SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				all ISP-Bound Traffic and all Section 251(b)(5) Traffic~~, and all ISP Bound Traffic is subject to the growth caps and new market restrictions stated in Sections 1.6.2 and 1.6.3 below~~. 1.6.1.2 The Parties agree to compensate each other for the transport and termination of ISP-Bound Traffic and Section 251(b)(5) Traffic on a minute of use basis, at $.0007 per minute of use. 1.6.1.3 Payment of Intercarrier Compensation on ISP-Bound Traffic and Section 251(b)(5) Traffic will not vary according to whether the traffic is routed through a tandem switch or directly to an end office switch. ~~1.6.2 ISP Bound Traffic Minutes Growth Cap~~ ~~1.6.2.1 On a calendar year basis, as set forth below, CLEC and SBC Texas agree to cap overall compensable Texas ISP Bound Traffic minutes of use in the future based upon the 1st Quarter 2001 ISP Bound Traffic minutes for which CLEC was entitled to compensation under its Texas Interconnection Agreement(s) in existence for the 1st Quarter of 2001, on the following schedule.~~ ~~Calendar Year 2001 1st Quarter 2001 compensable ISP Bound minutes, times 4, times 1.10~~ ~~Calendar Year 2002 Year 2001 compensable ISP Bound minutes, times 1.10~~ ~~Calendar Year 2003 Year 2002 compensable ISP Bound minutes~~ ~~Calendar Year 2004 and on Year 2002 compensable ISP Bound minutes~~ ~~Notwithstanding anything contrary herein, in~~

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				~~Calendar Year 2004, CLEC and SBC Texas agree that ISP-Bound Traffic exchanged between CLEC and SBC Texas during the entire period from January 1, 2004 until December 31, 2004 shall be counted towards determining whether LEC has exceeded the growth caps for Calendar Year 2004.~~ ~~1.6.2.2 ISP Bound Traffic minutes that exceed the applied growth cap will be Bill and Keep. "Bill and Keep" refers to an arrangement in which neither of two interconnecting Parties charges the other for terminating traffic that originates on the other network; instead, each Party recovers from its end users the cost of both originating traffic that it delivers to the other Party and terminating traffic that it receives from the other Party.~~ ~~1.6.3 Bill and Keep for ISP Bound Traffic in New Markets~~ ~~16.3.1 In the event CLEC and SBC Texas have not previously exchanged ISP-Bound Traffic in any one or more Texas LATAs prior to April 18, 2001, Bill and Keep will be the reciprocal compensation arrangement for all ISP-Bound Traffic between CLEC and SBC Texas for the remaining term of this Agreement in any such Texas LATAs.~~ ~~1.6.3.2 In the event CLEC and SBC Texas have previously exchanged traffic in an Texas LATA prior to April 18, 2001, the Parties agree that they shall only compensate each other for completing ISP-Bound Traffic exchanged in that Texas LATA, and that any ISP Bound Traffic in other Texas LATAs shall be Bill and Keep for the remaining term of this Agreement.~~

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				~~1.6.3.3 Wherever Bill and Keep is the traffic termination arrangement between CLEC and SBC Texas, both Parties shall segregate the Bill and Keep traffic from other compensable local traffic either (a) by excluding the Bill and Keep minutes of use from other compensable minutes of use in the monthly billing invoices, or (b) by any other means mutually agreed upon by the Parties.~~ ~~1.6.3.4 The Growth Cap and New Market Bill and Keep arrangement applies only to ISP-Bound Traffic, and does not include Section 251(b)(5) Traffic, Optional Calling Area traffic, IntraLATA Interexchange traffic, or InterLATA Interexchange traffic.~~ 1.6.4 ISP-Bound Traffic Rebuttable Presumption In accordance with Paragraph 79 of the FCC's ISP Compensation Order, CLEC and SBC Texas agree that there is a rebuttable presumption that any of the combined Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between CLEC and SBC Texas exceeding a 3:1 terminating to originating ratio is presumed to be ISP-Bound Traffic subject to the compensation ~~and growth cap~~ terms in this Section 1.6. Either party has the right to rebut the 3:1 ISP presumption by identifying the actual ISP-Bound Traffic by any means mutually agreed by the Parties, or by any method approved by the Commission. If a Party seeking to rebut the presumption takes appropriate action at the Commission pursuant to section 252 of the Act and the Commission agrees that such Party has rebutted the presumption, the methodology and/or means approved by the Commission for use in determining the ratio shall be utilized by the

100

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				Parties as of the date of the Commission approval ~~and, in addition, shall be utilized to determine the appropriate true-up as described below~~. During the pendency of any such proceedings to rebut the presumption, CLEC and SBC Texas will remain obligated to pay the presumptive rates (reciprocal compensation rates for traffic below a 3:1 ratio, the rates set forth in Section 1.6.1.2 for traffic above the ratio) subject to a true-up upon the conclusion of such proceedings. ~~Such true-up shall be retroactive back to the date a Party first sought appropriate relief from the Commission.~~ 1.6.5 For purposes of this Section 1.6, all Section 251(b)(5) Traffic and all ISP-Bound Traffic shall be referred to as "Billable Traffic" and will be billed in accordance with Section 11.0 below. The Party that transport and terminates more "Billable Traffic" ("Out-of-Balance Carrier") will, on a monthly basis, calculate (i) the amount of such traffic to be compensated at the FCC's interim ISP terminating compensation rate set forth in Section 1.6.1.2 ~~above and (ii) the amount of such traffic subject to bill and keep in accordance with Sections 1.6.2, 1.6.3 and 1.6.4 above~~. The Out-of-Balance Carrier will invoice on a monthly basis the other Party in accordance with the provisions in this Agreement and the FCC's interim ISP terminating compensation plan.
	CG-3	Should existing or expanded bill and keep options be available to CLECs? SBCTexas' 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	Att. 12, Sec. 1.7	The Commission adopts its rationale in SBC-34/ B/I-5 above. The Commission adopts the language proposed by SBC with modification: 1.7 Long-Term Local Bill and Keep Option (Option 2 ~~3~~)

101

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
		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?		As an alternative to Options 1 ~~and 2,~~ a CLEC can elect long-term local Bill and Keep as the reciprocal compensation arrangement for wireline 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 1.7. 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, FX Traffic, and Meet Point Billing Traffic, FGA Traffic or Cellular Traffic, which shall be subject to compensation as provided in Appendix Cellular or described elsewhere in this Attachment. 1.7.1 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 the 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 1.7.3 below does not exceed the specified threshold~~. 1.7.1.1 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 Traffic Section 251(b)(5) traffic and ISP-Bound Traffic multiplied by 100. 1.7.2 The Parties agree that where Section 251(b)(5) Traffic and ISP-Bound Traffic is

102

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				determined to be out-of-balance by more than +/-_5% per month for three (3) consecutive months, Option 1 ~~2~~ shall immediately apply to all Section 251(b)(5) Traffic and ISP-Bound Traffic. ~~**1.7.3 The Parties further agree to cap the minute of use (MOU) differential at 7,500,000 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 7,500,000 per month for three (3) consecutive months, Option 2 shall immediately apply to all Section 251(b)(5)Traffic and ISP-Bound Traffic.**~~ **1.7.4** Once Option 1 ~~2~~ applies to CLEC's Section 251(b)(5)Traffic and ISP-Bound Traffic, it will apply for the remaining term of this Agreement. 1.7.4.1 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. 1.7.4.2 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 1.7.4. and 1.7.5.

103

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				1.7.5 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. 1.7.6 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 with interest at the commercial paper rate as referenced in 9.1 of the General Terms and Conditions of this Agreement.
	CG-4	CG Issue: Within the bill and keep option, what is the appropriate measure of when traffic is "out of balance"? SBC Texas' Issue: 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? [See B/I-5 (d)]	Att. 12, Sec. 1.7.1	The Commission adopts its decision in SBC-34/ B/I-5 above.

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
SBC-37		SBC Texas' Overarching Issue: Should all of the ISP-Bound minutes of use compensated by the Parties in Calendar Year 2004 be counted towards the growth cap in Calendar Year 2004?		The Commission finds that the growth caps found in the FCC's Order on Remand and Report and Order *In the Matter of Intercarrier Compensation For ISP-Bound Traffic* no longer apply. On October 8, 2004 the FCC granted partial forbearance, with respect to growth caps, from the ISP Remand order finding "that the policies favoring a unified compensation regime outweigh any remaining concerns about the growth of dial-up Internet traffic." (p. 8, Order, *Petition of Core Communications, Inc. for Forbearance Under 47 U.S.C. § 160(c) from Application of the ISP Remand Order*, WC Docket No. 03-171) The Commission declines to adopt any contract language with respect to growth caps.
	MCI-Recip Comp 13	What dates should be used to determine the ISP traffic gross cap? SBC Texas' Overarching Issue: a. Should all of the ISP-Bound minutes of use compensated by the Parties in Calendar Year 2004 be counted towards the growth cap in Calendar Year 2004?	4.4.3.2	The Commission adopts the decision in SBC-37 above.
	CG-7	CG Issue: What is the appropriate "growth cap" (if any) to apply after Calendar Year 2003 (since this is not addressed by FCC ISP Order)? SBC Texas' Overarching Issue: a.Should all of the ISP-Bound minutes of use compensated by the Parties in Calendar Year 2004 be counted towards the growth cap in Calendar Year 2004? SBC Issue: b. Is the growth cap under the FCC's ISP Compensation Order that is applicable for Calendar Year 2003 the appropriate growth cap to apply in Calendar Year 2004 and thereafter?	Att. 12, Sections. 1.5.3, 1.6.2	This issue is resolved.

