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September 10, 1997

FILED
SEP 10 1997
MISSOURI
PUBLIC SERVICE COMMISSION

Cecil I. Wright
Executive Secretary
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65101

Re: Case No. TO-98-115

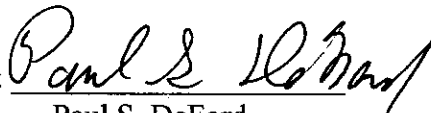
Dear Mr. Wright:

Attached for filing with the Commission is the original and fifteen (15) copies of the Application of AT&T Communications of the Southwest, Inc. for Second Compulsory Arbitration to Establish Terms and Conditions of Interconnection Agreement Between AT&T and Southwestern Bell Telephone Company and Entry of Appearance for Paul S. DeFord and Mark Witcher in the above referenced matter.

I thank you in advance for your cooperation in bringing this to the attention of the Commission.

Very truly yours,

LATHROP & GAGE, L.C.

By: 
Paul S. DeFord

cc: Office of Public Counsel
Southwestern Bell Telephone Co.

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

FILED

SEP 10 1997

MISSOURI
PUBLIC SERVICE COMMISSION

In the matter of AT&T Communications)
of the Southwest, Inc.'s Petition for Second)
Compulsory Arbitration Pursuant to)
Section 252(b) of the Telecommunications Act)
of 1996 to Establish an Interconnection)
Agreement with Southwestern Bell)
Telephone Company.)

Case No. To-98- 115

PETITION OF AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.
FOR SECOND COMPULSORY ARBITRATION TO ESTABLISH TERMS AND
CONDITIONS OF INTERCONNECTION AGREEMENT BETWEEN
AT&T AND SOUTHWESTERN BELL TELEPHONE COMPANY

Petitioner AT&T Communications of the Southwest, Inc. ("AT&T"), pursuant to the Telecommunications Act of 1996¹ ("FTA"), files this Petition for Second Compulsory Arbitration to establish necessary terms and conditions of Interconnection Agreement between AT&T and Southwestern Bell Telephone Company ("SWBT").

I.

BACKGROUND

FIRST ARBITRATION

On March 14, 1996, AT&T commenced its first set of negotiations with SWBT in Missouri on issues that it requested be included in an interconnection agreement between the two companies. While AT&T and SWBT made progress on some issues and reached agreement in several areas, a number of issues remained unresolved.

¹The Federal Telecommunications Act of 1996, Pub.L.No. 104-104, 110 Stat. 56 (1996)(to be codified at 47 U.S.C. §§151 *et seq.*)(the "FTA" or "Federal Act").

On July 29, 1996, AT&T filed a Petition for Compulsory Arbitration to Establish an Interconnection Agreement Between AT&T and SWBT wherein it asked the Commission to arbitrate and rule upon the issues raised in the Arbitration Petition. The Commission consolidated AT&T's Arbitration Petition with the petition filed by MCI and, from October 8 to October 17, 1996, conducted a hearing during which it considered information from the Petitioners, the Office of Public Counsel and from SWBT relative to the issues raised in the arbitration petitions. Following receipt of this information, the Commission issued an initial Arbitration Order (Initial Order) on December 11, 1996. Subsequently, on January 22, 1997, the Commission issued an Order Granting Clarification and Modification and Denying Motion to Identify and Motions for Rehearing (Second Order), which, to a limited extent, modified the Initial Order.

On July 31, 1997, the Commission issued its Final Arbitration Order (Final Order) which adopted permanent rates for unbundled network elements and services resale. The Commission directed the parties to submit, on or before September 30, 1997, an interconnection agreement containing the terms and conditions required by the First, Second and Final Orders. AT&T and SWBT intend to submit, on or before that date, an Interconnection Agreement which will contain terms and conditions resolving all issues which AT&T and SWBT agree were subject to the First Arbitration and resolved by the First, Second and Final Orders.² It is

²SWBT and AT&T will submit on or before September 12 a list of a limited number of issues which both parties agree were addressed by the previous Arbitration Orders. Unlike the remainder of the issues which will be

AT&T's belief at this time that the Interconnection Agreement to be submitted on September 30 will contain terms, conditions and rates which are sufficient to allow AT&T to enter the local exchange market in Missouri on a resale basis.

SECOND ARBITRATION

While AT&T anticipates that the Agreement which will be filed on September 30 will enable AT&T to begin providing resold local exchange service, it will not contain the terms and conditions necessary to enable AT&T to effectively enter the local exchange market and begin providing local services in Missouri utilizing either unbundled network elements (UNEs) purchased from SWBT or its own facilities. These market entry methods are two of the local market entry mechanisms mandated by the FTA. *Implementation of the Local competition Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-98, para. 12, FCC First Report and Order, FCC 96-325 (rel. August 8, 1996) . The Commission's responsibilities under the FTA include the responsibility to complete arbitration of the terms necessary to fully effectuate these two entry mechanisms, upon request.

incorporated in the Interconnection Agreement, the parties cannot agree as to the language necessary to resolve these issues consistent with the Arbitration Orders. On or before September 12, the parties will each propose the contractual language which they believe effectuates the Arbitration Orders. Once the Commission has issued its order directing selection of the language of either AT&T or SWBT for each of these limited number of issues, all issues which the parties agree were arbitrated in the First Arbitration will have been resolved. To the extent the Commission does not adopt language in the September 30 agreement resolving any of these issues, AT&T herein requests that those unresolved issues be included and resolved in this Second Arbitration.

On April 3, 1997, AT&T commenced a second set of negotiations with SWBT to establish the additional terms and conditions necessary to allow it to complete a comprehensive interconnection agreement, including the terms necessary to allow entry via the purchase of UNEs or the use of AT&T's own facilities. The April 3, 1997 letter from AT&T to SWBT commencing negotiations is attached as Appendix A. During these negotiations, the parties have reached agreement as to some of the necessary terms and conditions however, it became apparent that a number of the terms and conditions necessary to allow AT&T to enter the local market and provide local services using UNEs purchased from SWBT or AT&T's own facilities could not be resolved by agreement of the parties and remain open issues subject to arbitration.

II.

AT&T'S REQUESTED ISSUES FOR ARBITRATION

This Petition constitutes AT&T's request that the Commission arbitrate these remaining open issues between AT&T and SWBT regarding the appropriate terms and conditions to be included within a comprehensive Interconnection Agreement between AT&T and SWBT pursuant to the FTA. Given the April 3, 1997 commencement of the second set of negotiations as described above, a petition for arbitration filed between August 16, 1997, the 135th day and September 10, 1997, the 160th day after commencement of negotiations is timely pursuant to Section 252 of the FTA.

