SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
		1. Is SBC Texas' compliance with Texas Commission reciprocal compensation decisions limited to those that are "generic" or must SBC follow precedent of all Texas Commission decisions? (Addressed within this issue) 2. Must SBC Texas comply with 252(i) of the Act to make available to CLEC any other contractual term or section that it provides to other similarly situated ILECs or CLECs? (Addressed in SBC-16/AT&T-9) 3. Should Optional Calling Area Traffic be considered Local Traffic for purposes of this agreement? [see at&t 13] SBC Texas' Overarching Issue: a. Should SBC Texas be required to comply with only generic Texas Commission reciprocal compensation decisions? [Addressed within this Issue] SBC Texas' Overarching Issue: b. Should SBC Texas be required to make available to CLEC comparable compensation arrangements as those between SBC Texas and other incumbent local exchange carriers and competitive local exchange carriers? {Addressed in Issue SBC-16/AT&T-9 below] SBC Texas' Overarching Issue: c. What is the appropriate form of intercarrier compensation for Optional EAS traffic? [Addressed in Issue SBC-20/AT&T-13]	Section 1.1	
SBC-4	Birch/Ionex 1	Is it appropriate to change the introductory section of the compensation attachment, remove references to "ISP-Bound traffic," and introduce new definitions for "Local Traffic"? SBC Texas' Issue: a) Should SBC Texas be required to comply with only generic Texas Commission reciprocal compensation decisions? [Addressed in SBC-3/Sage-1(a) above] b) Is it appropriate to state that ISP-Bound traffic is not the same as Section 251 (b)(5) traffic as set forth in the FCC ISP Compensation Order? [Addressed within this issue] c) Should SBC be required to make available to Birch the same	Section 1.0 (SBC), 1.1 (Birch/ionex)	The Commission declines to require SBC to only comply with "generic" commission reciprocal compensation decisions as proposed by SBC. The Commission notes that its procedural rules contain procedures for consolidated proceedings but do not contemplate "generic" proceedings. It would therefore be inappropriate to limit compliance by SBC to only "generic" commission decisions. The FCC's "all-or-nothing rule" requires a requesting carrier seeking to avail itself of terms in an interconnection agreement to adopt the agreement in its entirety, taking all rates, terms,

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		terms and conditions for exchange of optional or mandatory expanded local calling traffic that SBC has with another carrier, including an ILEC? [Addressed in Issue SBC-8/AT&T-2 below for SBC Texas' position.]		and conditions from the adopted agreement. Allowing a carrier to opt into reciprocal compensation arrangements without also adopting all other terms of the agreement would conflict with the FCC's "all-or-nothing rule." Given SBC's agreement to remove the term "service" as suggested by Birch/ionex, the Commission adopts SBC's proposed language with modification to remove the terms "generic" and "service" and to reflect the FCC's "all or nothing" MFN policy. 1.1 SBC TEXAS agrees to comply with all ~~generic~~ Texas Commission reciprocal compensation decisions regarding Internet service traffic subject to the final outcome of appeals of those decisions and the reciprocal compensation selected by CLEC under this Agreement. Both parties, however, reserve all rights to contest any order or decision requiring the payment of reciprocal compensation for internet ~~service~~ traffic, including the right to seek refunds or to implement a new system of reciprocal compensation, pursuant to regulatory or judicial approval. Nothing in this Attachment shall constitute an admission by SBC TEXAS that ISP-Bound Traffic (as defined in Section 1.2) is in fact Section 251(b)(5) Traffic (as defined below) subject to reciprocal compensation under the 1996 Federal Telecommunications Act. For purposes of this Agreement, Section 251(b)(5) Traffic shall mean all Local Traffic (as defined in Section 1.2) and any other traffic in which the Parties must pay each other reciprocal compensation for the transport and termination of telecommunications under this Agreement (excluding any ISP-Bound Traffic). SBC will make available to Birch, if similarly situated to another ILEC or CLEC (*i.e.*, similar traffic types and the same geographic areas as defined by rate centers), each compensation

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				arrangement for serving customers in optional or mandatory, one-way or two-way EAS, including ELCS, area serviced by such ILEC or CLEC similar to the corresponding arrangement that SBC has with that ILEC or CLEC for serving those customers, provided Birch adopts the agreement containing the compensation arrangement in its entirety, taking all rates, terms, and conditions from the adopted agreement.
SBC-6	MCI-Recip Comp 1	For purposes of this Appendix, should reciprocal compensation be determined by the physical location of the end user customers? SBC Texas' Issue: Is it appropriate for Section 251(b)(5) reciprocal compensation be limited to traffic that originates and terminates within the same SBC Texas local calling area?	2.1; 2.3 et. seq.; 2.4; 13.1; 4.2.4; 4.2.4.1; 4.2.5.1; 4.9.1; 13.1	Consistent with the Commission's decision in Docket No. 21982, the Commission finds that the geographic or the physical location of the end user, rather than the assignment of an NPA-NXX, is the appropriate standard for defining a local calling area and the application of reciprocal compensation. Specifically, in Docket 21982, the Commission reaffirmed its previous determination that reciprocal compensation arrangements apply to calls that originate from and terminate to an end-user within a mandatory single or multi-exchange local calling area, including the mandatory EAS/ELCS areas comprised of SBC exchanges and the mandatory EAS/ELCS areas comprised of SBC exchanges and exchanges of independent ILECs. The Commission finds that the parties should resubmit contract language to reflect the Commission's decision in Docket No. 24015.
SBC-7	MCI-Recip Comp 7	**MCIm**: Given that SBC's proposal for Recip Comp., Sec. 2.12 does not carefully define categories of traffic that the parties will exchange with each other and how such traffic should be compensated, should SBC Texas' additional terms and conditions for internet traffic set forth in section 2.12 et seq. be included in this Agreement? SBC Texas' Issue: a. Should SBC Texas' description of ISP traffic outside of the	2.12 et. seq.	The Commission finds it is appropriate to describe the categories of ISP traffic that are not subject to the compensation regime of the ISP Remand Order. The FCC's ISP Remand Order does not disrupt the pre-existing tariffed interstate and intrastate access services provided by LECs. The FCC concluded that "unless and until the Commission by regulation should determine otherwise, Congress preserved the

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		local calling area be included in the contract?		pre-Act regulatory treatment of all the access services enumerated under section 251(g). These services thus remain subject to Commission jurisdiction under section 201 (or, to the extent they are intrastate services, they remain subject to the jurisdiction of state commissions), whether those obligations implicate pricing policies as in CompTel or reciprocal compensation. . . . Section 251(g) expressly preserves the Commission's rules and policies governing 'access . . . to information service providers' in the same manner as rules and policies governing access to IXCs." Additionally, FX ISP traffic is subject to bill and keep as the Commission determined in Docket No. 24015. Furthermore, ISP traffic exchanged within Optional EAS areas would also be subject to bill and keep. The same reason for applying bill and keep to FX ISP traffic in Docket No. 24015 also applies to ISP traffic exchanged in Optional EAS areas. The Commission finds that the parties should resubmit contract language to reflect the Commission's decision in Docket No. 24015.
SBC-8		SBC Texas' Overarching Issue: a) What is the correct definition of Section 251(b)(5) Traffic and "ISP-Bound Traffic" in accordance with the FCC's ISP Terminating Compensation Plan?		
	AT&T-2	What is the correct definition of "ISP-Bound Traffic" that is subject to the FCC's ISP Terminating compensation¶ Plan?	§1.1; and/or language from our ISP price plan sections SBC §§ 1.2 and 2.2	For Commission rationale see DPL SBC-7 above. The Commission finds that the parties should resubmit contract language to reflect the Commission's decision in Docket No. 24015.
	CLEC COALITION-5	How should "ISP-Bound Traffic" be defined for purposes of reciprocal compensation? SBC Texas' Overarching Issue:	Att. 12, Sec. 1.2.	For Commission rationale see DPL SBC-7 above. The Commission finds that the parties should resubmit contract language to reflect the

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
		a) What is the correct definition of Section 251(b)(5) Traffic and "ISP-Bound Traffic" in accordance with the FCC's ISP Terminating Compensati¶on Plan?¶		Commission's decision in Docket No. 24015.
	Birch/Ionex - 3	Is it appropriate to change the definition of "local traffic" to include a definition of "ISP-bound" traffic? SBC Texas' Overarching Issue: a) What is the correct definition of Section 251(b)(5) Traffic and "ISP-Bound Traffic" in accordance with the FCC's ISP Terminating Compensation Plan? b) Is it appropriate to define local traffic and ISP-bound" traffic in accordance with the FCC ISP Compensation Order?	Section 1.2 (SBC), 1.2.1 (Birch/ionex)	For Commission rationale see DPL SBC-7 above. The Commission finds that the parties should resubmit contract language to reflect the Commission's decision in Docket No. 24015.
	KMC- This is a new issue raised by SBC Texas not on KMC's DPL	SBC Texas' Overarching Issue: a) What is the correct definition of Section 251(b)(5) Traffic and "ISP-Bound Traffic" in accordance with the FCC's ISP Terminating Compensation Plan?	KMC Appendix NIA section 0.15 SBC Appendix NIA section 1.6	See Commission decision DPL SBC-7 and SBC-8.
	KMC- This is a new issue raised by SBC Texas not on KMC's DPL	SBC Texas' Overarching Issue: a) What is the correct definition of Section 251(b)(5) Traffic and "ISP-Bound Traffic" in accordance with the FCC's ISP Terminating Compensation Plan?	KMC Appendix NIA section 0.18 SBC Appendix NIA Section 1.15	See Commission decision DPL SBC-7 and SBC-8.
SBC-9	AT&T-3	What is the appropriate form of intercarrier compensation for UNE-P traffic?	2.2	The Commission notes that prior commission decisions (Mega-Arbitrations and Docket 21982) as well as FCC rules do not distinguish between facilities-based traffic and UNE-P traffic in the application of reciprocal compensation rates. The Commission-established reciprocal compensation rates are applicable to traffic originated and terminated in a local calling area regardless of whether such traffic terminates on the network of a facilities based carrier or a UNE-P carrier. The Commission therefore declines to adopt contract

