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November 5, 1996

VIA HAND DELIVERY

Steve McLellan
Washington Utilities
and Transportation Commission
1300 S. Evergreen Park Drive S.W.
Olympia, WA 98504-7250

Re: Docket No. UT-960309
Final Matrix of Issues

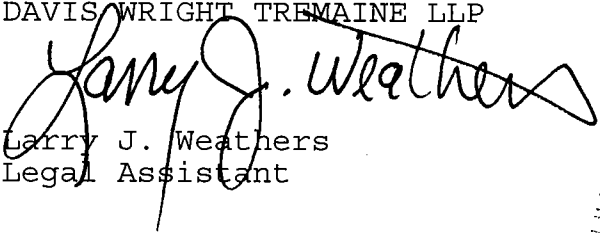
Dear Mr. McLellan:

Enclosed for filing in the above referenced docket are the original, an electronic copy, and six hard copies of the Matrix of Issues and Positions of AT&T and U S WEST. This Matrix was prepared jointly by AT&T and U S WEST and represents their final positions on the issues presented.

Please contact me if you have any questions or require further information.

Sincerely yours,

DAVIS WRIGHT TREMAINE LLP


Larry J. Weathers
Legal Assistant

Enclosures

cc: Simon ffitch
Ed Shaw/Lisa Anderl
Susan Proctor
Dan Waggoner

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COMMISSION

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CERTIFICATE OF SERVICE


Docket No. UT-960309

I hereby certify that on the 5th day of November, 1996, I caused a true and correct copy of **AT&T'S Matrix of Issues and Positions of AT&T and U S WEST**, filed in the above-referenced docket, to be sent via hand delivery, on November 5, 1996, to:

Simon ffitich, Arbitrator
Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Drive S.W.

Ed Shaw/Lisa Anderl
U S WEST Communications, Inc.
P.O. Box 212225
1600 7th Ave., Room 3206
Seattle, WA 98191

DATED this 5th day of November, 1996.


Larry J. Weathers

MATRIX OF ISSUES AND POSITIONS OF AT&T AND U S WEST

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AT&T and U S WEST agree in principle on some issues.
These agreements are subject to consensus on mutually acceptable contract language.
In addition, the positions stated here are subject to continuing negotiations of the parties.

I. INTERCONNECTION AND COLLOCATION

ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
<p>1. Points of Interconnection (Agreed)</p>	<p>Interconnection must be provided at any technically feasible point, 47 C.F.R. § 51.317, and on same terms and conditions U S WEST provides to itself. Order, ¶¶ 218-225.</p> <p>The Order delineates certain minimum technically feasible points of interconnection. Order, ¶ 210.</p>	<p>AT&T requests interconnection at the minimum points identified by the FCC. AT&T Contract, § 9.2.</p> <p>Additional technically feasible points at which interconnection should be permitted should be identified through a bona fide request process.</p>	<p>Interconnection must be provided at any technically feasible point, 47 C.F.R. § 51.317.</p> <p>If new entrant wants higher quality interconnection than U S WEST provides itself, the new entrant must provide compensation for it. Order, ¶ 225.</p>	<p>U S WEST agrees to allow interconnection at the minimum points established by the FCC Order.</p>
<p>1(a). Bona Fide Request (Agreed)</p>		<p>There must be a bona fide request process with strict time lines and the burden on U S WEST to demonstrate technical infeasibility and cost.</p>		<p>U S WEST agrees to a bona fide request process for other points as described in its Contract. USWC Contract § VI.A.2.D and § XVI. U S WEST expects to be compensated for its cost of interconnection.</p>

AT&T and U S WEST agree in principle on some issues. These agreements are subject to consensus on mutually acceptable contract language. In addition, the positions stated here are subject to continuing negotiations of the parties.

ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
2. Ordering Process	<p>A new entrant may select for itself those points in U S WEST's network to which it wishes to interconnect. Order, ¶ 209.</p> <p>New entrants need not give U S WEST information regarding the projected demand for any particular facility. Order, ¶ 288.</p>	<p>There must be a standard ordering process to be followed for each interconnection request. U S WEST should commit now to meeting any request for interconnection within a specific time frame under standard terms and conditions. AT&T has requested a proposal from U S WEST for such a procedure but it has not been provided. AT&T Contract, Att. 5.</p>	<p>A new entrant may select for itself those points in U S WEST's network to which it wishes to interconnect and must compensate U S WEST for the additional costs incurred in providing interconnection at such points. Order, ¶ 209.</p> <p>New entrants need not give U S WEST detailed estimates regarding protected market demand. Order, ¶ 288.</p>	<p>U S WEST and AT&T must negotiate over points of interconnection for traffic termination on a central office by central office basis. No standard ordering procedure is required.</p> <p>The volume and location of services requested under an interconnection agreement must drive the provisioning intervals. The parties must jointly forecast in order for facilities to be available when needed. USWC Contract § V.L and § VI.G.6.</p>
3. U S WEST Points of Interconnection (Agreed)	<p>A new entrant may select for itself those points in U S WEST's network to which it wishes to interconnect. Order, ¶ 209.</p>	<p>U S WEST must provide interconnection at any technically feasible point within U S WEST's network. AT&T Contract, § 9.2, Att. 3, Appendix A, § 1.3.</p>	<p>A new entrant may select for itself those points in U S WEST's network to which it wishes to interconnect and must pay compensation for additional costs caused by such selection. Order ¶ 209.</p>	<p>U S WEST agrees that interconnection will be provided as defined by the Federal rules. See issue No. 1.</p>

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
4. Two-Way Trunking	Two-way trunking requests must be accommodated where technically feasible. Order, ¶ 219.	Two-way trunking is technically feasible and should be permitted. AT&T Contract, Att. 3, Appendix A, §§ 1.1.1 and 1.3.	Two-way trunking requests must be accommodated where technically feasible. Order, ¶ 219.	U S WEST prefers the use of two-way trunking where technically feasible. Different types of traffic (such as toll and local) should be separated onto different trunk groups. USWC Contract §§ VI.G and V.D.
5. Interconnection With U S WEST End Offices (Agreed)	U S WEST must provide any technically feasible method of interconnection. Order, ¶¶ 549-550.	AT&T should be permitted to determine how it will interconnect U S WEST end offices with AT&T switches. AT&T Contract, Att. 3, Appendix A, § 2.4.3.	U S WEST must provide any technically feasible method of interconnection. Order, ¶¶ 549-550.	Direct trunks should be used instead of tandem switching when traffic between a U S WEST end office and an AT&T switch exceeds 512 CCS in the busy hour. USWC Contract § V.D.
6. Types of Collocation (Agreed)	Any requesting carrier may choose any method of technically feasible interconnection or access to unbundled elements. Order, ¶¶ 549-550.	Interconnection should be permitted by means of virtual or physical collocation or mid-span meets. AT&T Contract, Att. 4, § 2.2.1.	Any requesting carrier may choose any method of technically feasible interconnection or access to unbundled elements. Order, ¶¶ 549-50.	U S WEST agrees consistent with the terms of USWC Contract § VII, but expects to be compensated for the costs.
7. Distance Limitations for Mid-Span Meets (Agreed)	Any technically feasible method must be provided. [No distance limitations stated.] Order, ¶ 549. Where technically feasible, U S WEST must modify its network to accommodate interconnection. Order, ¶ 202.	The Act does not permit U S WEST to place a distance limit on mid-span meets.	Any technically feasible method must be provided. Order, ¶ 549. A new entrant seeking a technically feasible, but expensive interconnection must bear the cost of that interconnection, plus a reasonable profit. ¶ 199.	Meet point locations should be negotiated. USWC Contract § VI.B. See also Issue 6.

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
8. Meet Points for Access to Unbundled Elements (Agreed)	Requesting carrier may choose any technically feasible method of access to unbundled elements. Order, ¶ 549. Meet points must be available upon request. Order, ¶ 553.	AT&T supports the FCC Order in this regard.	Requesting carrier may choose any technically feasible method of access to unbundled elements. Meet points must be available upon request and the new entrant must pay "all of the economic costs of a meet point arrangement." Order, ¶ 553.	U S WEST agrees and expects to be compensated for its costs. USWC Contract § VI.B.