The specific issues for which arbitration is requested, including the positions of the parties on those issues as required by Section 252(b) of the FTA, are set forth in the AT&T Decision Point Matrices attached to this application as Appendix B and incorporated herein as if set forth at length.³ The issues for which arbitration is requested are organized into categories, each of which is set forth in a separate matrix. The categories of issues for which arbitration is requested are as follows:

1. IntraLATA Toll/Access Issues;
2. Customized Routing/Operator Services/Directory Assistance Issues;
3. Operational Issues;
4. Parity in Provisioning and Utilization of Unbundled Network Element Issues;
5. Unresolved Pricing Issues;
6. Network Efficiency Issues;
7. Compensation Terms and Conditions;
8. Performance Criteria Issues;

³The attached matrices do not themselves set forth positions on the respective issues for SWBT. The most "relevant documentation" identifying SWBT's positions on this issues in AT&T's possession are the matrices jointly filed by AT&T and SWBT in the pending Phase II arbitration in Texas. To the extent AT&T is required to file relevant documentation relating to SWBT's positions on the issues in questions pursuant to FTA Section 252(b)(2)(A)(ii), this is the most relevant documentation in AT&T's possession at this time. Those matrices are attached as Appendix C.

9. Poles, Conduits and Rights-of-Way
10. Contract Terms and Conditions and Other Issues; and
11. Collocation - Terms and Conditions.

The individual issues within these categories of disputes are described in detail in the attached matrices. At least one of the parties to the second set of negotiations believes that these specific issues were not resolved in the First Arbitration. Their resolution is now necessary in order to allow AT&T to take advantage of the full spectrum of entry options permitted by the FTA. AT&T requests that the Commission accept responsibility to arbitrate and resolve these remaining open issues and adopt a procedural schedule that will result in the resolution of those issues in the most expeditious manner possible .

III.

PROCEDURES TO BE ADOPTED

The period during which this arbitration must be completed pursuant to the terms of FTA Section 252 expires on January 3, 1998. AT&T's opportunity to enter the local exchange market utilizing UNEs from SWBT or AT&T's own facilities is effectively held in abeyance pending the resolution of the remaining open issues. AT&T requests that the Commission adopt a procedural schedule which allows for the resolution of the remaining open issues on an expedited basis, but in no event later than nine months from the commencement of negotiations, or January 3, 1998.

Given that this proceeding is an arbitration conducted under the FTA, that this is the second in a stream of arbitration proceedings in Missouri between AT&T

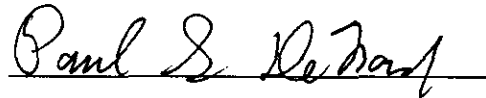
and SWBT stretching over a period of almost 19 months, that many of these same issues have already been the subject of arbitration between AT&T and SWBT in the other states served by SWBT and finally that the effective entry opportunities for AT&T utilizing UNEs purchased from SWBT are foreclosed until this arbitration is completed, AT&T requests that an expedited and streamlined procedure be adopted in this proceeding to conserve the resources of the parties and the Commission, provide for adequate due process and to ensure administrative efficiency. AT&T proposes the following schedule be adopted:

SWBT Reply to Arbitration Petition	Oct 6, 1997
Statements of Position/Fully Populated Joint Decision Points List	Oct 20, 1997
Parties (Subject Matter Experts) Affirmative Oral Presentations/Commission Clarifying Questions	Nov 3-5, 1997
Closing Briefs	Nov 21, 1997
Report and Order	Dec 22, 1997
Interconnection Agreement Filing	Jan 5, 1998

WHEREFORE, AT&T requests that the Commission arbitrate the issues described in the attached Decision Point Matrices utilizing the procedures described above, that, upon completion of such arbitration, the Commission adopt a comprehensive Interconnection Agreement incorporating the decisions resulting from the arbitration decision and for such other and further relief as to which AT&T may show itself entitled.

Respectfully submitted,

LATHROP & GAGE L.C.

A handwritten signature in cursive script, reading "Paul S. DeFord", written over a horizontal line.

Paul S. DeFord

#29509

LATHROP & GAGE L.C.

2345 Grand Boulevard

Kansas City, Missouri 64108

(816) 292-2000

FAX: (816) 292-2001

Mark Witcher Texas#21820900

AT&T Communications

Suite 1500, 919 Congress

Austin, TX 78701

(512) 370-2010

FAX: (512) 370-2096

Attorneys for AT&T Communications of the
Southwest, Inc.

DATED: September 10, 1997

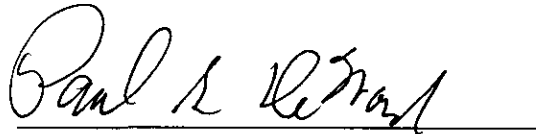
CERTIFICATE OF SERVICE BY MAIL

A true and correct copy of the foregoing was served upon the parties identified on the attached service list on this 10th day of September, 1997, by placing same in a postage paid envelope and depositing in the U.S. Mail.

Martha Hogerty
Office of Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

Paul Lane, Diana J. Harter, Leo Bub
Southwestern Bell
100 N. Tucker Blvd., Room 630
St. Louis, MO 63101-1976

Dana Joyce
General Counsel
Public Service Commission
PO Box 360
Jefferson City, MO 65102

A handwritten signature in cursive script, appearing to read "Paul L. Harter", is written over a horizontal line.

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

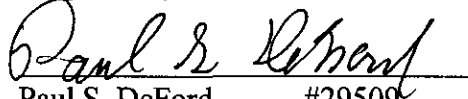
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Compulsory Arbitration Pursuant to) Case No. TO-98-115
Section 252(b) of the Telecommunications Act)
of 1996 to Establish an Interconnection)
Agreement with Southwestern Bell)
Telephone Company.)

ENTRY OF APPEARANCE

COMES NOW Paul S. DeFord pursuant to 4CSR 240-2.040 and enters his appearance on behalf of AT&T Communications of the Southwest, Inc. in the above-entitled proceeding. The undersigned, Paul S. DeFord is a member in good standing of the Bar of Missouri and is admitted to practice before the Trial and Appellate Courts in that jurisdiction. Neither the undersigned nor any member of the Lathrop & Gage law firm, having office within the State of Missouri, is disqualified to appear in any court.

Respectfully submitted,



Paul S. DeFord #29509
Lathrop & Gage, L.C.
2345 Grand Boulevard
Kansas City, Missouri 64108-2684
(816) 292-2000
ATTORNEY FOR
AT&T COMMUNICATIONS
OF THE SOUTHWEST, INC.

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Agreement with Southwestern Bell)
Telephone Company.)

ENTRY OF APPEARANCE

COMES NOW Mark Witcher pursuant to 4CSR 240-2.040 and enters his appearance on behalf of AT&T Communications of the Southwest, Inc. in the above-entitled proceeding. The undersigned, Mark Witcher, is a member in good standing of the Bar of Texas and is admitted to practice before the Trial and Appellate Courts in that jurisdiction. Neither the undersigned nor any member of the AT&T Austin Legal Department is disqualified to appear in any court.

Paul DeFord of Lathrop & Gage, L.C., a member of the Missouri Bar, having offices within the State of Missouri, is hereby designated associate counsel in this case.

