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June 3, 1996

Mr. Michael B. Esstman
Executive Vice President
GTE Corporation
HQE04819
600 Hidden Ridge
Irving, TX 75015

Dear Mike:

This will follow on my letter of last week. I enclose a listing of principal TSR issues that are ready-for-closure. I have not included unbundling or other interconnection issues that may be less suited to the very near-term (June 14) closure we contemplate for TSR. I will separately report to you on those unbundling and other matters, and urge your assistance in moving them to closure as well.

For the TSR issues described in the attachment, we need real commitments and real movement toward implementation on the part of GTE. And we need that in very specific terms and very specific time frames. We need what we have not to date been able to secure at the SME, Core Team and Executive Team levels in our organizations.

There appear to be legal and/or policy positions that GTE has communicated in the course of our negotiations (e.g., on blanket letters of authorization; on the provision of advance notification to AT&T on new tariffed services and price changes; and on AT&T branding where GTE acts as AT&T's agent for the delivery of resold features and services).

Those positions have, in my view, frustrated progress on business resolution of outstanding issues. I would therefore ask that you reconsider GTE's position on these issues, and confirm your ability to accommodate AT&T's requests as we presented them to you. If this is not something you feel you can or want to accomplish for GTE, I would appreciate your confirming that to me.

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In this latter context, moreover, I want to emphasize, Mike, that whether you accommodate AT&T's requests or leave such matters for resolution in the judicial or administrative arenas, we have to move forward on implementation planning – that gets us timely into local markets either under your approach or ours (depending upon the judicial or administrative resolution). I emphasize the need for GTE to be ready to implement either result – in all these areas. We need in brief confirmation and commitment now by GTE regarding its ability and readiness to proceed in either instance.

Please don't hesitate to contact me on any or all of the matters identified in the attachment; or on any other issues connected with our efforts to achieve a timely and as-complete-as-possible agreement covering the rights and requirements of AT&T under the 1996 Act.

A handwritten signature in black ink, appearing to read "R. Reed Harrison III". The signature is written in a cursive style and is positioned above a horizontal line.

R. Reed Harrison III
Vice President -
Local Infrastructure & Access Management
Regional Operations

Attachment

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<p>COLUMN 1 TOTAL SERVICE RESALE (TSR) GETTING INTO BUSINESS BY 4Q96 1. What does AT&T have to sell? a. What services can AT&T offer</p> <p>b. What is the price</p> <p>c. What is the service quality</p> <p>d. What are the added service attributes?</p> <p>e. How does AT&T keep current on new services and price changes?</p>	<p>COLUMN 2 AT&T'S IMMEDIATE NEEDS</p> <p>a. List of available features & services</p> <p>b. Wholesale price levels</p> <p>c. Levels of performance (DMOQs)</p> <p>d. White page listing</p> <p>e. Advanced notification of new svcs. & prices</p>	<p>COLUMN 3 GTE REQUIRED ACTIONS THAT AT&T BELIEVES CAN & MUST BE COMPLETED WITHIN 2 WEEKS (BY 6/14/96)</p> <p>a. - Provide electronically, list of all retail features & services by 6/7. - Clearly specify any specific features, services or technologies that are excluded from re-sale and the impact by # of customers and revenue (by LSO) by 6/14</p> <p>- Agree to features & services available for resale by 6/14</p> <p>b. - Provide by state data required for calculation of avoided cost & inefficiencies by 6/5 - Work with AT&T SME team to finalize the model used to calculate avoided costs & inefficiencies by 6/14.</p>	<p>COLUMN 4 POLICY DECISIONS TO BE MADE BY GTE</p> <p>e. - GTE's position is to provide notification only as legally required per tariffs. This translates into a practical notification which would vary state to state and could provide a notification to AT&T as short as 24 hrs. AT&T wants an agreement for advance notification of 45 days or more for all new tariffed services and price changes to allow for concurrent AT&T market entry at parity with GTE.</p>
<p>2. How does AT&T take a customer's service request?</p> <p>a. How does AT&T get a telephone #</p> <p>b. How does AT&T know the customer's specific location</p> <p>c. What feature & function are available in the serving office</p>	<p>a. Real-time access to GTE database (Interim Solution)</p> <p>b. Real-time access to GTE database</p> <p>c. Real-time access to GTE database</p>	<p>a through c.</p> <p>- Complete the pre-ordering process flows with the blanket LOA approach assuming GTE changes its current policy position. If no change in policy, additionally complete the process flows for procedures without a blanket LOA by 6/14.</p> <p>- GTE's current position of providing fax or e-mail does not meet AT&T's minimum requirements. GTE should provide an electronic interface proposal for pre-ordering by 6/14.</p>	<p>a through c.</p> <p>- GTE's position is that they will not provide access to customer information based upon industry practice for customer blanket LOA for legal reasons. AT&T wants an agreement on a blanket letter of authorization to provide AT&T access to customer information to initiate, tender bill, and collect for AT&T customer's telecommunications services.</p> <p>- GTE's position is not to provide "change as is" ordering process for the business reason that there will be few if any customers that meet this requirement. AT&T needs agreement on "change as is" order process to convert features and functions currently associated within end-user's current record when the end-users authorizes AT&T to change their service (in total) into AT&T local services. AT&T believes that there will be a substantial number of customers that can best be served by the "change as is" process and that GTE not supporting this is a barrier to market entry.</p>
<p>3. How does AT&T provision customer service Requests?</p> <p>a. How does AT&T make sure the customer knows it is my service</p> <p>b. How does AT&T place, in real-time, cost effective fashion, a service order</p> <p>c. What is the date that AT&T commit to the customer</p> <p>d. What is the status of completion of service order</p>	<p>a. AT&T Branding</p> <p>b. Real-time access to GTE database</p> <p>c. Real-time access to GTE database</p> <p>d. Real-time access to GTE database</p>	<p>a. GTE should provide AT&T a proposal on how they plan to brand AT&T services by 6/14/96.</p> <p>b, c & d. Having agreed to utilize Network Data Mover (NDM) as a transport medium: - Size resources required to implement solution by 6/7 - Document systems requirements by 6/14 - Develop project plan, and commit resources for implementation (to include coding, testing, & ORT by 7/15) by 6/14</p>	<p>a. GTE's does not agree on branding of AT&T services during customer contact for order provisioning and installation processes. AT&T requires an agreement on AT&T Branding where GTE acts as AT&T's agent for the delivery of re-sold features and services</p>

