

**Attachment 14**

**AT&T/GTE Pricing Agreement**

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Attachment 14

AT&T/GTE Pricing Agreement

**Local Service Resale**

The prices charged to AT&T for Local Service shall be calculated using the avoided cost discount applicable in the State determined on the basis of the retail rate 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 GTE, as further specified in Appendix 1 to this Attachment 14.

The prices shall be GTE's retail rates applicable on the Effective Date, less the applicable discount. If GTE reduces or increases its retail rates after AT&T executes this Agreement, the applicable discount shall be applied to the reduced or increased retail rates. To the extent GTE offers package or volume discounts, AT&T may purchase the service at the lower of the wholesale price (full rate minus the wholesale discount) or the package/volume discount price.

**Non-recurring Charges for OUTPLOC**

GTE will charge five dollars (\$5) per "switch as requested" to switch a customer from GTE to AT&T service until electronic interfaces are fully operational, at which time GTE will charge the same rate as it charges for PIC changes.

**Unbundled Network Elements**

The prices charged to AT&T for Network Elements shall be as further specified in Appendix 2 to this Attachment 14. These rates will be interim rates, subject to adjustment when the Commission is able to conduct a thorough examination of the costing issues in a proceeding conducted with the benefit of full discovery.

**Collocation**

On an interim basis, the collocation prices under this Agreement shall be the prices set forth in GTE's expanded interstate tariff, the current rates for which are shown on Appendix 3. Such interim rates shall be replaced by rates established by the Commission based on TELRIC and shall be specified in an amendment to this Agreement replacing Appendix 3 to this Attachment 14.

If GTE's expanded interstate tariff does not set forth a pertinent price, the applicable price will be the price set forth in Appendix 3A, provided the pricing in Appendix 3A does not duplicate charges already covered in a different category of tariffed rates.

AT&T will pay the charges for Collocation upon receipt of an itemized invoice from GTE. GTE will provide AT&T with an itemized invoice of all charges on a per LSO basis.

Extraordinary costs may only be billed to AT&T if such costs have been authorized by AT&T. GTE must advise AT&T if extraordinary costs will be incurred within ten (10) business days of AT&T's request for space. Otherwise, AT&T will not be responsible for such costs.

Extraordinary costs do not include costs associated with maintenance and upkeep of the building.

### Interconnection Services

GTE will make interconnection arrangements available at all tandem switching and end office switching locations. At the discretion of AT&T, local interconnection may be accomplished via one-way local trunks, or two way local trunks, or AT&T may choose to deliver both local and toll traffic over the same trunk group(s). With respect to the latter scenario, AT&T will have to provide an available Percent Local Usage (PLU) to facilitate billing if it desires application of the local interconnection rate.

**Interconnection is comprised of transport and termination. Pricing for all elements of interconnection shall be based on forward looking economic cost. The parties agree that compensation for transport and termination shall be handled using the bill and keep method until further order of the Commission. Upon such order, prices and terms for Interconnection Services shall be specified in an amendment to this Agreement replacing Appendix 4 to this Attachment 14.**

### **Other**

Prices and terms for local number portability, E911/911 and pole attachments, conduit and rights-of-way services are specified in Appendix 5, Appendix 6 and Appendix 7 to this Attachment 14, respectively.

### **Pricing Renegotiation**

**Thirty-six months after the effective date of this Agreement, the pricing set forth in this Attachment 14 may be renegotiated at the request of either party. Such request shall be made in writing and negotiations shall commence within ten (10) business days after such notice is received by the non-requesting party. The parties shall thereafter negotiate in good faith for sixty calendar days. If the parties have not reached an agreement regarding pricing by the end of such sixty day period, either party may request resolution of the pricing renegotiation by arbitration pursuant to Attachment 1 of this Agreement. Any new agreement on pricing shall take effect on the earlier of (i) the date an agreement on pricing is reached between the parties or (ii), in the event of an arbitrated resolution, the date established by the arbitrator, but in no event earlier than the thirty-seventh month after the effective date of this Agreement. The parties agree that the pricing principles set forth in the Act shall apply to any pricing renegotiation under this Agreement.**