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
SBC-39	CG-6	CG Issue: How should the FCC ISP Order's "New Markets" restriction be applied? SBC Texas' Issue: Should a new market under Paragraph 81 of the FCC's ISP Terminating Compensation plan be defined as a LATA ?	Att. 12, Sec. 1.6.3.	This issue is resolved.
SBC-41		SBC Texas' Overarching Issue: Should the date for retroactive true-up of any disputes relating to the rebuttable presumption be set as the date such disputing Party first sought to rebut the presumption at the Commission?		The Commission finds it is not necessary have specific terms of how to handle a true-up that may be necessary after a dispute over any rebutted presumption of the ratio of Section 251(b)(5) traffic versus ISP-Bound traffic in the interconnection agreement. The Commission agrees that it is better to handle a true-up dispute when, or if, it arises, rather than impose specific terms to handle a dispute that has not yet occurred. The Commission adopts the language proposed by SBC with modification: 1.5.4 ISP-Bound Traffic Rebuttable Presumption: In accordance with Paragraph 79 of the FCC's ISP Compensation Order, CLEC and SBC Texas agree that there is a rebuttable presumption that any of the combined Section 251(b)(5) traffic and ISP-Bound Traffic exchanged between CLEC and ILEC exceeding a 3:1 terminating to originating ratio is presumed to be ISP-Bound Traffic subject to the compensation ~~and growth cap~~ terms in this Section 6.0 1.5. Either Party has the right to rebut the 3:1 ISP-Bound Traffic presumption by identifying the actual ISP-Bound Traffic by any means mutually agreed by the Parties, or by any method approved by the Commission. If a Party seeking to rebut the presumption takes appropriate action at the Commission pursuant to Section 252 of the Act and the Commission agrees that such Party has rebutted the

106

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				presumption, the methodology and/or means approved by the Commission for use in determining the ratio shall be utilized by the Parties as of the date of the Commission approval. ~~and, in addition, shall be utilized to determine the appropriate true-up as described below.~~ During the pendency of any such proceedings to rebut the presumption, CLEC and SBC Texas will remain obligated to pay the presumptive rates (reciprocal compensation rates for traffic below a 3:1 ratio, the rates set forth in Section 1.5.2.2 for traffic above the ratio) subject to a true-up upon the conclusion of such proceedings. ~~Such true-up shall be retroactive back to the date a Party first sought appropriate relief from the Commission.~~ 1.6.4 ISP-Bound Traffic Rebuttable Presumption In accordance with Paragraph 79 of the FCC's ISP Compensation Order, CLEC and SBC Texas agree that there is a rebuttable presumption that any of the combined Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between CLEC and SBC Texas exceeding a 3:1 terminating to originating ratio is presumed to be ISP-Bound Traffic subject to the compensation ~~and growth cap~~ terms in this Section 1.6. Either party has the right to rebut the 3:1 ISP presumption by identifying the actual ISP-Bound Traffic by any means mutually agreed by the Parties, or by any method approved by the Commission. If a Party seeking to rebut the presumption takes appropriate action at the Commission pursuant to section 252 of the Act and the Commission agrees that such Party has rebutted the presumption, the methodology and/or means approved by the Commission for use in determining the ratio shall be utilized by the Parties as of the date of the Commission

107

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				approval. ~~and, in addition, shall be utilized to determine the appropriate true-up as described below.~~ During the pendency of any such proceedings to rebut the presumption, CLEC and SBC Texas will remain obligated to pay the presumptive rates (reciprocal compensation rates for traffic below a 3:1 ratio, the rates set forth in Section 1.6.1.2 for traffic above the ratio) subject to a true-up upon the conclusion of such proceedings. ~~Such true-up shall be retroactive back to the date a Party first sought appropriate relief from the Commission.~~
	CG-21	CG Issue: How should the date of any true-up related to "rebuttable presumption" disputes be established? SBC Texas Overarching Issue: Should the date for retroactive true-up of any disputes relating to the rebuttable presumption be set as the date such disputing Party first sought to rebut the presumption at the Commission?	Att. 12, Sec. 1.6.4.	The Commission adopts its decision in SBC-41 above. This issue is resolved in part as to the CLEC Coalition.
	MCI-Recip Comp 14	MCI Issue: Should SBC Texas' requirements for true-up for ISP bound traffic be included in this Agreement? SBC Texas' Issue: a.Should the rates be subject to a true-up upon the conclusion of state proceedings to rebut the 3:1 presumption? SBC Texas' Overarching Issue: b. Should the date for retroactive true-up of any disputes relating to the rebuttable presumption be set as the date such disputing Party first sought to rebut the presumption at the Commission?	4.8.1	The Commission adopts its decision in SBC-41 above.
SBC-43	CG-20	CG Issue: Should the "out-of-balance" carrier always be forced to incur all the transaction costs of calculating and billing reciprocal compensation? SBC Texas' Issue: Should the Party that terminates more billable traffic as the "out	Att. 12, Sec. 1.5.6 and Sec. 1.6.5	The Commission finds that the carrier which terminates more billable traffic, the "out of balance" carrier, is responsible for billing the originating party for traffic terminated on their network. In docket 21982 the Commission determined the appropriate method to bill reciprocal compensation was through the use of

108

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
		of balance" carrier be responsible for calculating the traffic to be compensated under the FCC plan?		terminating records, where those records are technically feasible. If for carriers the records are not technically feasible, the terminating carrier may use a method that is mutually agreed to by the parties. The Commission agrees that it is each party's responsibility to accurately bill the other party for the termination of traffic on its respective network (McPhee Direct at 52-53, SBC-TX Ex. 24). The "out of balance" carrier, as the carrier that transports and terminates more traffic is responsible for rendering an accurate bill to the originating carrier for traffic terminated on its network. The Commission adopts the language proposed by SBC with the following modifications necessary after the FCC's Order in *Petition of Core Communications, Inc. for Forbearance Under 47 U.S.C. § 160(c) from Application of the ISP Remand Order*, issued October 18, 2004: 1.5.6 For purposes of this Section 1.5.6, all Section 251(b)(5) Traffic and all ISP-Bound Traffic shall be referred to as "Billable Traffic" and will be billed in accordance with Section 10.0 below. The Party that transports and terminates more "Billable Traffic" ("Out-of-Balance Carrier") will, on a monthly basis, calculate the amount of such traffic to be compensated at the FCC interim ISP terminating compensation rate set forth in Section 1.5.2.2 above. ~~and (ii) the amount of such traffic subject to bill and keep in accordance with Sections 1.5.3, 1.5.4 and 1.5.5 above.~~ The Out-of-Balance Carrier will invoice on a monthly basis the other Party in accordance with the provisions in this Agreement and the FCC's interim ISP terminating compensation plan. 1.6.5 … The Party that transports and

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				terminates more "Billable Traffic" ("Out-of-Balance Carrier") will, on a monthly basis, calculate (i) the amount of such traffic to be compensated at the FCC interim ISP terminating compensation rate set forth in Section 1.5.2.2 above ~~and (ii) the amount of such traffic subject to bill and keep in accordance with Sections 1.5.3, 1.5.4 and 1.5.5 above.~~ The Out-of-Balance Carrier will invoice on a monthly basis the other Party in accordance with the provisions in this Agreement and the FCC's interim ISP terminating compensation plan.
SBC-44	CG-23	CG Issue: Should reciprocal compensation options be limited to the types of traffic identified in SBC's proposals? SBC Texas' Issue: Should the description of ISP traffic outside of the local calling area be included in the contract?	Att. 12, Sec. 5.	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.
SBC-45	CG-26	CG Issue: Should a bill-and-keep option be permitted to include compensation for termination of IntraLATA Interexchange Toll Traffic? SBC Texas' Issue: Should a bill and keep option only apply to Section 251(b)(5) and ISP-bound Traffic?	Att. 12, Sec. 9.	The Commission finds that the long-term bill-and-keep option available to carriers applies only to 251(b)(5) traffic and ISP-bound traffic within a local calling area or mandatory EAS/ELCS area. Long term bill and keep is a form of reciprocal compensation and as such the traffic eligible for long term bill and keep should be the same as the traffic eligible for reciprocal compensation. In Docket No. 21982 this Commission reaffirmed "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" (Docket No. 21982 Arbitration Award at 17). There has not been any change in the market conditions or FCC rules that would necessitate a deviation from the decision in Docket No. 21982.

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				The Commission adopts the language proposed by SBC without modifications.
SBC-50		SBC Texas' Overarching Issue: Should a bill and keep option only apply to Section 251(b)(5) and ISP-bound Traffic?		
	CG-15	CG Issue: Should bill-and-keep arrangements be permitted for traffic other than 251(b)(5) and ISP-Bound Traffic? SBC Texas' Overarching Issue: Should a bill and keep option only apply to Section 251(b)(5) and ISP-bound Traffic?	Att. 12, Sec. 1.4.3.	Consistent with the Commission decision in SBC DPL 45 above, the Commission finds that the long-term bill-and-keep option available to carriers applies only to 251(b)(5) traffic and ISP-bound traffic within a local calling area or mandatory EAS/ELCS area. Long term bill and keep is a form of reciprocal compensation and as such the traffic eligible for long term bill and keep should be the same as the traffic eligible for reciprocal compensation. In Docket No. 21982 this Commission reaffirmed "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" (Docket 21982 Arbitration Award, p. 17). There has not been any change in the market that would necessitate a deviation from the decision in Docket No. 21982. The Commission adopts the language proposed by SBC without modification:
	CJP-4	CJP Issue: Should the "Bill and Keep" option in this attachment apply to Optional EAS and transit traffic? SBC Texas Overarching Issue: a. Should a bill and keep option only apply to Section 251(b)(5) and ISP-bound Traffic? (See Sage-13 Above) b. What is the appropriate form of intercarrier compensation for Optional EAS traffic? (See AT&T-13)	§ 1.7	Consistent with the Commission decision in SBC DPL 45 above, the Commission finds that the long-term bill-and-keep option available to carriers applies only to 251(b)(5) traffic and ISP-bound traffic. Long term bill and keep is a form of reciprocal compensation and as such the traffic eligible for long term bill and keep should be the same as the traffic eligible for reciprocal compensation. In Docket No. 21982 this Commission reaffirmed "that reciprocal compensation arrangements apply to calls that