Respectfully submitted,



Mark Witcher Texas#21820900
919 Congress, Ste. 1500
Austin, Texas 78701
(512) 370-2073 FAX: (512)-370-2096

ATTORNEY FOR
AT&T COMMUNICATIONS
OF THE SOUTHWEST, INC.

APPENDIX A

SEPTEMBER 10, 1997



5501 LBJ Freeway
Suite 1045
Dallas TX 75240

April 3, 1997

Mr. Gary A. Juhl
Director-Competitive Assurance
Southwestern Bell Telephone Company
One Bell Center, Room 34-4-1
St. Louis, MO 63101

Re: Oklahoma Interconnection Agreement

Dear Gary:

This responds to your April 2, 1997, letter expressing dissatisfaction that AT&T wishes to commence negotiations on the Missouri Agreement on April 7. We'd like to explain our perspective on this matter.

As you will recall, in January, we agreed that we would negotiate the Oklahoma and Missouri Agreements as our first order of business. Both of those states' decisions were rendered in December, 1996, and we already know that the Oklahoma Commission is concerned that it has taken so long for us to submit an Agreement. The Missouri PSC is doubtless expecting something from us soon, too.

We have been negotiating the Oklahoma Agreement for most of the last two months. We are now in the final stages of submitting that document to the Oklahoma Commission. The Oklahoma document, with all disputed language included for negotiations purposes, provides a solid "baseline" for purposes of customizing our other states.

In prior correspondence we have made recommendations about processes that both sides, I believe, are now utilizing in order to speed up our remaining states' negotiations. Generally speaking, many of the orders in Missouri, Arkansas and Kansas address the same issues. The process of customizing the contract for Missouri and Arkansas, therefore, should take far less time than was required for Oklahoma. That is because our Oklahoma negotiations involve not only customization issues but broader issues which affect SWBT's other states. We can, and should, leverage that process into our other states, which means that the customization work should proceed rapidly.

Turning to your specific concerns raised about Arkansas, the schedule we have outlined strives to produce contracts for both Missouri and Arkansas in a timely manner, and we are doing everything we can to ensure that we will satisfy both objectives. To facilitate the process, today AT&T sent SWBT customization information for the Missouri Agreement for what I will call the "Resale Plus" team and from the UNE team. More information for that state and customization work for Arkansas will be sent today and tomorrow. Likewise, SWBT has sent AT&T customization work for Arkansas UNE, "Resale Plus," and Poles. We look forward to receiving the remaining Arkansas work and the Missouri work tomorrow.

I do want to note our mutual understanding that the exchange of customization information is not intended to replace the face-to-face negotiations process. To the contrary, this is a process which should enable both sides to discuss the specific issues and the specific language in rapid fashion when they are engaged in the face-to-face negotiations. This should save time and allow the parties to focus their face-to-face negotiations on the substantive issues which are involved with these Agreements.

Your letter observes that we have requested an extension to the April 25 deadline, because we recognize that some additional time may be needed. Although we have asked SWBT to join us in this request, you have not agreed. Given that we have not yet received a response from the Arkansas commission, we will schedule our work, as we have discussed, to meet both the expectations of the Missouri Commission and the Arkansas deadline. As the customer, AT&T believes that we are entitled to sequence the work on the interconnection agreements to meet our customers' and business needs.

To recap the schedule for next week in St. Louis:

April 7 - April 11 in St. Louis

Begin Monday at 1pm and end Friday at 1:30 p.m.

Topic: Missouri (to the extent that Missouri work is finished early, work then begins on Arkansas)

All teams have been requested to be with us the entire week.

To date the SWBT collocation negotiator is only available April 9-10.

Our assumption is that the rest of the teams will meet Monday through Friday.

April 14 - April 18 in St. Louis

Begin Monday at 1pm and end Friday at 1:30 PM.

Topic: Arkansas

All teams have been requested to be with us the entire week.

(The SWBT collocation negotiator is available the entire week and has blocked out the week to work with AT&T. Our expectation is that she will not be pulled away for other work during that time.)

April 21 - April 25

Teams prepare customization of Kansas.

Production of Missouri and Arkansas agreements.

April 28 - May 2 in Dallas

Begin Monday at 1pm and end Friday at 1:30 PM.

All teams have been requested to be with us the entire week.

May 5 - May 9

Production of Kansas Agreement

The bottom line is that AT&T is doing all it can to satisfy the requirements of both the Arkansas and Missouri Commissions. I am sure that SWBT has the same objective. AT&T does want to begin negotiations on April 7 with Missouri, as we advised SWBT some time ago. We were glad to hear today that you are willing to work with us in that respect. We believe it is feasible to finalize the Missouri contract during the week of the 7th, and to begin the same process for Arkansas on April 14.

If you have any questions about the foregoing, please let me know.