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
<p>9. Types of Collocated Equipment</p> <p>(a) Switching</p> <p>(b) DCS (Agreed)</p> <p>(c) Vendors</p>	<p>U S WEST may not limit the collocation of equipment unless it proves that equipment is not necessary. Any equipment that is necessary in the sense that it is "used" or "useful" must be permitted. Order, ¶¶ 579-580.</p> <p>U S WEST has the burden to prove that such equipment is not technically feasible and not "used" or "useful." Order, ¶ 580.</p>	<p>AT&T may collocate the type of equipment it deems necessary, except for large switching equipment such as 5ESS switches. AT&T Contract, Att. 4, § 2.1. AT&T initially requested the ability to place all such equipment in collocated space. In a spirit of compromise, AT&T now limits its request to (a) Remote Switching Units (RSUs) and (b) Digital Cross Connect System (DCS), along with the ability to remotely configure DCS. This equipment is useful in interconnection and should be permitted. AT&T Contract, Att. 4, § 2.2.4. AT&T will agree to not use RSU/RSMs or ORMs for the purpose of bypassing access charges.</p> <p>(c) AT&T must have the ability to select its own vendors for installation and engineering of both virtual and physical collocated equipment.</p>	<p>See § 251(C)(6). U S WEST may not limit the collocation of equipment unless it proves that the interconnection or access to unbundled network elements. Section 251(C)(6) does not require collocation of enhanced services equipment, and collocation of switching equipment is not required. Order, ¶ 581.</p>	<p>(a) Switching equipment is not required to be collocated because it does not meet the "necessary" requirement. See FCC Order, ¶ 581. RSUs are switching equipment that should not be collocated.</p> <p>(b) U S WEST agrees to allow collocation of DCS.</p> <p>(c) If AT&T wants to use an outside vendor for installation, it may do so, but vendor must be on U S WEST's approved list.</p>

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
10. Collocation Premises	Premises at which U S WEST must permit collocation include central offices (COs), wire centers, tandem offices, structures owned or leased by U S WEST, and any structures that house U S WEST network facilities on public rights-of-way. Order, ¶ 573.	As required by the Order, AT&T requests collocation at wire centers, local serving offices (LSOs), central offices (COs), controlled environmental vaults (CEVs), and Environmental Huts. AT&T Contract, Att. 4, § 2.1.	Premises at which U S WEST must permit collocation include central offices (COs), wire centers, tandem offices, structures owned or leased by U S WEST, and any structures that house U S WEST network facilities on public rights-of-way. Order, ¶ 573.	Collocation may take place only in U S WEST central office buildings that house end office and tandem switches. No collocation should be permitted in cable vaults, manholes, cross-connection points, or building closets. USWC Contract § VII.
10(a). Collocation General Terms		There should be no restrictions on cable used for entry into collocated space, e.g., copper, fiber or coaxial. AT&T must have the ability to store spares on U S WEST premises for maintenance and outages. AT&T should be compensated for delays in construction and turnover delays caused by U S WEST.		Entry into collocated space must be on fiber. AT&T may use their physical collocated space to store spares for maintenance and outages.
11. Interconnection With Other Collocators (Agreed)	Collocators must be permitted to interconnect their collocated equipment with other collocators' networks. Order, ¶ 594.	U S WEST shall permit AT&T to interconnect its network and its collocated equipment with the network and equipment of another collocating telecommunications carrier which has space within U S WEST's premises. AT&T Contract, Att. 4, § 2.2.5.	Collocators must be permitted to interconnect their collocated equipment with other collocators' network using incumbent's transmission equipment so long as the collocated equipment is used for interconnection with the incumbent LEC or access to the LEC's unbundled network elements. Order, ¶¶ 594-95.	U S WEST agrees that AT&T may interconnect its collocated equipment with the collocated equipment of other carriers provided it is for the reasons specified in the FCC Rules. See FCC Order, ¶ 594.

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
12. Ordering Procedure for Collocation (Agree in principle; however, contract language differs)	Collocation may be negotiated for central offices, wire centers, tandem offices, and all buildings or structures owned or leased by U S WEST that house network facilities, including public rights-of-way. Order, ¶ 573.	Collocation should be subject to a standard ordering procedure, and should be provided at any location that is technically feasible. AT&T Contract, Att. 5.	Collocation may be negotiated for central offices, wire centers, tandem offices, and all buildings or structures owned or leased by U S WEST that house network facilities, including public rights-of-way. Order, ¶ 573.	Standard procedures for ordering collocation are included in the U S WEST Contract. (See USWC Contract at § VII.E.)
13. Collocation Space (Agreed)	Space for allocation should be allocated on a first-come first-served basis. Order, ¶ 585. If U S WEST claims space exhaustion, it must provide the Commission with detailed floor plans of its premises and identify the space used for various purposes and the steps taken to avoid exhaustion. Order, ¶ 602.	U S WEST must make space available to collocators on a first-come, first-served basis. AT&T Contract, Att. 4, § 2.2.1. Disputes will be resolved through the contract dispute resolution process.	Space for allocation should be allocated on a first-come first-served basis. Order, ¶ 585.	U S WEST agrees, however collocated space may not be smaller than 10' X 10'. Disputes will be resolved through the contract dispute resolution process.

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II. EXTENT OF UNBUNDLING

ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
14. General Extent of Unbundling (Agreed)	See 47 C.F.R. § 51.319.	Unbundling should be required to the full extent provided by the FCC Rules. AT&T Contract, § 37.	See Order, ¶ 27; 47 C.F.R. § 51.319.	U S WEST will provide the unbundled elements listed in the FCC Rules.
15. Local Loop (Agreed)	The local loop includes any loop type used as a transmission facility between a distribution frame or its equivalent in the central office and the Network Interface Device (NID). This includes 2- and 4-wire, digital and analog loop facilities. U S WEST must condition the loop if requested. Order, ¶¶ 380, 382.	AT&T has requested all of the loop types U S WEST is required to provide under the FCC Order.	The local loop includes any loop type used as a transmission facility between a distribution frame or its equivalent in the central office and the Network Interface Device (NID). U S WEST must condition the loop if requested and the new entrant must bear the cost of compensating U S WEST for such conditioning. Order, ¶¶ 380, 382.	U S WEST agrees to provide the loops ordered by the FCC, provided that the new entrant pays the cost of upgrading those loops to whatever the technical specification is.
16. Subloop Unbundling (Agree in principle; however, not agreed re. bona fide process)	The states should determine whether subloop unbundling should be required. Order, ¶ 391.	AT&T will submit a bona fide request for access to subloop elements. (For Bona Fide Process, see Issue 1(a).)	Subloop unbundling is not required due to unrebutted network reliability problems. The states may determine whether subloop unbundling should be required. Order, ¶ 391.	Upon request, U S WEST will negotiate for the provision of additional network elements, including sub-loop unbundling, on a bonafide request basis. USWC Contract § XVI.

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
17. NID Connections (Agreed)	The states must determine whether it is technically feasible for a new entrant to connect its local loops to a U S WEST NID. Order, ¶ 396.	U S WEST should permit AT&T to connect its own loop directly to the U S WEST NID where the U S WEST NID has excess capacity. AT&T Contract, Att. 3, § 5.8. This is technically feasible and will cause no hazard to the U S WEST loop. If there is no excess capacity, U S WEST would be required upgrade the NID to accommodate the needed capacity.	Only NID-to-NID connections are required by the FCC. The states may determine whether it is technically feasible for a new entrant to connect its local loops to a U S WEST NID. Order, ¶ 396.	Under ¶ 392 of the FCC Order, AT&T may connect its loops via its own NID to U S WEST's NID. USWC Contract § VIII.B.6.
18. Local Switching	Local switching includes all vertical features and functionality. Order, ¶ 412.	AT&T should have access to all of the vertical features that the switch is capable of providing and should pay one price for all features. AT&T Contract, Att. 3, § 6.1.1.	Local switching includes all vertical features and functionality. Order, ¶ 412.	U S WEST will make vertical features available, but they must be purchased separately. USWC Contract § VIII.B.5.
19. Advanced Intelligent Network (AIN) Triggers (Agreed)		AT&T initially requested unbundled access to AIN triggers. AT&T now agrees that U S WEST AIN triggers will be provided only to access U S WEST databases. If AT&T requires other access, it will submit a bona fide request.	Access to AIN triggers on an unbundled basis is not required. Order, ¶¶ 501-03.	AIN triggers should not be unbundled. No substantive disagreement at this time.
20. Digital Cross-Connect (Agreed)	U S WEST must provide access to digital cross-connect functionality. Order, ¶ 444.	AT&T has requested access as required by the FCC Order.	U S WEST must provide access to digital cross-connect functionality to the extent provided to interexchange carriers ("IXCs"). Order, ¶¶ 444-45.	U S WEST agrees. USWC Contract § VIII.B.3.