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				language as proposed by AT&T.
SBC-11		SBC Texas' Overarching Issue: a) What is the appropriate form of intercarrier compensation for FX and FX-like traffic including ISP FX Traffic?		The Commission finds "bill and keep" to be the appropriate form of intercarrier compensation for FX Voice Traffic. The Commission notes that it ruled "bill and keep" is the appropropriate form of intercarrier compensation for ISP bound FX traffic in Docket No. 24015. Therefore, "bill and keep" for voice FX traffic will be consistent with the Commission's ruling for ISP bound FX traffic in Docket No. 24015.
	AT&T-4	What is the appropriate form of intercarrier compen-sation for FX and FX-like traffic?	AT&T: 1.1 SBC: 2.0 - 2.1.7	The Commission finds "bill and keep" to be the appropropriate form of intercarrier compensation for FX Voice Traffic. The Commission notes that it ruled "bill and keep" is the appropropriate form of intercarrier compensation for ISP bound FX traffic in Docket No. 24015. Therefore, "bill and keep" for voice FX traffic will be consistent with the Commission's ruling for ISP bound FX traffic in Docket No. 24015. Consistent with the Commission's decision in Docket No. 24015 the Commission finds that FX traffic shall be segregated and tracked using the Percentage of FX Usage (PFX) method. The Commission finds that the parties should resubmit contract language to reflect the Commission's decision in Docket No. 24015.
	MCI- Recip Comp 6	**MCIm**: Should reciprocal compensation arrangement apply to calls terminated to customers not physically located in the SBC Texas local calling area, i.e., Foreign Exchange (FX) calls. SBC Texas' Overarching Issue: a) What is the appropriate form of intercarrier compensation for FX and FX-like traffic including ISP FX Traffic?	2.7 et. seq.; 2.8; 2.9; 2.10; 2.11; 15 et.seq.	The Commission finds "bill and keep" to be the appropropriate form of intercarrier compensation for FX Voice Traffic. The Commission notes that it ruled "bill and keep" is the appropropriate form of intercarrier compensation for ISP bound FX traffic in Docket No. 24015. Therefore, "bill and keep" for voice FX traffic will be consistent with the Commission's ruling for ISP bound FX traffic in Docket No. 24015. Consistent with the Commission's decision in Docket No. 24015

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SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				the Commission finds that FX traffic shall be segregated and tracked using the Percentage of FX Usage (PFX) method. The Commission finds that the parties should resubmit contract language to reflect the Commission's decision in Docket No. 24015.
	Birch/Ionex -4	What language, if any, should be included to address FX-traffic? SBC Texas' Overarching Issue: a) What is the appropriate form of intercarrier compensation for FX and FX-like traffic including ISP FX Traffic? [Addressed within this issue] b) If FX and FX-like traffic must be segregated and separately tracked for compensation purposes, how should that be done? [Addressed in Issue SBC-28/AT&T-19]	Sections 1.3 - 1.3.5, 8.0 - 8.3.1 (new language proposed by SBC) § 1.2 (existing provision)	The Commission finds "bill and keep" to be the appropriate form of intercarrier compensation for FX Voice Traffic. The Commission notes that it ruled "bill and keep" is the appropriate form of intercarrier compensation for ISP bound FX traffic in Docket No. 24015. Therefore, "bill and keep" for voice FX traffic will be consistent with the Commission's ruling for ISP bound FX traffic in Docket No. 24015. Consistent with the Commission's decision in Docket No. 24015 the Commission finds that FX traffic shall be segregated and tracked using the Percentage of FX Usage (PFX) method. The Commission finds that the parties should resubmit contract language to reflect the Commission's decision in Docket No. 24015.
	CLEC Coalition-12	Should ISP-Bound traffic be classified as ISP-Bound traffic subject to the FCC ISP compensation plan when the ISP-Bound traffic also fits the definition of "FX Traffic"? SBC Texas: a. What is the appropriate form of intercarrier compensation for FX and FX-like traffic including ISP FX Traffic?	Att. 12, Sec. 1.3.5	The Commission finds "bill and keep" to be the appropriate form of intercarrier compensation for FX Voice Traffic. The Commission notes that it ruled "bill and keep" is the appropriate form of intercarrier compensation for ISP bound FX traffic in Docket No. 24015. Therefore, "bill and keep" for voice FX traffic will be consistent with the Commission's ruling for ISP bound FX traffic in Docket No. 24015. Consistent with the Commission's decision in Docket No. 24015 the Commission finds that FX traffic shall be segregated and tracked using the Percentage of FX Usage (PFX) method.

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				The Commission finds that the parties should resubmit contract language to reflect the Commission's decision in Docket No. 24015.
	CJP-3	Are the definitions of FX and ISP Bound traffic mutually exclusive (Can traffic that is ISP bound be also classified as FX)? SBC Texas Issue: a) What is the appropriate form of intercarrier compensation for FX and FX-like traffic including ISP FX Traffic?	§ 1.3.7	The Commission finds "bill and keep" to be the appropropriate form of intercarrier compensation for FX Voice Traffic. The Commission notes that it ruled "bill and keep" is the appropropriate form of intercarrier compensation for ISP bound FX traffic in Docket No. 24015. Therefore, "bill and keep" for voice FX traffic will be consistent with the Commission's ruling for ISP bound FX traffic in Docket No. 24015. Consistent with the Commission's decision in Docket No. 24015 the Commission finds that FX traffic shall be segregated and tracked using the Percentage of FX Usage (PFX) method. The Commission finds that the parties should resubmit contract language to reflect the Commission's decision in Docket No. 24015.
	CJP-9	CJP: (a) Should optional EAS be defined based on SBC retail tariffs over which CLEC has no control? (b) Does the definition of FX traffic exclude EAS traffic? SBC Texas' Overarching Issue: a. What is the appropriate form of intercarrier compensation for FX and FX-like traffic including ISP FX Traffic? [Addressed within this issue] b) What is the appropriate treatment of FX optional EAS traffic? (Addressed in SBC-20/AT&T-13)	§ 8	The Commission declines to adopt the proposal by CJP to include a reference to SBC's tariffs as of a date certain. The Commission notes that modifications to or elimination of SBC's Optional EAS plans must be approved by the Commission prior to implementation and interested parties can intervene and raise concerns about any SBC filing that seeks to modify or eliminate Optional EAS plans. The Commission incorporates by reference the contract language adopted under SBC issue 20/CJP-9 relating to compensation for Optional EAS traffic. The Commission finds "bill and keep" to be the appropropriate form of intercarrier compensation for FX Voice Traffic. The

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				Commission notes that it ruled "bill and keep" is the appropropriate form of intercarrier compensation for ISP bound FX traffic in Docket No. 24015. Therefore, "bill and keep" for voice FX traffic will be consistent with the Commission's ruling for ISP bound FX traffic in Docket No. 24015.
SBC-12	AT&T-5	a) What is the proper application of the transport and termination charges prescribed by §251(b)(5)? b) Should reciprocal compensation rates be symmetrical in accordance with Section 47 C.F.R. 51.711(a)(1)? c) What are the proper rates for transport and termination of §251(b)(5) traffic?	AT&T: §§ 1.2, 1.2.1; 1.2.2, 1.5, 1.4.1, 1.4.2 SBC: §§1.3, 1.3.1, 1.3.2, 1.4 – 1.4.2.3	This DPL issue is deferred to Track II.
SBC-13	AT&T-6	Is dedicated transport an appropriate rate element for reciprocal compensation of transport and termination?	§1.2.1.1	This DPL issue is deferred to Track II.
SBC-14	AT&T-7	a. (AT&T) What is the appropriate common transport mileage assumption for reciprocal compensation? a. (SBC) Is it appropriate to use actual or average mileage for common transport? b. (AT&T) When is it appropriate to use an average mileage? b. (SBC) If average mileage is determined to be appropriate for common transport, what is the correct average mileage assumption?	§1.2.1.2	(a) Consistent with the Commission decision on SBC Issue 15, regarding the application of the tandem interconnection rate, the Commission finds that it is appropriate to use an average of 14 miles for common transport regardless of whether the call is terminated using multiple switches provisioned in a tandem-to-end office hierarchy or just a single multi-function switch. (b) In light of the Commission's decision to reject AT&T's LATA-wide reciprocal compensation proposal for reasons delineated in SBC issue-2, the Commission declines to adopt 23 miles for transport mileage as proposed by AT&T. Instead, the Commission finds that a 14-mile estimate shall be used in computing the transport mileage element for purposes of the tandem interconnection rate. This is consistent with the Commission decision in Docket No. 21982 and the Mega-Arbitration proceedings.. Therefore, the Commission adopts the ICA language proposed by AT&T with the following modification:

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				1.2.1.2 Where 251(b)(5) Traffic is transported via a Party's common network, (i.e., between two switches within the terminating Party's network), common transport rates as set forth in 1.4 below shall apply. The Parties agree that **14** miles of common transport will be assessed rather than the actual airline mileage applicable to such route.
SBC-15		SBC Texas' Overarching Issue: Is CLEC's switch(es) "actually serving" a geographically comparable area to SBC Texas' tandem switch(es) such that CLEC is entitled to the tandem interconnection rate?		The Commission finds that the application of the blended transport rates as determined in Docket No. 21982 adequately compensates CLECs for tandem switching on calls terminated on a multi-function switch and also ensures symmetry of intercarrier compensation rates between CLECs and SBC. The Commission therefore readopts its decision in Docket No. 21982 to utilize a blended tandem rate and the 3 to 1 traffic threshold ratio for calls terminating on a multifunction switch. Therefore, the Commission adopts the ICA language proposed by CLEC Joint Petitioners because it is the language that is currently in the T2A and was arbitrated in Docket No. 21982. Accordingly, the Commission declines to adopt the ICA language proposed by SBC, MCI, AT&T, and the CLEC Coalition because it is not consistent with the method utilized in Docket No. 21982.
	AT&T-8	AT&T Issue Do AT&T's switches meet the standard set forth in 51.711(a)(3) such that SBC shall compensate AT&T for termination at the full tandem interconnection rate? SBC Issues a. Do AT&T's switches meet the standard set forth in Rule 51.711(a)(3) and as prescribed by the Commission in Docket 21982? a.1. Are AT&T's switched actually serving a geographically comparable area to SBC's tandem switches?	§§1.5, 1.5.1, 1.5.2	Consistent with the threshold decision to utilize a blended tandem rate and the 3 to 1 traffic threshold ratio for calls terminating on a multifunction switch, the Commission declines to adopt the ICA language proposed by SBC and AT&T. The Commission incorporates by reference the contract language adopted under SBC issue 15/CJP-7.