Sincerely,



Nancy Reed Krabill

District Manager - New Business Planning

APPENDIX B

CONTRACTUAL DISPUTED ISSUES MATRIX

MISSOURI

SEPTEMBER 10, 1997

**I. INTRALATA TOLL/ACCESS
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI**

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
<p>1. Receipt of Toll Revenue</p> <p>When it purchases UNE local switching, should AT&T be recognized as the intraLATA toll provider and therefore receive access and toll revenue, prior to implementation of dual PIC?</p>	<p>Yes. As a provider of local service, prior to dual PIC, AT&T is entitled to intraLATA toll revenues. After dual PIC, the intraLATA revenue will accrue to the intraLATA PIC. Until then, when AT&T pays the full cost of UNE switching, it should receive the full switching functionality, including the ability to process all types of calls originated by its customer over the unbundled switch. Having received full compensation for the elements (switching) that serve an AT&T customer, SWBT may not receive additional revenue (toll) for that customer's usage of those elements under the Act. Until dual PIC, the customer's choice of a local service provider should determine his or her intraLATA carrier as well. That is how it has been for SWBT. That is how it should be for all LSPs prior to dual PIC.</p> <p>The FCC has recognized that section 251(c)(3) of the Act permits requesting telecommunications carriers to purchase UNEs for the purpose of offering exchange access services, or for the purpose of providing exchange access services to themselves in order to provide interexchange services to consumers. FCC Order, ¶ 356. For that reason, the FCC properly concluded that telecommunications carriers purchasing UNEs to provide interLATA interexchange services or access services are not required to pay federal or state exchange access charges except for a limited transition mechanism, which has expired at the time of this writing. <i>Id.</i> at ¶ 363. The FCC recognized that payment of access charges in addition to UNE charges would violate the cost-based pricing standard for UNEs under the Act.</p> <p>For the same reasons, a CLEC who purchases unbundled network elements is entitled to use them to provide intraLATA toll services. The FCC rejected the argument that CLECs should not be able to use UNEs to provide originating and terminating toll services: "Congress intended the 1996 Act to promote competition for not only telephone exchange and exchange access services, but also for toll services." FCC Order, ¶ 361. Having paid the full UNE cost of local switching and any necessary transport and tandem switching, the CLEC may use those elements without restriction to provide telecommunications services. The full functionality of the local switch includes the ability to originate and terminate all types of calls, including intraLATA toll calls. The Act provides no basis for SWBT to except intraLATA toll services from the category of services a UNE purchaser may offer.</p>	<p>Attachment 6</p> <p>5.X The local switching element also includes access to all call origination and completion capabilities (including intraLATA and interLATA calls), and AT&T is entitled to all revenues associated with its use of those capabilities, including access and toll revenues.</p> <p>5.x SWBT will make available to AT&T the ability to route all Directory Assistance and Operator Services calls (1+411, 0+411, 0- , and 0+ Local, 0+ IntraLATA toll (prior to dual PIC), 0+HNPA-555-1212 (IntraLATA) (prior to dual PIC), 1+HNPA-555-1212 (IntraLATA) (prior to dual PIC)) dialed by AT&T Customers directly to the AT&T Directory Assistance and Operator Services platform. Customized Routing will not be used in a manner to circumvent the inter or Intra-LATA PIC process directed by the FCC.</p> <p>5.X At AT&T's request, SWBT will provide the functionality and features, including digit translation (i.e., 1+411 to 900-XXX-XXXX) as specified by AT&T, within the SWBT local switch (LS) to route AT&T customer-dialed Directory Assistance local and intraLATA calls to the AT&T designated trunks via Feature Group D signaling from SWBTs 5ESSs, DMS100 switches, and other switches as it becomes technically feasible, or as parties may otherwise agree, for direct-dialed calls, (i.e. 1+411, 1+Home/Foreign NPA-555-1212 sent paid).</p> <p>5.X At AT&T's request, SWBT will provide functionality and features within its LS to route AT&T customer-dialed Directory Assistance local and intraLATA calls to the designated trunks via Modified Feature Group C signaling from SWBT's 1AESS switches and other switch types or as the Parties otherwise agree, for direct dialed calls, (e.g., 1+411, 0, and 0+Local, 1+Home/Foreign NPA-555-1212 sent paid).</p> <p>5.X SWBT will provide the functionality and features within its local switches to route AT&T dialed 0/0+ local and intraLATA calls (prior to dual PIC) to AT&T. (Designated trunks via operator services modified Feature Group C signaling.)</p> <p>Appendix Pricing-UNE</p> <p>5.x Until the implementation of intraLATA Dialing Parity, AT&T</p>

Key: **Bold & underline represents language proposed by AT&T and opposed by SWBT.**

Bold represents language proposed by SWBT and opposed by AT&T.
Italicized represents language agreed on by AT&T and SWBT in Texas.

**I. INTRALATA TOLL/ACCESS
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI**

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>Consistent with its rights under the Act as described above, AT&T has proposed language in two places that are necessary to enable AT&T to provide intraLATA toll service and receive the toll revenues (prior to dual PIC). First, AT&T has proposed to recognize that, when it purchases local switching, it obtains the full functionality of that element, including the ability to originate and complete all types of calls, including intraLATA toll calls, and to receive access and toll revenues. This language is shown as disputed in its entirety. However, AT&T believes that SWBT agrees that when AT&T purchases UNE switching, it will obtain the ability to originate and complete intraLATA and interLATA calls for its customer using the unbundled local switch. For example, in language SWBT has proposed elsewhere (which AT&T disputes on other grounds), SWBT agrees that "[T]his paragraph does not limit AT&T's ability to permit IXCs to access ULS for the purpose of terminating interLATA and intraLATA access traffic or limit AT&T's ability to originate interLATA or intraLATA calls using ULS consistent with Section X of this attachment." Further, AT&T and SWBT have agreed on the routing of intraLATA toll calls to the intraLATA PIC in a post-dual PIC environment.</p> <p>What SWBT disputes is AT&T's receipt of intraLATA toll revenues prior to dual PIC (access disputes post-dual PIC are discussed elsewhere). Although AT&T will have paid the full cost of UNE switching, which SWBT agrees includes the capability to process intraLATA calls, and although the customer will have made a decision to change his or her local service provider from SWBT to AT&T, SWBT seeks to retain the prerogative to collect intraLATA toll revenues. SWBT's position will result in its own recovery of revenues in excess of costs, and will in effect deny AT&T full local switching functionality (receiving the ability to pay for an element and use it to deliver a service to a customer, with the service revenues still flowing to SWBT, cannot be considered receiving the full functionality of an element).</p> <p>In short, SWBT will transfer to AT&T (and other LSPs who purchase local switching) the cost of providing intraLATA service to a customer, but retain for itself the revenues generated by that service. (SWBT's proposal to treat intraLATA toll calls as resale transactions, discussed below, mitigates the impact of its position, but does not qualitatively change it). SWBT's position should be rejected. Until dual PIC, the customer's choice of a local service provider should determine the customer's intraLATA carrier as well. AT&T's proposed language should be adopted to provide for</p>	<p><u>will pay applicable ULS-O, ULS-T, signaling, common transport, and tandem switching charges for all intraLATA toll calls initiated by an AT&T ULS Port.</u></p>

Key: **Bold & underline represents language proposed by AT&T and opposed by SWBT.**

Bold represents language proposed by SWBT and opposed by AT&T.
Italicized represents language agreed on by AT&T and SWBT in Texas.

