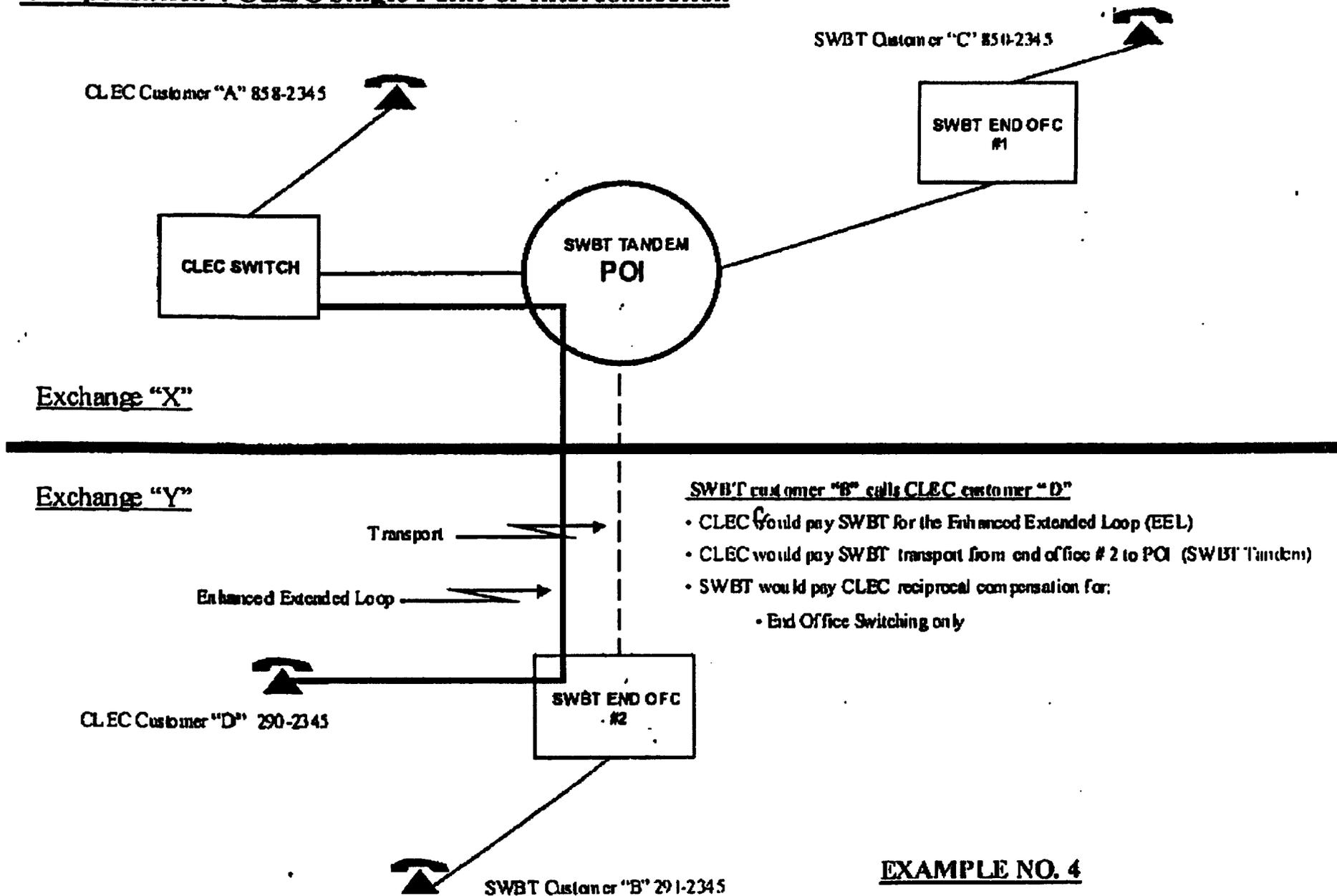
Exchange "X"

Exchange "Y"