**Appendix 1 - Local Service Resale**

**Beginning with the Effective Date of this Agreement, Resale Services will be priced in accordance with the standards and prices described below.**

**The wholesale rates for Local Service Resale will be calculated based upon the discounts described in Annex 1. Such discounts will be applied against the Retail Rates for each GTE Retail Offering.**

**"Retail Rates" are the effective rates a GTE retail customer would have paid GTE under the Retail Offering selected by AT&T, taking into consideration all applicable discounts, including, but not limited to, volume, term and time of day.**

**A "Retail Offering" is an individual contract or retail rate element, or package of retail rate elements, which GTE offers to its retail customers, including, but not limited, to Grandfathered Services.**

**Nonrecurring "change" or "record" charges, rather than service establishment charges, shall apply for the conversion of existing Customers of GTE services, received either directly from GTE or through another reseller, to AT&T local service.**

**Appendix 1 - Annex 1 - Schedule of Wholesale Discounts**

**Washington**

|  |  |
|--|--|
| <b>Basic Local Service (Residence &amp; Business)</b>                          | <b>18.8%</b>                                 |
| <b>Line Charge</b>   | <b>18.8%</b>                                 |
| <b>Usage Charge</b>  | <b>18.8%</b>                                 |
| <b>Features</b>  | <b>18.8%</b>                                 |
| <b>Listing Charges</b>   | <b>18.8%</b>                                 |
| <b>Non-recurring Charges</b>   | <b>18.8%</b>                                 |
| <b>Toll Service</b>  | <b>18.8%</b>                                 |
| <b>Operator Services</b>   | <b>18.8%</b>                                 |
| <b>Directory Assistance</b>  | <b>18.8%</b>                                 |
| <b>Business Trunk and Service Arrangements</b>                                 | <b>18.8%</b>                                 |
| <b>ISDN Services</b>   | <b>18.8%</b>                                 |
| <b>CENTRANET Services</b>  | <b>18.8%</b>                                 |
| <b>Private Line Services</b>   | <b>18.8%</b>                                 |
| <b>Inbound/Outbound Services</b>   | <b>18.8%</b>                                 |
| <b>Promotional Offerings (90 days or more)</b>                                 | <b>18.8%</b>                                 |
| <b>Promotional Offerings (less than 90 days)</b>                               | <b>Not subject to<br/>wholesale discount</b> |
| <b>Services for disabled persons (including free directory<br/>assistance)</b> | <b>Not subject to<br/>wholesale discount</b> |
| <b>All Other Services not specifically identified above</b>                    | <b>18.8%%</b>                                |

## Appendix 1 - Annex 2 - Summary of Wholesale Charges

This Annex refers to contract charges only

### Local Services-Residence and Business.

**Line Charges:** These services should include but not be limited to the exchange line charges, by rate area within the jurisdiction. The price structure should encompass flat rates, measured rate service, one and/or two-party lines and any other subcategory that pertains to that jurisdiction. Line prices that reflect usage for such services as call-packs, extended area service, community calling would be included in this category.

**Usage Charges:** Includes all usage not captured in the line charge, such as messages or minutes in excess of any limited calling-plan.

**Features:** Custom calling features and advanced custom calling features as designed to be compatible with single and multi-line residence and business customer exchange lines. Custom calling features would include month and pay per attempt charges. Associated feature discounts for quantity or other marketing bundles would also be included. (Central office features that support CENTRANET and private line services would be included with each specific service category.)

**Listings:** All forms of directory listings for both local and toll services. Prices for customer listing options such as bold type, dual name, business name and custom advertising for the white and yellow pages are included.

**Non-recurring charges:** Charges associated with the installation, addition, changing or moving of service and equipment for local service.

