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Southern States & National
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Vice President

APR 29 1996

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April 24, 1996

Mr. Donald W. McLeod
Vice President
Regulatory and Government Affairs - East
Local Competition/Interconnection Program Office
HQE01E63
P. O. Box 152092
Irving, Texas 75015-2092

Dear Mr. McLeod,

I want to confirm the results of the Executive Negotiation meeting which we held in Berkley Heights, New Jersey on April 18, 1996. While we made progress on some organizational and process matters with regard to the negotiations, I am very concerned about the lack of progress with regard to the substance of the negotiations. As we discussed during our meeting, over 25% percent of the time for negotiation has passed and we are not any closer to resolution of the issues regarding services resale, with the discussions of unbundled elements yet to begin.

With regard to procedures, we agreed to use an issue screening process to classify issues. The categories are:

1. Falls within Sections 251 and/or 252
2. Best handled at national or state negotiation level
3. Is a policy/business issue

We also agreed that the designation of an issue in the screening process is to facilitate the quick resolution of issues and would not be binding with regard to whether an issue is under Sections 251 and/or 252 of the Telecommunications Act of 1996. You advised us that John Peterson would be the national lead negotiator for GTE and would work with Gary Rall regarding national negotiations and issue screening. It was agreed to quickly frame any issues that have not been resolved by our negotiation teams and to escalate them to our executive team for resolution.

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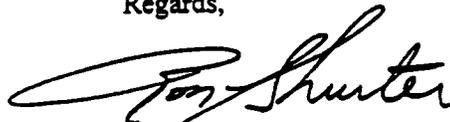
We would also like to receive a more detailed explanation of which items in the 14 point checklist GTE believes do not apply to all incumbent local exchange carriers under Section 251 and 252. As a part of that explanation, please include a discussion for the basis for that position under the Act. It remains AT&T's position that all of the items contained in the 14 point checklist are also applicable to GTE. AT&T understands that GTE can provide long-distance services today.

We agreed to hold an executive conference call on May 1, 1996 from 10 a.m. EDT to 12 noon EDT which I will arrange. I propose that we discuss the following:

1. Review Statement of Position on Electronic Interfaces
2. Review Statement of Position on Letter of Authorization
3. Agree on screening decision of the two major issues identified on April 18, 1996
4. GTE status on AT&T requests for services for resale and interconnection agreements
5. Frame agenda for May 7, 1996 meeting

It was agreed that our next full executive meeting will be held in Irving on May 7, 1996 beginning at 8:30 a.m. ending at 3:30 p.m. We will arrive at your lobby at 8:15 a.m.

Regards,



R. H. Shurter
Southern States & National Local
Infrastructure & Access Management

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