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
21. Packet Switching (Agreed)		AT&T initially requested unbundling of packet switching. In compromise, AT&T has dropped this request. If AT&T later requests unbundled packet switching, it will follow a bona fide request process.	Incumbent LEC's packet switches are not required to be unbundled as a separate network element. Order, ¶ 427.	U S WEST agrees with the FCC Order.
22. Dark Fiber	The states may determine whether dark fiber should be unbundled. Order, ¶ 450. To deny a bona fide request to unbundle a network element (e.g., dark fiber), the LEC must show that the requested unbundling it is not technically feasible. The pricing of unbundled elements should be based on TELRIC. Order, ¶¶ 672, 679. TELRIC pricing will minimize the economic impact for all parties and advance the Act's procompetitive objectives. [Regardless of what element is provided.] Order, ¶ 697.	It is technically feasible to unbundle dark fiber and U S WEST should provide this level of unbundling. AT&T Contract, Att. 4, § 4. The pricing of all elements must be based on TELRIC. AT&T Contract § 41.	The FCC declined to address whether dark fiber should be unbundled. Order, ¶ 450.	U S WEST does not offer dark fiber.
23. SCP Unbundling (Agreed)	The FCC has determined that it is not technically feasible to unbundle the service control point ("SCP") from its associated signaling transfer point ("STP"). Order, ¶ 485.	AT&T initially requested unbundling of the SCP from the STP. In compromise, AT&T has dropped this request.	The FCC has determined that it is not technically feasible to unbundle the service control point ("SCP") from its associated signaling transfer point ("STP"). Order, ¶ 485.	U S WEST agrees with the FCC Order.

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
24. Interconnection With Other Networks (Agreed)	U S WEST must permit AT&T to use U S WEST's SS7 network elements to connect with third party networks. Order, ¶ 483.	U S WEST must permit AT&T to use U S WEST's STP to connect with third party networks. AT&T Contract, Att. 3, §§ 11.2, 14.5.	U S WEST must permit AT&T to use U S WEST's SS7 network elements to connect with third party networks on an STP to STP basis. Order, ¶ 483.	U S WEST does not oppose STP to STP connectivity. USWC Contract § IX.
25. Combinations	U S WEST must combine elements in any manner requested, so long as the combination is technically feasible and will not undermine the ability of other carriers to access unbundled elements or interconnect with U S WEST. Order, ¶¶ 293-96.	AT&T should be permitted to purchase unbundled elements, either individually or in combination, whether or not AT&T provides its own facilities. AT&T Contract, Att. 5, § 2.	The Act contemplates that resale and provision of unbundled elements are separate methods for LECs to provide service. Sham unbundling permits circumvention of this scheme. The Commission should exercise its authority over intrastate services to forbid sham unbundling.	AT&T should not be permitted to recombine unbundled elements, without using any AT&T facilities, where the recombination does nothing more than rebundle all of the U S WEST elements of an existing U S WEST finished service. AT&T may buy the finished service for resale under § 251(C)(4) of the Act. USWC Contract § VIII.A.2.
26. Customized Routing (Agreed)	Customized routing is technically feasible and should be provided as part of the functionality of the local switching element, provided the particular switch is capable of performing customized routing. Order, ¶ 418.	U S WEST must provide customized routing to AT&T's directory assistance and operator services platforms.	Customized routing is technically feasible and should be provided as part of the functionality of the local switching element, provided the particular switch is capable of performing customized routing. Order, ¶ 418.	U S WEST agrees to make customized routing available, except where technically infeasible (e.g., 1A ESS switch limitations).

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III. RESALE

ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
<p>27. Services to Be Made Available</p>	<p>U S WEST has the duty "to offer for resale at wholesale rates any telecommunications services that the carrier provides at retail to subscribers who are not telecommunications carriers." 47 U.S.C. § 251(c)(4); Order, ¶¶ 94-95. These include "below cost" and residential services, grandfathered services and promotional offerings. Order, ¶¶ 950-54, 956, 968.</p>	<p>AT&T agrees that all retail services listed by U S WEST should be made available for resale. In addition, AT&T requests that the following retail telecommunications services be made available for resale: (1) non-tariffed services and (2) deregulated services. AT&T Contract, Att. 2, §§ 1 and 6. U S WEST shall also make available upon request: (3) Lifelink and Link-Up services; (4) relay services; (5) Voice Mail; (6) Pay phone lines and services at parity; (7) AIN features and functions.</p>	<p>U S WEST has the duty "to offer for resale at wholesale rates any telecommunications services that the carrier provides at retail to subscribers who are not telecommunications carriers." 47 U.S.C. § 251(c)(4); Order, ¶¶ 94-95. The FCC interpretation of what services are available for resale is inconsistent with the Act. The Commission should assert its jurisdiction over intrastate services. State commissions, incumbent LECs, and resellers can determine the services that an incumbent LEC must provide at wholesale rates by examining that LEC's retail tariffs. Order, ¶ 872.</p>	<p>U S WEST will make the following services available for resale. Residence basic exchange, Centrex Plus, Oper. Svs., D.A., Optional Calling Plans, Volume Discount Plans, Discounted Feature Packages, Private Line Transport. Negotiated contract arrangements, Business Basic Exchange, PBX Trunks, Frame Relay Service, ISDN, Listings, Features, IntraLATA toll, AIN services and WATS. The following services are not available for resale: (1) nontariffed services, (2) relay services, (3) nontelecom services (voice messaging), (4) Lifeline and Link-Up services.</p>

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
27(a). Features and Functions		<p>U S WEST will provide call types, features and functions to AT&T end-users with no loss of features functionality - including dial tone and ringing; capability to provide dial pulse or touch tone service flat and measured services; speech recognition; 1+intraLATA toll calling; intraLATA calling; international calling; lines and trunks; analogue and digital; private lines - all speeds; off-premise extensions; CENTREX and ISDN. U S WEST will provide a list of features by central office within 10 days of the effective date of this contract; updates to feature list will be available within 45 days of their effective date.</p>		<p>No position at this time. Further research necessary.</p> <p>Private line transport service is already a wholesale service and as such should not be further discounted.</p> <p>Time line unrealistic -- requires complete inventory and reporting of all features and functions by central office.</p>
28. Time Frame for Distinguishing Promotional From Retail Services	<p>Presumption that promotional prices offered for a period of 90 days or less need not be offered at a discount to resellers. Order, ¶ 950.</p> <p>Promotional offerings greater than 90 days in duration must be offered for resale at wholesale rates. <u>Id.</u></p>	<p>AT&T opposes an extension of the time frame established by the FCC. AT&T reserves the right to challenge promotional offerings designed to evade the requirements of the FCC Rules.</p>	<p>Presumption that promotional prices offered for a period of 90 days or less need not be offered at a discount to resellers. Order, ¶ 950.</p> <p>Promotional offerings greater than 90 days in duration must be offered for resale at wholesale rates. <u>Id.</u></p>	<p>The Commission should consider extending the time frame for distinguishing between a promotional offering and a retail service beyond the 90 days provided in the FCC Rules. USWC Contract § X1.A.2.</p>

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
29. Resale Restrictions	Resale restrictions are presumptively unreasonable except for restrictions on reselling residential services to business customers or lifeline services to ineligible end users. Order, ¶¶ 939, 962, 964.	Resale restrictions should be prohibited except for those permitted by the FCC order. AT&T Contract, Att. 2, § 2.3.	Resale restrictions are presumptively unreasonable except for restrictions on reselling residential services to business customers or lifeline services to ineligible end users. Order, ¶¶ 939, 962, 964. The presumption that resale restrictions are unreasonable may be rebutted to the state commission.	Resale restrictions should prohibit any resale of a service other than to the same class of customers eligible to purchase the service from U S WEST. USWC Contract § XI.B.1.
30. Branding (a) Repair and Maintenance (b) Operator services and DA.	U S WEST must provide nondiscriminatory access to operations support systems, including repair and maintenance. Order, ¶ 523. U S WEST must provide access to these functions that is equal in type, quality, and price to the access it provides itself. A.A.C. R14-2-1306(C), (E).	Repair provision and maintenance must also be rebranded to prevent customer confusion. AT&T Contract, § 15. Pursuant to the FCC Order, U S WEST must rebrand operator services and DA.	U S WEST must provide nondiscriminatory access to operations support systems, including repair and maintenance. Order, ¶ 523.	(a) The FCC Order does not require U S WEST to rebrand repair provision and maintenance. USWC Contract § IX.D.5 and IX.G.2. (b) Consistent with the FCC Order, U S WEST will rebrand directory assistance, operator services, and announcements at AT&T's expense.
31. Factors to Consider in Pricing	Non-Cost or policy factors should not be considered in setting wholesale rates. Order, ¶ 914.	Rates should be based on a cost model, such as AT&T's Simplified Avoided Cost Model, which reflects the expenses the FCC identifies as avoidable. AT&T Contract, § 35a.	Non-Cost or policy factors should not be considered in setting wholesale rates. Order, ¶ 914.	Rates for resold services must be set at a level that does not discourage the development of facilities-based competition. USWC Contract § IV.

