



131 Morristown Rd.
Basking Ridge, NJ 07920
908 204-8200 Main
FAX: 908 204-8740 Main

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June 25, 1996

Mr. Meade Seaman
Director - Local Interconnection Program Office
GTE Telephone Operations
600 Hidden Ridge
Irving, TX 75015

Dear Meade,

On our June 6th Conference call, AT&T described our approach in developing estimates of the TSLRIC price ceiling for unbundled network elements and interconnection services.

AT&T uses The Hatfield model and public information made available from the FCC and industry publications as its basic input data to our rate per line and per month cost summaries for each Basic Network Function (BNF).

In order to be able to make a meaningful analysis / comparison of the GTE's unbundled rate elements proposal we are requesting data consistent with the Hatfield model output report.

As we agreed to share studies, attached are three state runs performed for GTE in Florida, Texas, and California using the Hatfield model. To insure clarity, all the requested data have been underlined in the attached report and outlined below.

Unit cost per month within each density zone for the following network elements, as defined in AT&T's May 16th comments regarding the Interconnection NPRM.

- Loop Elements (page 19)
 - Distribution, Concentration, Feeder
- End Office Switching (pages 20 - 21)
 - Port, Usage
- Signaling (page 23)
 - Links, STP, SCP
- Transport (page 22)
 - Dedicated, Common, Tandem
- Operator Systems (page 26)

We are still looking forward to receiving your unbundled network element cost studies, as they were due June 18th., as well as your unbundled network elements pricing proposal due June 25th.

AGBR 000906
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Do not hesitate to call me at (908) 953-4604 with any questions or concerns.



Brenda Kahn
District Manager,
Local Infrastructure & Access Management

AGBR 000907

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Unit Cost by Network Element

California GTE

1. Loop elements

	0 - 5 Mhml/2	6 - 200 Mhml/2	200 - 600 Mhml/2	600 - 850 Mhml/2	850 - 2050 Mhml/2	> 2050 Mhml/2	Totals
Loop Distribution							
Annual Cost	\$ 6,260,429	\$ 20,776,288	\$ 21,034,488	\$ 9,186,392	\$ 81,004,868	\$ 84,482,268	\$ 232,716,893
Units	14,815	176,228	280,844	146,480	1,397,014	1,816,107	3,830,288
Unit Cost/month	\$ 35.81	\$ 9.28	\$ 6.24	\$ 6.31	\$ 4.93	\$ 4.33	\$ 6.06
Loop Concentration							
Annual Cost	\$ 1,821,233	\$ 6,403,078	\$ 11,072,241	\$ 4,484,331	\$ 23,190,166	\$ 18,846,243	\$ 65,890,282
Units	14,815	176,228	280,844	146,480	1,397,014	1,816,107	3,830,288
Unit Cost/month	\$ 8.67	\$ 4.00	\$ 3.28	\$ 2.54	\$ 1.38	\$ 0.78	\$ 1.43
Loop Feeder							
Annual Cost	\$ 464,724	\$ 832,480	\$ 846,612	\$ 677,034	\$ 11,872,878	\$ 18,091,896	\$ 32,476,023
Units	14,815	176,228	280,844	146,480	1,397,014	1,816,107	3,830,288
Unit Cost/month	\$ 2.59	\$ 0.40	\$ 0.28	\$ 0.33	\$ 0.70	\$ 0.93	\$ 0.71
Total Loop							
Annual Cost	\$ 9,266,386	\$ 30,014,827	\$ 32,863,221	\$ 14,206,768	\$ 116,997,611	\$ 129,489,199	\$ 330,787,998
Units	14,815	176,228	280,844	146,480	1,397,014	1,816,107	3,830,288
Unit Cost/month	\$ 47.08	\$ 14.27	\$ 9.78	\$ 8.08	\$ 6.91	\$ 6.84	\$ 7.20
Total lines	14,815	176,228	280,844	146,480	1,397,014	1,816,107	3,830,288
Total lines served by DLC	14,811	168,781	223,843	90,726	446,424	313,881	1,288,178

Annual Cost Units Unit Cost

2. office switching

1. Port	\$ 185,867,561						
2. Usage	\$ 48,780,288	3,883,846 switched lines					
	\$ 116,177,282	51,691,040,616 minutes					
grading network elements	\$ 10,133,283						
links	\$ 86,710	link					
SIP	\$ 7,262,781	39,805,028,660 TCAP + ISUP messages					
SCP	\$ 2,783,782	7,762,146,000 TCAP messages					