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
		c. Should a non 251/252 service such as transiting service be negotiated separately? (See AT&T-1 and AT&T-10)		originate from and terminate to an end-user within a mandatory single or multi-exchange local calling area, including the mandatory EAS/ELCS areas" (Docket 21982 Arbitration Award, p. 17). There has not been any change in the market that would necessitate a deviation from the decision in Docket No. 21982. The Commission adopts the language proposed by SBC without modification:
	CJP-5	CJP-5 Issue: Should the conditions under which Bill and Keep continues be narrowed or broadened? SBC Texas Overarching Issue: a. Should a bill and keep option only apply to Section 251(b)(5) and ISP-bound Traffic? (See Sage-13 Above) b. What is the appropriate form of intercarrier compensation for Optional EAS traffic? (See AT&T-13) c. Should a non 251/252 service such as transiting service be negotiated separately? (See AT&T-1 and AT&T-10) d. 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? [See B/I-5 (c)]	§ 1.7.1-1.7.7	Consistent with the Commission decision in SBC DPL 45 above, the Commission finds that the long-term bill-and-keep option available to carriers applies only to 251(b)(5) traffic and ISP-bound traffic. Long term bill and keep is a form of reciprocal compensation and as such the traffic eligible for long term bill and keep should be the same as the traffic eligible for reciprocal compensation. In Docket No. 21982 this Commission reaffirmed "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" (Docket 21982 Arbitration Award, p. 17). There has not been any change in the market that would necessitate a deviation from the decision in Docket No. 21982. CLECs are required 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 consistent with the Commission decision in SBC DPL 34.
SBC-52	CG-16	CG Issue: What should the Agreement says about rates that may be in effect at the end of an introductory 9-month bill-and-keep period? SBC Texas' Issue: What should the Agreement say about rates that may be in effect under Option 1 (Contract Rates for Section 251(b)(5)	Att. 12, Sec. 1.5.1.	The Commission finds that in order to provide contractual certainty, it is appropriate to specify the rates, terms and conditions that would be applicable at the completion of the nine month period if the traffic volumes fall out of balance. If those rates, terms and conditions should change due to a change in law, then the

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
		Traffic and FCC Plan for ISP-Bound Traffic) at the end of an introductory 9-month bill-and-keep period?		intervening change of law provisions would govern. Further, the Commission finds that if the traffic falls out of balance at the end of the introductory nine-month bill and keep period, the FCC's Interim ISP Terminating Compensation Plan Rate 1 would apply to 251(b)(5) traffic and ISP-bound traffic (Option 1). This ruling would be consistent with the Commission's decision in SBC issue – 34 which prohibits SBC from offering to exchange 251(b)(5) and ISP-bound traffic at different rates. The Commission adopts SBC's proposed language with modification to more accurately define the local calling area consistent with the commission decision in Docket No. 21982. 1.5.1 In the event CLEC and SBC TEXAS have not previously exchanged traffic for a full nine (9) month period Bill and Keep will be the reciprocal compensation arrangement for Section 251(b)(5) Traffic and ISP-Bound Traffic for the first nine (9) months after the date upon which the first commercial call is terminated between SBC TEXAS and CLEC in Texas. The Parties will notify each other of the date when the first commercial call is terminated in Texas between SBC TEXAS and CLEC pursuant to this Section. Where CLEC and SBC TEXAS have exchanged traffic for less than nine (9) months prior to entering this Agreement, Bill and Keep will be the compensation arrangement for nine (9) months less the time traffic has already been exchanged under another Agreement. At the completion of the nine month period, if the difference between the traffic volumes flowing between the two networks in Texas exceeds ten percent of the larger volume of traffic, ~~the rates, terms and conditions in Section 3.0 for~~ Section 251(b)(5) Traffic ~~shall apply and the rates, terms and conditions in Sections 1.5.2 through 1.5.5 for~~

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				and ISP-Bound Traffic shall be subject to the FCC's Interim ISP Terminating Compensation Plan Rate (Option 1) ~~apply.~~ The ten percent threshold should be calculated on a per-minute basis. When traffic exceeds the ten percent threshold, SBC TEXAS and CLEC will compensate each other for all calls unless the Parties agree to apply the compensation rates only to the volume of traffic that exceeds ten percent. The reciprocal compensation rates as adopted herein apply to calls that originate and terminate within the mandatory single or multi-exchange local calling area of SBC TEXAS including the mandatory EAS/ELCS areas ~~served by SBC TEXAS~~ comprised of SBC exchanges and the mandatory EAS/ELCS areas comprised of SBC exchanges and exchanges of independent ILECs . Bill and Keep applies only to Section 251(b)(5) Traffic as defined in Section 1.0 2 0 and ISP-Bound Traffic as defined in Section 1.2 of this Attachment and does not include Optional Calling Area Traffic, IntraLATA Interexchange Traffic, Meet Point Billing Traffic, FX Traffic, FGA Traffic or Cellular Traffic.
SBC-53	CG-17	CG Issue: How should "bill-and-keep" be defined for purposes of the 9-month introductory period? SBC Texas' Issue: What are the appropriate terms and conditions relating to the 9 month introductory bill and keep period under Option 1 (Contract Rates for Section 251(b)(5) Traffic and FCC Plan for ISP-Bound Traffic)?		The commission finds that the SBC's proposed introductory bill and keep compensation plan for carriers that have never exchanged traffic with SBC is reasonable and is consistent with PURA, the decision in the First Mega Arbitration and the predecessor agreement T2A. The Commission therefore adopts the contract language proposed by SBC with modifications as delineated in SBC issue- 52.
SBC-54	CG-18	CG Issue: Will payment of reciprocal compensation for ISP-Bound traffic vary based on whether traffic is routed through a tandem switch or switch with tandem capabilities? SBC Texas' Issue: Will compensation on ISP-Bound Traffic under the FCC Plan vary according to whether the traffic is routed through a tandem switch to directly to an end office switch?	Att. 12, Sec. 1.5.2.3., 1.6.1.3	The Commission finds that reciprocal compensation for ISP-Bound traffic shall not vary based on whether traffic is routed through a tandem switch or directly to an end office switch. SBC Texas has chosen the pricing plan contained within the ISP Compensation Order. In Paragraph 78 of the ISP Compensation Order, there is no distinction made relating to

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				the routing of ISP-Bound Traffic. It merely states "ISP-Bound Traffic will be capped at a rate of ...." $.0007. McPhee Direct at. 52, SBC Exb. 24. Therefore, the Commission adopts the SBC Proposed ICA language without modification.
SBC-55	CG-19	Under what conditions is a CLEC operating under bill-and-keep obligated to keep records segregating types of traffic?	Att. 12, Sec. 1.5.4.3.	This issue is resolved.
SBC-56		SBC Texas' Overarching Issue: Is it appropriate to include the most current, up-to-date terms and conditions relating to Meet Point Billing arrangements?		The Commission finds that it is appropriate to include the most current, up-to-date terms and conditions for Meet Point Billing. SBC's proposed language appears to be consistent with current industry guidelines, as reflected in the OBF-approved MECAB.
	B/I-8	B/I Issue: Is it appropriate to amend the existing language on meet-point billing arrangements? SBC Texas' Overarching Issue: a) Is it appropriate to include the most current, up-to-date terms and conditions relating to Meet Point Billing arrangements? SBC Texas' Issues: b) Should out-dated references to IBC (Initial Billing Company) be removed from the Meet Point Billing arrangement provisions? c) Should each Party be expected to act as the Official Recording Company for switched access usage when it is jointly provided between the Parties? d) Is it appropriate to include rates, terms and conditions relating to the origination and termination of InterLATA traffic not subject to Meet Point Billing?	Sections 6.0 - 6.6 (existing Birch agreement); 10.0 - 10.5, 11.0 - 11.1 (as renumbered by SBC)	Consistent with the decision that SBC's proposed language appears to be consistent with current industry guidelines, as reflected in the OBF-approved MECAB, the Commission adopts the ICA language proposed by SBC Texas without modification.
	CG-27	CG Issue: Should the T2A provisions be maintained regarding IXC Meet Point Billing Arrangements? SBC Texas' Overarching Issues: a). Is it appropriate to include the most current, up-to-date terms and conditions relating to Meet Point Billing	Att. 12, Sec. 10.1.	Consistent with the Commissions decision in SBC IC Issue 22 that Optional EAS is not subject to reciprocal compensation, the Commission declines to adopt the ICA language proposed by the CLEC Coalition. Thus the Commission adopts the ICA language proposed by SBC without modification.