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
32. Wholesale Rates	<p>"Wholesale rates" must be determined on basis of retail rates charged to subscribers for telecommunications service requested, excluding portion attributable to marketing, billing, collection, and other costs that will be avoided by local exchange carrier. 47 U.S.C. § 252(d)(3).</p>	<p>U S WEST should offer all retail telecommunication services to AT&T without restrictions, at wholesale rates that reflect savings from U S WEST's avoided cost, including marketing, billing, collection, and other retail-specified costs. AT&T Contract, Att. 2, § 2.2.</p>	<p>"Wholesale rates" must be determined on basis of retail rates charged to subscribers for telecommunications service requested, excluding portion attributable to marketing, billing, collection, and other costs that will be avoided by local exchange carrier. 47 U.S.C. § 252(d)(3).</p>	<p>The wholesale discount to be applied to resold services must be calculated by subtracting from the retail rate only those costs that are actually "avoided" when selling at wholesale. USWC Contract § IV.</p>

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
33. The Parties' Avoided Cost Studies	<p>The cost study adopted must reflect the following: The direct costs of serving customers and the costs of call completion and number services are presumptively avoidable. Order, ¶ 917.</p> <p>General support expenses, corporate operations expenses, and telecommunications uncollectibles are presumed avoided in proportion to avoided direct expenses. Order, ¶ 918.</p> <p>Plant-specific and plant non-specific expenses (other than general support expenses) are presumptively not avoidable. Order, ¶ 919.</p>	<p>AT&T's Simplified Avoided Cost Study meets the requirements of the Act and the FCC order. The Commission should adopt the study. AT&T Contract, § 42, Schedule 1.</p>	<p>The cost study adopted must reflect the following: The direct costs of serving customers and the costs of call completion and number services are presumptively avoidable (accounts 6611-6613, 6621-6623). Order, ¶ 917.</p> <p>General support expenses, corporate operations expenses, and telecommunications uncollectibles are presumed avoided in proportion to avoided direct expenses. Order, ¶ 918.</p> <p>These presumptions are rebutted by showing that the costs are still incurred in providing the wholesale service, or that the costs are not included in the retail price of the resold service. Plant-specific and plant non-specific expenses (other than general support expenses) are presumptively not avoidable. Order, ¶ 919.</p>	<p>AT&T's avoidable cost study should not be adopted for the following reasons:</p> <p>The AT&T study overstates the marketing and billing costs that will be avoided;</p> <p>Network expenses will not be avoided by resale;</p> <p>Operator Services and Directory Assistance costs will not be avoided because they are not part of local exchange service. U S WEST's avoided cost studies conform to the Act's requirements. USWC Contract § IV.</p>
34. Cost Studies	<p>States are to make an objective assessment of what costs are reasonably avoidable when a LEC sells its services wholesale. Order, ¶ 911.</p>	<p>U S WEST's cost studies do not reflect the costs it avoids in providing services for resale.</p>	<p>States are to make an objective assessment of what costs are reasonably avoidable when a LEC sells its services wholesale. Order, ¶ 911.</p>	<p>U S WEST's cost studies appropriately calculate the avoided cost. The Commission need not use the FCC proxy discounts. USWC Contract § IV.</p>

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
35. Packages for Resale	U S WEST must establish a wholesale rate for all services that meet the statutory definition of "telecommunications service" - any service offered to the public for a fee. Order, ¶¶ 871, 956.	Any service, including packaged services, which U S WEST makes available for retail must be provided for resale at wholesale rates. AT&T Contract, Att. 2, § 4.	U S WEST must establish a wholesale rate for all services that meet the statutory definition of "telecommunications service" - the offering of "telecommunications" - transmission of information of the user's choosing between points specified by the user, without change in the form or content of the information - to the public for a fee. Order, ¶¶ 871, 956; 47 U.S.C. §§ 253(a); (43)-(46).	Resellers may purchase discounted service packages such as optional calling plans and contracts including volume and term discounts, but should not be granted an avoided cost discount on such packages. USWC Contract § XI.
36. Residential Services for Resale	U S WEST must establish a wholesale rate for all services that meet the statutory definition of "telecommunications service" - any service offered to the public for a fee. Order, ¶¶ 871, 956.	U S WEST must provide residential services at wholesale rates based on avoided cost. AT&T Contract, Att. 2, § 4.	U S WEST must establish a wholesale rate for all services that meet the statutory definition of "telecommunications service" - the offering of "telecommunications" - the transmission of information of the user's choosing between points specified by the user, without change in the form or content of the information - to the public for a fee. Order, ¶¶ 871, 956; 47 U.S.C. §§ 253(a); (43)-(46).	Residential services may be resold, but there should be no avoided cost discount. USWC Contract § XI.

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
37. Service Quality Credits		<p>In its petition, AT&T requested that resold services be discounted to reflect poor service quality and U S WEST's failure to provide electronic interfaces. AT&T has withdrawn this request. AT&T advocates, however, that the Commission adopt appropriate credits if U S WEST fails to comply with the service quality and electronic interface requirements established by the FCC or the Commission. Only in this manner will U S WEST have the incentive to meet these standards. AT&T Contract, § 8.</p>	<p>Service Quality Discounts are prohibited. Order, ¶ 914.</p>	<p>U S WEST has agreed that services must be provided at parity with U S WEST. USWC Contract § XVIII. See also § IV.O.</p> <p>Credit is unreasonable.</p>
38. Deposits	<p>The services to be made available for resale must be offered at wholesale rates which reflect avoidable costs. [Nothing is stated about deposits.] Order, ¶¶ 871, 911.</p>	<p>Requiring resellers to pay a deposit before having access to U S WEST's services for resale would raise the barriers to entry and is thus contrary to the Act.</p>	<p>The FCC Order does not address deposits.</p>	<p>Resellers should pay a deposit to U S WEST consistent with standard industry practice. USWC Contract § XI.G.</p>
39. Construction and Other Additional Charges		<p>U S WEST must not be permitted to impose construction charges or any other costs of compliance with the mandatory resale provisions of the Act which it does not similarly bill its own retail customers.</p>	<p>U S WEST is entitled to recover its costs of resale, interconnection and unbundling in the manner in which they are incurred. Order, ¶ 743.</p>	<p>If U S WEST is required to construct new facilities to provide service to a reseller, the reseller should pay the construction cost up-front. USWC Contract § XVII.</p>

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
40. Customer Information		<p>AT&T needs to be advised of any changes in terms or conditions under which services are offered at retail to subscribers, including introduction or discontinuation of features, functions, services or promotions 45 days prior to their effective date.</p> <p>U S WEST will provide to AT&T all customer usage data recorded by U S WEST for local service and intraLATA toll.</p> <p>U S WEST will recognize AT&T as the customer of record for all local services and will send all notices, bills and other pertinent information directly to AT&T, or as otherwise directed.</p>		<p>U S WEST must not be required to provide notice to its competitors; if required, this must be reciprocal. U S WEST will provide information on AT&T's customers to AT&T.</p>
41. Customer Privacy		<p>U S WEST will safeguard all AT&T customer information according to CPNI privacy guidelines.</p>		

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IV. ELECTRONIC INTERFACES

ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
<p>42. Scope of Interim Interfaces to Be Provided</p>	<p>By January 1, 1997, U S WEST must provide electronic access to its operations support systems for pre-ordering, ordering, provisioning, maintenance and repair, testing and billing under the same terms and conditions that U S WEST provides access to those systems to itself or its customers, Order, ¶¶ 316, 516-28. U S WEST must provide access to these functions that is equal in type, quality, and price to the access it provides itself. These interfaces will be developed in cooperation with AT&T, and will be provided by 1/1/97 or on a mutually agreed upon date.</p>	<p>U S WEST must make pre-ordering, ordering, provisioning, maintenance and repair and billing interfaces available by January 1, 1997. AT&T Contract, Att. 2, §§ 9.1, 9.7-9.8.</p> <p>Ordering interfaces shall use EDI version 6.0. Maintenance and repair transactions shall migrate to Electronic Bonding - Trouble Administration (EB-TA) by 7/1/97.</p>	<p>By January 1, 1997, U S WEST must provide access to its operations support systems functions for pre-ordering, ordering, provisioning, maintenance and repair, and billing functions under the same terms and conditions that U S WEST provides those services to itself or its customers, Order, ¶¶ 316, 516-528.</p>	<p>U S WEST POSITION</p> <p>By January 1, 1997, U S WEST will make available a production ready system that supports preordering/ordering, provisioning, and repair transactions for resale POTs services. Billing interfaces for most U S WEST product offerings will also be available by that date. Electronic interfaces to support unbundled elements and resale designed services will be available between July 1, 1997 and Nov. 1, 1997. USWC Contract § X.</p>
<p>43. Parity</p>	<p>See above.</p>	<p>The interfaces must enable AT&T to perform pre-ordering, ordering, provisioning, repair and maintenance and billing functions at parity with U S WEST. AT&T is presently evaluating whether U S WEST's proposal provides such parity. AT&T Contract, Att. 2, § 9.1.</p>	<p>See above.</p>	<p>Initial deployment will be based on an internet-type technology. USWC Contract § X.B.2.</p>