3. transport network elements

1. Dedicated	\$ 59,878,308	388,438 trunks					
	\$ 34,826,730	233,096					
	\$ 24,852,678	168,343					
2. Common	\$ 1,867,186	4,802,197,928 minutes					
3. Tandem switch	\$ 1,807,685	4,048,660,738 minutes					
operator systems	\$ 968,040	n/a					
total	\$ 638,385,221						
total wholesale cost per switched line	\$ 12.10						
C. Access Unit Cost per minute	\$ 0.00274						

4. inter-office systems

1. Dedicated	\$ 12.45	per DS-O equivalent/month					
2. Common	\$ 0.00124	per minute					
3. Tandem switch	\$ 0.00220	per minute per leg (orig or term)					
operator systems	\$ 0.0005	per minute					
total	\$ 10.044	trk-minute					

total wholesale cost per switched line
C. Access Unit Cost per minute

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Gtec 531

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Intrastate Toll DEBts
Interstate Toll DEBts

13,163,699,000
8,602,340,000

186,224 trunks

Common Transport MOU
Local
Intrastate Toll
Interstate Toll

348,990,125
2,632,789,000
1,820,469,000
4,902,197,928

Direct routed MOU
Local
Intrastate toll
Interstate toll

17,100,816,107
8,266,479,000
3,640,936,000
20,206,831,707

Intrastate IntraLATA Calls
Interstate IntraLATA Calls

1,003,809,000
1,026,417,000
2,120,616,000

51.56% SOCC message counts
48.42%

Calculation of ED Usage

Local DEBts
Intraoffice Local DEBts

40,200,487,000
22,799,690,788

63.6% of total DEBts

Intraoffice Local Actual Min
Intraoffice Local Actual Min
Interstate Toll Actual Min
Interstate Toll Actual Min

11,378,486,264
17,449,508,222 per end
13,163,699,000
8,602,340,000
51,891,040,616

Dedicated Transport MOU
Local
IntraLATA Toll
InterLATA Toll

6,724,753,116
3,385,210,623
16,976,617,753
26,096,581,493

Tandem Switch MOU
Local
IntraLATA Toll
InterLATA Toll

174,495,062
878,042,125
3,186,123,561

Dedicated Trunk-SW

233,096

GTE OF FLORIDA

Florida GTE FLORIDA INC

Unit Cost by Network Element

A. Loop elements

	0 - 6 M/min	6 - 200 M/min	200 - 660 M/min	660 - 860 M/min	860 - 2860 M/min	> 2860 M/min	Totals
Loop Distribution							
Annual Cost	\$ 925,477	\$ 16,872,438	\$ 22,467,783	\$ 7,064,796	\$ 73,373,960	\$ 20,781,758	\$ 143,216,821
Units	2,264	162,002	289,700	107,168	1,227,608	387,873	2,166,333
Unit Cost/month	\$ 33.82	\$ 10.18	\$ 6.48	\$ 6.52	\$ 4.98	\$ 4.47	\$ 5.81
Loop Concentration							
Annual Cost	\$ 227,098	\$ 7,107,822	\$ 11,612,641	\$ 3,135,042	\$ 26,487,333	\$ 6,084,841	\$ 57,884,477
Units	2,264	162,002	289,700	107,168	1,227,608	387,873	2,166,333
Unit Cost/month	\$ 8.26	\$ 3.80	\$ 3.34	\$ 2.44	\$ 2.00	\$ 1.31	\$ 2.22
Loop Feeder							
Annual Cost	\$ 43,448	\$ 578,233	\$ 708,888	\$ 386,324	\$ 7,478,787	\$ 2,878,833	\$ 12,185,281
Units	2,264	162,002	289,700	107,168	1,227,608	387,873	2,166,333
Unit Cost/month	\$ 1.88	\$ 0.32	\$ 0.20	\$ 0.31	\$ 0.51	\$ 0.64	\$ 0.47
Total Loop							
Annual Cost	\$ 1,196,023	\$ 26,260,194	\$ 34,778,021	\$ 10,625,160	\$ 110,360,660	\$ 29,865,531	\$ 213,006,889
Units	2,264	162,002	289,700	107,168	1,227,608	387,873	2,166,333
Unit Cost/month	\$ 43.45	\$ 14.40	\$ 10.00	\$ 8.28	\$ 7.48	\$ 6.42	\$ 8.20
Total lines	2,264	162,002	289,700	107,168	1,227,608	387,873	2,166,333
Total lines served by DLC	2,293	149,631	244,282	86,471	611,869	123,888	1,188,616