**I. INTRALATA TOLL/ACCESS
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI**

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>AT&T's receipt of intraLATA toll revenues from its UNE switching customers, with no obligation to pass those revenues on to SWBT, in a pre-dual PIC environment.</p> <p>Second, AT&T has proposed to pay SWBT the full UNE cost of originating intraLATA toll calls, including applicable local switching, signaling, common transport, and tandem switching charges. In turn, AT&T should receive access and toll revenues. SWBT opposes this language and has instead proposed to treat UNE-originated intraLATA toll calls as resale transactions, charging AT&T the applicable retail toll charge less the resale discount. As described above, SWBT's position denies AT&T the full functionality and usage of local switching to provide competitive telecommunications services and is contrary to the Act. Further, from a marketing perspective, this position continues to place SWBT as a service provider in the mind of the consumer and is sure to provoke confusion when the consumer has changed service to AT&T, yet continues to receive a bill from SWBT. AT&T's proposed language should be accepted, and SWBT's should be rejected.</p>	
<p>2. <u>IntraLATA toll - OS/DA</u></p> <p>Should AT&T be able to complete intraLATA toll calls (and collect the related revenues) that SWBT routes to AT&T's OS/DA platforms?</p>	<p>Yes. AT&T should not be required to bear the burden and cost of identifying intraLATA toll calls that SWBT routes to AT&T's OS/DA platform and returning those calls to SWBT.</p> <p>It has become apparent during implementation that, where AT&T requests customized routing, SWBT intends to include intraLATA calls in the calls that will be routed to AT&T's OS/DA platforms, but SWBT expects AT&T to identify those calls and return them to SWBT for completion. That is, rather than do the systems development work that would be required to retain intraLATA OS/DA calls for itself at the same time that it routes other OS/DA calls to AT&T's OS/DA platform, SWBT seeks to transfer that work to AT&T, even as it claims the revenue for the intraLATA calls.</p> <p>For the reasons stated above, AT&T should be recognized as the intraLATA toll provider generally for calls originated by its local service customers prior to dual PIC. In any event, AT&T should not be required to return intraLATA calls that SWBT routes to AT&T OS/DA platforms, resulting in a cost to AT&T with no opportunity for revenue. With SWBT having set up its customized routing in a way such that intraLATA calls originated by AT&T local service customers are routed to AT&T's OS/DA platforms, AT&T should be entitled to complete those calls and receive the associated</p>	<p>Attachment 6</p> <p>5.X SWBT will make available to AT&T the ability to route all Directory Assistance and Operator Services calls (1+411, 0+411, 0- and 0+ Local, 0+ <u>IntraLATA toll (prior to dual PIC)</u>, 0+HNPA-555-1212 (IntraLATA) (prior to dual PIC), 1+HNPA-555-1212 (IntraLATA) (prior to dual PIC)) dialed by AT&T Customers directly to the AT&T Directory Assistance and Operator Services platform. Customized Routing will not be used in a manner to circumvent the inter or Intra-LATA PIC process directed by the FCC.</p> <p>Appendix Customized Routing (Resale)</p> <p>1.X SWBT will make available to AT&T the ability to route <u>Directory Assistance and Operator Services calls (1+411, 0+411, 0- and 0+ Local, 0+ IntraLATA toll, 0+HNPA-555-1212(IntraLATA), 1+HNPA-555-1212(IntraLATA)) dialed by AT&T Customers directly to the AT&T Directory Assistance and Operator Services platform. If the State Commission rules or the Parties agree that AT&T is entitled to IntraLATA toll on resale services and unbundled switch elements, SWBT agrees to customized routing of the following types of calls:</u></p>

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**I. INTRALATA TOLL/ACCESS
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI**

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	revenues. Accordingly, AT&T's proposed contract language should be adopted.	<u>0+IntraLATA toll, 0+HNPA-555-1212 (IntraLATA), 1+HNPA-555-1212 (IntraLATA).</u>
<p>3. Tandem Switching and Transport</p> <p>When AT&T originates and terminates toll calls through a SWBT unbundled local switch, should the IXC determine which carrier assesses access charges for transporting the call between the IXC's point of presence (POP) and the originating or terminating UNE switch?</p>	<p>Yes. The provider of access transport services should be selected by the IXC. AT&T should have the ability to use UNEs, including common transport and tandem switching, to deliver toll calls between the IXCs POP and the originating or terminating local switch which AT&T has purchased as an unbundled element. If the IXC selects AT&T's transport services, AT&T should collect the related access charges. If the IXC selects SWBT, it may collect those charges. AT&T's proposed contract language achieves this result.</p> <p>As discussed above, AT&T is entitled under the Act to use unbundled network elements to provide telecommunications services without restriction, including exchange access services and toll services. AT&T is no longer required to pay SWBT access charges in connection with toll calls traversing network elements purchased from SWBT.</p> <p>Correspondingly, for calls originated or terminated by an AT&T local service customer using UNE switching, it will be AT&T who will bill the IXC for access charges applicable to that call, not SWBT. The FCC explained this result in footnote 772 to the <i>Local Service Order</i>: "We also note that where new entrants purchase access to unbundled network elements to provide exchange access services, . . . , the new entrants may assess access charges to the IXCs originating or terminating toll calls on those elements. In these circumstances, incumbent LECs may not assess exchange access charges to such IXCs because the new entrants, rather than the incumbents, will be providing exchange access services, and to allow otherwise would permit incumbent LECs to receive compensation in excess of network costs in violation of the pricing</p>	<p><u>Appendix Pricing-UNE</u></p> <p><u>5.X AT&T may provide exchange access transport services to IXCs, upon request, using unbundled network elements. For interLATA toll calls and intraLATA toll calls that are originated by local customers using SWBT unbundled local switching, AT&T may offer to deliver the calls to the PIC at the SWBT access tandem, with AT&T using unbundled common transport and tandem switching to transport the call from the originating unbundled local switch to the PIC's interconnection at the access tandem. When the PIC agrees to take delivery of toll calls under this arrangement, then AT&T will pay SWBT ULS-O usage, signaling, common transport, and tandem switching for such calls. SWBT will not bill any access charges to the PIC under this arrangement. AT&T may use this arrangement to provide exchange access services to itself when it is the PIC for toll calls originated by AT&T local customers using SWBT unbundled local switching.</u></p> <p><u>5.X If the PIC elects to use transport and tandem switching provided by SWBT to deliver interLATA toll calls or intraLATA toll calls that are originated by AT&T local customers using SWBT unbundled local switching, then AT&T will pay SWBT ULS-O usage and signaling only in connection with such calls. SWBT will not bill the PIC any originating switching access charges in connection with such calls.</u></p> <p><u>5.X When an IntraLATA or InterLATA toll call terminates to an AT&T ULS Port, AT&T will pay ULS-T charges and SWBT will not charge terminating access to AT&T or the IXC except that SWBT may bill the IXC for terminating transport in cases</u></p>

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**I. INTRALATA TOLL/ACCESS
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI**

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>standard in Section 252(d)." FCC Order at ¶ 363, n. 772.</p> <p>The exception to this access payment occurs when an IXC enters into a contractual agreement with SWBT indicating that SWBT will be the access provider of tandem switching and transport. In those cases, AT&T will only receive the originating or terminating switching portion of the access. AT&T may, however, establish its own contractual relationships with the IXCs to be the access provider for tandem switching and transport. If this is the case, then AT&T will receive the associated access revenue.</p> <p>The interconnection agreement should reflect a proper understanding between the parties regarding which of them is to bill access charges to IXCs associated with UNE calls. In recent negotiations, SWBT has taken the view that access charges will be "shared" in the future, with AT&T to bill access related to the local switching element but SWBT in all cases to continue billing access related to the common transport and tandem switching necessary to reach the IXC's POP. SWBT's position is contrary to the FCC Order as quoted above.</p> <p>The sections proposed here provide and illustrate how AT&T should bill originating and terminating access when it uses unbundled network elements purchased from SWBT. These Sections should be accepted for the reasons set forth above.</p>	<p>where the IXC has chosen SWBT as its transport provider.</p>
<p>4. Billing for Toll-free Calls</p> <p>For toll-free calls originated by AT&T local customers on a UNE switch, should AT&T collect the applicable charges from the IXC who terminates the call to the 800 provider, assuming AT&T also pays applicable UNE charges to SWBT?</p>	<p>Yes. For the same reasons that AT&T is entitled to bill access charges to IXCs for toll calls originated and terminated over unbundled network elements, AT&T should be the party billing applicable charges associated with 800-type calls originated over UNEs by its local service customers. AT&T should pay the applicable charges for the elements required to make such a call (local switching, applicable signaling, 800 database query) and then it, not SWBT, should bill the IXC who terminates the call to the 800 provider. Otherwise, AT&T is denied the opportunity to use the elements that it has purchased for the provision of a telecommunications service (800 service), on the same terms as SWBT.</p> <p>SWBT instead proposes to retain the 800 service for itself, and in turn would not bill AT&T any UNE usage charges when an AT&T customer originates an 800-type call across a UNE switch. SWBT states that its facilities are not equipped to return a call to AT&T for completion after an 800 database dip. Regardless of any technical</p>	<p><u>Appendix Pricing-UNE</u></p> <p>5.X Toll Free Calls</p> <p><u>When AT&T uses ULS Ports to initiate an 800-type call, AT&T will pay the 800 database query charge and ULS-O charge. AT&T will be responsible for any billing to the IXC for such calls.</u></p> <p><u>Attachment 6</u></p> <p>9.X In addition to the Toll Free Database query, there are three optional features available with 800-type service: Designated 10-Digit Translation, Call Validation and Call Handling and Destination. There is no additional charge for the Designated 10-Digit Translation and Call Validation feature beyond the Toll Free Database query charge. When an 800-type call originates from an AT&T switch or from AT&T's use of SWBT's Unbundled Local</p>