EXAMPLE NO. 3

**Compensation / CLEC Single Point of Interconnection**

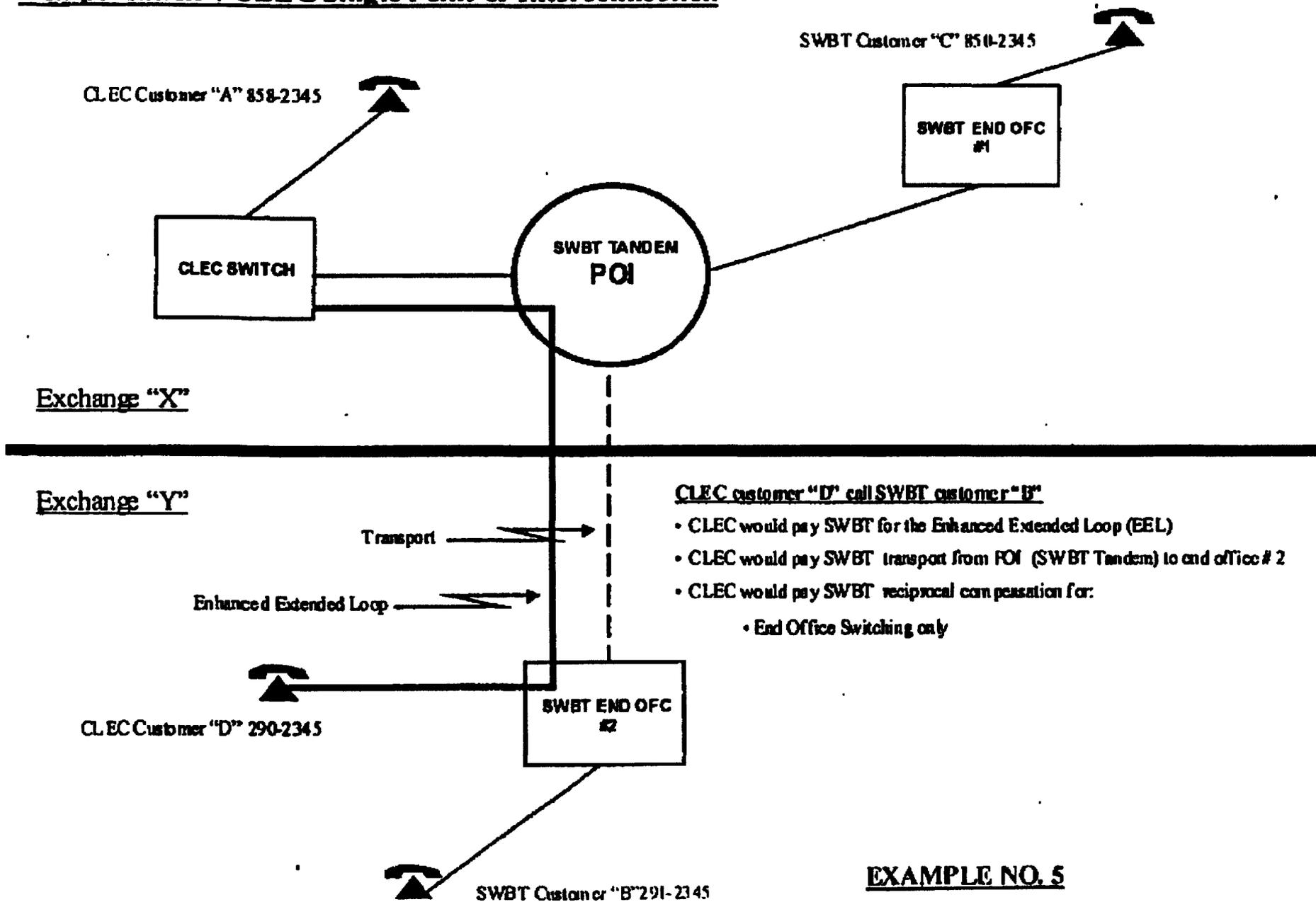


**SWBT customer "B" calls CLEC customer "D"**

- CLEC would pay SWBT for the Enhanced Extended Loop (EEL)
- CLEC would pay SWBT transport from end office # 2 to POI (SWBT Tandem)
- SWBT would pay CLEC reciprocal compensation for:
  - End Office Switching only

**EXAMPLE NO. 4**

**Compensation / CLEC Single Point of Interconnection**



**CERTIFICATE OF SERVICE**

On this 31st day of October, 2000, a true and correct copy of the foregoing was mailed, postage prepaid to:

**Cece Coleman**  
Office of the Attorney General  
112 State Capital Building  
Oklahoma City, OK 73105

**James C. Falvey**  
e.spire  
131 National Business Parkway, #100  
Annapolis Junction, MD 20701

**Maribeth Snapp**  
Office of General Counsel  
Oklahoma Corporation Commission  
Oklahoma City, OK 73105

**Terry Monroe**  
CompTel  
1900 M Street NW  
Washington, D.C. 20036

**Rachel Lipman-Reiber**  
Sprint  
8140 Ward Parkway, 5E  
Kansas City, MO 64114-2006

**George M. Makohin**  
7323 Waverly  
Oklahoma City, OK 73120

**Nancy M. Thompson, Esq.**  
P. O. Box 18764  
Oklahoma City, OK 73154-8764

**Katy Evans Parrish**  
Cox Oklahoma Telcom, Inc.  
2312 N. W. 10<sup>th</sup> Street  
Oklahoma City, Ok 73107

**Curtis M. Long**  
Gardere & Wynne, L.L.P.  
Suite 200, 100 East 5<sup>th</sup> Street  
Tulsa, Oklahoma 74103-4240

**Michael McAlister**  
Navigator Telecommunications  
212 Center Street, #500  
Little Rock, AR 72201

**Ron Comingdeer**  
Ron Comingdeer & Associates, P.C.  
6011 N. Robinson  
Oklahoma City, OK 73118-7425

**J. David Jacobson**  
Jacobson & Laasch  
212 E Second Street  
Edmond, OK 73034

**J. Fred Gist, OBA #3390**  
Hall, Estill, Hardwick, Gable,  
Golden & Nelson, P.C.  
100 North Broadway, Suite 2900  
Oklahoma City, Oklahoma 73102

**Linda Oliver**  
Jennifer Purvis  
Hogan & Hartson  
555 Thirteenth Street, N.W.  
Washington, D.C. 20004

**David Kaufman**  
e.spire  
343 W. Manhattan Street  
Santa Fe, New Mexico 87501

**Mary Marks**  
Southwestern Bell Telephone Company  
800 North Harvey, Room 310  
Oklahoma City, OK 73102

Kathleen F. O'Reilly  
414 "A" Street, Southeast  
Washington, D.C. 20003

Stephen F. Morris  
MCI Telecommunications Company  
701 Brazos, Suite 600  
Austin, Texas 78701

Ronald E. Stakem, Esq.  
Jack G. Clark, Jr.  
Clark, Stakem, Wood & Douglas  
101 Park Avenue, Suite 400  
Oklahoma City, OK 73102

---

Patty Sue Duncan