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		a.2 Should AT&T FX numbers be excluded from consideration for determining the geographic coverage of AT&T's switches? b. If AT&T's switches meet the standard set forth in Rule 51.711(a)(3) and as prescribed by the Commission in Docket 21982, should AT&T receive the tandem rate for some but not all calls? c. Should reciprocal compensation rates be applied on a symmetrical basis in accordance with 47 C.F.R. 51.711(a)(1)?		
	MCI-Recip Comp 11	If MCIm is permitted to charge tandem serving rates for a single switch, should MCIm be permitted tandem transport facility and mileage charges between tandem and end offices, and for what mileage? SBC Texas' Overarching Issue: a) Is CLEC's switch(es) "actually serving" a geographically comparable area to SBC Texas' tandem switch(es) such that CLEC is entitled to the tandem interconnection rate? b) If the CLEC switch meets the geographic coverage test should the CLEC be entitled to the mileage sensitive tandem transport element for transport between switches when CLEC only has one switch?	4.4.1.1	Consistent with the threshold decision to utilize a blended tandem rate and the 3 to 1 traffic threshold ratio for calls terminating on a multifunction switch, the Commission declines to adopt the ICA language proposed by SBC and MCI. The Commission incorporates by reference the contract language adopted under SBC issue 15/CJP-7.
	CJP-7	What should tandem rates be applicable? SBC Texas' Issue: a) Is CLEC's switch(es) "actually serving" a geographically comparable area to SBC Texas' tandem switch(es) such that CLEC is entitled to the tandem interconnection rate?	§§3-5	Consistent with the threshold decision to utilize a blended tandem rate and the 3 to 1 traffic threshold ratio for calls terminating on a multifunction switch, the Commission adopts the ICA language proposed by the CLEC Joint Petitioners under SBC issue 15/CJP-7.
	CLEC Coalition-9	When does the tandem rate apply? SBC Texas' Issue: a) Is CLEC's switch(es) "actually serving" a geographically comparable area to SBC Texas' tandem switch(es) such that CLEC is entitled to the tandem interconnection rate?	Att. 12, Sec. 4.0 and Sec. 3.3.1.	Consistent with the threshold decision to utilize a blended tandem rate and the 3 to 1 traffic threshold ratio for calls terminating on a multifunction switch, the Commission declines to adopt the ICA language proposed by SBC and the CLEC Coalition. The Commission incorporates by reference the contract language adopted under SBC issue 15/CJP-7.
	MCI- Recip Comp 2	Should reciprocal compensation rates be billed symmetrically regardless of whether traffic is terminated at a tandem or	2.2; 4.4.1; 4.4.1.1; 4.4.1.2	Consistent with the threshold decision to utilize a blended tandem rate and the 3 to 1 traffic

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		directly to an end office, or should a geographic serving test be applied? SBC Texas' Issue: a) Is CLEC's switch(es) "actually serving" a geographically comparable area to SBC Texas' tandem switch(es) such that CLEC is entitled to the tandem interconnection rate? b) If the CLEC switch meets the geographic coverage test should the CLEC be entitled to the mileage sensitive tandem transport element for transport between switches when CLEC only has one switch?		threshold ratio for calls terminating on a multifunction switch, the Commission declines to adopt the ICA language proposed by MCI.
	MCI-Recip. Comp. 10	**MCIm**: Should Reciprocal Compensation rates be billed symmetrically regardless of whether traffic is terminated at a tandem or directly to an end office? SBC Texas' Overarching Issue: If the CLEC switch meets the geographic coverage test should the CLEC be entitled to the mileage sensitive tandem transport element for transport between switches when CLEC only has one switch?	2.2	Consistent with the threshold decision to utilize a blended tandem rate and the 3 to 1 traffic threshold ratio for calls terminating on a multifunction switch, the Commission declines to adopt the ICA language proposed by MCI. The Commission incorporates by reference the contract language adopted under SBC issue 15/CJP-7.
	MCI-Recip Comp 12	**MCIm:** Do MCIm's switches serve an area comparable to SBC Texas' tandem switches? SBC Texas' Issue a) Is CLEC's switch(es) "actually serving" a geographically comparable area to SBC Texas' tandem switch(es) such that CLEC is entitled to the tandem interconnection rate?	4.4.2	Consistent with the threshold decision to utilize a blended tandem rate and the 3 to 1 traffic threshold ratio for calls terminating on a multifunction switch, the Commission declines to adopt the ICA language proposed by MCI. The Commission incorporates by reference the contract language adopted under SBC issue 15/CJP-7.
SBC-16		SBC Texas' Overarching Issue: Should SBC Texas be required to make available to CLEC comparable compensation arrangements as those between SBC Texas and other incumbent local exchange carriers and competitive local exchange carriers?		The FCC's "all-or-nothing rule" requires a requesting carrier seeking to avail itself of terms in an interconnection agreement to adopt the agreement in its entirety, taking all rates, terms, and conditions from the adopted agreement. Allowing a carrier to opt into reciprocal compensation arrangements without also adopting all other terms of the agreement would conflict with the FCC's "all-or-nothing rule."
	AT&T-9	Should SBC be required to make available to AT&T the same	§1.6	The Commission incorporates by reference the

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		terms and conditions for exchange of optional or mandatory expanded local calling traffic that SBC has with another carrier, including an ILEC?		rationale delineated in SBC Issue 16 above. The Commission adopts AT&T's language with modification: 1.6 SBC TEXAS will make available to AT&T a compensation arrangement for serving customers in any optional or mandatory expanded calling area serviced by SBC TEXAS or CLEC other than AT&T, that is similar to the corresponding arrangement that SBC TEXAS has with that other ILEC or CLEC for serving those customers when AT&T is similarly situated to the other ILEC or CLEC, provided AT&T adopts the agreement containing the compensation arrangement in its entirety, taking all rates, terms, and conditions from the adopted agreement.
	CLEC Coalition-13	Should the agreement maintain the T2A provision requiring SBC to make compensation arrangements available to an ILEC or CLEC available to a similarly situated CLEC? SBC Texas' Overarching Issue: a. Should SBC Texas be required to make available to CLEC comparable compensation arrangements as those between SBC Texas and other incumbent local exchange carriers and competitive local exchange carriers?	Att. 12, Sec. 1.0.	The Commission incorporates by reference the rationale delineated in SBC Issue 16 above. The Commission adopts contract language proposed by CLEC Coalition with modification: 1.0 Introduction Both parties reserve all rights to contest any order or decision requiring the payment of reciprocal compensation for Internet Service Provider_traffic, including the right to seek refunds or to implement a new system of reciprocal compensation, pursuant to regulatory or judicial approval in accordance with the intervening law provisions in the General Terms and Conditions. Nothing in this Attachment shall constitute an admission by SBC TEXAS that ISP Bound traffic (as defined in Section 1.2) is in fact Section 251(b)(5) Traffic (as defined below) subject to reciprocal compensation under the 1996 Federal Telecommunications Act. For purposes of this

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				Agreement, Section 251(b)(5) Traffic shall mean all Local Traffic (as defined in Section 1.2). SBC TEXAS will make available to a CLEC that is similarly situated to another ILEC or CLEC (*i.e.*, similar traffic types and the same geographic areas as defined by rate centers) each compensation arrangement for serving customers in optional or mandatory, one way or two way EAS, including ELCS, area serviced by such ILEC or CLEC similar to the corresponding arrangement that SBC TEXAS has with that ILEC or CLEC for serving those customers, provided the CLEC adopts the agreement containing the compensation arrangement in its entirety, taking all rates, terms, and conditions from the adopted agreement.
	CLEC Coalition2	Should CLECs continue to be allowed to MFN into reciprocal compensation provisions under FTA section 252(i)? SBC Texas' Overarching Issue: a) Should SBC Texas be required to make available to CLEC comparable compensation arrangements as those between SBC Texas and other incumbent local exchange carriers and competitive local exchange carriers?	Att. 12	The Commission incorporates by reference the rationale delineated in SBC Issue 16 above.
	CJP-1	Should SBC be required to make available to a CLEC that is similarly situated to another ILEC or CLEC the same terms and compensation arrangement it offers such ILEC or CLEC? SBC Texas' Overarching Issue: a. Should SBC Texas be required to make available to CLEC comparable compensation arrangements as those between SBC Texas and other incumbent local exchange carriers and competitive local exchange carriers?	§ 1.0 (AT&T Issue 9)	The Commission incorporates by reference the rationale delineated in SBC Issue 16 above. The Commission adopts the language proposed by CJP with modification: 1.0 Introduction Both parties, however, reserve all rights to contest any order or decision requiring the payment of reciprocal compensation for internet service traffic, including the right to seek refunds or to implement a new system of reciprocal compensation, pursuant to regulatory or judicial approval. Nothing in this Attachment shall constitute an admission by SBC TEXAS that ISP- Bound Traffic (as defined in Section 1.2) is in fact Section

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				251(b)(5) Traffic (as defined below) subject to reciprocal compensation under the 1996 Federal Telecommunications Act. SBC TEXAS will make available to a CLEC that is similarly situated to another ILEC or CLEC (i.e., similar traffic types and the same geographic areas as defined by rate centers) each compensation arrangement for serving customers in optional or mandatory, one way or two way EAS, including ELCS, area serviced by such ILEC or CLEC similar to the corresponding arrangement that SWBT has with that ILEC or CLEC for serving those customers, provided the CLEC adopts the agreement containing the compensation arrangement in its entirety, taking all rates, terms, and conditions from the adopted agreement. For purposes of this Agreement, Section 251(b)(5) Traffic shall mean all Local Traffic (as defined in Section 1.2) and any other traffic in which the Parties must pay each other reciprocal compensation for the transport and termination of telecommunications under this Agreement (excluding any ISP-Bound Traffic).
SBC-17		SBC Texas' overarching Issue: Should non 251/252 services such as Transit Services be negotiated separately?		Please refer to rationale in SBC-17/AT&T-10 below.
	AT&T-10	a. What is the proper method of intercarrier compensation for Transit traffic? b. What other obligations exist between the Parties concerning transit traffic?	§§ 2.3, 2.4.1, 3.0, 3.1, 3.2 – 3.6	Consistent with prior commission decisions in the mega arbitrations, Docket No. 21982 and predecessor T2A agreement, the Commission finds that SBC is required to provide transit services at TELRIC rates. The Commission notes that there has not be any change in law or FCC rules to warrant a departure from prior commission decisions on transit service. Furthermore, a federal court found that a state commission may require an ILEC to provide transiting to CLECs under state law. Michigan Bell Tel. Co. v. Chappelle, 222 F. Supp. 2d 905, 918 (E.D. Mich. 2002). Given SBC's ubiquitous network in Texas and the evidence regarding absence of alternative competitive

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				transit providers in Texas (HOM Tr. at 252-253), the Commission concludes that imposing an obligation on SBC to provide transit services at cost based rates will promote interconnection of all telecommunications networks. With respect to billing of transit services, the Commission notes that the evidence indicates the ability of SBC as a transit carrier to identify the carrier it immediately receives traffic from based on the trunk group delivering the traffic (i.e. originating carrier information (OCN)). (HOM Tr. at 309-312). This carrier may or may not be the true originating carrier (HOM Tr. at 309-312). SBC as a transit carrier can also pass on Calling Party Number (CPN) information to the terminating carrier when the originating carrier provides such information to SBC (McPhee Rebuttal at 37-38, SBC-TX Ex. 25). SBC as a transit carrier should therefore provide OCN and/or CPN information to the terminating carrier to the extent SBC receives such information from the originating carrier or can provide such information. Also, consistent with the decision regarding billing of transit services in Docket No. 21982, the Commission finds that regardless of whether the traffic can be identified through CPN or OCN information, terminating carriers shall be required to directly bill third parties that originate calls and send traffic over SBC's network. The Commission adopts SBC's proposed language with modifications to include rates for transit function for Optional EAS traffic as established in the Mega Arbitrations and in the predecessor T2A agreement. 3.0 Transit Traffic Compensation 3.1 ~~The Parties agree that SBC TEXAS is not~~

