

Donald W. McLeod  
Vice President-Local  
Competition/Interconnection



GTE Telephone  
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May 1, 1996

R.H. Shurter  
AT&T Southern States & National  
Local Access & Infrastructure Management  
Vice President  
Room 4EC101  
One Oak Way  
Berkeley Heights, NJ 07922

Dear Mr. Shurter:

I have reviewed your letter of April 24 summarizing the results of our Executive Negotiation meeting of April 18. In general, I concur with your assessment of outcomes of the meeting. However, I would like to clarify several items as we approach our conference call today.

First, I share your concern about our ability to close on over 500 issues and have a successful launch. This is why an issue screening process is so important, so we can focus our energies on the issues of greatest priority. As you stated in our meeting, the 80/20 rule needs to be invoked with an eye on separating 251/252 issues from other business issues. However, your letter misrepresents GTE's position relative to moving these negotiations forward. On no occasion has GTE stated we lack the resources to move negotiations forward. Rather, what we have said is that we need to focus attention on the most critical issues, clearly identify the specific issues to be addressed in the various meetings, and have an agreed to process for quickly reaching closure on issues so we both make the best possible use of our resources.

I appreciate your inclusion of the one page discussion of AT&T's views on the use of customer information with regard to the blanket Letter of Authorization (LOA) and transfer "as is" proposals. At our last meeting, Gary Rail agreed to provide GTE with a flowchart of AT&T's view of the preorder/order process supported by a written statement of position on the blanket LOA and "as is" proposals. We have not yet received the flowchart to facilitate our complete review of the AT&T position but we are in a position to share our legal view of the blanket LOA and "as is" proposal as they relate to CPNI considerations.

Related to services available for resale, your letter stated GTE has declined to specify those services it believes are not subject to resale other than voice mail. Again, I believe this is a misstatement. At the April 18 meeting, GTE presented a prepared presentation outlining GTE's response to AT&T's request for interconnection. John Peterson left a copy of the presentation with you. The presentation outlines GTE's view of items not subject to resale which is a restatement of positions GTE has previously taken with AT&T.

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- 1) Non-Telcom services—this category includes enhanced services such as voice mail and non-telcom services such as inside wire installation and maintenance;
- 2) Offerings that are not services—this category includes promotional offerings, discounted calling plans, and packaged offerings, which are marketing packages rather than services;
- 3) Existing wholesale services such as access services; and
- 4) Retail price floor—The Telecommunications Act of 1996 (Act) allows incumbent LECs to establish rates to recover the cost of providing service. It is GTE's position that retail services offered today that are demonstrably below cost should not be subject to Section 251(c)(4) resale requirements.

GTE provided to AT&T copies of all existing interconnection agreements, including any agreements negotiated before the date of enactment of the Act at our last meeting. I can only assume that your additional request is for copies of co-carrier agreements between LECs negotiated prior to the Act. GTE is not required under the Act to make available any contractual agreements with other LECs unless the applicable state commission under the Act has the authority and the requirement to approve such agreements (i.e., if they are agreements between competing LECs). Only three interconnection agreements have been reached under the authority of the Act and have been filed with state commissions for approval as required by the Act. I hope this clarifies the GTE position.

The 14-point checklist in Section 271(c)(2)(B) is only applicable to the RBOCs. Although, the requirements of Section 251(c), which are applicable to GTE, may already cover most of the items in the 14-point checklist, the important point is that GTE or any other incumbent LEC may negotiate agreements with ALECs that do not comply with all the requirements of Section 251.

Ron, as I was reviewing correspondence exchanged between us, I need help from you to understand the discussion in your April 11, 1996, letter related issues regarding unreasonable discrimination. Perhaps you could address this in today's conference call or in our upcoming meeting on May 7, 1996, in Irving.

Your agenda for our call today is acceptable and I look forward to a productive session.

Sincerely,

  
Donald W. McLeod  
Vice President-Local  
Competition/Interconnection

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