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**I. INTRALATA TOLL/ACCESS
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI**

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	issues, however, the parties can arrange billing for 800 calls in the manner proposed by AT&T. In so doing they will come closer to providing AT&T with the full nondiscriminatory access to unbundled elements that the Act requires.	Switching to the SWBT Toll Free Database, AT&T will pay the Toll Free Database query rate for each query received and processed by SWBT's database. When applicable, the charge for the Call Handling and Destination feature are per query and in addition to the Toll Free Database query charge, and will also be paid by AT&T. These rates are reflected in Appendix Pricing UNE - Schedule of Prices under the label "Toll-Free Database".
<p>5. <u>Ability to bill access:</u></p> <p>Must SWBT provide AT&T with sufficient usage data to allow AT&T to render intrastate and interstate access bills to other IXC's?</p>	<p>Yes. If AT&T is to bill the intrastate and interstate access charges to which it is entitled as described under issue 4 above, SWBT must provide the relevant usage data. AT&T and SWBT have working teams creating call flow diagrams to reflect each parties' recording and billing requirements. In order for AT&T to bill access, SWBT must provide AT&T with the necessary usage data to allow AT&T to render accurate bills for certain call types that necessitate SWBT to provide us billing detail. AT&T's proposed contract language provides for the appropriate usage data.</p>	<p>Attachment 10</p> <p>4.X SWBT will provide to AT&T recorded Usage Data as described in AT&T's Call Flows Document (CFD) dated June 1997, incorporated herein and modified as the Parties may otherwise agree, sufficient for AT&T to render interLATA and intraLATA access bills and end-user bills and for purposes of mutual compensation.</p> <p>4.X In addition to the requirements for recorded Usage Data specified in this Attachment, when AT&T is providing Telecommunications Services to its customer through the use of unbundled Network Elements, SWBT will provide to AT&T recorded Usage Data sufficient for AT&T to render interstate and intrastate access bills. The recorded Usage Data will be provided in a manner, at a minimum, that enables AT&T to render the following five types of access bills: Originating to IXC, Originating Local 800, Terminating and Originating IntraLATA, which are described below.</p> <p>4.X Originating to IXC - This type of access record is created when a toll call originates from an AT&T customer served through unbundled Network Elements and terminates to an IXC. AT&T will bill the IXC access charges in accordance with its access tariffs.</p> <p>4.X Originating Local 800 - This type of access record is created when an 800 call originates from an AT&T customer served through unbundled Network Elements to a LEC providing the 800 service. AT&T will bill the LEC access charges in accordance with its access tariffs.</p> <p>4.X Originating InterLATA 800 - This type of access record is created when an 800 call originates from an AT&T customer served through unbundled Network Elements to an IXC</p>

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**I. INTRALATA TOLL/ACCESS
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI**

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
		<p><u>providing the 800 service. AT&T will bill the IXC access charges in accordance with its access tariffs.</u></p> <p><u>4.X Terminating - This type of access record is created when a toll call originates from an IXC and terminates to an AT&T customer served through unbundled Network Elements. AT&T will bill the IXC terminating charges in accordance with its access tariffs.</u></p> <p><u>4.X Originating IntraLATA - This type of access record is created when a call originates from an AT&T customer served through Unbundled Network Elements and terminates outside the Local Call Area but within the LATA. AT&T will bill the IntraLATA Toll Provider originating and terminating access charges in accordance with its access tariffs.</u></p>
<p>6. <u>Lost Data</u></p> <p>Should the contract require SWBT to estimate volumes of lost usage data to enable AT&T to render bills to end-users and for access?</p>	<p>Yes. The contract must include reasonable terms to apply in situations where SWBT loses the usage data that it is required to provide AT&T for AT&T's billing purposes.</p> <p>In an access environment today, SWBT estimates volumes of lost usage data to enable it to collect access charges. However, when its loss of data will cause AT&T to lose the ability to collect revenues from its customers or IXCs, SWBT is refusing to provide any process for reconciliation on estimation of lost usage data. The amount of lost revenue potential is great if AT&T is unable to bill its customers or to collect access charges for calls completed over unbundled network elements. By refusing to provide a process for estimation of lost data, SWBT seeks to shift monetary responsibility for such loss from itself to AT&T. AT&T's proposed contract language provides for a reasonable adjustment against recording service charges to account for lost usage data. It should be adopted.</p>	<p>Attachment 10</p> <p><u>6.X Loss of Recorded Usage Data - If AT&T recorded Usage Data is determined to have been lost, damaged or destroyed as a result of an error or omission by SWBT and the data cannot be recovered by SWBT, SWBT will estimate the messages and associated revenue, with assistance from AT&T, based upon the method described below. This estimate will be used to adjust the amount AT&T owes SWBT for services SWBT provides in conjunction with the provision of recorded Usage Data.</u></p> <p><u>6.X Partial Loss - SWBT will review its daily controls to determine if data has been lost. When there has been a partial loss, actual message and minute volumes will be reported, if possible. Where actual data are not available, a full day will be estimated for the recording entity, as outlined in Section 6.1.3 following. The amount of the partial loss is then determined by subtracting the data actually recorded for such day from the estimated total for such day.</u></p> <p><u>6.X Complete Loss - Estimated message and minute volumes for each loss consisting of an entire AMA tape or entire data volume due to its loss prior to or during processing, lost after receipt, degaussed before processing, receipt of a blank or unreadable tape, or lost for other causes, will be reported.</u></p> <p><u>6.X Estimated Volumes - From message and minute volume reports for the entity experiencing the loss, SWBT will secure</u></p>

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**I. INTRALATA TOLL/ACCESS
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI**