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				~~obligated to provide AT&T with SBC Texas' Transit Service as a means to indirectly interconnect with Third Party Carriers. However,~~ SBC TEXAS will provide AT&T with SBC Texas' Transit Service to deliver Local, Optional EAS and intraLATA toll traffic to all Third Party Carriers with whom SBC TEXAS is interconnected. SBC Texas' Transit Service is a service provided to carriers, that are interconnected with SBC TEXAS, for the transmission of Section 251(b)(5) Traffic, ISP-Bound Traffic, (collectively "Local Transit Traffic"), Optional EAS traffic and/or IntraLATA Interexchange Traffic ("IntraLATA Toll Transit Traffic") as defined in Sections 3.2.1 and 3.2.2 below. At no time shall either Party provide transit service to an Interexchange Carrier (IXC) or any other Third Party Carrier for the purposes of avoiding paying appropriate access charges. 3.2 For the purposes of this Agreement, Transit Traffic is defined as traffic between AT&T's end users and a Third Party Carrier's end user (e.g. Competitive Local Exchange Carriers, Incumbent Local Exchange Carriers, or Commercial Mobile Radio Service providers) that is routed utilizing an SBC TEXAS tandem switch where an SBC TEXAS end user is neither the originating nor the terminating party. 3.2.1 Local Transit Traffic is defined as Transit Traffic between AT&T's local end users and the local end users of a Third Party Carrier originated and terminated within the same mandatory local calling area. The SBC TEXAS Transit Service for local traffic shall be billed as follows: Transit Compensation Transit Rate $ 0.000960 Tandem Switching $ 0.000794

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				Common Transport Termination Facility/mile $ 0.000002 (multiply this by 14 to develop average transit rate) (* 14 =.000028) Common Transport Termination MOU Statewide $0.000135 3.2.2 Optional EAS Transit Traffic is defined as Transit Traffic between AT&T's local end users and the local end users of a Third Party Carrier originated and terminated within an optional calling area. The transit rate applies when traffic transits SBC's network but SBC does not perform terminating switching. 3.2.2.1 The SBC TEXAS Optional EAS Transit Service shall be billed at $.001030 per MOU. 3.2.3 IntraLATA Toll Transit Traffic is defined as Transit Traffic between AT&T's end users and the end users of a Third Party Carrier originated in one mandatory local calling area and terminated in a different mandatory local calling area but where both mandatory local calling areas are within the same LATA. Switched Access rates found in the SBC TEXAS Intrastate Switched Access Tariff shall apply for intraLATA Toll Transit Traffic. 3.2.3 AT&T shall establish direct interconnection to third parties as detailed in Section XX of Attachment ITR. 3.3 When AT&T utilizes SBC Texas' Transit Service, AT&T shall indemnify SBC TEXAS against any and all charges levied by a Third Party Carrier upon SBC TEXAS, including any termination charges related to such traffic as well as any attorneys fees and expenses. SBC TEXAS shall not be required to function as a

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				billing intermediary, (e g. clearinghouse) when SBC Texas' Transit Service is provided. 3.4 When a Third Party Carrier originates Local, Optional EAS or intraLATA toll traffic to be transited by SBC TEXAS to AT&T SBC agrees to pass the originating CPN information to the terminating Party when the Third Party Carrier provides such information and/or the Originating Carrier Information (OCN) identifying the carrier SBC TEXAS immediately receives traffic from when such information is available. 3.5 AT&T shall not bill SBC TEXAS for terminating any traffic that is originated by a Third Party Carrier whether that traffic or carrier is identified or unidentified, (i.e. whether CPN is sent or is not sent by the Third Party Carrier or the OCN is or is not available) even though SBC TEXAS is acting as the transit service provider. 3.6 The Parties agree to seek terminating compensation directly from the Third Party Carrier that is originating traffic, not from the Party providing the transit service.
	SBC Texas New Issue: CG, CJP, B/I, MCI,	Should non 251/252 services such as Transit Services be negotiated separately?	All Appendices/Attachments	
	Birch/Ionex-6	Is it appropriate to replace the existing transit traffic language with language about "non-local call termination" and billing for intraLATA toll and optional EAS traffic? SBC Texas' Overarching Issue: a. Should non 251/252 services such as Transit Services be negotiated separately? b. Is it appropriate to include language for Non-Local Call	Sections 4.0 - 4.1, 7.0 - 7.5 (proposed by Birch/ionex); 6.0 - 6.3, 13.0 - 13.8 (proposed by SBC)	a) Consistent with the decision in SBC Issue - 17/AT&T-10, the Commission finds that SBC is required to provide transit services at TELRIC rates. The commission adopts the contract language in SBC issue 17/AT&T-10 by reference. b) The Commission finds that in order to ensure contractual completeness and avoid potential compensation disputes, it is

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		termination? c. What is the appropriate treatment and form of intercarrier compensation for IntraLATA Toll Traffic? d. What is the appropriate treatment and form of intercarrier compensation for intraLATA 8YY traffic? e. Should SBC utilize terminating records to bill originating carriers for Section 251(b)(5) Traffic Optional EAS, ISP-Bound, IntraLATA Toll Traffic and Transit Traffic?		appropriate for the contract language to include compensation for various types of traffic including non-local traffic. c) The Commission reaffirms its prior decision in Docket No. 21982 that reciprocal compensation only applies to calls that originate and terminate with the Commission established local calling area. IntraLATA toll calls are therefore subject to access charges. d) The Commission incorporates the rationale for intraLATA 8YY traffic under SBC Issue – 22. e) The Commission reaffirms its previous determination in Docket No. 21982 that the use of terminating records is a more efficient and less burdensome method to track and bill the exchange of traffic. The Commission finds that, where technically feasible, the terminating carrier's records should be used to bill originating carriers for reciprocal compensation, unless both the originating and terminating carriers agree to use originating records. The Commission applies the same rationale to require the use of terminating records for other types of traffic. Birch/ionex has not demonstrated that it is technically infeasible to use terminating records. Birch's concern regarding the exchange of billing records for calls that originate or terminate on a UNE-switch is adequately addressed in SBC issue – 60. The Commission adopts the contract language regarding transit service adopted in SBC Issue – 17/AT&T-10. The Commission finds that the parties should resubmit contract language to reflect the Commission's decisions in Docket No. 24015.

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	CLEC Coalition-10	Should the T2A Transit Traffic provisions in Attachment 12 be maintained? SBC Texas' overarching Issue: a. Should non 251/252 services such as Transit Services be negotiated separately?	Att. 12, Sec. 6.0, and several section in which "transit traffic" is referenced.	The Commission by reference incorporates the rationale and contract language adopted in SBC issue -17/ AT&T – 10.
	CJP-8 (also see Attach. 11 CJP-2)	What are the appropriate rates for transit services? SBC Texas' overarching Issue: a. Should non 251/252 services such as Transit Services be negotiated separately?	§ 6 (AT&T Issue 10)	The Commission incorporates by reference the rationale and contract language adopted in SBC issue -17/ AT&T – 10.
	Birch/Ionex-9	Is it appropriate to amend the existing language in Birch/ionex's agreement to modify compensation for CMRS traffic? SBC Texas' Overarching Issue: a. Should non 251/252 services such as Transit Services be negotiated separately? (See AT&T-1 and AT&T-10)	Sections 8.2 (existing Birch/ionex agreement); 14.2 (as renumbered by SBC)	The Commission incorporates the rationale delineated in SBC issue 17/AT&T-10. The Commission adopts the contract language proposed by Birch/ionex with modifications because it reflects the language in the T2A. 8.2 ~~Except for traffic that originates or terminates to an ULS arrangement between SWBT and Birch/ionex~~, Birch/ionex will pay the Local Transit Traffic rates (found in Section ~~4.0~~ XX of this Attachment) to ~~SWBT~~ SBC TEXAS for calls that originate on Birch/ionex's network and are sent to ~~SWBT~~ SBC TEXAS for termination to a CMRS provider as long as such Traffic can be identified as wireless traffic. ~~SWBT~~ SBC TEXAS will pay the same Local Transit Traffic rate to Birch/ionex for such calls that originate on ~~SWBT~~ SBC TEXAS's network and are sent through Birch/ionex for termination on a CMRS Provider's network. Each Party shall be responsible for interconnection agreements with CMRS provider's network. The Parties agrees to cooperate with each other regarding third party compensation issues. In the event that the originating party does send traffic through the transiting party's network to a third party provider with whom the originating party does

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				not have a traffic interchange agreement, then the originating party agrees to indemnify the transiting party for such traffic pursuant to Section XX of the General Terms and Conditions portion of the Agreement. 8.3 When traffic is originated by either Party to a CMRS Provider, and the traffic cannot be specifically identified as wireless traffic for purposes of compensation between SBC TEXAS and Birch/ionex, the traffic will be rated either as Local or Access and the appropriate compensation rates shall be paid by the originating Party to the transiting Party.
SBC-18	AT&T-11	AT&T Issue: Should the ICA include terms addressing AT&T as a transit provider? SBC Texas' Overarching Issue: a. Should non 251/252 services such as Transit Services be negotiated separately? b. Should SBC be required to use AT&T as a transit provider to reach third parties including affiliates that are already interconnected to SBC?	3.3	The Commission finds that in the interest of promoting the entry of alternative transit providers in the market, it is reasonable to permit AT&T to serve as a transit provider. However, the Commission notes that direct interconnection between the originating and terminating carriers, in contrast to indirect interconnection through a third party transit provider, reduces the potential for billing disputes as well as encourages efficient network interconnection. Therefore, the Commission concludes that the terminating carrier shall accept transit traffic if direct interconnection with the originating carrier is unavailable. The Commission adopts AT&T's proposed language with the following modifications: 3.3 Each Party agrees that any third party (including without limitation an Affiliate of one Party) may make use of that Party's network to terminate traffic to the other Party. However, nothing in this section precludes the other party from exercising its right to establish direct interconnections with the third party. The other party shall accept the transit traffic if direct interconnection with the third party is unavailable. If the Affiliate has a separate traffic

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				termination agreement with the other Party, the Parties agree that they will work cooperatively to develop an acceptable method for accounting appropriately for that traffic. Unless AT&T requests otherwise, the rating for transit calls when AT&T provides the transit service shall be the same between the Parties as the rating for calls transited by SBC TEXAS to or from any similarly situated third party carrier.
SBC-19	AT&T-12 Birch/Ionex-7	If either AT&T or SBC, as the transit provider, fails to transmit the necessary carrier identification for the terminating party to bill the originating carrier, may the terminating carrier bill the transit provider? Birch/Ionex: Should the parties use the existing language in Birch/ionex's contract that addresses compensation for optional calling scopes or SBC's proposed language? - SBC Texas' Overarching Issue: a) What is the appropriate form of intercarrier compensation for Optional EAS traffic? b) Should non 251/252 services such as Transit Services be negotiated separately?	§3.2, 3.5 §5.0-5.3.2 (Birch/ionix provisions)	Consistent with the decision in Docket No. 21982, the Commission finds that terminating carrier shall not bill the transit carrier for calls originated on a third party's network. Instead, terminating carriers shall be required to directly bill third parties that originate calls and send traffic over SBC's network. The Commission also adopts the rationale on billing of transit traffic in SBC issue 17/ AT&T -10 and rationale for exchange of billing records for UNE-originated traffic from SBC issue-60. The Commission adopts AT&T's proposed language with modification. Consistent with the requirements of Attachment 28 Comprehensive Billing of this Agreement, each Party will calculate terminating interconnection minutes of use based on standard Automatic Message Accounting ("AMA") recordings made within each Party's network that have been converted to industry standard Electronic Message Interface (EMI). Except as may otherwise be provided in this Agreement, these recordings will be the basis for each Party to generate bills to the other Party and, in connection with Transit Traffic, if necessary, to third-party LECs. Each Party agrees to forward to the other Party call information that may be used to identify the originating and terminating telephone numbers for each call and each carrier involved in transmission of the call (including for purposes of carrier identification, OCN, any equivalent

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				local service identifier and Carrier Identification Code, as appropriate). ~~If records supplied by SBC TEXAS are incomplete or lack the carrier identifier, AT&T shall have the right to bill SBC TEXAS for the call.~~ AT&T shall not bill SBC TEXAS for terminating any traffic that is originated by a Third Party Carrier whether that traffic or carrier is identified or unidentified, (i.e. whether CPN is sent or is not sent by the Third Party Carrier or the OCN information is or is not available) even though SBC TEXAS is acting as the transit service provider. 3.5 The Parties agree to seek terminating compensation directly from the Third Party Carrier that is originating traffic, not from the Party providing the transit service. 3.6 Transit Traffic does not include traffic originated from a third party subscriber line that a third party provides using UNE-P. In such cases, when this traffic is terminated to AT&T (and AT&T is not providing service to the terminating user via UNE-P) and AT&T is using terminating recordings to bill reciprocal compensation, SBC TEXAS will provide detailed calls records to identify UNE originating traffic including OCN of the originating carrier to the originating UNE carrier and AT&T, and AT&T will bill the originating UNE carrier for MOUs terminated on AT&T's network. AT&T may obtain billing records identifying the originating carrier from SBC upon execution of a Non-Disclosure Agreement. Birch/ionex The Commission incorporates the rationale and contract language on compensation for optional EAS traffic delineated in SBC Issue 20 by reference.