115

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
		arrangements? (See B/I-8 above) b. What is the appropriate form of intercarrier compensation for Optional EAS traffic? (See AT&T-13 above)		
SBC-57	MCI-Recip Comp 18	MCI Issue: What billing arrangement should apply for meet point billing and special and switched access traffic? SBC Texas' Issue: Should the Parties exchange access usage records to accommodate Meet Point Billing arrangements?	11.6; 11.12	The Commission finds that access usage record is an appropriate term to describe the industry standard EMI usage records exchange for access services. The Commission notes that not all CAT 11 records are used in the exchange of MPB messages and some CAT 11 records previously used have been determined by the industry to be inappropriate. Read Direct at 30, SBC Tex Ex. 37C. Additionally, there is no compelling evidence to demonstrate that compensation for special access shall be on a meet point billing basis pursuant to the MECAB guidelines. Therefore, the Commission adopts the ICA language proposed by SBC without modification.
SBC-58	CG-28	CG Issue: Should the T2A provisions regarding Cellular compensation be maintained? SBC Texas' Issue: a)Should the provisions of Appendix Cellular only apply when a Wireless Provider exchanges mobile to landline traffic with a Facilities Based Provider whereby the Wireless Provider is purchasing Interconnection Services from SBC Texas' tariff? b) Should non 251/252 services such as Transit Services be negotiated separately? (See AT&T-1 and AT&T-10)	Att. 12, Sec. 13.	The Commission finds that there is no compelling evidence to justify any modifications to the ICA language contained in the Attachment 12 Cellular Appendix previously adopted in the T2A. Although, the contract language proposed by the CLEC Coalition, by and large, reflects the language in the T2A, the Commission modifies the ICA language proposed by the CLEC Coalition to include indemnification language in transit situations where the originating and terminating carriers do not have a traffic interchange agreement. 13.1 Appendix Cellular sets forth the terms and conditions under which the Parties will distribute revenue from their joint provision of Wireless Interconnection Service for mobile to landline traffic terminating through the Parties' respective wireline switching networks within a LATA. If one Party enters into an interconnection agreement with a Commercial

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				Mobile Radio Service (CMRS) provider, Appendix Cellular shall no longer be applicable between the Parties with respect to such CMRS provider, and the other Party shall be obligated within a reasonable length of time to enter into an agreement with such CMRS provider for the termination of wireless to landline traffic. **13.2** CLEC will pay the Local Transit Traffic rates (found in Section 6.0 of this Attachment) to SWBT for calls that originate on CLEC's network and are sent to SWBT for termination to a CMRS provider as long as such Traffic can be identified as wireless traffic. SWBT will pay the same Local Transit Traffic rate to CLEC for such calls that originate on SWBT's network and are sent through CLEC for termination on a CMRS Provider's network. Each Party shall be responsible for interconnection agreements with CMRS provider's network. ~~SBC Texas and CLEC agree that the call records exchanged between the Parties have sufficient information to identify the originating carrier for billing purposes. SBC shall provide information to CLEC identifying in detail the type of call records it will send to CLEC, and will, absent agreement with CLEC otherwise, use only industry standard billing and call records formats to transmit such information to CLEC.~~ The Parties agree 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 not have a traffic interchange agreement, then the originating party agrees to indemnify the transiting party for such traffic pursuant to Section 7.0 of the General Terms and Conditions portion of the Agreement. 13.3 When traffic is originated by either Party to a CMRS Providera ~~CMRS Provider to~~

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				~~the CLEC~~, and the traffic cannot be specifically identified as wireless traffic for purposes of compensation between SBC TEXAS and the CLEC ~~and the CMRS Provider~~, the traffic will be rated either as local or access and the appropriate compensation rates shall be paid by the transiting party to the terminating party.
SBC-60	B/I-10	Is it appropriate to amend the existing language in Birch/ionex's agreement that addresses third-party UNE terminated traffic? SBC Texas' Issue: When a facility based CLEC is using its terminating recordings to bill reciprocal compensation, how will it identify the UNE-P originated traffic so that it can bill the UNE-P carrier for the MOUs terminated on the facility based CLEC's network?	Sections 10.0 - 10.3 (existing Birch agreement); 15.0 - 15.2 (as renumbered by SBC)	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 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 from 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

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				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 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

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				terminating carrier may obtain billing records identifying the originating carrier from SBC upon execution of a Non-Disclosure Agreement.
SBC-61		SBC Texas' Overarching Issue: Is it appropriate to include a specific change in law provision to address the FCC's NPRM on Intercarrier Compensation?		The Commission finds that it is unnecessary to have specific change of law provisions to address the FCC's Order on intercarrier compensation which will result from the FCC's issuance of a Notice of Proposed Rule Making to develop a Unified Intercarrier Compensation Regime. Any modifications to compensation procedures resulting from an FCC decision can be addressed by the Change of Law provision located in the General Terms and Conditions of the ICA.
	B/I- 11	Is it appropriate to add a change in law provision to the existing language in Birch/ionex's agreement? SBC Texas' Overarching Issue: Is it appropriate to include a specific change in law provision to address the FCC's NPRM on Intercarrier Compensation?	Sections 16.0 - 16.1 (new language proposed by SBC)	The Commission finds that it is unnecessary to have specific change of law provisions to address the FCC's Order on intercarrier compensation which will result from the FCC's issuance of a Notice of Proposed Rule Making to develop a Unified Intercarrier Compensation Regime. Any modifications to compensation procedures resulting from an FCC decision can be addressed by the Change of Law provision located in the General Terms and Conditions of the ICA. Thus, the Commission declines to adopt ICA language proposed by SBC Texas.
	MCI-Recip Comp 23	**MCIm**: Is it sufficient to have a single change-of-law provision in the GTC part of the ICA, or is a second change-of-law provision necessary in the Recip Comp. appendix or any other appendix? SBC Texas' Overarching Issue: Is it appropriate to include a specific change in law provision to address the FCC's NPRM on Intercarrier Compensation?	18 et. seq.	The Commission finds that it is unnecessary to have specific change of law provisions to address the FCC's Order on intercarrier compensation which will result from the FCC's issuance of a Notice of Proposed Rule Making to develop a Unified Intercarrier Compensation Regime. Any modifications to compensation procedures resulting from an FCC decision can be addressed by the Change of Law provision located in the General Terms and Conditions of the ICA. Thus, the Commission declines to adopt ICA language proposed by SBC Texas.
SBC-62	CG-14	CG Issue: Should the parties be permitted to update reciprocal compensation rates to take into account Commission proceeding affecting such rates?	Att. 12, Sec. 1.4.1.	The Commission finds that it is unnecessary to have specific change of law provisions to address modifications to rates that are necessary

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
		SBC Texas' Issue: Should change of law provisions govern any changes made in a subsequent Commission rate proceeding to the rates in Option 2?		because of subsequent rate proceedings. Any modifications to rates resulting from subsequent arbitrations or other proceedings can be addressed by the Change of Law provision located in the General Terms and Conditions of the ICA. Therefore, the Commission adopts the ICA language proposed by SBC Texas without modification.
SBC-63	CG-1	CG Issue: (a) If the reciprocal compensation provisions are amended by SBC during the life of the ICA, can CLEC choose a different option (e.g., switch from a payment exchange option to bill-and-keep)? (b) What is the default option if the CLEC does not timely designate its choice of reciprocal compensation options? SBC Texas' Issue: a) Should a CLEC be required to make a timely one-time election of one of the three compensation options available? b) What is the default option if the CLEC does not timely designate its choice of reciprocal compensation options?	Att. 12, Sec. 1.4	The Commission finds that it is reasonable to adopt a default option in the event a CLEC does not choose one of the reciprocal compensation options in a timely manner following execution of an ICA agreement in order to provide contractual certainty. SBC's proposal to designate Option 2, which has been renumbered as Option 1, as the default option is reasonable because it is consistent with the FCC's ISP Remand Order. However, a CLEC should be allowed to modify its compensation arrangement if SBC amends the agreement due to Change in Law. Therefore, the Commission adopts the ICA language proposed by SBC Texas with the following modifications: **1.4** With respect to CLEC's rights and obligations concerning CLEC and SBC TEXAS termination of wireline traffic, CLEC shall select one of the ~~three~~ 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 ~~2~~ 1 shall automatically apply for the duration. **CLEC may choose a different option if the reciprocal compensation appendix is subsequently amended by SBC Texas pursuant to the Change In Law provisions of this Agreement.**

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
SBC-64	CG-8	Should the bifurcated switching rate still apply in the ISP Order's regime (since The ISP Order addresses long duration call costs through 3:1 ratio limitations)? SBC Texas' Issue: Does a bifurcated end office switching rate structure more accurately reflect the cost of terminating a local call?	Att. 12, Sec. 3.3.4	The Commission finds that the bifurcated switching rate adopted in Docket 21982 still applies. The bifurcated rate continues to be the most accurate measurement for determining the costs incurred by each parties' end office call termination function (McPhee Direct at 33, SBC-TX Ex. 24). The Commission adopts the language proposed by SBC without modification.
SBC-65		SBC Texas' Overarching Issues: a. What should be the terms regarding exchange of CPN information to ensure data integrity? b. Should each Party be required to deliver to the other for each call being terminated CPN which accurately reflects the physical location of the end user that originated an/or dialed the call? c. Should a Party use commercially reasonable efforts to prohibit the use of its local exchange services for the purpose of delivering interexchange traffic?		The Commission adopts the decision in SBC issue – 65/CG-22 below.
	CG-22	What should be the terms regarding exchange of CPN information to ensure data integrity? SBC Texas' Overarching Issue: a. What should be the terms regarding exchange of CPN information to ensure data integrity? b. Should each Party be required to deliver to the other for each call being terminated CPN which accurately reflects the physical location of the end user that originated an/or dialed the call? c. Should a Party use commercially reasonable efforts to prohibit the use of its local exchange services for the purpose of delivering interexchange traffic?	Att. 12, Sec. 2.2.	The Commission adopts the contract language proposed by SBC Texas without modifications. The Commission supports specific contract information that requires delivery of calling party number information as well as methods by which the Parties can cooperatively work to resolve those instances where such information is not being passed. The Commission agrees that a "...more detailed and specific contract language is necessary to ensure the quality and accuracy of CPN information provided on intercarrier traffic." [McPhee Direct at 68-69, SBC-TX Ex. 24]
	MCI-Recip Comp 8	**MCIm**: Where CPN is not available, should the parties use equivalent signaling data instead?	3.2; 3.3	The Commission adopts the contract language proposed by SBC Texas without modifications.

