



April 30, 1996

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Mr. Gary Rall
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AT&T
4480 Willow Road Rm 110
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Dear Gary:

As we approach the Executive Negotiating Team conference call on May 1, 1996, I want to communicate my understanding of the status of action items that we are jointly pursuing. At the April 18 meeting, GTE obtained a copy of the Local Resale and Interconnection/Unbundling matrices. These matrices include approximately 500 "requirements" that AT&T is requesting.

Our review of the matrices reveals numerous issues in which both companies have had extensive discussions and have already reached concurrence. For the issues that have not been resolved, we are hopeful that we can make substantive progress in our Subject Matter Expert (SME) calls and meetings that will occur over the next several weeks. There are other issues, particularly in the area of interconnection and unbundling, where AT&T's specific requests were not available to GTE until the matrix was shared on April 18. Since that time, GTE has undertaken an extensive internal evaluation to review AT&T's request. Our objective is to complete our evaluation of the interconnection and unbundling issues by our next Executive Negotiating Team meeting on May 7.

Since the April 18 meeting, we have scheduled and/or conducted SME level meetings to address the following issues:

1. Interconnection/Unbundling (April 23)
2. Security Issues (April 25)
3. Access to Rights-of-Way (April 30)
4. Billing for Resale (GTE has populated the matrix and shared our position/status on April 30.) A face-to-face meeting is scheduled for May 6.
5. Electronic Interface (Meeting scheduled for May 7)
6. Unbundling/Interconnection (Per our discussion on the April 23 call, GTE has committed to evaluate the AT&T request and be prepared to respond within 2 weeks -May 7.)

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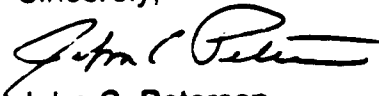
As our SMEs continue to meet with greater frequency, it is important to clearly identify the specific issues to be addressed in the various meetings. This will facilitate having the right people at the meetings and will ensure the most productive utilization of everyone's time. To that end, we concur in using the Local Resale and Interconnection/Unbundling matrices as a master list for identifying SME meeting agenda items.

In our April 18, 1996, executive meeting we discussed a process to escalate issues that cannot be resolved at the SME level. Should any of our SME groups reach an impasse on a specific issue, it was agreed that the issue should be escalated to the two of us for resolution. We agreed to use the form developed by AT&T (included as an attachment in your April 16, 1996, letter to Mr. Meade C. Seaman) to facilitate discussion of issues that are escalated beyond the SME level. To that end, I'm awaiting flow charts from AT&T on the preorder/order processes that AT&T is recommending and AT&T's position on the Blanket LOA and "AS IS" proposals in the agreed to format.

In order to jointly review Statements of Position on Electronic Interfaces and Letter of Authorization as outlined in Ron Shurter's proposed agenda, I believe it would be helpful if we would share our respective written positions prior to the meeting.

GTE will make every effort to fulfill the duties and obligations set forth in the Telecommunications Act of 1996. To that end, we look forward to positive and productive negotiations in the coming weeks.

Sincerely,



John C. Peterson
Lead Negotiator - AT&T
Local Competition/Interconnection Program Office

JCP:mlh

c: M. C. Seaman - HQE01G49 - Irving, TX

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