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
		<p><u>message/minute counts for the four (4) corresponding days of the weeks preceding that in which the loss occurred and compute an average of these volumes. SWBT will apply the appropriate average revenue per message ("arpm") provided by AT&T to the estimated message volume to arrive at the estimated lost revenue.</u></p> <p><u>6.X If the day of loss is not a holiday but one (1) (or more) of the preceding corresponding days is a holiday, use additional preceding weeks in order to procure volumes for two (2) non holidays in the previous two (2) weeks that correspond to the day of the week that is the day of the loss.</u></p> <p><u>6.X If the loss occurs on a weekday that is a holiday (except Mother's Day or Christmas), SWBT will use volumes from the two (2) preceding Sundays.</u></p> <p><u>6.X If the loss occurs on Mother's Day or Christmas, SWBT will use volumes from that day in the preceding year (if available).</u></p>

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**II. CUSTOMIZED ROUTING/OS/DA
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI**

Issue	AT&T Reason why language should be included or excluded	AT&T Language
<p>1. <u>Customized Routing:</u></p> <p>How should any additional issues be resolved between the Parties?</p>	<p>AT&T and SWBT have raised issues regarding customized routing related to the Parties' filing of issues prior to the finalization of the 9/30/97 contract. AT&T strongly believes that those customized routing issues should be resolved with that filing so as not to delay market entry. However, if customized routing issues remain unresolved for any reason, AT&T expressly raises them in this arbitration.</p>	
<p>2. <u>Rate Quotations :</u></p> <p>Whether AT&T should be forced to provide SWBT with AT&T's OS/DA rates, when a zero minus transfer is immediate and allows customers who have chosen AT&T for local service, to be quoted accurate rates and serviced directly by AT&T.</p>	<ul style="list-style-type: none"> • AT&T's language should be included; AT&T's language should be read together in order to achieve perspective about this issue. • The AT&T language to which SWBT objects would allow AT&T the option of having SWBT operators (acting on AT&T's behalf) provide rate quote information to AT&T customers. By objecting to the bolded and underlined language and inserting other language, SWBT would make AT&T's providing rate quote information to SWBT a mandatory requirement, and take away AT&T's option of having rate quote information provided via "zero minus transfer". If rate information is not provided to it, under SWBT's proposal SWBT would brand the calls as its own and quote its own rates. • Should AT&T request for SWBT to quote AT&T rates to customers, AT&T will abide by SWBT's terms/conditions • However, given that less than 1% of the OS/DA calls are for rate requests, and that AT&T fully intends to utilize its own OS/DA platform, AT&T should not be required by SWBT to pay for AT&T's rates to be installed on each of SWBT's switches. Instead, AT&T should have the option of requesting this service. Should AT&T request SWBT to provide OS/DA rate quotations., then, AT&T will pay for SWBT's expense to load AT&T's rates. AT&T should not, however, be denied the option of using zero minus transfer. 	<p><u>7.X When an AT&T caller requests a quotation of rates, the call will be treated as an Operator Transfer Service request and SWBT will connect the caller to AT&T's operator services for the purposes of providing a quotation of AT&T's rates, thereby fulfilling the customer's request for a quotation of rates. When an AT&T caller requests a quotation of rates, AT&T will pay the rates and charges labeled "0- Transfer" on Appendix Pricing UNE - Schedule of Prices.</u></p>
<p>3. Should the contract recognize a reasonable technical procedure for implementing customized routing for DA services?</p>	<p>For the same reasons that it is important to include some specific time frames for implementation of customized routing, it also is important that the parties commit themselves to a reasonable technical means of implementing SWBT's chosen line class code solution in a way that is compatible with AT&T's operator services and directory assistance platforms. For directory assistance, it has become apparent that SWBT's 5ESS and DMS100 switches can provide the functionality and features, including digit translation, to route the calls to AT&T designated trunks via Feature Group D</p>	<p><u>5.X At AT&T's request, SWBT will provide the functionality and features, including digit translation (i.e., 1+411 to 900-XXX-XXXX) as specified by AT&T, within the SWBT local switch (LS) to route AT&T customer-dialed Directory Assistance local and intraLATA calls to the AT&T designated trunks via Feature Group D signaling from SWBTs 5ESSs, DMS100 switches, and other switches as it becomes technically feasible, or as parties may otherwise agree, for direct-dialed calls, (i.e. 1+411, 1+Home/Foreign NPA-555-1212 sent paid).</u></p>

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**II. CUSTOMIZED ROUTING/OS/DA
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI**

Issue	AT&T Reason why language should be included or excluded	AT&T Language
	<p>signaling. (For 1AESS and other switch types, the parties have agreed that these calls can be routed to the designated trunks via Modified Feature Group C signaling.) See section 5.X.</p> <ul style="list-style-type: none">• AT&T's proposed language providing for this solution should be accepted in order to implement timely, nondiscriminatory access to the full functionality of unbundled local switching and as a reasonable means to implement the customized routing that the Act requires.	

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III. OPERATIONAL ISSUES
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue	AT&T Reason why language should be included or excluded	AT&T Language
<p>1. <u>UNE Ordering and Provisioning</u></p> <p>A) Should SWBT be required to provide to AT&T all unbundled element capabilities in Exhibit A (Attachment 7) using an industry standard EDI interface?</p> <p>B) On an interim basis, until the parties can agree on an interface specification for UNE ordering, should SWBT be required to provide AT&T access to EASE/LEX to order UNE loop and port combinations to provide services similar to the services SWBT provides to its end users?</p> <p>Alternatively, if SWBT is not ordered to make EASE/LEX available to order UNE loop and port combinations and to provide services similar to the services SWBT provides to its end users, what system should be made available in the interim for UNE transactions pending further development of the EDI interfaces?</p>	<p>A) Yes, SWBT should provide to AT&T all of the functionality for ordering and pre-ordering for UNEs as outlined in Exhibit A (Attached). Provision of EDI interface would put AT&T at parity with what SWBT provides to itself when offering service to an end user and would allow AT&T to provide UNE based services to its end users at the same quality and timelines that SWBT provides such service to its end users.</p> <p>Many of the disagreements between the parties regarding provisions of industry standard EDI interface (Exhibit A) require resolution before the parties can mutually agree upon the data to be passed on the electronic interface. These disagreements will be resolved through this arbitration. However, in the interim of development of EDI, SWBT should be required to allow AT&T to use EASE/LEX (until both parties have agreed upon and developed the necessary electronic interfaces) to process orders for UNE Loop and Port combinations that AT&T will use to provide POTS service to its end users.</p> <p>AT&T's language includes dispatch requirements and due dates in the information to be provided via the pre-order interface. SWBT's proposal does not. AT&T should have the capability to provide its end users the same information that SWBT provides its end users. This information is important to the end user and AT&T because AT&T will need to coordinate any SWBT dispatch with the dispatch of its Inside Wire Vendor (if necessary) and the schedule of the end user.</p> <p>B) AT&T had proposed interim use of a modified version of EASE for processing UNE transactions pending agreement on the specifications for and further development of the EDI interfaces. At its OSS presentation to the Texas Commission on June 24, 1997, SWBT commented on the similarities between the service order process for resale and the service order process for loop and switch port combinations. Because of this statement and because AT&T personnel have received training on EASE, AT&T believed that this proposal offered a short-term option pending further development of the EDI interfaces. Because SWBT identifies LEX as the interface available for use in ordering UNEs individually and in combinations,</p>	<p><u>Attachment 7</u></p> <p>3.X <i>AT&T and SWBT agree to implement the electronic interface, which will be transaction based, to provide the pre-service ordering information for unbundled Network Elements (i.e., address verification, service and feature availability, telephone number assignment, dispatch requirements, due date, and Customer Service Record information (CSR) in English subject to the conditions as set forth in Attachment Resale) not later than July 1, 1997. SWBT and AT&T also agree to work together to implement an Electronic Data Interface (EDI) for ordering and provisioning specified in the Local Service Ordering Electronic Data Interchange (EDI) Support Implementation Guide (SIG) dated May 20, 1996, or as otherwise agreed to in writing by the Parties. Both EGI for pre-order and EDI for ordering and provisioning will be available not later than July 1, 1997, for all pre-order and ordering and provisioning order types and functions as outlined in Attachment A with a variation of no more than two (2) weeks.</i></p> <p>3.X SWBT also will make available to AT&T [EASE] [LEX], to be used by AT&T on an interim basis prior to the development of an agreed upon UNE ordering interface, for the processing of UNE Loop and Port combination, used to provide POTS service by AT&T, service orders. The following order types may be processed via [EASE] [LEX]: Conversion (with changes); Change (Features, Listings, InterLATA and IntraLATA [when available] Long Distance PICs); New Connect; Disconnect; From and To (change of premises with same service).</p>