**Toll Services:** Charges for any service that has been ordered by the Commission to be open to intraLATA presubscription whether charged on a per minute of use or other basis. This includes the non-recurring and listing charges associated with installation or record affecting work for toll service or toll usage plans and for listings, advertising and associated services in the 800 service directory.

**Operator Services:** Charges associated with, but not limited to, obtaining operator assistance for call placement, busy-line verification and interruption, time and weather and, if priced as such, DA call completion.

**Directory Assistance Services:** Charges associated with the use of directory assistance operators in obtaining local telephone numbers.

**Business Trunks and Service Arrangements:** Charges associated with PBX trunk arrangements for single and multi-line customers. Included are line and usage charges, features and service arrangements for direct inward (and/or outward) dialing.

**ISDN Services:** Charges associated with Integrated Services Digital Network Service for residence and business customers for the transmission of voice, data and packet switched signals.

**CENTRANET Services:** Charges associated with the provision and use of central office based private branch exchange services using equipment located on the premises owned or leased or controlled by GTE and connected by local loops to the premises of the customer or an authorized user.

**Private Line Services:** Charges associated with the provision and use of dedicated facilities between two or more customer locations.

**Inbound/Outbound Services:** Charges associated with the provision and use of WATS 800 (inbound) and Wide Area Telephone service (outbound) and other like services.

**End User Access Services:** Charges associated with the provision and use of common and dedicated facilities to provide access service to end user customers.



## **Appendix 2 - Prices for Unbundled Network Elements**

**Beginning with the Effective Date of this Agreement, Network Elements and Combinations will be priced in accordance with the standards and prices described in this Appendix 2.**

**The prices listed in this Appendix 2 are interim prices, subject to further order of the Commission. However, the prices listed in this Appendix 2 will remain in effect for three years (Initial Contract Period) unless amended pursuant to pricing orders applicable to Network Elements and Combinations provided by GTE to AT&T in the State. At the end of the initial contract period, the agreement will automatically renew for an additional two year term, unless one party gives 90 days written notice of a wish to terminate. Upon the giving of such written notice by a Party, the Parties agree to renegotiate any or all of the prices, subject to the then applicable pricing standards established by the FCC and/or the Commission. If the Parties are unable to agree upon revised prices within sixty (60) days of the request to terminate, a Party may invoke the Dispute resolution procedures of Attachment 1. Until such time as the revised prices are agreed to, or established by the decision of the Arbitrator in the dispute resolution procedure, the prices described in this Appendix 2 will continue to remain in effect.**

**Appendix 2 - Annex 1**

**WASHINGTON**

| <b>Network Element</b>                              | <b>Price<br/>(Unbundled Network Elements)</b>            |
|---|--|
| <b>Network Interface Device</b>                     | <b>\$0.62 per line per month</b>                         |
| <b>Loop Distribution</b>                            | <b>\$8.11 per line per month</b>                         |
| <b>Loop Concentrator/Multiplexer</b>                | <b>\$2.37 per line per month</b>                         |
| <b>Loop Feeder</b>                                  | <b>\$2.71 per line per month</b>                         |
| <b>Aggregated Loop</b>                              | <b>\$13.82 per line per month</b>                        |
| <b>Local Switching (LEC switch):<br/>Port Usage</b> | <b>\$1.29 per line per month<br/>\$0.0030 per minute</b> |
| <b>Dedicated Transport</b>                          | <b>\$3.87 per DSO per month</b>                          |
| <b>Common Transport</b>                             | <b>\$0.00064 per minute per leg</b>                      |
| <b>Tandem Switching</b>                             | <b>\$0.0064 per minute</b>                               |

<sup>1</sup> Prices include non-recurring charges. Derived from results of the Hatfield Model.