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SBC-20		SBC Texas' Overarching Issue: What is the appropriate form of intercarrier compensation for Optional EAS traffic?		Please refer to rationale and decision in SBC Issue-20/AT&T-13 below.
	AT&T-13	What is the appropriate form of intercarrier compensation for Optional EAS traffic?	4.0 – 4.3	Consistent with the decision not to adopt AT&T's LATA-wide proposal for reasons delineated under SBC issue-2, the Commission finds that optional EAS traffic is not subject to reciprocal compensation. While SBC's contract language, by and large, maintains the status quo in that it reflects the Commission established rates, terms and conditions in the Mega Arbitration proceedings and in the predecessor T2A, the Commission finds that the contract language should be modified to include a description of calls to which the compensation applies and to require SBC to provide a list of optional calling areas to CLECs upon request. In addition the Commission modifies the contract language to require SBC to allow AT&T to MFN into similar compensation arrangements between SBC TEXAS and other CLECs/ILECs consistent with Commission's decision in SBC Issue 16. The Commission adopts SBC proposed language with modifications. 4.0 Compensation for Termination of Optional Extended Area Service Traffic 4.1 Optional Extended Area Service (Optional EAS) - For extended area traffic including Optional Area Traffic, except mandatory extended traffic addressed in Section 1.2 of this Attachment compensation for termination of intercompany traffic will be the rates listed below. <u>This compensation rate applies to all terminating traffic for calls to and from end users physically located in specific areas designated as Commission approved Optional EAS route(s) in accordance with SBC Texas's tariffs. A list of such areas will be provided by SBC to AT&T upon request.</u> AT&T is not

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				precluded from establishing its own local calling areas or prices for purposes of retail telephone service offerings. 4.2 The following rates will apply as permanent rates for the transport and termination of optional calling area traffic. The transport and termination rate applies when SBC TEXAS transports traffic and terminates it at its own switch. 4.2.1 Optional EAS Transport and Termination Rate $.002487 per MOU When AT&T provides services associated with a telephone number with a NXX which has an expanded 2-way area calling scope (EAS) in a SBC TEXAS end office, AT&T will pay the charge contained on Attachment Pricing UNE - Schedule of Prices labeled "EAS Additive per MOU". The additives to be paid by AT&T to SBC TEXAS are $0.024 per MOU for toll-free calls made by a SBC TEXAS customer from a metro exchange to an exchange contiguous to a metro exchange and $0.0355 per MOU for toll free calls made by a SBC TEXAS customer to AT&T's optional 2-way EAS customer for contiguous exchanges other than those contiguous to a metro exchange within the scope of the 2-way calling area. These additives will apply in addition to cost-based transport and termination rates for Optional EAS service set forth in the rates spreadsheet. . SBC TEXAS agrees to extend to AT&T where AT&T is similarly situated to another ILEC or CLEC (i.e., similar traffic types and the same geographic area as defined by rate centers) the same terms and conditions that SBC TEXAS has with such ILEC or CLEC for similar two-way arrangements in each area where SBC TEXAS offers optional two-way EAS to allow AT&T to serve its customers in each such area in a manner comparable to SBC TEXAS,

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				provided AT&T adopts the agreement containing the Optional EAS compensation arrangement in its entirety, taking all rates, terms, and conditions from the adopted agreement. These additives are reciprocal in nature, and AT&T is entitled to receive compensation from SBC TEXAS if AT&T agrees to waive charges for its customers who call SBC TEXAS optional two-way EAS customers. These additives also apply if AT&T chooses to adopt the transport and termination rates in effect between SBC TEXAS and other ILECs for optional EAS traffic.
	B/I- 7	Should the parties use the existing language in Birch/ionex's contract that addresses compensation for optional calling scopes or SBC's proposed language? SBC Texas' Overarching Issue: a) What is the appropriate form of intercarrier compensation for Optional EAS traffic? b) Should non 251/252 services such as Transit Services be negotiated separately?	Sections 5.0 - 5.3.1 (proposed by Birch/ionex); 7.0 - 7.3 (proposed by SBC)	Consistent with Docket No. 21982, the Commission finds that Optional EAS traffic is not subject to reciprocal compensation. While SBC proposed contract language reflect the Commission established rates, terms and conditions for Optional EAS traffic in the Mega Arbitrations and in the T2A agreement, the Commission modifies SBC's contract language to require SBC to provide a list of optional EAS areas to Birch/ionex upon request. In addition the Commission modifies the contract language to require SBC to allow Birch/ionex to MFN into similar compensation arrangements between SBC TEXAS and other CLECs/ILECs consistent with Commission's decision in SBC Issue 16. **7.0** Compensation for Termination of Optional Extended Area Service Traffic 7.1 Optional Extended Area Service (Optional EAS) - For extended area traffic including Optional Area Traffic, except mandatory extended traffic addressed in Section 1.2 of this Attachment compensation for termination of intercompany traffic will be the rates listed below. CLEC is not precluded from establishing its own local calling areas or prices for purposes of retail telephone service

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				offerings. 7.2 The following rates will apply as permanent rates for the transport and termination of optional calling area traffic. This Optional EAS compensation rate applies to all terminating traffic for calls to and from end users physically located in specific areas designated as Commission approved Optional EAS route(s) in accordance with SBC TEXAS' tariffs. A list of such areas will be provided by SBC to CLEC upon request. The transport and termination rate applies when SBC TEXAS transports traffic and terminates it at its own switch. 7.3 7.3.1 Optional EAS Transport & Termination Rate $.002487 per MOU When CLEC uses unbundled local switching to provide services associated with a telephone number with a NXX which has an expanded 2-way area calling scope (EAS) in a SBC TEXAS end office, CLEC will pay the charge contained on Appendix Pricing UNE - Schedule of Prices labeled "EAS Additive per MOU". The additives to be paid by CLEC to SBC TEXAS are $0.024 per MOU for toll-free calls made by a SBC TEXAS customer from a metro exchange to an exchange contiguous to a metro exchange and $0.0355 per MOU for toll free calls made by a SBC TEXAS customer to CLEC's optional 2-way EAS customer for contiguous exchanges other than those contiguous to a metro exchange within the scope of the 2-way calling area. These additives will apply in addition to cost-based transport and termination rates for Optional EAS service set forth in the rates spreadsheet. SBC TEXAS agrees to extend to a CLEC that is similarly situated to another ILEC or CLEC (i.e., similar traffic types and the same geographic area as defined by rate centers) the

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				same terms and conditions that SBC TEXAS has with such ILEC or CLEC for similar two-way arrangements in each area where SBC TEXAS offers optional two-way EAS to allow the CLEC to serve its customers in each such area in a manner comparable to SBC TEXAS, provided the CLEC adopts the agreement containing the Optional EAS compensation arrangement in its entirety, taking all rates, terms, and conditions from the adopted agreement. These additives are reciprocal in nature, and the CLEC is entitled to receive compensation from SBC TEXAS if the CLEC agrees to waive charges for its customers who call SBC TEXAS optional two-way EAS customers. These additives also apply if the CLEC chooses to adopt the transport and termination rates in effect between SBC TEXAS and other ILECs for optional EAS traffic.
	CG-24	Should the T2A provisions regarding compensation for Optional EAS Traffic be maintained? SBC Texas' Overarching Issue: a) What is the appropriate form of intercarrier compensation for Optional EAS traffic? b) Do cost-based interconnection rates apply to Optional EAS traffic? c) Is all traffic within an Optional EAS exchange subject to the Commission-approved Optional EAS rate? d) Should SBC Texas be required to make available to a CLEC that is similarly situated to another CLEC or ILEC the same terms and compensation arrangements relating to optional two-way EAS SBC Texas offers such ILEC or CLEC?	Att. 12, Sec. 7	Consistent with Docket No. 21982, the Commission finds that Optional EAS traffic is not subject to reciprocal compensation. While SBC proposed contract language reflect the Commission established rates, terms and conditions for Optional EAS traffic in the Mega Arbitrations and in the T2A agreement, the Commission modifies SBC's contract language to include a description of the traffic to which the compensation applies and require SBC to provide a list of Optional EAS areas to CLEC upon request. The Commission incorporates, by reference, the contract language adopted in SBC Issue-20/Birch/ionex-7.
	MCI-Recip MCI-Comp 16	**MCIm**: Should optional extended area service traffic should be treated as exchange access traffic subject to meet point billing	8 et. seq.	Consistent with Docket No. 21982, the Commission finds that Optional EAS traffic is

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		intrastate access rates set forth in each Party's respective tariffs? SBC Texas' Overarching Issue: a) What is the appropriate form of intercarrier compensation for Optional EAS traffic?		not subject to reciprocal compensation or switched access traffic. In Docket No. 16630, the Commission found the telecommunications traffic between local calling areas pursuant to Commission-approved Optional EAS arrangements is not interexchange traffic, but is comparable to, without becoming, local exchange service. The Commission has established compensation in the Mega Arbitration proceedings for Optional EAS traffic that reflect the unique nature of the traffic. While SBC proposed contract language reflect the Commission established rates, terms and conditions for Optional EAS traffic in the Mega Arbitration proceedings and in the T2A agreement, the Commission modifies SBC's contract language to require SBC to provide a list of optional EAS areas to MCI upon request. In addition the Commission modifies the contract language to require SBC to allow MCI to MFN into similar compensation arrangements between SBC TEXAS and other CLECs/ILECs consistent with Commission's decision in SBC Issue 16. The Commission adopts SBC's proposed language with modification: 8 COMPENSATION FOR TERMINATION OF OPTIONAL EXTENDED AREA SERVICE TRAFFIC 8.1 Optional Extended Area Service (Optional EAS) - For extended area traffic including Optional Area Traffic, except mandatory extended traffic addressed in Section 1.2 of this Attachment compensation for termination of intercompany traffic will be the rates listed below. CLEC is not precluded from establishing its own local calling areas or prices for purposes of retail telephone service offerings.