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
		SBC Texas' Overarching Issue: a. What should be the terms regarding exchange of CPN information to ensure data integrity? b. Should a Party use commercially reasonable efforts to prohibit the use of its local exchange services for the purpose of delivering interexchange traffic?		The Commission supports specific contract information that requires delivery of calling party number information as well as methods by which the Parties can cooperatively work to resolve those instances where such information is not being passed. The Commission agrees that a "...more detailed and specific contract language is necessary to ensure the quality and accuracy of CPN information provided on intercarrier traffic." [McPhee Direct at 68-69, SBC-TX Ex. 24]
	CJP-6	CJP Issue: Should CLECs customers be prohibited from making interexchange calls over CLEC services? SBC Texas' Issue: Should a Party use commercially reasonable efforts to prohibit the use of its local exchange services for the purpose of delivering interexchange traffic?	§ 2.2	The Commission adopts the contract language proposed by SBC Texas without modifications. The Commission supports specific contract information that requires delivery of calling party number information as well as methods by which the Parties can cooperatively work to resolve those instances where such information is not being passed. The Commission agrees that a "...more detailed and specific contract language is necessary to ensure the quality and accuracy of CPN information provided on intercarrier traffic." [McPhee Direct at 68-69, SBC-TX Ex. 24]
SBC-66	CJP-2	(a) Should calls between SBC exchanges and non-SBC exchanges that are within mandatory EAS calling scopes be included within the definition of local calls? (b) Should wholesale calling scopes be defined based on retail SBC tariffs that CLEC has no control over? SBC Texas' Issue: a. Should Local traffic be defined on Commission approved SBC Texas Tariffs as amended from time to time?	§1.2	This issue is resolved.

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
SBC-67	MCI-Recip Comp 3 Resolved in part.	Are there circumstances in which it is not technically feasible to record intercarrier compensation usage when an end user is served by ULS?	2.4	This issue is resolved except for the use of the term "251(b)(5)." For the reasons delineated in SBC issue 2, the Commission finds that it is appropriate to include the term "251(b)(5)" instead of "local" in the contract language.
SBC-69	MCI- Recip Comp 5	MCI Issue: Should Information Services traffic be exempted from Reciprocal Compensation? SBC Texas' Issue: a. Should reciprocal compensation arrangements apply to Information Services traffic? b. Should reciprocal compensation arrangements apply to any other type of traffic found to be exempt by the FCC or this Commission? c.Should intraLATA Toll Traffic be governed by the terms and conditions of applicable state and federal tariffs?	2.6	The Commission finds that "information *access*" is exempt from reciprocal compensation as it falls under Sec. 251(g) of the FTA. Reciprocal compensation arrangements do not apply to traffic found to be exempt by the FCC and this Commission. Intralata Toll Traffic is governed by the terms and conditions of federal and state tariffs. The Commission agrees that neither the FCC nor this Commission has defined a category of "information services" traffic as proposed by SBC (Ricca Rebuttal at 26, MCI Ex. 11). A more proper term is "information *access*". The Commission adopts the language proposed by SBC with modification: 2.6 The Reciprocal Compensation arrangements set forth in this Appendix are not applicable to (i) Exchange Access traffic, (ii) Information ~~Services~~ Access traffic, and (iii) subject to the Intervening Law provisions of this Agreement, any other type of traffic found to be exempt from reciprocal compensation by the FCC or the Commission, with the exception of ISP-Bound Traffic, which are addressed in this Appendix in compliance with FCC Order 01-131 (April 2001). All Exchange Access traffic and intraLATA Toll Traffic shall continue to be governed by the terms and conditions of applicable federal and state tariffs
SBC-70	MCI-Recip Comp 17	What billing arrangement should apply for IntraLATA interexchange toll traffic? SBC Texas' Issue: a) Should the Parties utilize terminating records to bill originating carriers for IntraLATA Toll Traffic not considered optional or mandatory EAS Traffic?	9.1; 9.4	Consistent with the decision in SBC IC Issue 20 that Optional EAS is not exchange access traffic therefore not subject to access rates, the Commission finds that it is appropriate to exclude optional and mandatory EAS traffic from intraLATA Toll traffic. Thus, the Commission adopts the language proposed by

124

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				SBC Texas without modification.
SBC-72		SBC Texas' Overarching Issue: Should the Billing Party be required to calculate terminating interconnection minutes of use for Section 251(b)(5) Traffic, Optional EAS Traffic, ISP-Bound Traffic and intraLATA toll based on standard recordings?		
	KMC 7	KMC Issue: Should each party calculate terminating minutes of use based on standard AMA recordings made within each party's network, and should the terminating party bill based on the terminating interconnection minutes as measured by the terminating party's network? SBC Texas' Overarching Issue: Should the Billing Party be required to calculate terminating interconnection minutes of use for Section 251(b)(5) Traffic, Optional EAS Traffic, ISP-Bound Traffic and intraLATA toll based on standard recordings?		The Commission finds that the calculation of terminating interconnection minutes should follow the industry practice of taking the switch recordings and creating Exchange Message Interface (EMI) records as maintained by OBF. Therefore, the Commission adopts the ICA language proposed by SBC Texas without modification.

28821-Broadband-Jt. DPL-Final

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
1	[AT&T] 1[1]	[SBC Texas] Should AT&T's proposed terms for a broadband end-to-end UNE that are in direct contravention of the FCC's TRO and implementing rules be rejected? [AT&T] Should the ICA contain provisions regarding AT&T's access to unbundled loops over a Next Generation Digital Loop Carrier (NGDLC) architecture?	Entire Appendix Broadband	**Resolved**
	[MCIm 3/369] **RESOLVED IN PART**	[SBC Texas] Should the xDSL Loop be as defined by the FCC in its TRO and implementing rules? [MCIm] Should the interconnection agreement include an explicit definition for "xDSL Loop?"	**[MCIm]** 2.10	**Resolved.**

[1] Birch/ionex adopted AT&T's agreed upon language, disputes, and dispute rationale for Attachment 25-Broadband Appendix.

126

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
1	[AT&T] 1	In very limited circumstances identified in this ICA, what rates should apply specifically to AT&T and its condo arrangements?	Attach. 29, § 1.5	The Commission finds that the ICA should not contain any rates, terms or conditions relating to condominium arrangements. The Commission notes that each condominium arrangement is unique and given the variability of these arrangements, and the limited number of occasions that they occur, the ICB process offers the most reasonable approach. However, in order to mitigate AT&T's concerns of SBC possibly delaying it use of its Condo space for collocation, and charging excessive rates for collocations, the Commission finds that it is appropriate for AT&T to have the option of using an authorized vendor to perform the Condo connections. Therefore, the Commission adopts the ICA language proposed by SBC with the following modifications: Subject to all the provisions of this Agreement, **condo connections shall be performed by SBC Texas or other persons acting on SBC Texas' behalf, or by SBC's authorized contractors acting on AT&T's behalf.** To the extent that SBC-TEXAS must perform work for the condo connection which consists of two portions (but is a single contiguous cable) from the condo arrangement to the premises cable vault, SBC-TEXAS shall charge AT&T, and AT&T agrees to pay, the appropriate ICB rates. AT&T shall submit a Non-Standard Request to SBC-TEXAS to determine pricing for such work. Notwithstanding anything to the contrary in this Agreement, if during the Term of this Agreement, the Commission establishes or approves in an applicable proceeding, applicable rates shall apply on a prospective basis
	[CJP] Identical	[SBC Texas] Are there any circumstances in which any CLEC, other than AT&T, would be entitled to a condominium arrangement with its attendant rates, terms and conditions?	Attach. 29, § 1.5	The Commission finds that condominium arrangements are unique to SBC and AT&T. The Commission notes that condominium arrangements derive from the diverstirure of the Bell System in the 1980s. Since no other CLECs were involved in the diverstutre in 1984 they are not entitled to condo arrangements. Therefore, the Commission declines to adopt the ICA language proposed by the CLEC Joint Petitioners.
2	[AT&T] 2	Can AT&T locate equipment on its own side of a condo building to access UNEs by cabling to SBC in place of collocation?	Attach. 29, § 1.7	The Commission finds that AT&T's proposal to run cables straight from its network to SBC Texas' Main Distribution Frame (MDF) in a Central Office (CO) without collocating is inefficient and could create additional network sercurity and network integrity risks. Therefore, the Commission declines to adopt the ICA language proposed by AT&T.
	[CJP]	[SBC Texas]	Attach. 29,	The Commission finds that condominium arrangements are unique to SBC

122

28821-Condominium Arrangements-Jt. DPL-Final

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
	Identical	Are there any circumstances in which any CLEC, other than AT&T, would be entitled to a condominium arrangement with its attendant rates, terms and conditions?	§ 1.7	and AT&T. The Commission notes that condominium arrangements derive from the diverstirure of the Bell System in the 1980s. Since no other CLECs were involved in the diverstutre in 1984 they are not entitled to condo arrangements. Therefore, the Commission declines to adopt the ICA language proposed by the CLEC Joint Petitioners.