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
44. End User Billing Interfaces (Agreed)	See above.	Billing interfaces need not be real-time. Usage data needs to be transmitted once/day. AT&T Contract, Att. 7, § 7. AT&T and U S WEST agree on use of EMR for end user billing.	The FCC order has no specific requirements.	Billing interfaces will not be real time. Usage data will be transmitted once per day. USWC Contract § X.D.
45. Wholesale Billing Interfaces	See above.	All billing should be transmitted in billing output specification ("BOS") format through integrated access billing system ("IABS"). Connectivity data need only be transmitted once/mo.	The FCC order has no specific requirement.	U S WEST will use CRIS for billing most services. Wholesale billing data will be transmitted once per month per account. U S WEST is responding to a bona fide request from AT&T to develop an IABS billing for all. USWC Contract § X.
46. Pricing	Unbundled elements, including operational support systems, must be priced at TELRIC plus a reasonable allocation of forward-looking common costs. TELRIC includes "the forward-looking cost over the long run of the total quantity of facilities and functions that are directly attributable to, or reasonably identifiable as incremental to" the element in question. 47 C.F.R. § 51.505(a)(b).	U S WEST should not be permitted to charge AT&T an amount over and above TELRIC plus a reasonable allocation of forward-looking common costs for electronic interfaces. All costs associated with providing the service are captured in TELRIC.	Unbundled elements, including operational support systems, must be priced at TELRIC plus a reasonable allocation of forward-looking common costs. TELRIC includes "the forward-looking cost over the long run of the total quantity of facilities and functions that are directly attributable to, or reasonably identifiable as incremental to" the element in question. 47 C.F.R. § 51.505(a)(b).	Fees for electronic interfaces include an initial access fee to cover the labor hardware and software costs associated with establishing the interfaces. Ongoing transaction fees should be set at the TELRIC costs calculated by U S WEST. U S WEST has not yet calculated this figure. It should be established in a later cost proceeding. AT&T's position is inconsistent with the FCC rules. USWC Contract § X.E and IV.

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
47. Notice of Outages/ Quality	AT&T may request the unbundled elements be provided at a quality level superior to that U S WEST provides to itself. Order, ¶ 314.	U S WEST must provide real-time notice of network outages and other problems associated with network reliability. AT&T Contract, Att. 6, § 7.	AT&T may request the unbundled elements be provided at a quality level superior to that U S WEST provides to itself, and AT&T is required to pay the costs thereof. Order, ¶ 314.	U S WEST will provide nondiscriminatory service to AT&T. AT&T may request superior service by a bona fide request.
48. System Security (Agreed)		Mediation mechanisms will deter improper system access.		U S WEST agrees that appropriate mediation mechanisms will deter improper system access.
49. National Gateway (Long-Term Interface Solution) (Agree in concept but disagree re. timing of implementation)	Interfaces should be provided through a nationally standardized gateway. Order, ¶ 527.	U S WEST should commit to developing nationally uniform gateway interfaces over the long term. AT&T Contract, Att. 6, § 3.	Interfaces should be provided through a nationally standardized gateway, towards which there has been industry movement; but no uniform standard has yet been established. Order, ¶ 527.	U S WEST will work toward national gateways. However, machine to machine protocols will not be offered until November 1, 1997 for trouble ticketing and 1998 for pre-ordering, ordering and provisioning. USWC Contract § 5X.B.

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V. NUMBER PORTABILITY

ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
<p>50. Interim Number Portability</p> <p>(a) RCF/DID (Agreed)</p> <p>(b) Hub Route Indexing</p>	<p>U S WEST has the duty to provide number portability to the extent technically feasible. 47 U.S.C. § 251(b)(2).</p> <p>Until permanent number portability is available, currently available number portability measures such as Remote Call Forwarding, Direct Inward Dialing and other comparable measures must be offered. FCC 96-286; Order, ¶¶ 6, 130, 136.</p>	<p>AT&T seeks remote call forwarding (RCF), direct inward dialing ("DID"), and portability hub route indexing as interim solutions to number portability.</p> <p>AT&T Contract, Att. 9, § 2.1.</p>	<p>U S WEST has the duty to provide number portability to the extent technically feasible. 47 U.S.C. § 251(b)(2).</p> <p>Until permanent number portability is available, currently available number portability measures must be offered. FCC 96-286; Order, ¶¶ 6, 130, 136.</p>	<p>U S WEST will make interim number portability available through Remote Call Forwarding, DID trunks, or NXX Migration (LERG reassignment).</p> <p>NXX Migration is only for an emergency NXX when a single customer use all (or substantially all) of the NXX. USWC Contract § IX.B. U S WEST disagrees with the use of portability hub route indexing as an interim solution.</p>

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
51. Pricing of Interim Number Portability	<p>The costs of "number portability shall be borne by all telecommunications carriers on a competitively neutral basis as determined by the [FCC.]" 47 U.S.C. § 251(e)(2). This requires that any cost recovery mechanism adopted must not (1) have a disparate effect on the incremental cost of competing carriers seeking to serve the same customer; or (2) have a disparate effect on the ability of competing telecommunications carriers to earn a normal return on their investment. 47 C.F.R. § 52.7(a).</p> <p>The terminating carrier should receive the CCL and local switching charges. Transport charges should be shared. FCC 96-285; Order, ¶ 140.</p>	<p>Recovering RCF interim number portability costs should be done in a competitively neutral manner, either on bill and keep basis or by allocating total costs of RCF to all working telephone numbers or to each carrier based on relative market share. AT&T recommends the method adopted in New York state for recovering RCF costs. AT&T Contract, Att. 9, § 4.6.3.</p>	<p>The costs of "number portability shall be borne by all telecommunications carriers on a competitively neutral basis as determined by the [FCC.]" 47 U.S.C. § 251(e)(2). This requires that any cost recovery mechanism adopted must not (1) have a disparate effect on the incremental cost of competing carriers seeking to serve the same customer; or (2) have a disparate effect on the ability of competing telecommunications carriers to earn a normal return on their investment. 47 C.F.R. § 52.7(a).</p> <p>The terminating carrier should receive the CCL and local switching charges. Transport charges should be shared. FCC 96-285; Order, ¶ 140.</p>	<p>U S WEST disagrees with the cost recovery rules adopted by the FCC and advocates that all costs of interim number portability should be borne by new entrants. DID trunks will be offered through existing tariffs.</p> <p>U S WEST should be permitted to retain local switching and transport charges it receives when calls are forwarded to AT&T as a result of interim number portability. As a compromise, U S WEST will provide a credit to AT&T for carrier common line charges based on average minutes of use per number per month.</p> <p>Nonrecurring charges for interim number portability include a service establishment charge, for the first number ported to a given central office and a charge for each additional number ported which will vary based upon whether number requested on a particular order are consecutive or nonconsecutive. Recurring charges will apply to each telephone number ported to AT&T and each additional call path that AT&T requests be assigned to each portable telephone number. USWC Contract §§ IV and IX.B.4.</p>

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
52. Permanent Number Portability (Agreed)	Service provider local number portability must be implemented in top 100 metropolitan service areas (MSAs) by the end of 1998. FCC 96-285; Order, ¶ 70.	Location Routing Number (LRN) solution is consistent with FCC's rules on permanent local number portability solution, and is only solution that will comply with the FCC rules. AT&T Contract, Att. 9, § 3.3.	Service provider local number portability must be implemented in top 100 metropolitan service areas (MSAs) by the end of 1998. FCC 96-285; Order, ¶ 70.	U S WEST will comply with the time table lawfully established by the FCC. U S WEST believes that query on release should be considered as an option for permanent number portability. USWC Contract § IX.B.