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				8.2 The following rates will apply as permanent rates for the transport and termination of optional calling area traffic. This Optional EAS compensation rate applies to all terminating traffic for calls to and from end users physically located in specific areas designated as Commission approved Optional EAS route(s) in accordance with SBC Texas' tariffs. A list of such areas will be provided by SBC to MCI upon request. The transport and termination rate applies when SBC TEXAS transports traffic and terminates it at its own switch. 8.2.1 Optional EAS Transport & Termination Rate $.002487 per MOU When MCIm uses unbundled local switching to provide services associated with a telephone number with a NXX which has an expanded 2-way area calling scope (EAS) in a SBC TEXAS end office, MCIm will pay the charge contained on Appendix Pricing UNE - Schedule of Prices labeled "EAS Additive per MOU". The additives to be paid by MCIm to SBC TEXAS are $0.024 per MOU for toll-free calls made by a SBC TEXAS customer from a metro exchange to an exchange contiguous to a metro exchange and $0.0355 per MOU for toll free calls made by a SBC TEXAS customer to MCIm's optional 2-way EAS customer for contiguous exchanges other than those contiguous to a metro exchange within the scope of the 2-way calling area. These additives will apply in addition to cost-based transport and termination rates for Optional EAS service set forth in the rates spreadsheet. SBC TEXAS agrees to extend to MCIm where MCIm is similarly situated to another ILEC or CLEC (i.e., similar traffic types and the same geographic area as defined by rate centers) the same terms and conditions that SBC TEXAS has with such ILEC or CLEC for similar two-

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				way arrangements in each area where SBC TEXAS offers optional two-way EAS to allow MCIm to serve its customers in each such area in a manner comparable to SBC TEXAS, provided MCIm adopts the agreement containing the Optional EAS compensation arrangement in its entirety, taking all rates, terms, and conditions from the adopted agreement. These additives are reciprocal in nature, and MCIm is entitled to receive compensation from SBC TEXAS if MCIm agrees to waive charges for its customers who call SBC TEXAS optional two-way EAS customers. These additives also apply if MCIm chooses to adopt the transport and termination rates in effect between SBC TEXAS and other ILECs for optional EAS traffic.
	CJP-9	(a) Should optional EAS be defined based on SBC retail tariffs over which CLEC has no control? (b) Does the definition of FX traffic exclude EAS traffic? SBC Texas' Overarching Issue: a) What is the appropriate form of intercarrier compensation for Optional EAS traffic? b) What is the appropriate treatment of FX optional EAS traffic?	§ 8	The issue of FX traffic including Optional EAS traffic is addressed in SBC Issue 11. Consistent with Docket No. 21982, the Commission finds that Optional EAS traffic is not subject to reciprocal compensation. While SBC proposed contract language, by and large, reflect the Commission established rates, terms and conditions for Optional EAS traffic in the Mega Arbitration proceedings and in the T2A agreement, the Commission modifies SBC's contract language to require SBC to provide a list of Optional EAS areas to CLEC upon request. In addition the Commission modifies the contract language to require SBC to allow a CLEC to MFN into similar compensation arrangements between SBC TEXAS and other CLECs/ILECs consistent with Commission's decision in SBC Issue 16. The Commission declines to adopt the proposal by CJP to include a reference to SBC's tariffs as of a date certain. The Commission notes that modifications to or elimination of SBC's

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				Optional EAS plans must be approved by the Commission prior to implementation and interested parties can intervene and raise concerns about any SBC filing that seeks to modify or eliminate Optional EAS plans. The Commission adopts SBC proposed language with modifications: Optional Extended Area Service (Optional EAS) - 8.1 In accordance with SBC tariffs, Optional EAS, also known as Optional Calling Area Traffic is defined as a service which enlarges a customer's local calling scope and permits subscribers between exchanges that are contiguous or that are contained within a continuous boundary, to call each other for an additional monthly charge. Extended Area Calling Service (EACS) plans may be either one-way or two way. This Optional EAS compensation rate applies to all terminating traffic for calls to and from end users physically located in specific areas designated as Commission approved Optional EAS route(s) in accordance with SBC Texas' tariffs. A list of such areas will be provided by SBC to CLEC upon request. Notwithstanding anything to the contrary herein, the Optional EAS compensation rate shall not apply to FX Traffic. 8.2 For extended area traffic including Optional Area Traffic, except mandatory extended traffic addressed in Section 1.2 of this Attachment compensation for termination of intercompany traffic will be the rates listed below. CLEC is not precluded from establishing its own local calling areas or prices for purposes of retail telephone service offerings. **8.3** The following rates will apply as permanent rates for the transport and termination of optional calling area traffic. The transport and

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				termination rate applies when SBC TEXAS transports traffic and terminates it at its own switch. **8.3.1** Optional EAS Transport & Termination Rate $.002487 per MOU When CLEC uses unbundled local switching to provide services associated with a telephone number with a NXX which has an expanded 2-way area calling scope (EAS) in a SBC TEXAS end office, CLEC will pay the charge contained on Appendix Pricing UNE - Schedule of Prices labeled "EAS Additive per MOU". The additives to be paid by CLEC to SBC TEXAS are $0.024 per MOU for toll-free calls made by a SBC TEXAS customer from a metro exchange to an exchange contiguous to a metro exchange and $0.0355 per MOU for toll free calls made by a SBC TEXAS customer to CLEC's optional 2-way EAS customer for contiguous exchanges other than those contiguous to a metro exchange within the scope of the 2-way calling area. These additives will apply in addition to cost-based transport and termination rates for Optional EAS service set forth in the rates spreadsheet. SBC TEXAS agrees to extend to a CLEC that is similarly situated to another ILEC or CLEC (i.e., similar traffic types and the same geographic area as defined by rate centers) the same terms and conditions that SBC TEXAS has with such ILEC or CLEC for similar two-way arrangements in each area where SBC TEXAS offers optional two-way EAS to allow the CLEC to serve its customers in each such area in a manner comparable to SBC TEXAS, provided the CLEC adopts the agreement containing the Optional EAS compensation arrangement in its entirety, taking all rates, terms, and conditions from the adopted agreement. These additives are reciprocal in nature, and the CLEC is entitled to receive

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				compensation from SBC TEXAS if the CLEC agrees to waive charges for its customers who call SBC TEXAS optional two-way EAS customers. These additives also apply if the CLEC chooses to adopt the transport and termination rates in effect between SBC TEXAS and other ILECs for optional EAS traffic.
SBC-21		SBC Texas' Overarching Issue: Should CLEC be able to charge an Access rate higher than the incumbent?		The Commission adopts the rationale delineated in SBC issue 21/MCI-15 below.
	MCI-Recip Comp 15	Should rates for termination for IntraLATA toll calls be capped? SBC Texas' Overarching Issue: a) Should CLEC be able to charge an Access rate higher than the incumbent?	5.1	The Commission notes that the switched access charges of a CLEC, such as MCI, operating in Texas is governed by P.U.C. Substantive Rule §26.223. This rule implemented Public Utility Regulatory Act (PURA) §52.155, which addresses the usage sensitive intrastate switched access rates that can be charged by a utility that holds a certificate of operating authority (COA) or a service provider certificate of operating authority (SPCOA). MCI as a certificated CLEC has a choice of three options for rates they charge for intrastate access: (a) charge rates that are not higher than the ILEC, (b) adopt the statewide average composite rate developed by the Commission on a biennial basis, or (c) seek approval from the Commission to charge a higher rate than the ILEC based on its costs to provide the service. If SBC Texas determines that a CLEC is inappropriately charging a higher rate than SBC charges for usage sensitive intrastate access, it can file a complaint with the Commission to have the issue resolved. Therefore, the Commission declines to adopt the contract language proposed by SBC.
SBC-22	AT&T-15	a. What is the proper treatment and form of intercarrier compensation for intraLATA 8YY traffic? b. Should the 8YY service provider be required to suppress	7.0 – 7.4	For reasons stated in SBC Issue 2, the Commission declines to adopt the LATA-wide reciprocal compensation proposed by AT&T. The Commission finds that IntraLATA 8YY

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		billing of terminating charges to the originating carrier, and provide a report of the traffic suppressed?		traffic should not be subject to reciprocal compensation and should be treated the same as IntraLATA toll traffic. The Commission notes that residential and business subscribers purchase 8YY service from a provider so that distant family members or business clients may call the purchaser on a toll free basis. Therefore, it is reasonable to conclude that the majority of the 8YY calls are toll in nature. Accordingly, the Commission adopts the ICA language proposed by SBC without modification. (b) The Commission declines to require the 8YY service provider to suppress billing of terminating charges to the originating carrier, and to provide a report of the traffic suppressed. The Commission notes that according to SBC, current switching protocol does not allow for SBC to identify terminating jurisdicition for an 800 call. Furthermore, the overwhelming majority of 8YY traffic is indeed intraLATA access with a de minimis amount terminating within the same local exchange as the location of the dialing party. (Douglas Direct at 9, SBC Ex. 10.)
SBC-23		SBC Texas' Overarching Issue: What terms and conditions should govern the compensation of traffic that is exchanged without the CPN necessary to rate the traffic?		The Commission incorporates the rationale under SBC issue-23/AT&T-16 below.
	AT&T-16	What terms and conditions should govern the compensation of traffic that is exchanged without the CPN necessary to rate the traffic?	8.3	Consistent with the Commission's ruling in Docket No. 21982, the Commission finds that if the percentage of calls passed with CPN is greater than 90 percent, all calls exchanged without CPN information will be billed as either local traffic or intraLATA toll traffic in direct proportion to the MOUs of calls exchanged with CPN information. If the percentage of calls passed with CPN is less than 90 percent, all calls passed without CPN will be billed as intraLATA toll traffic. The Commission concludes that applying its prior decision on this issue would serve as an incentive to parties to

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				continue to send CPN information for their intercarrier calls and minimize any potential for arbitrage. The Commission adopts the contract language proposed by SBC Texas without modification.
	MCI-Recip Comp 9	When CPN is unavailable, what processes should apply for accessing percent local usage to determined appropriate termination rates? SBC Texas' Overarching Issue: a) What terms and conditions should govern the compensation of traffic that is exchanged without the CPN necessary to rate the traffic?	3.4; 13.1.1, 13.2; 13.2.1; 13.3	The Commission incorporates the rationale under SBC issue-23/AT&T-16 by reference. The Commission adopts the contract language proposed by SBC Texas without modifications.
SBC-24		SBC Texas' Overarching Issue: a) Should a Party be required to utilize actual recordings for the purposes of billing intercarrier compensation? b) What terms and conditions should govern the compensation of traffic that is exchanged without the CPN necessary to rate the traffic?		
	KMC 9	Should the parties exchange PLU report on a quarterly basis? SBC Texas' Overarching Issue: a) Should a Party be required to utilize actual recordings for the purposes of billing intercarrier compensation? b) What terms and conditions should govern the compensation of traffic that is exchanged without the CPN necessary to rate the traffic?	KMC Appendix ITR, section 2.4.1.1	The Commission finds that where technically feasible the terminating carrier's records shall be used to bill originating carriers for reciprocal compensation. This finding is consistent with the Commission's determination in Docket No. 21982. Additionally, the Commission has determined the compensation method for traffic that is exchanged without the CPN necessary to rate the traffic. (See Issue 23) Therefore, the Commission adopts the contract language proposed by SBC without modification.
	KMC 10	Should ISP-bound traffic be treated as local traffic for the	KMC Appendix ITR, section	The Commission adopts the rationale, by

