

Mr. Michael B. Esstman
GTE Corporation
May 28, 1996

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ATTACHMENT A

Telecommunications Act of 1996

AT&T Requirements Presented at
April 2, 1996 Meeting

AGBR 000106

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Telecommunications ACT of 1996

AT&T and GTE Negotiations Kick-off Meeting April 2nd 1996

- Structure
- Scope of Negotiations and Key Issues Discussion
- Schedule
- Next Steps



Building on the California "Head Start"

• 1996 Telcom Bill Requires Negotiations



- Deploy Empowered National Negotiating Teams
(AT&T Account Representation)
- Reach Agreement Through Negotiation building on Industry and Regulatory work already completed
- Reach Agreement as soon as possible
- Begin System Interface And Process Design/Implementation
Work As Quickly As Possible In Support Of Agreements Reached



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Telecommunications Act of 1996 Joint Executive Team

	Team	Roles
<u>AT&T</u> Reed Harrison Ron Shurter Joyce Beasley	- VP LIAM and Regional Operations - VP Nationals and Southern Region - Representing Regulatory & Government Affairs - Lead Negotiator and Project Leader	<ul style="list-style-type: none"> • Provide Negotiation Oversight • Establish Tone for Negotiations and Facilitate Agreement Closure
Gary Rall		
<u>GTE</u> Donald McLeod Larry Sparrow Mike Billings	- VP Regulatory & Government Affairs - President Carrier Market - Director-Program Office Project Management	<ul style="list-style-type: none"> • Establish Structure for National Negotiations • Empower Lead Negotiators
Frank Compton	- Director-AT&T National Account Management	• Provide the Final Point for Escalation to Resolve Issues
Meade Seaman	- Director-Local Competition/ Interconnection	
John Peterson	- Manager-National Industry Relations Regulatory & Governmental Affairs	• Ratify Agreements of the Negotiation Team
Dan Bennett	- National Manager - AT&T OMT	

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Uniform Network Issues

- ◆ Agreements & Operating Principles
- ◆ Centralized Operations, Systems & Platforms
 - Electronic Interface
 - Uniform Ordering, Provisioning, & maintenance procedures
- ◆ Database Access Procedures
 - Customer Information Exchange
 - ◆ Pricing Methodology
 - ◆ Performance Metrics



State Specific

- ◆ Retail Services & Features List
- ◆ Pricing Implementation
 - Resale at Wholesale Rates
 - Unbundled BNFs
- ◆ PUC Requirements
 - Taxes, Customer notification etc.



AT&T Requirements

1. LOCAL SERVICES RESALE
 - ALL RETAIL OFFERS AVAILABLE AT WHOLESAL PRICE STRUCTURES THAT REFLECT RETAIL OFFER DISCOUNTS AND VOLUME TAPERS
 - SUPPORTING PROCESSES AND ELECTRONIC INTERFACES THAT ARE EQUAL TO OR BETTER THAN THOSE SUPPORTING GTE'S RETAIL OFFERS
 - ALL END USER CUSTOMER CONTACTS/INTERFACES BRANDED AT&T



AT&T Requirements

2. UNBUNDLED NETWORK ELEMENTS

- LOOP AND SUB-COMPONENTS
- LOCAL AND TANDEM SWITCHING AND FEATURE CAPABILITIES
- ALL SIGNALING CAPABILITIES & TRANSPORT
 - SERVICE CONTROL POINTS & SIGNALING TRANSFER POINTS
 - AIN END-OFFICE TRIGGERS
- FACILITIES TRANSPORT AND TRUNKING



AT&T Requirements

2. UNBUNDLED NETWORK ELEMENTS (Cont.)

- OTHER RELATED SERVICE CAPABILITIES
(E.G. OPERATOR SERVICES, 911/E911, DIRECTORY SERVICES, ET AL)
 - Price each element distinctly
 - Prices set at TSLRIC and be commercially viable
 - Supporting processes and electronic interfaces
 - AT&T branding of end user elements and no branding of other elements.