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VI. ACCESS TO RIGHTS OF WAY

ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
<p>53. (a) Scope of Access</p> <p>(b) Reciprocity</p>	<p>U S WEST has "duty to afford access to poles, ducts, conduits, and rights of ways of such carrier to competing providers of telecommunication services on rights, terms, and conditions that are consistent with Section 224." 47 U.S.C. § 251(b)(4).</p> <p>U S WEST may not favor itself over competitor with respect to attachments to its facilities. Order, ¶ 1157.</p>	<p>AT&T must have nondiscriminatory access to rights-of-way and related facilities on the same terms and conditions that U S WEST provides such access to itself or to third parties. AT&T Contract, Att. 4, § 3.2.5.</p> <p>The FCC Order does not impose reciprocal obligations upon AT&T.</p>	<p>U S WEST has "duty to afford access to poles, ducts, conduits, and rights of ways of such carrier to competing providers of telecommunication services on rights, terms, and conditions that are consistent with Section 224." 47 U.S.C. § 251(b)(4).</p>	<p>(a) U S WEST will provide access to poles, innerducts, conduits and rights of way on a first come, first-served basis.</p> <p>(b) U S WEST expects access to AT&T poles, innerducts, conduits and rights of way on a nondiscriminatory basis. USWC Contract §§ IX.I, IX.J and IX.K.</p>
<p>54. Space Reservation (Agree in principle but differing contract language)</p>	<p>U S WEST may not reserve space for its own use to the detriment of a new entrant. Any reservation of space must be based upon a bona fide development plan that reasonably and specifically projects a need for space in the provision of its core utility service. Order, ¶ 1170.</p>	<p>AT&T requests that the terms of the FCC Order be adopted. AT&T Contract, Att. 4, § 3.2.5.</p>	<p>U S WEST may maintain space capacity for its maintenance and administrative purposes. Order, ¶¶ 1165-70.</p>	<p>U S WEST will maintain spare capacity for its maintenance and administrative purposes. The question of capacity is addressed various places in USWC's Contract, including §§ IV.E.2.b.2; VIII.B.5.C.ii and iii; IX.D.1.C; IX.G.1. <i>et. cet.</i></p>

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
55. Modifications of Facilities	U S WEST must take reasonable steps to accommodate requests for access, including modifying its facilities to increase capacity. Order, ¶¶ 1161-64.	AT&T requests that the terms of the FCC Order be adopted. U S WEST has the burden to prove that access requested is not technically feasible. AT&T Contract, § 9.4, Att. 4, § 3.2.17.	U S WEST must take reasonable steps to accommodate requests for access, including modifying its facilities to increase capacity. Order, ¶¶ 1161-64. Parties benefitting from the modification must bear the costs. Order, ¶ 1163.	U S WEST will not construct or rearrange facilities once space on poles or in conduits is exhausted. However, U S WEST will negotiate with AT&T for facilities construction or rearrangement and may voluntarily agree to rearrange or construct facilities in some circumstances. USWC Contract §§ IX.I, J and K; XVII.
56. Licenses	U S WEST must exercise its eminent domain powers to expand an existing right-of-way over private property to accommodate a request for access. Order, ¶ 1181.	U S WEST has an obligation to affirmatively aid AT&T is gaining access to restricted rights-of-way. U S WEST has existing relationships with grantors and licensor and is in the best position to negotiate for increased access. AT&T Contract, Att. 4, § 3.2.4.	U S WEST must exercise its eminent domain powers to expand an existing right-of-way over private property to accommodate a request for access. Order, ¶ 1181.	Where access to a right-of-way is restricted, AT&T must make arrangements with the grantor or licensor of the right of way in order to gain access.

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VII. DIALING PARITY AND ACCESS TO NUMBER RESOURCES

ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
57. Dialing Parity for Local Calls (Agreed)	U S WEST has the duty "to provide dialing parity to competing providers of telephone exchange services and telephone toll service, and the duty to permit all such providers to have nondiscriminatory access to telephone numbers . . . and directory listing, with no unreasonable dialing delays." 47 U.S.C. § 251(b)(3).	AT&T customers must be able to dial the same seven-digit pattern for local calls as U S WEST customers.	U S WEST has the duty "to provide dialing parity to competing providers of telephone exchange services and telephone toll service, and the duty to permit all such providers to have nondiscriminatory access to telephone numbers . . . and directory listing, with no unreasonable dialing delays." 47 U.S.C. § 251(b)(3).	U S WEST agrees to make seven-digit dialing available to AT&T so long as it is available to U S WEST's customers.
58. Central Office Codes	See above.	AT&T requires a central office code dedicated to its use.	See above.	U S WEST will not dedicate a central office code to AT&T's exclusive use. The limited availability of central office codes will not allow each reseller to have its own code. U S WEST will assign central office codes in compliance with existing industry standards. USWC Contract § XII.

AT&T and U S WEST agree in principle on some issues. These agreements are subject to consensus on mutually acceptable contract language. In addition, the positions stated here are subject to continuing negotiations of the parties.

VIII. ANCILLARY SERVICES AND BRANDING

ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
59. Operator Services and Directory Assistance Unbundling (Agreed)	U S WEST has duty a to permit "nondiscriminatory access to . . . operator services, directory assistance, and directory listing, with no unreasonable dialing delays." 47 U.S.C. § 251(b)(3). Databases used in providing operator services and directory assistance must be unbundled upon request. Order, ¶ 538.	U S WEST must provide unbundled access to its operator systems. AT&T Contract, Att. 3, § 7.	U S WEST has duty a to permit "nondiscriminatory access to . . . operator services, directory assistance, and directory listing, with no unreasonable dialing delays." 47 U.S.C. § 251(b)(3). Databases used in providing operator services and directory assistance must be unbundled upon request. Order, ¶ 538.	U S WEST will offer nondiscriminatory access per the FCC Order. No substantive disagreement. USWC Contract §§ IX.D and G.
60. Rebranding of Directory Assistance (Agree in principle but disagree re. cost.)	Incumbent LEC's may be required to rebrand or unbrand directory assistance if technically feasible. Order, ¶ 537.	Rebranding is technically feasible and should be required. AT&T Contract, Att. 3, §§ 7.2.2.1.15, 7.3.2.2.	Incumbent LEC's may be required to rebrand or unbrand directory assistance if technically feasible. Order, ¶ 537.	U S WEST agrees that rebranding directory assistance is technically feasible. AT&T must pay the cost of rebranding. USWC Contract § IX.D.
61. Trunking (Agreed)	U S WEST has a duty to permit "nondiscriminatory access to . . . operator services, directory assistance, and directory listing, with no unreasonable dialing delays." 47 U.S.C. § 251(b)(3).	AT&T agrees that it is necessary to provide unbundled directory assistance through a separate trunk group. AT&T Contract, § 37.7.	U S WEST has a duty to permit "nondiscriminatory access to . . . operator services, directory assistance, and directory listing, with no unreasonable dialing delays." 47 U.S.C. § 251(b)(3).	Unbundled directory assistance will be provided through a separate trunk group to allow U S WEST to record and bill without relying upon self-reporting by new entrants. No substantive disagreement.

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
62. Call Completion Services (Agree in principle but disagree re. cost)	U S WEST must provide nondiscriminatory unbundled access to operator call completion services. Order, ¶ 539.	Operator call completion services must be unbundled. AT&T Contract, Att. 3, § 7.2. The cost of unbundling such services should be recovered through prices based on TELRIC.	U S WEST must provide nondiscriminatory unbundled access to operator call completion services. Order, ¶ 539.	U S WEST will offer call completion services on a resold basis. U S WEST cannot presently offer call completion services to local exchange carriers who originate directory assistance traffic from their own switches because billing and recording capabilities are not yet available for that service. U S WEST will develop such capabilities if AT&T pays for them and provides commitments regarding traffic volume and the locations at which the service is to be provided. USWC Contract § IX.D.
63. Access to Directory Assistance Database	U S WEST must provide nondiscriminatory unbundled access to directory assistance databases. Order, ¶ 538.	Directory Assistance databases must be unbundled. AT&T Contract, Att. 3, § 7.3, Att. 4, § 6. The cost of unbundling such services should be recovered through prices based on TELRIC.	U S WEST must provide nondiscriminatory unbundled access to directory assistance databases. Order, ¶ 538.	U S WEST will offer on-line access to U S WEST's directory assistance database if AT&T reimburses U S WEST's cost in deploying that service and provides commitments regarding traffic volume and the locations at which the service is to be provided. USWC Contract §§ IX.D and F.
64. Busy Line Verification/Busy Line Interrupt (Agreed)	U S WEST must provide nondiscriminatory unbundled access to operator call completion services. Order, ¶ 539.	U S WEST's proposal does not meet the requirements of the Act that access to unbundled elements and resale be nondiscriminatory. AT&T Contract, Att. 2, § 8.2.	U S WEST must provide nondiscriminatory unbundled access to operator call completion services. Order, ¶ 539.	U S WEST will offer busy line interruption and busy line verification only with the intervention of a U S WEST operator. USWC Contract § IX.F.