128

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement		
1	[CLEC Coalition]	[SBC] Should definitions be included in interconnection agreement in a separate Appendix Definitions?	[SBC] Appendix Definitions (entire appendix)	Commission adopts SBC-Texas's language. The CLEC Coalition's argument that the Definitions Attachment should not be approved is not persuasive. The CLEC Coalition indicates that it doesn't object to having a separate attachment; its objection is the amount of time it had to review the Definition Attachment. SBC Texas argues that in order to provide certainty and clarity, as well as avoiding inconsistent definitions of the same term, terms used throughout the ICA should be defined in one place, the Definitions Appendix. See Quate Direct at 46-47, SBC-Texas Ex. 35. Conversely, subject-specific definitions should be placed in the specific attachment/appendix to which it applies. See Quate Direct at 47, SBC-Texas Ex. 35.
2	[MCIm] DEF 1	[SBC] Should IXCs, Competitive Access Providers (CAPs), and Wireless Carriers (CMRS providers) be included in the definition of an End User Customer? [MCI] Should the agreement include a definition for end user customer? [CLEC Coalition] End User vs Customer. Should the ICA be limited to the interconnection of networks for purposes of serving "End Users" which SBC defines as retail end users?	[MCIm] Appendix Definition "End User Customer"	Commission adopts SBC-Texas's language. Commission precedent was established in Docket No. 25188 when the Commission declined to globally replace the term "end user" with the term "customer" in the interconnection agreement. The Award appropriately determined that the term "customer" could not be substituted for the term "end user," particularly with respect to UNE loops, network interface devices (NID) and enhanced extended loops (EEL). The term "end user" is essential in defining the network element known as the local loop (or loop) which is defined by Federal Communications Commission Rule 51.319(a)(1) as "the transmission facility between a distribution frame (or its equivalent) in an incumbent LEC central office and the loop demarcation point, at an end user premises, including inside wire owned by the incumbent LEC." The use of the term "end user" is necessary in order to distinguish unbundled network element (UNE) loops from other UNEs and other network elements that provide transmission paths between end points not associated with end users, such as interoffice transport. In addition, the FCC's Supplemental Order

129

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement		
				on Clarification specifically uses the term "end user" in defining the local use requirements for obtaining EELs. The Commission's affirmation of the EPN revised award is consistent with its previous holding that a CLEC can use UNEs to carry traffic for other telecommunication providers regardless of who is serving the retail, local end-use customer. CLECs may continue to acquire UNEs and use them in combination with their own facilities to provide wholesale services to other carriers regardless of who is serving the retail, local end user. However, a CLEC cannot obtain a UNE loop to establish a transmission facility to a premise that is not an end-user premise. Instead of using UNE loops, the CLEC may obtain the transmission facilities it seeks to customers who are not end users from other means such as special access from SBC Texas or from other telecommunication carriers.
3	[MCIm] DEF 2	[MCIm] Should the contract contain a definition of Information Services?	[MCIm] Appendix Definition "Information Services" [SBC] Definitions	Commission adopts SBC Texas language to define "Information Services." The Commission agrees with SBC-Texas that the definition of "Information Services" should be included in the ICA. Defining terms like "information service" is important to clearly set forth the parties' rights and responsibilities, as well as avoid ambiguity and later disputes about the meanings of certain provisions. See Quate Direct at 46-47, SBC-Texas Ex. 35. MCIm's argument that definition of Information Services is very broad and that it's used only in Section 2.5 of the Reciprocal Compensation Appendix is not a persuasive argument to have this definition removed.
14	[KMC] CLEC did not file a Definitions DPL	SBC Texas Issue: Which definition of "POI" should be included in this Agreement?	[KMC] Appendix NIA section 0.27 [SBC] Interconnection issue	Commission adopts SBC Texas language to define "Point of Interconnection." SBC Texas's definition of Point of Interconnection most clearly defines that physical point where the networks are joined for the mutual local exchange of traffic.

130

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement		
			150.	

131

28821-Directory Assistance-Jt. DPL-Final

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
1	[MCIm]1	SBC: Should SBC TEXAS be required to provide DA as a UNE? MCIm: Should the Operator Service Appendix reference whether OS is a UNE?	DA 3.2 **[MCI]** DA 3.2	The Commission finds that the state of the law on this issue has not changed since the Commission addressed this issue in its Revised Arbitration Award in Docket No. 24542 – Petition of MCImetro, et al., for Arbitration with SBC Texas. There, the Commission found that SBC Texas must continue to provide Directory Assistance as a UNE until SBC Texas initiates a proceeding before the Commission to demonstrate that it has met the customized routing requirements necessary to cease offering DA as a UNE (Revised Arbitration Award at 167, Oct. 3, 2002). Therefore, the Commission adopts MCIm's contract language, and concludes that SBC Texas shall continue to provide DA as a UNE until it initiates a proceeding before the Commission to demonstrate that it has met the customized routing requirements necessary to cease offering DA as a UNE.

132

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
1	[AT&T] 1	[SBC Texas] Is it appropriate to have removal of excessive bridge tap as a standard conditioning option? [AT&T] Is "excessive" the appropriate standard to apply to when bridge taps are removed to conditioning xDSL loops?	2.2, 2.4, 4.1.1, 4.1.3, 4.2, 6.1, 6.3, 6.5, 9.3, 11.1.3	**Resolved**
	[CLEC Coalition] 14 xDSL	Should CLECs be limited to being able to order only the removal of excessive bridged tap?	Section 6.1	The Commission adopts SBC's language. The Commission finds that the decision to adopt SBC's language is consistent with the FCC's rules, prior Commission decisions in Docket No. 20226, and industry standards.
	[CLEC Coalition] 13 xDSL	Should SBC's ordering processes allow CLECs to place an order for the removal of all bridged tap, load coils or repeaters?	Section 6.1	*See* CLEC Coalition 14
	[CLEC Coalition 4 RABT-MMP]	[CLEC Coalition 4 RABT-MMP] Should CLEC have the option to request Removal of All or Non-Excessive Bridged Tap by requesting removal on its original service order or must it submit a service order request only after the original order is complete?	3.1 3.3 3.3.2	*See* CLEC Coalition 14
	[CLEC Coalition] 9 RABT-YZP and 9 RABT-MMP and 10 RABT-YZP	[CLEC Coalition 9] RABT-YZP and 9 RABT-MMP Should the rates be the same as the interim rates set by the Commission in the Covad/Rhythms Arbitration? [CLEC Coalition] 10 RABT-YZP Should the rates be the same as the interim rates set by the Commission in the	RABT-YZP, p. 9, Pricing Schedule fn. 1 RABT, p. 9, Pricing Schedule fn. 1	The Commission adopts the CLEC Coalition's proposed language. The Commission finds that the interim rates established in the Covad/Rhythms arbitration should apply until such time that permanent rates are established within those same arbitrations.

133

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
		Covad/Rhythms Arbitration?		
2	[AT&T] 2	[SBC Texas] A: Is SBC Texas required to certify a loop is qualified to support a particular xDSL CLEC service? B: Is SBC Texas entitled to receive cost recovery for work it performs on a CLEC's behalf and at the CLEC's request (e.g., loop conditioning work)? C. Should AT&T's proposed Section 6.1.1, which references an FCC Rule for line sharing that has no application to stand-alone xDSL loops be rejected? [AT&T] A. Should there be any charge for loop conditioning if SBC provides loop makeup information indicating that conditioning is not necessary? B. What requirements should SBC satisfy when it deems that loop conditioning cannot be achieved without adverse impacts?	Sections 6.1 and 6.1.1	**Resolved**
	[CLEC Coalition] 17	Should SBC be allowed to charge CLEC for conditioning or LSTs when SBC' loop makeup information indicates that the loop is qualified?	Section 6..3	The Commission rejects the CLEC Coalition's proposed language. The Commission finds that payment for services rendered should not be contingent on the accuracy of loop makeup information.
3	[AT&T] 3	[SBC Texas] **A:** Should SBC Texas have the option of performing an LST in lieu of AT&T requested conditioning? B: Should this Attachment include specific	9.3	**Resolved**

134

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
		time limits for the completion of LSTs performed in lieu of conditioning? [AT&T] Should AT&T or SBC TEXAS control whether a line and station transfer is performed on a loop purchased by AT&T?		
4	[AT&T] 4	Which Party's proposed language governing interim DSL-related rates and true-up should be adopted as to any interim rates contained in the Parties' Successor Agreement and in the Prior Agreement, that are noted as being subject to true-up?	11.1,11.1.1 11.2, 11.3, 11.4	**Resolved**
	[MCI] 12/378	Should SBC's proposed terms and conditions for interim xDSL pricing be included in the agreement?	**[MCIm]** 11.3, 11.4 and 11.5	The Commission rejects SBC's proposed language and finds that a Commission Order is the appropriate means by which to address interim and trued-up rates.
5	[AT&T] 5	SBC Texas Overarching: Should SBC Texas be entitled to receive the tariff rates for activities performed which are outside of its unbundling obligations? [AT&T] What rates should apply for maintenance, acceptance and cooperative testing, the labor rates set forth in the Pricing Schedule or the rates set forth in SBC TEXAS Tariff 73?	Sections 7.3.1, 8.1, 9.2 and 9.3]	**Resolved**
	[MCIm] 7/373 8/374 9/375 10/376 11/377	[MCIm] 7/373 Should time and materials charges be set forth in appendix pricing or as set forth in SBC's tariff? [MCIm] 8/374	**[MCIm]** 9.4.2, 6.1, 7.7, 9.3.2, 9.3.2.1, 10.4.2 and 10.4.4; (Line Sharing 8.2.1; 8.3.3.1; 8.7; 8.10; 8.11); (Attachment YZP 3.3.3; 5.1); (Attachment RABT YZP 5.1); (Attachment RABT MMP 5.1)	[MCIm] 7/373 The Commission adopts MCIm's proposed language. The Commission agrees with MCIm that time and material pricing should be expressly provided in the agreement.