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AT&T Requirements

3. DIALING PARITY
 - LOCAL TOLL PRESUBSCRIPTION IN ALL STATES COMPLETED BY A DATE CERTAIN FOR EACH STATE
 - ACCESS TO TELEPHONE NUMBERS, OS, DA AND LISTINGS
 - ABILITY FOR END USER TO RETAIN TELEPHONE NUMBER
 - LRN NUMBER PORTABILITY SOLUTION AVAILABLE AT DATE CERTAIN

4. ACCESS TO POLES, DUCTS, CONDUIT AND RIGHT OF WAY
 - PRICES OF THESE ELEMENTS AT TSLRIC
 - ACCESS TO PRINTS, DATABASES AND OTHER ENGINEERING DOCUMENTS AS REQUIRED

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AT&T Requirements

5. COLLOCATION

- **PHYSICAL COLLOCATION PREFERRED**
 - Dual entrance facilities
 - No equipment restrictions
 - Hubbing to AT&T network
 - 24 X 7 access to equipment
- **IF VIRTUAL ARRANGEMENT IS REQUIRED - (no CO space)**
 - Require remote access to equipment
- **FLOOR SPACE SET AT TSLIRC PRICING**



AT&T Requirements

6. OTHER ITEMS TO DISCUSS (not an all inclusive list)
- **TIMELY NOTIFICATION AND ACCESS TO ALL FUTURE GTE RETAIL OFFERS FOR RESALE AND NETWORK TECHNICAL ADVANCES FOR UNBUNDLED NETWORK ELEMENT OFFERS**
 - **NOTIFICATION OF CHANGES TO ALL NETWORK INTERFACES**
 - **EFFICIENT DISPUTE RESOLUTION MECHANISMS DEFINED**

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Operational Interfaces

- For effective Local Competition, local service resellers must be able to provide features and functionality to customers which are at least at parity with Incumbent Local Exchange Carriers (LEC's)

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TSR Operational Interfaces

Process	Data Needed	Timeliness
Pre Service Order	SAG, Service/Feature Availability	Real-Time Electronic Bonding
Pre Service Order	Telephone Number Assignment	Real-Time Electronic Bonding
Pre Service Order	Installation and Repair Scheduling	Real-Time Electronic Bonding
Service Ordering	Service Order Edits	Edits/ Acknowledgmnent in seconds, Completion within 1 day (EDI)
Service Ordering	Rejects/ Completion	Rejects immediately as discovered, Completion in real time

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TSR Operational Interfaces

Process	Data Needed	Timeliness	Data Format
Maintenance	LEC Network Affecting Events	Real-Time Electronic Bonding	Transaction
Maintenance	Loop Test	Real-Time Electronic Bonding	Transaction
Maintenance	Dispatch Scheduling	Real-Time Electronic Bonding	Transaction
Billing Usage	Recorded Messages	Daily -NDM	AMA/EMR Standard
CARE	CARE Records	As needed	CARE 960 Byte Standard

