

Donald W. McL
Vice President-Local
Competition/Interconnection



GTE Telephone
Operations

June 5, 1996

HQE01E63
600 Hidden Ridge
P.O. Box 152092
Irving, TX 75015-2092
214/718-6330
FAX: 214/718-1279

Mr. R. Reed Harrison III
Vice President
AT&T
Local Infrastructure & Access Management
Room 4ED103
One Oak Way
Berkeley Heights, N. J. 07922

Dear Mr. Harrison:

In accordance with our conversation yesterday, this letter constitutes a letter of agreement between GTE and AT&T relating to certain matters arising out of the ongoing negotiations between GTE and AT&T concerning interconnection, resale and unbundling pursuant to sections 251 and 252 of the Telecommunications Act of 1996 (the "Act").

Over the course of our negotiations pursuant to the Act, GTE and AT&T have reached tentative agreement or "closure" on numerous specific items or requests of AT&T. However, as GTE has indicated all along, many of these so called "closed" items, as well as items still open, are contingent upon GTE and AT&T reaching agreement on the price for these items (for example, services and features available for resale and unbundled network elements) or for cost recovery of expenditures GTE will have to incur to provide certain operational solutions requested by AT&T (for example, both the interim and long-term electronic interfaces).

This letter constitutes the agreement of GTE and AT&T that all such tentatively agreed to items are contingent upon reaching a satisfactory, negotiated agreement as to price and/or cost recovery with respect to such items. Thus if GTE and AT&T are unable to reach agreement on price and/or cost recovery, all such contingent items are "off the table," and do not constitute "agreed to" items for purposes of any subsequent arbitration or litigation regarding GTE's and AT&T's obligations under the Act. Agreed upon items that do not contain a pricing or cost recovery component, such as carrier billing and invoicing and number administration, would be considered closed subject to satisfactory reflection of our agreement in a written contract.

AGBH 000141

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Mr. R. Reed Harrison
June 5, 1996
Page 2

Please indicate your concurrence by signing one copy of this letter in the space indicated below and returning that copy to me at the address listed above.

Very truly yours,



Donald W. McLeod

DWM:sah

c: Connie E. Nicholas - GTE
Meade C. Seaman - GTE
John C. Peterson - GTE
R. H. Shurter - AT&T

Accepted on behalf of AT&T

R. Reed Harrison III
Vice President
Local Infrastructure and Access Management

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000670A



GTE TELEPHONE OPERATIONS

FACSIMILE MESSAGE TO FOLLOW

*Send to
R.H. = none
fax.
Ann*

Date: June 5, 1996

RECEIVER WAITING -- DELIVER PLEASE

Receiver(s)	Fax No./Department	City/State
R. REED HARRISON III Vice President - AT&T	908-771-2219	BERKLEY HEIGHTS, NJ
R.H. SHURTER AT&T	908-771-2851	BERKLEY HEIGHTS, NJ

DONALD W. McLEOD Vice President Sender's Name	LOCAL COMPETITION/ INTERCONNECTION Department
Irving, TX City/State	214-718-6330 Telephone No.
HQEO1E63 Mail Code	Total No. of Pages 3 (including this cover page)

Special Instructions:

RE: ONGOING NEGOTIATIONS BETWEEN GTE AND AT&T

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**IF YOU HAVE PROBLEMS OR QUESTIONS ABOUT THIS FACSIMILE,
PLEASE CALL JULIE TOOMBS AT 214-718-7982. THANK YOU.**

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