135

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
		[SBC Texas] Should SBC Texas pay MCIm for time and material charges incurred in dispatching technicians to close a trouble ticket? [MCIm] Under what circumstances should SBC pay MCIm for time and material charges incurred in dispatching a technician to close a trouble ticket? [MCIm] 9/375] Under what circumstances should MCIm pay SBC for time and material charges incurred in dispatching a technician to close a trouble ticket? [MCIm] 10/376 What terms and conditions should apply to loop conditioning during the maintenance phase? [MCIm]11/377 Should there be an exception to MCIm's obligation to pay for acceptance testing when certain performance standards are not met?	7.4 7.5 9.3.6, 9.4.1 et seq.	[MCIm] 10/376 The Commission adopts SBC's proposed language, but replaces the phrase "**referenced in Section 9.4.2 below"** in the last sentence of section 7.5 with "***set forth in Appendix Pricing"***
9	[MCI] 5/371	Should the Commission adopt SBC's liability and indemnity language for the DSL appendix in addition to that contained in the GT&Cs?	**[MCIm]** 3.7 (all) and 3.8 (all)	The Commission adopts SBC's proposed language. The Commission finds that this decision is consistent with prior Commission decisions in Dockets Nos. 20226/20272.
12	[CLEC Coalition] 22	Should the interim conditioning charges apply to Subloops in the same manner as they do Loops?	11.6	The Commission rejects the CLEC Coalition's additional proposed language.
14	CLEC	**Should the CJP's proposed issues and**	Entire Attachment 25: xDSL	**Resolved**

136

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
	Petitioners– All Issues Re: Attachment 25: xDSL	**position statements (reflected in AT&T's January 23, 2004 filings as to Attachment 25: xDSL adopted by these carriers) be adopted?**		

137

28821-GENERAL TERMS & CONDITIONS-Jt. DPL-Final

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
1	[CLEC Coalition] 1, 42	[SBC Texas Issue] Does the Commission have jurisdiction to arbitrate language which pertains to Sections 271 and 272 of the Act and which was not voluntarily negotiated and does not address a 251(b) or (c) obligation? [CLEC Coalition 1] **271 Obligations.** Should the ICA retain reference in Whereas clauses to Sec. 271 because the original T2A was one of the main bases for SBC's grant of 271 relief? [CLEC Coalition 42] **272 affiliate obligations.** Should SBC be permitted to delete the separate affiliate obligations to which it agreed to in order to obtain Section 271 relief?	[CLEC Coalition] Whereas	***THIS ISSUE IS DEFERRED TO TRACK 2***
	[AT&T] 2	[SBC Issue] Does the Commission have jurisdiction to arbitrate language that was not voluntarily negotiated and does not address a 251(b) or (c) obligation?		***THIS ISSUE DEFERRED TO TRACK 2***
2	[AT&T] 1 [Birch/ ionex] 1	[AT&T] Should the Inter-connection Agreement obligate SBC to provide UNEs, collocation and resale services outside SBC TEXAS' incumbent local exchange area	[AT&T] GT&C § 1.1 and UNE § 1.3	The Commission adopts SBC-Texas's language regarding SBC-Texas's obligation to provide UNE, collocation, resale services, interconnection, or other 47 U.S.C. § 251 services outside of SBC-Texas's incumbent local exchange area. SBC-Texas's language conforms to the FCC Triennial Review Order (TRO) as well as *USTA II.*
	[MCIm] 6	[MCIm] **SBC:** Should the Gen Terms limit SBC Texas's obligations under this contract to only those Network Elements or services provided within its incumbent territory? **MCIm**: Given that the parties have agreed in Section 2.12.1 of the GTC that SBC's obligation to provide UNEs is limited to those "portions of Texas in which SBC TEXAS is the ILEC under the Act," is it necessary to include another, multi-paragraph formulation of the same limitation?	[MCIm] 2.12.2 et seq.	***THIS ISSUE HAS BEEN RESOLVED AS TO MCIm 6***
	[CLEC Coalition]	[SBC Texas]	[CLEC Coalition] 1.7	The Commission adopts SBC-Texas's language regarding

138

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
	5	Should the interconnection Agreement obligate SBC Texas to provide UNEs, collocation and resale services outside SBC Texas' incumbent local exchange area? Should CLECs be required to agree with SBC's legal theories about the limitations of its obligations under the Act?		SBC-Texas's obligation to provide UNES, collocation, resale services, interconnection, or other 47 U.S.C. § 251 services outside of SBC-Texas's incumbent local exchange area. SBC-Texas's language conforms to the FCC Triennial Review Order (TRO) as well as *USTA II*
	[CJP]		[CJP] 1.1	The Commission adopts the same language as written in DPL SBC 2, ATT 1.
3	[CLEC Coalition] 2	[SBC Texas] Should the CLEC be able to avoid its legal obligations by objecting to <u>all</u> uses of the term "End User" even though under the Act, it may only provide service to end users? [CLEC Coalition] **End User vs. Customer.** Should the ICA be limited to the interconnection of networks for purposes of serving "End Users" which SBC defines as retail end users?	[CLEC Coalition] Whereas and throughout GT&C. Also in Definitions	The Commission adopts the following contract language: WHEREAS, CLEC represents that it is, or intends to become, a provider of Telephone Exchange Service offered exclusively over its own Telephone Exchange Service facilities or predominantly over its own Telephone Exchange Service facilities in combination with the use of unbundled network elements purchased from other entity(ies) and the resale of Telecommunications Services of other carriers. The Commission finds that the term "End User Customer" is not necessary in this section of the agreement.
4	[Birch/ ionex] 2 [CLEC Coalition] 3 & 4	[SBC Texas] Should the agreement require SBC Texas to provide access to and/or combine UNEs without regard to applicable law? [Birch/Ionex] Should SBC TEXAS be allowed to make changes in its UNE offerings that disrupt provisioning to Birch without advance notice or written approval of Birch?	GT&C §§ 1.3 and 1.7 (new)	The Commission determines that it is appropriate for SBC-Texas to give a 45- day notice to Birch/ionex prior to making any unilateral changes in policy, process, method, or procedure that SBC-Texas uses to perform its obligations under the ICA that would cause operational disruption or modification unless the implementation of such change or discontinuance of such policy, process, procedure or method is beyond the control of SBC-Texas. Based on several business experiences over the past three years under the existing ICA, SBC-Texas has made "policy" or "process" modifications unilaterally and without notice to Birch that materially and detrimentally affected Birch's ability to obtain certain UNEs and services. (Ivanuska Direct at 13-16, Birch Ex. 1).

139

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				The Commission further determines, however, that it is not reasonable for Birch/ionex to have veto power over SBC-Texas to make any changes in policy, process, method, or procedures. The Commission adopts SBC-Texas' language with the following modifications: Subject to the provisions of Attachment 6: Unbundled Network Elements and upon CLEC request, SBC-Texas shall meet its combining obligations involving UNEs as and to the extent required by FCC rules and orders, and *Verizon Comm. Inc. v. FCC*, 535 U.S. 467(May 13, 2002) ("*Verizon Comm. Inc.*") and, to the extent not inconsistent therewith, the rules and orders of relevant state Commission and any other Applicable Law. Pursuant to Attachment 6: Unbundled Network Elements, in the event that SBC-Texas denies a request to perform the functions necessary to combine UNEs or to perform the functions necessary to combine UNEs with elements possessed by CLEC, SBC-Texas shall provide 45 days written notice to CLEC of such denial and the basis thereof. Any dispute over such denial shall be addressed using the dispute resolution procedures applicable to this Agreement. In any dispute resolution proceeding, SBC-Texas shall have the burden, to prove that such denial meets one or more applicable standards for denial, including without limitation those under the FCC rules and orders, *Verizon Comm. Inc.* and the Agreement, including Section 2.12 of Attachment 6: Unbundled Network Elements Appendix. During the term of this Agreement, SBC-Texas shall not change or discontinue, as to BIRCH/IONEX, any policy, process, procedure or method offered to BIRCH/IONEX without a 45-day written notice, unless the implementation of such change or discontinuance of such policy, process, procedure or method is beyond the control of SBC-Texas.

140

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
	[CLEC Coalition] 3	[CLEC Coalition] Should the reference to "Network Element" be maintained in the ICA, as distinguished from Unbundled Network Elements?	[CLEC Coalition] 1.2	***THIS ISSUE IS DEFERRED TO TRACK II***
	[CLEC Coalition] 4	[CLEC Coalition] Should SBC provide assurance of the continuation of Network Elements, Combinations, and Ancillary Functions during the term of the Agreement?	[CLEC Coalition] 1.3	***THIS ISSUE IS DEFERRED TO TRACK 2***
5	[CLEC Coalition] 3	[SBC Texas] Should network elements that are not unbundled be addressed in this agreement? [CLEC Coalition] **Network Elements.** Should the reference to "Network Element" be maintained in the ICA, as distinguished from Unbundled Network Elements?	[CLEC Coalition] Whereas, and 1.2	***THIS ISSUE IS DEFERRED TO TRACK 2***
	[CLEC Coalition] 36	**[CLEC Coalition]** **Severability.** Should the agreement state that it is nonseverable in contravention of CLECs' Sec. 252(i) rights?	[CLEC Coalition] 47.1	The Commission finds that both parties are requesting "no language." The CLEC Coalition does offer alternative language to be included only if ordered to do so by the Commission. The Commission adopts the position of both parties that no language is to be required for Section 47.1.
8	[Birch/ ionex] 2	Should SBC TEXAS be allowed to make changes in its UNE offerings that disrupt provisioning to Birch without advance notice or written approval of Birch?	GT&C § 1.7 (new)	The Commission adopts the same language as written in SBC 4.
9	[MCIm] 12 CJP 1	[MCIm] How long should the Term of the Agreement be?	7.2	The Commission adopts the five-year term proposed by MCIm, along with SBC-Texas's language. The Commission adopts the following contract language. 7.2 The term of this Agreement shall commence upon the Effective Date of this Agreement and will remain in effect for five (5) years after the Effective Date and continue in full force and effect on a month to month basis, thereafter until (i) superseded in accordance with the requirements

151

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				of this section or (ii) terminated pursuant to the requirements of this section. No earlier than one-hundred eighty (180) days before the expiration of the term, either Party may request that the Parties commence negotiations to replace this Agreement with a superseding agreement by providing the other Party with a written request to enter into negotiations. If this Agreement continues in full force and effect after the expiration of the Term, either Party may terminate this Agreement after delivering written notice to the other Party of its intention to terminate this Agreement, subject to the survivability causes contained herein. The Commission finds that a five-year agreement provides a reasonable period of certainty and stability to all parties.
	[CJP] 1	Should the interconnection agreement be given a term longer than three years?	2.2	The Commission adopts the same language as written in SBC 9 above.
10	MCIm 12a & 14	[SBC] **SBC:** What terms and conditions should apply to the contract after expiration, but before a successor ICA has become effective? MCIm: If the parties are negotiating a successor agreement, should either party be entitled to terminate this agreement before the successor agreement becomes effective?	**[MCIm]** 7.2, 7.7 – 7.10 7.2, 7.7 – 7.10	The Commission adopts the language of SBC-Texas with the exception of the effective term of the ICA. The term of the new ICA shall be five (5) years. Commission feels that a five (5) years agreement provides certainty and stability to telecommunications providers. The Commission determines that the 180-day notice of expiration that SBC-Texas is required to give to MCIm and the additional ten months allowed to negotiate a new agreement from the time SBC-Texas receives MCIm's notice to negotiate provides sufficient time for parties to negotiate a successor agreement. 7.2 The term of this Agreement shall commence upon the Effective Date of this Agreement and will remain in effect for five (5) years after the Effective Date and continue in full force and effect on a month to month basis, thereafter until (i) superseded in accordance with the requirements of this section or (ii) terminated pursuant to the requirements of this section. No earlier than one-hundred