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		purpose of calculating PLU? SBC Texas' Overarching Issue: a) Should a Party be required to utilize actual recordings for the purposes of billing intercarrier compensation? b) What terms and conditions should govern the compensation of traffic that is exchanged without the CPN necessary to rate the traffic?	2.4.1.1	reference, in SBC issue 24/KMC-9 above. The Commission adopts the contract language proposed by SBC without modifications.
		SBC Texas' Overarching Issue: a) Should a Party be required to utilize actual recordings for the purposes of billing intercarrier compensation? b) What terms and conditions should govern the compensation of traffic that is exchanged without the CPN necessary to rate the traffic? SBC Texas Issue: a. Should the definition of "PLU" be included in Attachment 11?	KMC Appendix NIA section 0.26	This issue is resolved in Network Interconnection SBC Issue 16.
SBC-26	AT&T-17	SBC Proposed New Issue: Should a party be prohibited from delivering interLATA traffic over Section 251(b)(5) Interconnection trunks?	8.4	
SBC-27	AT&T-18	AT&T Proposed: Should combined traffic on the Feature Group D trunks be jurisdictionally allocated for compensation purposes? SBC Proposed: Should AT&T be required to used toll connecting trunks to deliver interLATA traffic? If AT&T is permitted to use Feature Group D trunks to deliver both Section 251(b) Traffic and IXC Traffic, what factor process should be used for compensation purposes?	8.6; 9.0 – 9.3	Consistent with the decision made for Interconnection Issue SBC 21 to allow CLECs to combine local , intraLATA, and interLata traffic on the same group, the Commission finds that AT&T should be allowed to use Feature Group D trunks to deliver both Section 251(b) Traffic and IXC traffic. Additionally, the Commission finds no compelling reasons to alter the current factoring process used by AT&T for compensation purposes. Therefore, the Commission adopts the ICA language proposed by AT&T without modification.
SBC-28	AT&T-19	If FX and FX-like traffic must be segregated and separately tracked for compensation purposes, how should that be done?	Section 10	Consistent with the Commission's decision in Docket No. 24015 the Commission finds that FX traffic shall be segregated and tracked using the Percentage of FX Usage (PFX) method.

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				The Commission finds that the parties should resubmit contract language to reflect the Commission's decision in Docket No. 24015.
SBC-29	CG-25	Should Parties be allowed to adopt "Percentage of FX Usage" (PFX) as the sole means of segregating FX traffic?	Att. 12, Sec. 8.	
SBC-30	CJP-10	Must both parties exchange lists of numbers assigned to FX customers, and implement changes to exclude all FX traffic?	§ 9.1	The Commission adopts the language proposed by SBC Texas. The Commission agrees that the exchange of information, as proposed by CJP, would result in the exchange of confidential customer specific information. In addition, the Parties' contract provides that the Parties are required to retain records for a 2 year period, thus these records will be available for either part to conduct an audit pursuant to the ICA.
SBC-32		SBC Texas' Overarching Issue: What are the appropriate records SBC Texas will provide the UNE-P CLEC in order for the UNE-P CLEC to bill intercarrier compensation with third party CLECs?		Consistent with the Commission's decision in Docket No. 24015 the Commission finds that FX traffic shall be segregated and tracked using the Percentage of FX Usage (PFX) method. The Commission finds that the parties should resubmit contract language to reflect the Commission's decision in Docket No. 24015.
	CLEC Coalition - 11	What should be the billing arrangements and information sharing requirements for third party UNE-P traffic? SBC Texas' Overarching Issue: a) What are the appropriate records SBC Texas will provide the UNE-P CLEC in order for the UNE-P CLEC to bill intercarrier compensation with third party CLECs?	Att. 12, Sec. 14.2	Consistent with the decision in Docket No. 21982, the Commission finds that, where technically feasible, the terminating carrier's records should be used to bill originating carriers for reciprocal compensation, unless both the originating and terminating carriers agree to use originating records. In order to facilitate billing between CLECs with respect to calls that are originated by a CLEC using SBC's unbundled switch and terminated to a facility-based CLEC, SBC testified that it sends Category 92 detailed records to the originating CLEC as well as the facility based CLEC provided the facility based CLEC has signed a Non-Disclosure Agreement

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				with SBC. (Read Direct at 10-11, SBC-TX Ex. 37C). Similarly, in order to facilitate billing between CLECs with respect to calls that are terminated to a CLEC using SBC's unbundled switch, SBC testified that it would provide terminating records to the UNE-P CLEC so that it can bill the originating carrier. (Read Rebuttal at 6-7, SBC-TX Ex. 38). In order to ensure accurate billing for calls originated or terminated by a CLEC using SBC's unbundled local switch, the Commission determines that SBC must provide billing call records as follows: When a call is originated by a CLEC using SBC's unbundled local switching, SBC shall provide category 92 detailed records to the originating CLEC and shall also provide to the terminating CLEC detailed call records including the OCN of the originating CLEC using the unbundled local switch, provided the terminating CLECs signs a Non-Disclosure Agreement. When a call is terminated by a CLEC using SBC's unbundled local switch, SBC shall provide to the terminating CLEC terminating records for all calls terminated to that CLEC. This will allow the terminating CLEC to directly bill reciprocal compensation to the originating CLEC. The Commission adopts SBC's proposed contract with the following modifications: 15.0 Compensation for Third Party UNE Traffic Third Party UNE Terminated Traffic is defined as third party messages terminating to a UNE customer to whom a CLEC provides local service utilizing Unbundled Ports purchased from SBC TEXAS. When a call is terminated to a CLEC using unbundled ports purchased from SBC Texas, SBC TEXAS shall provide terminating billing

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				records including OCN of the originating carrier to the terminating CLEC for all calls terminated on the unbundled port to allow the terminating CLEC to directly bill reciprocal compensation to the originating carrier. Third Party UNE Originated Traffic is defined as third party messages originated by a UNE customer to whom a CLEC provides local service utilizing Unbundled Ports purchased from SBC TEXAS. Where CLEC is using terminating recordings to bill reciprocal compensation, SBC TEXAS will provide detailed calls records to identify UNE originating traffic including OCN of the originating carrier to the originating and terminating carriers, and the terminating CLEC will bill the originating UNE carrier for MOUs terminated on CLEC's network. The terminating carrier may obtain billing records identifying the originating carrier from SBC upon execution of a Non-Disclosure Agreement.
SBC-33		SBC Texas' Overarching Issues: a. What is the proper routing, treatment and compensation for interexchange traffic that terminates on a Party's circuit switch including traffic routed or transported in whole or part using Internet Protocol? b. Is it appropriate for the Parties to agree on procedures to handle interexchange circuit-switched traffic that is delivered over Local Interconnection Trunk Groups so that the terminating party may receive proper compensation? c. What is the proper routing, treatment and compensation for traffic originated on customer premises equipment of the end user that originated and/or dialed a call in the Internet Protocol format and transmitted to the switch of a provider of voice communication applications or services when such switch utilizes Internet Protocol? a.		This DPL Issue is deferred to Track 2.

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	AT&T-21	AT&T Issue: Should the issue of compensation and treatment of phone-to-phone Voice over Internet Protocol ("VOIP") traffic be addressed in this proceeding? SBC Issue: a) What is the proper routing, treatment and compensation for interexchange traffic that terminates on a Party's circuit switch including traffic routed or transported in whole or part using Internet Protocol? b) Is it appropriate for the Parties to agree on procedures to handle interexchange circuit-switched traffic that is delivered over Local Interconnection Trunk Groups so that the terminating party may receive proper compensation? c) What is the proper routing, treatment and compensation for traffic originated on customer premises equipment of the end user that originated and/or dialed a call in the Internet Protocol format and transmitted to a switch utilizing Internet Protocol? b.	Section 13	This DPL issue is deferred to Track 2.
	SBC Texas'New Issue CG, , MCI, CJP, KMC, Birch/Ionex		All Appendices/Attachments	This DPL issue is deferred to Track 2
	B/I-2	Is it appropriate to change the scope of reciprocal compensation, including the treatment of voice over IP, and to affirmatively state that switched access rates apply to traffic not included in the attachment? SBC Texas' Overaching Issue: a) What is the proper routing, treatment and compensation for traffic that terminates on a Party's circuit switch including, without limitation, traffic routed or transported in whole or in part using Internet Protocol? b) Is it appropriate for the Party's to agree on procedures to handle Interexchange Circuit-Switched Traffic that is delivered over	Sections 1.1, 10.7 (SBC), 1.2 (Birch/ionex)	This DPL issue is deferred to Track 2

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		Local Interconnection Trunk Groups so that the terminating party may receive proper compensation? c) What is the proper routing, treatment and compensation for traffic originated on customer premises equipment of the end user that originated and/or dialed a call in the Internet Protocol format and transmitted to the switch of a provider of voice communication applications or services when such switch utilizes Internet Protocol?		
	CG-29	*"Circuit Switched Traffic" & "IP Traffic Language SBC sent these new sections to the CLEC Coalition on January 21, 2004. The CLEC Coalition has not had the opportunity to fully review and respond to these proposals prior to the filing deadline for this DPL in Docket No. 28821.* SBC Texas' Overarching Issue: a) What is the proper routing, treatment and compensation for traffic that terminates on a Party's circuit switch including, without limitation, traffic routed or transported in whole or in part using Internet Protocol? b) Is it appropriate for the Party's to agree on procedures to handle Interexchange Circuit-Switched Traffic that is delivered over Local Interconnection Trunk Groups so that the terminating party may receive proper compensation? c) What is the proper routing, treatment and compensation for traffic originated on customer premises equipment of the end user that originated and/or dialed a call in the Internet Protocol format and transmitted to the switch of a provider of voice communication applications or services when such switch utilizes Internet Protocol?	Att. 12, Sec. 15 & 16.	This DPL issue is deferred to Track 2
	MCI-Recip Comp 22	Should SBC Texas' language for "Internet Protocal (IP)" be included in the Agreement? SBC Texas' Overarching Issues: a. What is the proper routing, treatment and compensation for interexchange traffic that terminates on a Party's circuit switch including traffic routed or transported in whole or part using Internet Protocol?	16 and 17	This DPL issue is deferred to Track 2

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		b. Is it appropriate for the Parties to agree on procedures to handle interexchange circuit-switched traffic that is delivered over Local Interconnection Trunk Groups so that the terminating party may receive proper compensation? c. What is the proper routing, treatment and compensation for traffic originated on customer premises equipment of the end user that originated and/or dialed a call in the Internet Protocol format and transmitted to the switch of a provider of voice communication applications or services when such switch utilizes Internet Protocol?		
	CJP-11 (also see Attach. 11, ITR CJP-2, 3)	(a) Should CLECs be penalized if it carries traffic of customers who are not end users? (b) Should access charge revenues be escrowed on VOIP traffic at this time? (c) Should separate trunk groups be required for VOIP traffic? (d) Should a party be prohibited form delivering interLATA traffic over Section 251(b)(5) Interconnection trunks? SBC Texas' Overarching Issues: a. What is the proper routing, treatment and compensation for interexchange traffic that terminates on a Party's circuit switch including traffic routed or transported in whole or part using Internet Protocol? b. Is it appropriate for the Parties to agree on procedures to handle interexchange circuit-switched traffic that is delivered over Local Interconnection Trunk Groups so that the terminating party may receive proper compensation? c. What is the proper routing, treatment and compensation for traffic originated on customer premises equipment of the end user that originated and/or dialed a call in the Internet Protocol format and transmitted to the switch of a provider of voice communication applications or services when such switch utilizes Internet Protocol?	§§ 12-14	This DPL issue is deferred to Track 2
SBC-34		SBC Texas' Overarching Issues: a) Is it appropriate to offer the CLECs 2 different options for compensation of Section 251(b)(5) Traffic and ISP-Bound		The Commission adopts its decision in DPL B/I-5 below.