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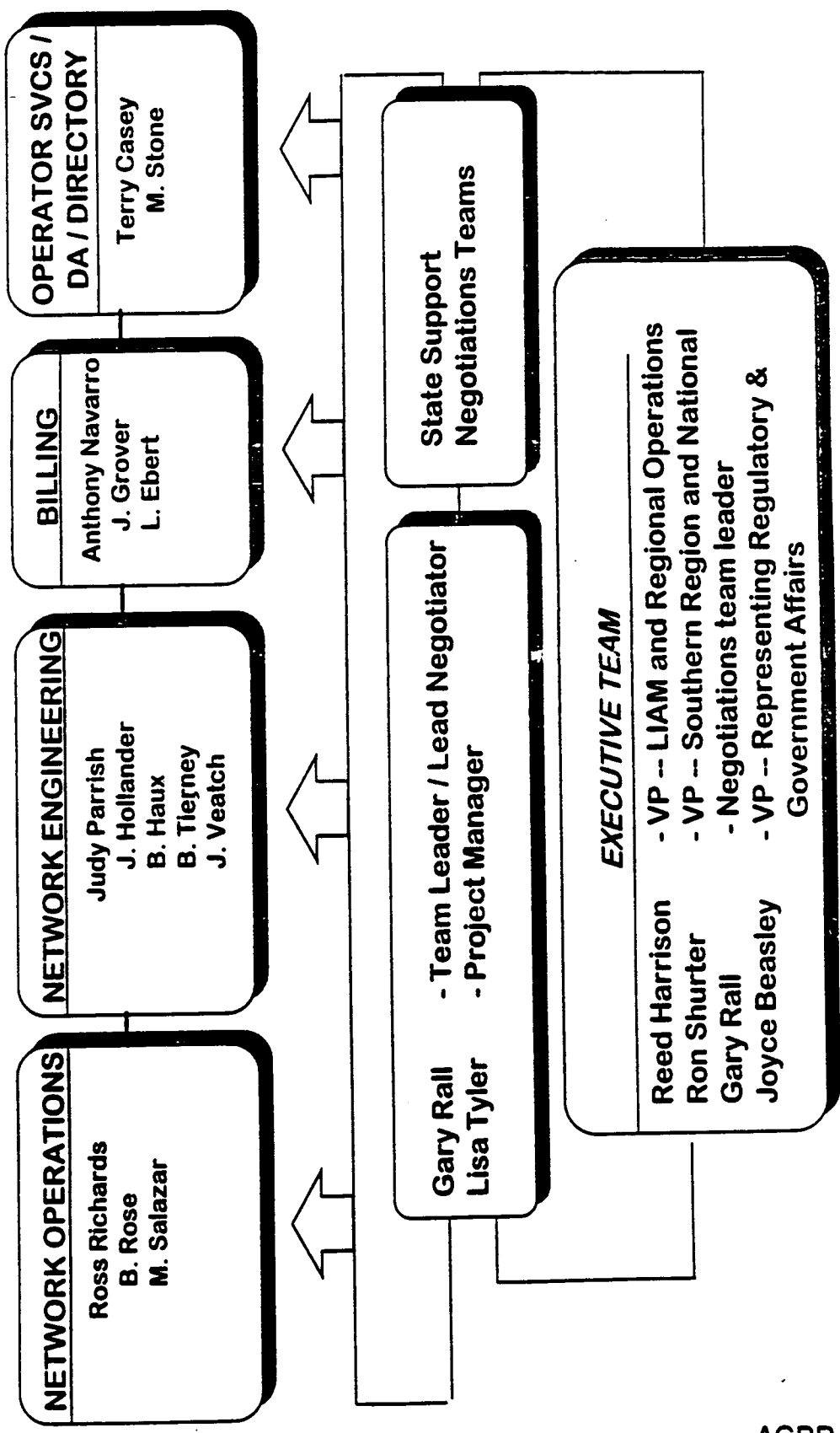
Unbundled Network Elements

- ◆ Network Interface Device
- ◆ Loop Distribution
- ◆ Loop Concentration/Multiplexer
- ◆ Loop Feeder
- ◆ Local Switching
- ◆ Operator Services
- ◆ Directory Assistance
- ◆ Common Transport
- ◆ Dedicated Transport
- ◆ Data Switching
- ◆ Operations Support Systems
- ◆ Digital Cross-Connection Systems
- ◆ SS7 Message Transfer & Connect Control
- ◆ Signaling Link Transport
- ◆ SCPs/Databases
- ◆ Tandem Switching
- ◆ Advanced Intelligent Network Elements
 - EO switch triggers
 - SCP
 - SMS
 - SCE
- ◆ Any Other Feasible Elements

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AT&T Negotiating Team Structure



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Timeline for Negotiations

TIMELINE FOR NEGOTIATIONS

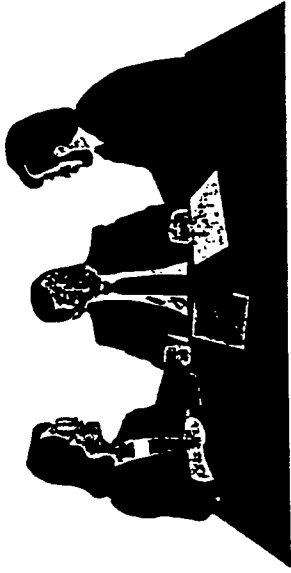
3/12/96 AT&T REQUEST TO NEGOTIATE RECEIVED BY GTE	3/13/96 DAY ONE	7/25 thru 8/19/96 REACH NEGOTIATED AGREEMENT OR FILE FOR ARBITRATION	11/17/96 PERIOD FOR STATE REVIEW OF NEGOTIATED AGREEMENT ENDS (assuming that agreement was submitted on 8/20)	12/12/96 PERIOD FOR ARBITRATION ENDS	1/12/97 PERIOD FOR STATE REVIEW OF ARBITRATED AGREEMENT ENDS (assuming that agreement was submitted on 12/13)
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Next Steps