<p>COLUMN 1 TOTAL SERVICE RESALE (TSR) GETTING INTO BUSINESS BY 4Q96</p>	<p>COLUMN 2 AT&T'S IMMEDIATE NEEDS</p>	<p>COLUMN 3 GTE REQUIRED ACTIONS THAT AT&T BELIEVES CAN & MUST BE COMPLETED WITHIN 2 WEEKS (BY 6/14/96)</p>	<p>COLUMN 4 POLICY DECISIONS TO BE MADE BY GTE</p>
<p>4. How does AT&T provide operator services for AT&T customers? a. How does AT&T provide operator and dir. assistance with AT&T operators b. How does AT&T provide operator and dir. assistance with GTE operators</p>	<p>a. Real-time routing (0 & 411) calls to AT&T call centers b. AT&T Branding</p>	<p>a. GTE should commit to provide a Technical Impl. plan by 6/14 to: - Route AT&T re-sold customer calls dialing 0-0-1+(from coin phone) to the AT&T operator platform - Route AT&T re-sold customer calls dialing 411 to the AT&T operator platform</p>	<p>a. GTE's position is that operator services is part of the TSR service and therefore would not be separate, thus there is no need to route to AT&T operators. AT&T plans to provide its own operator services and believes this is separable from TSR services. Also, AT&T believes this is an avoided cost for TSR %, discount. AT&T requires an agreement to support this position.</p>
<p>5. How does AT&T maintain service for existing customers? a. How does AT&T handle customer trouble requests b. How does AT&T process technician trouble tickets c. How does AT&T know the status of trouble tickets d. How does AT&T make sure its customers know that the services are AT&T's?</p>	<p>a. Real-time access to GTE database b. Problem is fixed on time under AT&T brand c. Real-time access to GTE database d. AT&T branding</p>	<p>d. GTE should provide a proposal on the processes and procedures to represent AT&T service to AT&T customers by 6/14.</p>	<p>d. GTE's position is to not AT&T brand maintenance services. AT&T requires that GTE represent their activities to AT&T's customers on AT&T's behalf, as service provided by AT&T. If the customer is not home, AT&T requires an AT&T door hanger be placed by GTE.</p>