142

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				eighty (180) days before the expiration of the term, either Party may request that the Parties commence negotiations to replace this Agreement with a superseding agreement by providing the other Party with a written request to enter into negotiations. If this Agreement continues in full force and effect after the expiration of the Term, either Party may terminate this Agreement after delivering written notice to the other Party of its intention to terminate this Agreement, subject to the survivability causes contained herein. [MCIm] 7.7 If either Party serves notice of expiration herein, MCIm shall have ten (10) calendar days to provide SBC-Texas written confirmation if MCIm wishes to pursue a successor agreement with SBC-Texas or terminate its agreement. MCIm shall identify the action to be taken on each applicable (13) state(s). If MCIm wishes to pursue a successor agreement with SBC-Texas, MCIm shall attach to its written confirmation or notice of expiration/termination, as applicable, a written request to commence negotiations with SBC-Texas under Sections 251/252 of the Act and identify each of the state(s) the successor agreement will cover. Upon receipt of MCI's Section 252(a)(1) request, the Parties shall commence good faith negotiations on a successor agreement. 7.8 If written notice is not issued herein, the rates, terms and conditions of this Agreement shall continue in full force and effect until the earlier of (i) the effective date of its successor agreement, whether such successor agreement is established via negotiation, arbitration or pursuant to Section 252(i) of the Act; or (ii) the date that is ten (10) months after the date on which SBC-Texas received MCIm's Section 252(a)(1) request. 7.9 If at any time during the Section 252(a)(1) negotiation process (prior to or after the expiration date or termination date of this Agreement), MCIm withdraws its Section 252(a)(1) request, MCIm must include in its notice of withdrawal a request to adopt a successor agreement under Section 252(i) of the Act or affirmatively state that MCIm does not wish to pursue a successor agreement

143

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				with SBC-Texas for a given state. The rates, terms and conditions of this Agreement shall continue in full force and effect until the later of: 1) the expiration of the term of this Agreement, or 2) the expiration of ninety (90) calendar days after the date MCIm provides notice of withdrawal of its Section 252(a)(1) request. 7.10 If MCIm does not affirmatively state that it wishes to pursue a successor agreement with SBC-Texas in its, as applicable, notice of expiration or termination or the written confirmation required after receipt of the SBC-Texas-owned ILEC's notice of expiration or termination, then the rates, terms and conditions of this Agreement shall continue in full force and effect until the later of 1) the expiration of the Term of this Agreement, or 2) the expiration of ninety (90) calendar days after the date MCIm provided or received notice of expiration or termination. If the Term of this Agreement has expired, on the ninety-first (91st) day following MCIm provided or received notice of expiration or termination, the Parties shall have no further obligations under this Agreement except those set forth in this Agreement.
12	[CJP] 23	[SBC] Should the interconnection agreement dictate the form in which SBC Texas is required to offer amendments? [CJP] Should there be a provision in the Agreement regarding subsequent negotiations?	18.2.1	The Commission adopts SBC-Texas's language. The Commission finds that the process of developing an amendment to be one of negotiation that may include meetings as well as numerous iterations of redlines. Either party can request an amendment by sending written notification. The process is an interactive process that can require several exchanges of redlines and sometimes several negotiation sessions. (Quate Direct at 30, SBC TX Ex. 36). CJP's argument to define the process to the point of requiring redlines is not persuasive.
13	[MCIm] 3	[SBC Texas Overarching Issue]:	[MCIm] 2.3.1, 2.3.2	THIS ISSUE HAS BEEN RESOLVED AS TO MCIm 3

144

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
	[CLEC Coalition] 35	When a CLEC voluntarily agrees to a pointer to a SBC Texas tariff, does it thereby gain the right to (a) prevent SBC Texas from modifying its tariffs or (b) require SBC Texas to negotiate its tariffs with the CLEC? [MCIm] Should the ICA incorporate by reference outside documents (including tariffs) that one party may have the unilateral ability to change?		ONLY. The Commission adopts SBC-Texas's proposed language with the following modification: 2.3.1 To the extent a tariff provision or rate is incorporated or otherwise applies between the Parties due to the provisions of this Agreement, it is understood that said tariff provision or rate applies only in the jurisdiction in which such tariff provision or rate is filed, and applies to the CLEC and only to where SBC Texas operates within that jurisdiction. Further, it is understood that any changes to said tariff provision or rate are also automatically incorporated herein or otherwise hereunder, effective hereunder on the date any such change is effective. 2.3.2 Wherever any Commission ordered tariff provision or rate is incorporated, cited or quoted herein, it is understood that said incorporation or reference applies only to the entity within the state whose Commission ordered that tariff. *2.3.3 SBC Texas will provide CLEC notice of any tariff or filing which concerns the subject matter of this Agreement at the time an Informational or Administrative Notice is transmitted to the Public Utility Commission of Texas which is filed within ninety (90) days (forty-five (45) days for price changes) of the expected effective date of the tariff or filing.* *2.3.4 In the event that SBC Texas is required by any governmental authority to file a tariff or make another similar filing in connection with the performance of any action that would otherwise be governed by the Agreement, SBC Texas will provide CLEC notice of the same as set forth in Section 2.3.3 above.* *2.3.5 If any tariff referred to in Section 2.3.4 becomes ineffective by operation of law, through deregulation or otherwise, the terms and conditions of such tariffs, as of*

145

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				the date on which the tariffs became ineffective, will be deemed incorporated if not inconsistent with this Agreement. The Commission finds that a CLEC may order service from the SBC-Texas Tariffs and reference such tariff in this agreement. However, if the CLEC chooses to have a pointer to the tariff inserted in the ICA, when a change regarding such tariff is filed with the Commission, that change shall be incorporated in this agreement. The Commission also finds that SBC Texas shall give notice of tariff changes affecting the subject matter of this ICA. SBC-Texas argues that the CLECs' competing language would restrict SBC-Texas's ability to file tariffs in the normal conduct of its business. (Pellerin Direct at 10, SBC TX Ex. 32). SBC-Texas stated that when the CLECs voluntarily agreed to include language in the ICA referencing SBC-Texas's tariffs and in doing so acknowledged that tariffs are subject to change from time to time, for example, due to changes in retail service offerings and/or new product offerings. A CLECs' decision to base its business model on offerings that SBC-Texas makes necessarily means that the CLEC does not have full control over what those offerings are. CLECs must take the offerings as they exist and should not be able to dictate what SBC-Texas chooses to offer its own end users. (Pellerin Direct at 9-10, SBC TX Ex. 32; Pellerin Rebuttal at. 4, SBC TX Ex. 33 & 34).
	[CLEC Coalition] 32	[CLEC Coalition] Should SBC's proposed tariff – related references be imposed on CLECs?	[CLEC Coalition] 36 – 36.3	The Commission adopts the SBC-Texas's language. The Commission finds that a CLEC may order service from the SBC-Texas Tariffs and reference such tariff in this agreement. However, if the CLEC chooses to have a pointer to the tariff inserted in the ICA, when a change regarding such tariff is filed with the Commission, that change shall be incorporated in this agreement. SBC argues that the CLECs' competing language would

146

SBC Issue #	CLEC Name and Issue #	SBC Overarching Issue Statement CLEC Specific Issue Statement	Attachment & Sections	COMMISSION DECISION
				restrict SBC-Texas's ability to file tariffs in the normal conduct of its business. (Pellerin Direct at 10, SBC TX Ex. 32). SBC-Texas stated that when the CLECs voluntarily agreed to include language in the ICA referencing SBC-Texas's tariffs and in doing so acknowledged that tariffs are subject to change from time to time, for example, due to changes in retail service offerings and/or new product offerings. A CLEC's decision to base its business model on offerings that SBC Texas makes necessarily means that the CLEC does not have full control over what those offerings are. CLECs must take the offerings as they exist and should not be able to dictate what SBC-Texas chooses to offer its own end users. (Pellerin Direct at. 9-10, SBC TX Ex. 32; Pellerin Rebuttal at 4, SBC TX Ex. 33 & 34).
14	[CLEC Coalition] 35 [MCI] GT&C 14 [CJP] 25	[SBC Texas] May CLECs control the manner in which SBC Texas operates its network by requiring SBC Texas to negotiate changes to technical guides referenced in the ICA? [CLEC Coalition] Should CLEC be bound by a document to which it has not consented?	[CLEC Coalition] 46.1	The Commission adopts SBC-Texas's language. The Commission finds that the technical publications and references that SBC-Texas addresses in this DPL are industry standard publications. The cost of obtaining these publications is a cost of doing business. The CLECs' argument regarding the cost of these publications is not persuasive. 46.1 Whenever any provision of this Agreement refers to a technical reference, technical publication, CLEC Practice, SBC-Texas Practice, any publication of Telecommunications industry administrative or technical standards, or any other document specifically incorporated into this Agreement, it will be deemed to be a reference to the most recent version or edition (including any amendments, supplements, addenda, or successors) of each document that is in effect, and will include the most recent version or edition (including any amendments, supplements, addenda, or successors) of each document incorporated by reference in such a technical reference, technical publication, CLEC Practice, SBC-Texas Practice, or publication of industry standards.

142