- **Next Meeting: April 3, 1996**
 - Map out electronic process flows
 - Technical feasibility of Operator Services Platform
- **Week of April 8, 1996**
 - Begin interconnection discussions
- **Executive Team Meetings**
 - Bi-weekly meetings \leftrightarrow Face-to-Face Conference Calls
 - Conference calls as needed with 48 hour notice



The following slides provided as backup.

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Competitive Checklist

AT&T Requirements*

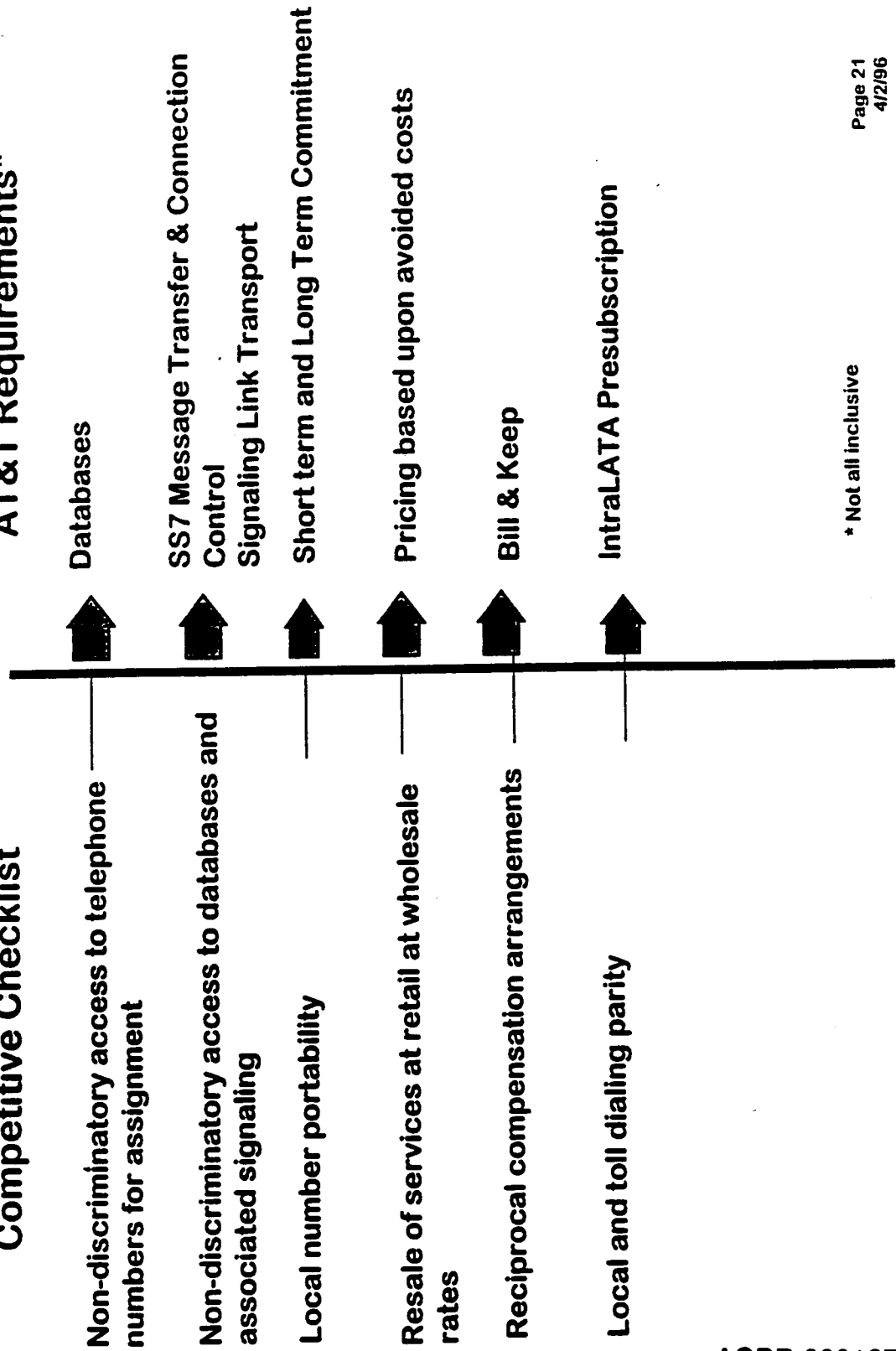


* Not all inclusive



Competitive Checklist

AT&T Requirements*



* Not all inclusive



CHECKLIST

1. Interconnection
2. Non-discriminatory access to local network elements (unbundling)
3. Non-discriminatory access to rights of way (poles, ducts, conduits)
4. Local loop transmission from the central office to the customer's premises, unbundled from local switching or other services
5. Local transport from the trunk side of a wireline local exchange carrier switch unbundled from switching and other services
6. Local switching unbundled from transport, local loop transmission, or other services
7. Non-discriminatory access to 911 and E911, directory assistance services, and operator call completion services.
8. Directory listings for customers of the other carrier's telephone exchange service.
9. Non-discriminatory access to telephone numbers for assignment to the other carrier's telephone exchange service customers
10. Non-discriminatory access to databases and associated signaling necessary for call routing and completion.
11. Number portability
12. Dialing parity
13. Reciprocal compensation arrangements
14. Resale

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The Federal Legislation States:

The agreement shall include a detailed schedule of itemized charges for interconnection and each service or network element included in the agreement.

The agreement, including any Interconnection agreement negotiated before the date of enactment of the Telecommunications Act of 1996, shall be submitted to the State commission under subsection (e) of this section.

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Resale The Federal Legislation Requires:

(4) RESALE. --The duty__

(A) to offer for resale at wholesale rates any telecommunications service that the carrier provides at retail to subscribers who are not telecommunications carriers; and