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
65. Customer Address and Number Changes	U S WEST must permit "nondiscriminatory access to . . . operator services, directory assistance, and directory listing, with no unreasonable dialing delays." 47 U.S.C. § 251(b)(3).	Nondiscriminatory access requires that AT&T have the same access to customer address and number change information as does U S WEST. If U S WEST has greater access that what it proposes to provide to AT&T, its proposal should be rejected. AT&T Contract, Att. 5, § 5.1.	U S WEST must permit "nondiscriminatory access to . . . operator services, directory assistance, and directory listing, with no unreasonable dialing delays." 47 U.S.C. § 251(b)(3).	U S WEST will provide updated customer addresses and number change information on a daily basis through its Expanded Use Updates.
66. Listings	See above.	U S WEST should be required to provide one white and one Yellow Page listing at no cost to AT&T or AT&T's customers and to make available enhanced White Page listings. AT&T Contract, Att. 2, §§ 3.2 and 3.3, Att. 4, § 5.	See above.	U S WEST will provide one white pages directory listing for AT&T or AT&T customers. Yellow Pages listings are a matter for negotiation between AT&T and U S WEST Direct. USWC Contract § IX.E.

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
67. Directories	<p><u>See above.</u></p>	<p>U S WEST will act as AT&T's agent in assisting AT&T end users in placing Yellow Pages advertisements. AT&T Contract, Att. 2, § 3.3.1.</p> <p>U S WEST will deliver directories to AT&T customers. Att. 4, § 5.1.3. AT&T logo will be on the cover with U S WEST's logo. AT&T will have the ability to identify which white/yellow page directories an AT&T customer is eligible to receive and quantity. AT&T must approve the sale of their end-user customer directories to third parties and will receive a pro-rata share of the sale. Centrex users will be allowed a main listing number and a listing for each station user at no charge to AT&T or the end user.</p>	<p><u>See above.</u></p>	<p>Yellow pages advertising is a matter for negotiation between AT&T and U S WEST Direct.</p> <p>U S WEST's logo is not on the cover of U S WEST DIRECT's directories. It appears to be impractical to place the name of every facilities-based competitor and reseller on the cover of a directory.</p> <p>U S WEST is unclear as to AT&T's position.</p>

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
68. E-911	See above.	U S WEST shall provide to AT&T, for AT&T end-users, E911/911 call routing to the appropriate Public Safety Answering Point ("PSAP"). U S WEST shall provide and validate AT&T customer information with the PSAP. AT&T believes that U S WEST agreed to use its service order process to update and maintain the AT&T customer service information in the Automatic Location Identifier/Database Management System at parity with U S WEST customers. U S WEST now contends that AT&T must make arrangements with a third party database manager to perform this function.	See above.	U S WEST agrees to provide E-911 service at no charge. The third-party manager of the E-911 database may assess nondiscrimination charges. USWC Contract § IX.C.

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IX. QUALITY

ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
69. Quality Standards	U S WEST must provide interconnection and unbundled elements at the level of quality requested by the new entrant. Order, ¶ 314.	U S WEST will provide all local services, network elements or combinations in accordance with DMOQs which are at least equal or superior to the level of DMOQs that U S WEST is required to meet by its own internal procedures or by law, or is actually meeting, in providing local service, network elements or combinations to itself, to its end-users or to its affiliates. AT&T Contract, § 8.1 and Att. 11.	U S WEST must provide interconnection and unbundled elements at the level of quality requested by the new entrant. Order, ¶ 314.	U S WEST opposes any express quality standards besides existing commission standards. Superior quality may be requested through the bona fide request process and will be provided if technically feasible and adequate compensation is provided.
70. Performance Credits		In the spirit of compromise, AT&T has dropped its request for performance penalties. Nevertheless, U S WEST should credit AT&T given amounts against charges due from AT&T for failure to meet the Agreement's DMOQs. AT&T Contract, Att. 11, § 3.1.		U S WEST opposes the imposition of penalties and credits.

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X. DISPUTE RESOLUTION

ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
71. Form of Dispute Resolution Agreement	Not addressed.	AT&T has proposed a comprehensive dispute resolution agreement to ease the burden on the Commission in dealing with the disputes that will necessarily arise as the interconnection agreement is implemented. AT&T Contract, Att. 1.	Not addressed.	U S WEST has proposed a dispute resolution process. USWC Contract § XIX.Q.
72. Arbitrator Fee Awards	Not addressed.	Apportioning fees to reflect the relative success of each party is necessary to provide an incentive for the parties to avoid prolonging disputes for anticompetitive purposes. AT&T Contract, Att. 1, § 12.2.	Not addressed.	Each party should bear its own cost of dispute resolution. USWC Contract § XIX.Q.

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XI. PRICING FOR UNBUNDLED ELEMENTS, INTERCONNECTION, AND COLLOCATION

ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
73. Costs U S WEST May Recover	U S WEST must prove the nature and magnitude of any forward-looking cost it seeks to recover. Order, ¶ 680.	U S WEST's prices must be based on TELRIC. U S WEST must not be permitted to charge additional development fees. AT&T Contract, § 41.	The Commission should exercise its jurisdiction over intrastate rates to withhold deaveraging wholesale rates until retail rates are deaveraged.	U S WEST is entitled to recover from CLECs any cost incurred in unbundling network elements or interconnection.
74. Pricing of Unbundled Elements	Prices for unbundled elements should be based on TELRIC, which will include an allocation of forward-looking joint and common costs. Order, ¶ 672. A state commission may adopt the FCC's proxy rates until it is able to complete its own TELRIC studies. 47 C.F.R. § 51.513.	Prices for unbundled elements should be based on TELRIC. U S WEST's cost studies do not satisfy the FCC's TELRIC requirements. AT&T Contract, § 41. AT&T believes that its proposed costs, based on the Hatfield Model, do satisfy those requirements. U S WEST's cost studies do not comply with the FCC or other requirements for appropriate cost studies.	Prices for unbundled elements should be based on TELRIC, which will include an allocation of forward-looking joint and common costs. Order, ¶ 672. A state commission may adopt the FCC's proxy rates only if the cost information available to it does not support TELRIC-based rates.	Prices for unbundled elements should be set at TELRIC plus an allocation of forward-looking common costs. U S WEST's cost studies meet this standard and should be used in setting prices. There is no need to rely on FCC proxies.
75. Deaveraging	State commission must establish a minimum of three geographically deaveraged pricing zones for unbundled network elements. Order, ¶ 765.	AT&T will provide three such zones.	State commission must establish a minimum of three geographically deaveraged pricing zones for unbundled network elements. Order, ¶ 765.	Prices for network elements should not be geographically deaveraged until retail rates are deaveraged.

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
76. Additional Charges for Physical and Virtual Collocation	<p>U S WEST may recover the forward-looking costs directly attributable to the specified element. Directly attributable forward-looking costs include the incremental costs of facilities and operations that are dedicated to the element. ¶ 682.</p> <p>U S WEST must allocate nonrecurring charges among all requesting carriers. 47 C.F.R. § 51.507(e).</p>	<p>U S WEST's rates for physical or virtual collocation must reflect only the incremental costs it incurs in providing those services.</p>	<p>U S WEST may recover the forward-looking costs directly attributable to the specified element, and a reasonable allocation of common costs. Directly attributable forward-looking costs include the incremental costs of facilities and operations that are dedicated to the element. ¶ 682.</p> <p>U S WEST must allocate nonrecurring charges among all requesting carriers. 47 C.F.R. § 51.507(e).</p>	<p>The following additional charges should apply for physical or virtual collocation: Quote Preparation Fee; Expanded Interconnection Channel Termination; Entrance Facility; Fiber Splicing; 48 Volt and Power Cable; and Inspector Labor (charged whenever AT&T requires access to the interface point or collocated equipment). These elements should be priced at TELRIC with a reasonable allocation of forward-looking common costs.</p>
77. Additional Charges for Physical Collocation	<p>U S WEST has burden to prove costs. ¶ 680. It may recover the directly attributable forward-looking costs of facilities and operations dedicated to the equipment provided. ¶ 682. It must allocate nonrecurring charges among all requesting carriers. 47 C.F.R. § 51.507(e).</p>	<p>U S WEST must not be permitted to recover more than the total forward-looking economic cost of providing physical collocation.</p>	<p>U S WEST has burden to prove costs. ¶ 680. It may recover the directly attributable forward-looking costs of facilities and operations dedicated to the equipment provided. ¶ 682. It must allocate nonrecurring charges among all requesting carriers. 47 C.F.R. § 51.507(e).</p>	<p>Additional charges for physical collocation are as follows: Cage/Hardwall Enclosure; and Floor Space Rental. These elements should be priced at TELRIC with a reasonable allocation of forward-looking common costs.</p>