<sup>2</sup> All switch features including Custom and CLASS.



|  |   |
|--|---|
| <b>Signaling Links</b>                                     | <b>\$27.38 per link per month</b>                 |
| <b>Signal Transfer Points</b>                              | <b>\$.00021 per message</b>                       |
| <b>Service Control Points/Databases</b>                    | <b>\$0.00111 per message</b>                      |
| <b>Operational Interfaces:<br/>Gateway<br/>Utilization</b> | <b>Each Party pays own cost<br/>TSLRIC/TELRIC</b> |

**Appendix 3 - Prices for Collocation**

|                             | <b>NON<br/>RECURRING<br/>CHARGE</b> | <b>MONTHLY<br/>RECURRING<br/>CHARGE</b> |
|-----------------------------|-------------------------------------|---|
| <b>PHYSICAL COLLOCATION</b> |                                     |   |
| ENG FEE                     | \$4.998                             |   |
| OFFICE ARR/CAGES            | \$5.103                             |   |
| BLD MOD COMP                | \$28.840                            | N.A.                                    |
| BLD MOD MODR                | \$22.620                            | N.A.                                    |
| BLD MOD SIMP                | \$16.460                            | N.A.                                    |
| CABLE PULL                  | \$1.454                             | \$29.53                                 |
| DC POWER                    | \$4.375                             | \$413                                   |
| PARTITION SPACE             |                                     | \$2.63                                  |
| CABLE SPACE                 |                                     | N.A.                                    |
| DS0 CROSS CON               |                                     | N.A.                                    |
| DS1 CROSS CON               |                                     | N.A.                                    |
| DS3 CROSS CON               |                                     | N.A.                                    |
| INTERCN CABLE               |                                     | N.A.                                    |

|                            | <b>NON<br/>RECURRING<br/>CHARGE</b> | <b>MONTHLY<br/>RECURRING<br/>CHARGE</b> |
|----------------------------|-------------------------------------|---|
| <b>VIRTUAL COLLOCATION</b> |                                     |   |
| <b>ENGINEERING</b>         |                                     |   |
| OC3 per base module        | \$4.752                             |   |
| OC12 per base module       | \$5.425                             |   |
| OC48 per base module       | \$7.009                             |   |
| DS3 CARD per card          | \$533                               |   |
| DS1 CARD per card          | \$259                               |   |
| POWER EQUIP                | N.A.                                | N.A.                                    |
| MAINTENANCE                |                                     | N.A.                                    |
| DS0 CROSS CON              |                                     | N.A.                                    |
| DS1 CROSS CON              |                                     | N.A.                                    |
| DS3 CROSS CON              |                                     | N.A.                                    |

N.A. means "not available," because GTE's tariff does not break down the referenced items in the form or by the designation shown in the chart.

Note: Reference GTE's F.C.C. Tariff, GTOC #1, Section 17, for additional rate elements.

Source: GTOC #1 - WA

**Appendix 3A - Alternate Prices for Collocation**

|                  | <b>NON<br/>RECURRING<br/>CHARGE</b> | <b>MONTHLY<br/>RECURRING<br/>CHARGE</b> |
|------------------|-------------------------------------|---|
| <b>PHYSICAL</b>  |                                     |   |
| ENG FEE          | \$3.500                             |   |
| OFFICE ARR/CAGES | \$8.334                             |   |
| BLD MOD COMP     | \$8.480                             | \$319.93                                |
| BLD MOD MODR     | \$6.628                             | \$250.06                                |
| BLD MOD SIMP     | \$4.555                             | \$181.07                                |
| CABLE PULL       | \$1.474                             |   |
| DC POWER         |                                     | \$7.85                                  |
| PARTITION SPACE  |                                     | \$2.46                                  |
| CABLE SPACE      |                                     | \$54.32                                 |
| DS0 CROSS CON    |                                     | \$0.98                                  |
| DS1 CROSS CON    |                                     | \$3.68                                  |
| DS3 CROSS CON    |                                     | \$31.93                                 |
| INTERCN CABLE    |                                     | \$0.30                                  |