(B) not to prohibit and not to impose unreasonable or discriminatory conditions or limitations on, the resale of such telecommunications service, except that a State Commission may, consistent with regulations prescribed by the Commission under this section,, prohibit a Reseller that obtains at wholesale rates a telecommunications service that is available at retail only to a category of subscribers from offering such service to a different category of subscribers.

-SEC.251.(C)(4)

(duty of the incumbent LEC)

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**Resale
The Federal Legislation Requires:**

(d) PRICING STANDARDS.--

(3) WHOLESALER PRICES FOR TELECOMMUNICATIONS SERVICES.--

For the purposes of section 2.5.1(C)(4), a State Commission shall determine wholesale rates on the basis of retail rates charged to subscribers for the telecommunications service requested, excluding the portion thereof attributable to any marketing, billing, collection, and other costs that will be avoided by the local exchange carrier.

-SEC.2.5.2(D)(3)

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Unbundling The Federal Legislation Requires:

(3) UNBUNDLED ACCESS.-- The duty to provide to any requesting telecommunications carrier for the provision of a telecommunications service, nondiscriminatory access to network elements on an unbundled basis at any technically feasible point on rates, terms, and conditions that are just, reasonable, and nondiscriminatory in accordance with the terms and conditions of the agreement and the requirements of this section 252.

An incumbent local exchange carrier shall provide such unbundled network elements in a manner that allows requesting carriers to combine such elements in order to provide such telecommunications service.

-SEC.2.5.1(C)(3)

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Unbundling The Federal Legislation Requires:

(d) PRICING STANDARDS.--

(1) INTERCONNECTION AND NETWORK ELEMENT CHARGES.--

Determination by a State commission of the just and reasonable rate for the interconnection of facilities and equipment for purposes of subsection (C)(2) of section 251, and the just and reasonable rate for network elements for purposes of subsection (C)(3) of such section--

(A) shall be--

- (i) based on the cost (determined without reference to rate of return or other rate-based proceeding) of providing the interconnection or network element (whichever is applicable), and
- (ii) nondiscriminatory, and (B) may include a reasonable profit

-Section. 252.(d)(1)

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