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
78. Additional Charges for Virtual Collocation	U S WEST has burden to prove costs. ¶ 680. It may recover the attributable forward-looking costs of facilities and operations dedicated to the equipment provided. ¶ 682. It must allocate nonrecurring charges among all requesting carriers. 47 C.F.R. § 51.507(e).	U S WEST must not be permitted to recover more than the total forward-looking economic cost of providing virtual collocation.	U S WEST has burden to prove costs. ¶ 680. It may recover the attributable forward-looking costs of facilities and operations dedicated to the equipment provided. ¶ 682. It must allocate nonrecurring charges among all requesting carriers. 47 C.F.R. § 1.507(e).	Additional charges for virtual collocation should be: Equipment Bay; Engineering Labor; Installation Labor; and Training Labor. These elements should be priced at TELRIC with a reasonable allocation of forward-looking common costs.
79. Pricing of Unbundled Elements Not Mandated by the FCC	The pricing of unbundled elements should be based on TELRIC. Order, ¶¶ 672, 679. TELRIC pricing will minimize the economic impact for all parties and advance the Act's pro-competitive objectives. Order, ¶ 697.	The pricing of all elements must be based on TELRIC. AT&T Contract § 41.	The pricing of unbundled elements should be based on TELRIC. ¶¶ 672, 679. TELRIC pricing will minimize the economic impact for all parties and advance the Act's pro-competitive objectives. Order, ¶ 697.	If U S WEST agrees to provide unbundled elements not required by the FCC Order, costs will be recovered using existing tariffs for special construction. These elements should be priced at TELRIC with a reasonable allocation of forward looking common costs.
80. Charge for Loop Conditioning	'Network Element' includes all logical features, functions and capabilities provided by software located in the physical facility. Order, ¶ 260. TELRIC pricing for an element thus includes those features functions and capabilities.	The cost of conditioning should be included in the TELRIC price of the loop facility purchased.	A new entrant requesting loop conditioning must "bear the cost of compensating the incumbent LEC for such conditioning." Order, ¶ 382.	A carrier requesting that a loop be conditioned must pay the cost of conditioning. (76) See Order, ¶ 382. These elements should be priced at TELRIC with a reasonable allocation of forward-looking common costs.

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XII. TRANSPORT AND TERMINATION PRICING

ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
81. Bill and Keep	States are permitted to establish a presumption that traffic is in balance. Order, ¶ 1113. The Commission has established such a presumption and has imposed bill and keep as an interim measure.	The Commission has adopted bill and keep as the appropriate interim measure. AT&T Contract, Att. 7, § 5.2. AT&T agrees. U S WEST has not rebutted the presumption that traffic is in balance (and bill and keep is appropriate). Order, ¶ 1111.	Bill and keep may be implemented for all termination if the volume of traffic is approximately equal. States are permitted to establish a presumption that traffic is in balance. Order, ¶¶ 1112-13. Bill and keep may be adopted for all termination if U S WEST does not rebut the presumption that traffic is in balance. Order, ¶ 1111. The Commission has adopted bill and keep as an interim measure.	Bill and keep should not be adopted for call termination although U S WEST will waive reciprocal call termination charges if traffic in a given month is reasonably balanced, i.e., within 5%. USWC Contract § V.F.1. Bill and Keep should not be adopted for transport because it does not allow U S WEST to recover its costs, USWC Contract § V.E.
82. Transport Charges	The charge for any one element must be based on the TELRIC for that particular element. Order, ¶ 682.	U S WEST must not be permitted to impose charges other than those directly attributable to the provision of a given element.	The charge for any one element must be based on the TELRIC for that particular element. Order, ¶ 682.	Transport should be charged based on the TELRIC of direct trunk transport, tandem switched transport, and tandem switching. Direct trunk transport costs should be shared between AT&T and U S WEST based on the amount of originating traffic and facilities each provides. USWC Contract § V.E.2.

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ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
83. Charge for Cost of Establishing Network	<p>Directly attributable costs include the investment costs and expenses related to primary plant used to provide that element. Order, ¶ 682.</p> <p>An appropriate portion of the one-time costs associated with the acquisition of capital goods should be included in the TELRIC rate. Order, ¶ 686.</p>	<p>U S WEST must not impose "development fees" upon AT&T.</p>	<p>U S WEST's charges must reflect the way they are incurred. Order, ¶ 743. Directly attributable costs include the investment costs and expenses related to primary plant used to provide that element. Order, ¶ 682.</p> <p>An appropriate portion of the one-time costs associated with the acquisition of capital goods should be included in the TELRIC rate. Order, ¶ 686.</p>	<p>AT&T must share the cost U S WEST incurs in establishing a network of two-way trunks for transport in proportion to each party's traffic. Where AT&T requests that U S WEST develop specific network elements, AT&T must reimburse U S WEST for its development costs as required by the Order, ¶ 209. USWC Contr., § XVII.</p>
84. Separate Charges	<p>Transport and termination are treated as separate functions with individual rates. Order, ¶¶ 1039-40.</p>	<p>AT&T accepts the FCC rules.</p>	<p>Transport and termination are treated as separate functions with individual rates. Order, ¶¶ 1039-40.</p>	<p>Separate charges should apply for call transport, call termination, and call transit. These charges must provide for the mutual and reciprocal recovery of each carrier's cost. See ¶ 252(d)(2)(A)(i). USWC Contract § V.</p>
85. Termination Rate	<p>The rate for termination must be based upon U S WEST's TELRIC. Order, ¶¶ 1057-58.</p>	<p>The Commission should continue to apply bill and keep.</p>	<p>The rate for termination must be based upon U S WEST's TELRIC. Order, ¶¶ 1057-58.</p>	<p>Call termination should be priced at TELRIC plus a reasonable allocation of forward looking common costs. USWC Contract § V.E.</p>

AT&T and U S WEST agree in principle on some issues. These agreements are subject to consensus on mutually acceptable contract language. In addition, the positions stated here are subject to continuing negotiations of the parties.

ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
86. Symmetrical Rates	There is a presumption that the cost of call termination is symmetrical among all carriers. Order, ¶ 1085.	U S WEST's rates should reflect the presumption of symmetry established by the FCC.	The FCC permits use of U S WEST call termination rates as a "presumptive proxy" for new entrant's call termination rates. Order ¶ 1085.	U S WEST agrees to apply a symmetrical call termination rate, although it believes that the actual costs to U S WEST may be higher than AT&T's costs. USWC Contract § V.E.
87. Deaveraging Call Termination	States should evaluate the benefits and costs of pricing schemes that consist of different rates for peak and off-peak traffic. Order ¶ 1064.		States should evaluate the benefits and costs of pricing schemes that consist of different rates for peak and off-peak traffic. Order ¶ 1064.	The costs of call termination should not be deaveraged.
88. Tandem Switching With Transport	The cost of shared facilities should be recovered in a manner that efficiently apportions costs among users. Order, ¶ 755.	The amount AT&T pays for U S WEST transport or switching must be proportional to AT&T's actual use of U S WEST transport facilities.	The cost of shared facilities should be recovered in a manner that efficiently apportions costs among users. Order, ¶ 755.	If AT&T uses U S WEST's tandem switches to transport traffic to another new entrant, AT&T must pay tandem switched transport and tandem switching charges for actual use USWC Contract § V.E. No substantive disagreement.
89. U S WEST's Cost Studies	Cost studies must be based on the FCC's forward-looking cost methodology. Until a state has the opportunity to conduct its own TELRIC studies, it may impose the FCC's default proxies or bill and keep. 47 C.F.R. § 51.705, Order ¶¶ 1055, 1060.	U S WEST's cost studies do not comply with the FCC's TELRIC requirements.	Cost studies must be based on the FCC's forward-looking cost methodology. A state may impose the FCC's default proxies or bill and keep only if it determines that the cost information available to it does not support adoption of a TELRIC-based rate. 47 C.F.R. § 51.705, Order ¶¶ 1055, 1060.	U S WEST's proposed charges for call termination, call transport, and call transit are based upon TELRIC studies that meet the requirements of the FCC Order. These charges should be adopted by the Commission. USWC Contract § IV.

AT&T and U S WEST agree in principle on some issues. These agreements are subject to consensus on mutually acceptable contract language. In addition, the positions stated here are subject to continuing negotiations of the parties.

ISSUE	TELECOMMUNICATIONS ACT and FCC RULES (AT&T)	AT&T POSITION	TELECOMMUNICATIONS ACT and FCC RULES (U S WEST)	U S WEST POSITION
90. Universal Service Charge	U S WEST must abide by the FCC's temporary transitional method of funding universal service. Order, ¶ 720.	U S WEST must abide by the time line established in the Order.	U S WEST may recover the CCLE and 75% of TIC from new entrants until 6/30/97, an FCC decision on access reform, or interlata relief. Order, ¶ 720.	U S WEST will not seek a universal service charge in this proceeding. No substantive disagreement.

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