|                | <b>NON<br/>RECURRING<br/>CHARGE</b> | <b>MONTHLY<br/>RECURRING<br/>CHARGE</b> |
|----------------|-------------------------------------|---|
| <b>VIRTUAL</b> |                                     |   |
| 90 MBPS        | \$4.079                             |   |
| OC3            | \$4.752                             |   |
| OC12           | \$5.425                             |   |
| OC48           | \$7.009                             |   |
| DS3 CARD       | \$533                               |   |
| DS1 CARD       | \$259                               |   |
| POWER EQUIP    | \$2.078                             | \$184.99                                |
| MAINTENANCE    |                                     | \$211.96                                |
| DS0 CROSS CON  |                                     | \$0.98                                  |
| DS1 CROSS CON  |                                     | \$3.68                                  |
| DS3 CROSS CON  |                                     | \$31.93                                 |

## **Appendix 4 - Reciprocal Compensation**

**[Reserved]**

### **Appendix 5 - Prices for Local Number Portability**

**GTE and AT&T will provide interim number portability to the other at such Party's tariffed rate, which the parties acknowledge will be equivalent to such Party's TSLRIC.**



### **Appendix 6 - Prices for E911/911 Services**

**The prices listed in this Appendix are not subject to change for the first three (3) Contract Years of this Agreement ("Initial Contract Period"). Upon expiration of the Initial Contract Period, upon written notice by a Party, the Parties agree to renegotiate any or all of the prices, subject to the then applicable pricing standards established by the FCC and/or the state regulatory commission. A Party may deliver only one request to renegotiate during a Contract Year. If the Parties are unable to agree upon revised prices within sixty (60) days of the request to renegotiate, a Party may invoke the Dispute resolution procedures in Attachment 1. Until such time as the revised prices are agreed to, or established by the decision of the Arbitrator in the dispute resolution procedure, the prices described in this Appendix will continue to remain in effect.**

**[To be provided following review of GTE cost data]**

## **Appendix 7 - Rights-of-Way, Conduits, Ducts, and Pole Attachments**

**The prices which AT&T shall pay GTE for access to GTE's Rights of Way, Conduits and Pole Attachments shall be as reflected in the applicable state tariff or, if no such state tariff exists, the applicable federal tariff. If such prices are not reflected in the state or federal tariff, AT&T will be charged a cost-based, nondiscriminatory rate, on the same terms and conditions as GTE applies to itself and subject to the requirements of this Agreement. AT&T shall pay GTE for the cost of all "make ready" work necessary to prepare a right of way, duct, conduit or attachment for AT&T's use, including rental fees and administrative expenses associated therewith. GTE and AT&T shall agree on a verifiable mechanism or process to ensure that AT&T is properly charged for such work and that, where necessary, costs are allocated and prorated in a nondiscriminatory and competitively neutral manner in accordance with methodology approved by the FCC or the Commission.**

**If GTE advises AT&T that a route is available and subsequently it is determined that a portion of the route is not available, then AT&T will not be required to pay for any work performed by GTE with respect to such route and any prepaid amounts will be refunded to AT&T.**

**All costs associated with the provision of Rights-of-Way, Conduit and Pole Attachments will be assessed in a competitively neutral, nondiscriminatory and proportional manner on all providers of competitive services (including GTE's retail operations and any of its affiliates). Any costs for unusable space should be proportionately allocated based on each carrier's share of useable space upon the methodology adopted by the FCC or the Commission, as applicable.**

**When AT&T places a request with GTE for work to be performed for AT&T in connection with Rights of Way, Conduit and Pole Attachments, GTE shall submit to AT&T a detailed estimate for such work as soon as practicable after the receipt of the request. GTE shall not commence work on the request until it receives prior authorization from AT&T. All invoices submitted by GTE shall include a detailed itemization of all work covered thereunder.**