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		Traffic? b) What types of traffic should be subject to a Bill and Keep arrangement in Option 1? c) Is it appropriate to require CLECs to demonstrate that Section 251(b)(5) Traffic and ISP-Bound Traffic is roughly balanced with the ILEC's traffic to obtain and maintain a Bill and Keep arrangement? d) Is it appropriate to establish specific thresholds for determining when Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between the Parties is roughly balanced in order to obtain and maintain a Bill and Keep arrangement? e) What are the specific thresholds to determine if Section 251(b)(5) Traffic and ISP-bound Traffic that is exchanged between the Parties is roughly in balance under a Bill and Keep arrangement? f) Is it appropriate to impose Option 2 as the compensation obligations to address instances when the traffic exchanged between the parties is not roughly balanced? g) What is the proper compensation mechanism to exchange all Section 251(b)(5) Traffic and ISP-Bound Traffic at the FCC's ISP terminating compensation plan rates when the traffic exchanged between the parties is not roughly balanced?		
	B/I-5	Is it appropriate to change the bill and keep arrangement for local and Internet traffic that is currently in Birch/ionex's contract? SBC Texas' Overarching Issues: a) Is it appropriate to offer the CLECs 2 different options for compensation of Section 251(b)(5) Traffic and ISP-Bound Traffic? b) What types of traffic should be subject to a Bill and Keep arrangement in Option 1? c) Is it appropriate to require CLECs to demonstrate that Section 251(b)(5) Traffic and ISP-Bound Traffic is roughly balanced	Sections 1.4 - 1.7.8, 3.0 - 5.6 (proposed by SBC), 3.0 - 3.5.1 (existing language in Birch/ionex's contract)	The Commission finds it is not appropriate for SBC to offer CLECs two different options for compensation of Section 251(b)(5) Traffic and ISP-Bound Traffic. The only appropriate compensation option set forth by SBC is the exchange of all Section 251(b)(5) and ISP-bound traffic at the same FCC ISP Remand Order rate of $0.0007 (Option 1 below). The second option SBC proposed does not comply with the "mirroring rule" contained in the ISP-Remand Order. In addition to exchanging 251(b)(5) and ISP-bound traffic at the above reciprocal compensation rates, CLECs have the

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		with the ILEC's traffic to obtain and maintain a Bill and Keep arrangement? d) Is it appropriate to establish specific thresholds for determining when Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between the Parties is roughly balanced in order to obtain and maintain a Bill and Keep arrangement? e) What are the specific thresholds to determine if Section 251(b)(5) Traffic and ISP-bound Traffic that is exchanged between the Parties is roughly in balance under a Bill and Keep arrangement? f) Is it appropriate to impose Option 2 as the compensation obligations to address instances when the traffic exchanged between the parties is not roughly balanced? g) What is the proper compensation mechanism to exchange all Section 251(b)(5) Traffic and ISP-Bound Traffic at the FCC's ISP terminating compensation plan rates when the traffic exchanged between the parties is not roughly balanced?		option of entering into a Long-Term Bill and Keep option (Option 2 below). See SBC-45 for the Commission decision regarding traffic eligible for the Long-Term Bill and Keep option. The Commission declines to adopt Birch/ionex's proposal to extend the Long-Term Bill and Keep option to additional traffic types. The Commission notes that the existing Birch/ionex agreement was a negotiated agreement between the parties and that this decision in no way precludes them from negotiating a different agreement that could contain different rate structures other than what are adopted herein. The Commission finds it is appropriate to require CLECs to demonstrate the traffic exchanged under the Long-Term Bill and Keep option is "roughly" in balance. The Commission determines that traffic is out-of-balance if the amount of traffic exchanged between the parties exceeds +/-5% away from equilibrium (as defined below) for three consecutive months. If traffic becomes out-of-balance the parties will compensate each other according to the compensation option set forth above. The 5% threshold proposed by SBC is comparable with Commission precedent and language in the current ICA. Further, the Commission declines to adopt SBC's proposal for a 750,000 MOU threshold for bill and keep. The Commission finds there is no precedent for the MOU threshold nor has SBC adequately explained the basis for its MOU proposal. The Commission does not believe there have been any changes in market conditions or FCC rules that would warrant a deviation from past decisions. The Commission adopts the language proposed by SBC with modification: 1.4 With respect to CLEC's rights and

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				obligations concerning CLEC and SBC TEXAS termination of wireline traffic, CLEC shall select one of the two options set forth below upon execution of this Agreement by making a designation on the signature page of the General Terms and Conditions of the Agreement. If CLEC fails to select one of the billing options identified below upon execution of this Agreement on the signature page in the General Terms and Conditions, Option 1 shall automatically apply for the duration of the Agreement. 1.4.1 Option 1: A reciprocal compensation arrangement for the transport and termination of wireline Section 251(b)(5) Traffic and ISP-Bound Traffic, based upon a long-term Bill and Keep arrangement. With this option, Parties agree to use SS7 interconnection and the terms and conditions as more particularly described in Section 1.5 below; or 1.4.2 Option 1: Exchange all ISP-Bound Traffic and All Section 251(b)(5) Traffic at the FCC's Interim ISP Terminating Compensation Plan Rate as contained below in Section 1.6. 1.5 Long-Term Local Bill and Keep Option (Option 2) As an alternative to Option 1, a CLEC can elect long-term local Bill and Keep as the reciprocal compensation arrangement for Section 251(b)(5) Traffic and ISP-Bound Traffic originated and terminated between SBC TEXAS and CLEC in Texas so long as qualifying traffic between the parties remains in balance in accordance with this Section 1.5 Long-term local Bill and Keep applies only to Section 251(b)(5) Traffic as defined in Section 1.0 and ISP-Bound Traffic as defined in Section 1.2 of this Attachment and does not include Optional Calling Area Traffic, IntraLATA

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				Interexchange Traffic, Meet Point Billing Traffic, FX Traffic, FGA Traffic or Cellular Traffic, which shall be subject to compensation as provided in Appendix Cellular or described later in this Attachment. 1.5.1 The Parties agree that Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between the Parties will be subject to Bill and Keep as the method of intercarrier compensation provided that Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between the Parties is in balance within +/-5% of equilibrium (50%)~~, and that the MOU differential as defined in Section 1.5.4 below does not exceed the specified threshold~~. 1.5.1.1 The calculation for determining whether traffic is in balance will be based on the difference between the total Section 251(b)(5) Traffic and ISP-Bound Traffic originated by each Party's end users terminated to the other Party's End Users, divided by the sum of both Parties' end users' terminated Section 251(b)(5) traffic, and ISP-Bound Traffic multiplied by 100. 1.5.2 The Parties agree that where Section 251(b)(5) Traffic and ISP-Bound Traffic is determined to be out-of-balance by more than 5% per month for three (3) consecutive months, Option 1 shall immediately apply to all Section 251(b)(5) Traffic and ISP-Bound Traffic. ~~1.5.3 The Parties further agree to cap the minute of use (MOU) differential at 750,000 MOUs per month, independent of the balance of traffic. The MOU differential is defined as the difference between the total Section 251(b)(5) Traffic and ISP-Bound Traffic per month originated by each Party's end users, terminated to the other Party's End Users. In the event that the MOU differential exceeds 750,000 per~~

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				~~month for three (3) consecutive months, Option 2 shall immediately apply to all Section 251(b)(5)Traffic and ISP-Bound Traffic.~~ 1.5.4 Once Option 1 applies to CLEC's Section 251(b)(5)Traffic and ISP-Bound Traffic, it will apply for the remaining term of this Agreement. 1.5.4.1 In the event that either Party disputes whether its Section 251(b)(5) Traffic and ISP-Bound Traffic is in balance ~~or within the limit of the MOU differential cap~~, the Parties agree to work cooperatively to reconcile the inconsistencies in their usage data. 1.5.4.2 Should the Parties be unable to agree on the amount and balance of Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between their End Users, either Party may invoke the dispute resolution procedures under this Agreement. In the event that dispute resolution procedures results in the calculations being delayed, the reciprocal compensation rates will apply retroactively to the date such reciprocal compensation were applicable under Sections 1.5.4. and 1.5.5. 1.5.5 Upon reasonable belief that traffic other than Section 251(b)(5) Traffic defined in Section 1.0 and ISP-Bound Traffic as defined in Section 1.2 of this Attachment is being terminated under this long-term local Bill and Keep arrangement, either Party may request a meeting to confirm the jurisdictional nature of traffic delivered as Bill and Keep. Parties will consult with each other to attempt to resolve issues without the need for an audit. Should no resolution be reached within 60 days, an audit may be requested and will be conducted by an independent auditor under an appropriate non-disclosure agreement. Only one audit may be conducted by each Party within a six-month period.

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				1.5.6 The auditing Party will pay the audit costs unless the audit reveals the delivery of a substantial amount of traffic originating from a party in this Agreement other than Section 251(b)(5) Traffic and ISP-Bound Traffic for termination to the other party under the long term local Bill and Keep arrangement. In the event the audit reveals a substantial amount of traffic other than Section 251(b)(5) Traffic and ISP-Bound Traffic, the Party delivering such traffic will bear the cost of the audit and will pay appropriate compensation for such traffic with interest at the commercial paper rate as referenced in 9.1 of the General Terms and Conditions of this Agreement. 1.5.7 The Parties will consult and negotiate in good faith to resolve any issues of accuracy or integrity of data collected, generated, or reported in connection with audits or otherwise. 1.5.8 The audit provisions set out in Sections 1.5.6 through 1.5.8 above do not alter or affect audit provisions set out elsewhere in this Agreement. 1.6. Exchange All ISP-Bound Traffic and All Section 251(b)(5) Traffic at the FCC's ISP Terminating Compensation Plan Rate (Option 1) The CLEC may elect to take the rates, terms, and conditions contained in this Attachment in Section 1.6. 1 through 1.6.5 for all ISP-Bound Traffic and Section 251(b)(5) Traffic. 1.6.1 Compensation Rate Schedule for ISP-Bound Traffic and Section 251(b)(5) Traffic: 1.6.1.1 The rates, terms, conditions in Sections 1.6.1 through 1.6.4 apply to the termination of

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