	Annual Cost	Units	Unit Cost
End office switching	\$ 86,036,408		
1. Port	\$ 28,810,823	1,986,138 switched line	\$ 1.21 per line/month
2. Usage	\$ 67,225,486	30,377,489,180 minutes	\$ 0.0022 per minute
Signaling network elements	\$ 4,806,741		
links	\$ 45,023	link	\$ 18.38 per link per month
STP	\$ 3,276,484	18,789,196,278 TCAP + ISUP message	\$ 0.00017 per message
SCP	\$ 1,283,264	1,414,681,000 TCAP message	\$ 0.00081 per message
Transport network elements			
1. Dedicated	\$ 49,174,137	327,039 trunks	\$ 12.83 per DS-0 equivalent/month
Switched	\$ 22,076,708	146,844	
Special	\$ 27,084,428	180,186	
2. Common	\$ 5,328,228	2,678,078,020 minutes	\$ 0.00126 per minute
3. Tandem switch	\$ 1,189,876	2,508,783,888 minutes	\$ 0.000206 per minute per leg (avg or term)
Operator systems	\$ 4,505,188	n/a	\$ 0.0005 per minute
Total	\$ 383,262,077		\$ 10.044 link-min/mo
Total worldwide cost per switched line	\$ 13.81		
DLC Access Unit Cost per minute	\$ 0.00360		

\$15.58

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Gtaspl12

Module date: 6/24/88

GTE OF FLORIDA

Local DBMs	24,817,463,805		
InterOffice Local DBMs	13,371,633,333		
InterOffice Local Actual Min	6,685,764,668		
InterOffice Local Actual Min	11,448,930,473	per end	
Interstate Toll Actual Min	3,747,125,748		
Interstate Toll Actual Min	8,466,872,303		
Interstate Toll Actual Min	30,377,486,180		
Tandem Switch MOU			
Local	114,459,305		
InterLATA Toll	53,855,817		
InterLATA Toll	2,341,448,776		
67.0% of total DBMs			
Dedicated Transport MOU			
Local			6,722,865,236
InterLATA Toll			269,279,098
InterLATA Toll			11,707,243,878
			17,889,488,201
Dedicated Trunk-SW			148,844

Unit Cost by work Element

A. Loop elements

Texas GTE SOUTHWEST INC - TX

	0 - 6 Mh/m2	9 - 300 Mh/m2	200 - 660 Mh/m2	660 - 860 Mh/m2	860 - 2660 Mh/m2	> 2660 Mh/m2	Totals
Loop Distribution							
Annual Cost	52,676,484	96,833,813	26,086,229	7,470,288	47,186,601	12,286,871	234,218,145
Units	111,193	607,448	288,601	87,931	606,230	178,364	1,778,747
Unit Cost/month	39.41	14.23	8.10	7.09	8.90	6.74	10.97
Loop Concentration							
Annual Cost	12,186,366	23,662,078	6,261,748	1,210,345	8,964,038	2,066,434	64,282,008
Units	111,193	607,448	288,601	87,931	606,230	178,364	1,778,747
Unit Cost/month	9.11	3.87	1.82	1.16	1.24	0.97	2.64
Loop Feeder							
Annual Cost	2,292,700	3,042,810	2,177,062	661,636	6,083,180	2,041,842	18,299,730
Units	111,193	607,448	288,601	87,931	606,230	178,364	1,778,747
Unit Cost/month	1.72	0.60	0.63	0.62	0.84	0.86	0.76
Total Loop							
Annual Cost	67,026,529	113,238,602	36,526,027	9,332,149	62,282,829	16,413,748	204,809,884
Units	111,193	607,448	288,601	87,931	606,230	178,364	1,778,747
Unit Cost/month	60.24	18.60	10.66	8.84	9.57	7.97	14.28
Total lines	111,193	607,448	288,601	87,931	606,230	178,364	1,778,747
Total lines served by DLC	111,193	447,067	113,307	21,608	183,608	38,163	886,023

	Annual Cost	Units	Unit Cost
End office switching			
1. Port	112,897,841		
2. Usage	33,809,352	1,634,517 switched lines	1.72 per line/month
	78,889,489	18,828,898,878 minutes	0.0043 per minute
Signaling network elements			
links	47,074,028		
links	603,787	link	42.68 per link per month
STP	45,448,166	15,938,493,717 TCAP +ISUP messages	0.00285 per message
SCP	1,122,106	1,072,286,200 TCAP messages	0.00106 per message
Transport network elements			
1. Dedicated			
Switched	38,873,877	242,811 trunks	13.38 per DS-O equivalent/month
Special	16,823,543	98,582	
	23,160,433	144,228	
2. Common	9,337,572	2,077,690,692 minutes	0.00438 per minute per leg (avg or term)
3. Tandem switch	10,663,483	1,901,316,904 minutes	0.0056 per minute
Inv	4,600,093	n/a	
Operator systems			
Total	521,097,927		10,044 int-min/line
Total wholesale cost per switched line	24.48		
INC Access Unit Cost per minute	0.00828		

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