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III. OPERATIONAL ISSUES
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	AT&T assumes that this alternative will be more acceptable to SWBT. Given current difficulties being experienced in the development of the EDI interfaces, the availability of some interim electronic system solution is critical.	
<p>2. <u>UNE Ordering and Provisioning</u></p> <p>Should AT&T and SWBT be efficient in the design of their ordering processes and not be required to provide information that is already available to the requesting party?</p>	<p>Yes, AT&T and SWBT should develop processes that are as efficient as possible. It is inefficient for SWBT to ask AT&T to provide information that already exists within SWBT databases. Requests for already existing information within SWBT's databases also causes additional points for the order to fallout from the systems as human error is introduced. To minimize the fallout and manual work involved which can slow down the provisioning process, AT&T should not be required to provide to SWBT information that already exists within SWBT.</p>	<p><u>Attachment 17</u></p> <p>5.X On a conversion as specified order, SWBT will not require AT&T to provide data that already exists in SWBT's database.</p>
<p>3. <u>UNE Ordering and Provisioning</u></p> <p>Should UNE ordering and provisioning be based upon industry guidelines developed by Standards Bodies in which both parties are participants?</p>	<p>Yes, it is beneficial to both corporations to abide by industry guidelines. AT&T does not wish SWBT to impose ordering guidelines that are not compatible with the guidelines developed by the Ordering and billing Forum (OBF) in which we both participate and guidelines that are used by the rest of the industry.</p> <p>Ameritech has agreed with AT&T that UNE loop and port combinations used to serve POTS customers can be ordered through standard OBF fields without having to use proprietary codes transmitted using the NC/NCI/SPEC fields.</p> <p>Use of industry standards simplifies the process and eliminates a further opportunity for delay on the part of SWBT and confusion on the part of both parties.</p>	<p><u>Attachment 7</u></p> <p>7.X When ordering elements, including either Customer-Specific Combinations or Common-Use Combinations, AT&T may complete the order and specify the functionality of that Combination using national standards for ordering and provisioning. i.e, it will be necessary and sufficient for AT&T to complete all fields on the LSR that the OBF has designated as required (or as conditional, if the condition is satisfied), unless both parties agree otherwise.</p>
<p>4. <u>Interim Number Portability - LIDB data</u></p> <p>Should SWBT update and or modify existing data in its LIDB when AT&T ports a customer using INP and supplies the LIDB data using industry standard forms?</p>	<p>Yes. Until long-term number portability is implemented, SWBT should accept AT&T's updates to the Line Information Database (LIDB) through the industry standard OBF forms as defined by the Local Service Order Guide (LSOG) when AT&T ports an existing SWBT customer using INP. In addition, if there is no change to the customer's existing LIDB functionality (e.g. collect/third party call blocking), SWBT should not remove the existing customer data from its LIDB. For an INP order, SWBT (if unchecked) is proposing</p>	<p><u>Attachment 14</u></p> <p>6.X SWBT agrees to populate its Line Information Database (LIDB) with information, such as TLN calling cards and Billing Number Screening (BNS), regarding ported numbers for billing. SWBT will provide access to LIDB database interfaces to accomplish this function, or make input on behalf of AT&T pursuant to LIDB data storage and administrative contracts. Alternatively, AT&T may</p>

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III. OPERATIONAL ISSUES
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>to delete the existing customer record in their LIDB and requires AT&T to re-populate the LIDB using SWBT's Service Management System (SMS). No other RBOC has imposed this completely unnecessary requirement on AT&T.</p> <p>SWBT claims that the FCC's First Report and Order, ¶ 493* only requires SWBT to "provide access, on an unbundled basis, to the service management system (SMS), which allow competitors to create, modify, or update information in call-related databases." This paragraph in the FCC's Interconnection Order is irrelevant to SWBT's obligation to provide INP in accordance with the FCC's regulations. Under the Federal Act and the FCC's regulations, INP is a service that SWBT must provide on request including any necessary provisioning of the LIDB.</p> <p>SWBTs own retail systems today flow through information for SWBTs customers directly to the LIDB. Nondiscriminatory access to the OSS function requires that SWBT do the same for new entrants. SWBT is asking that AT&T manually update the LIDB with customer information for every AT&T customer. AT&T is willing to specify all of the necessary information to SWBT on the customer service order, and SWBT should update the LIDB just as it updates other databases such as 911/E911 and directory listings.</p> <p>SWBT also claims that there are security reasons that keep it from updating the LIDB. AT&T finds it peculiar that SWBT singles out this particular database when it today updates its own switch, directory listings, 911/E911 etc.. with the information that AT&T provides over the service order. SWBT is trying to introduce manual work on the part of AT&T to slow down the service order process and create additional costs to AT&T.</p> <p>* First Report and Order, Implementation of the Local Competition Provisions in The Telecommunications Act of 1996, CC Docket No. 96-98 (August 8, 1996)("First Report and Order").</p>	<p><u>provide the LIDB information using the standard OBF fields as defined in the LSOG (Local Services Order Guide).</u></p>

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III. OPERATIONAL ISSUES
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
<p>5. Billing</p> <p>a. Should SWBT impose a requirement on AT&T that assigns multiple Billing Account Numbers (BANs) within a Regional Accounting Office (RAO) because of SWBT systems deficiencies?</p> <p>b. May AT&T order resale or UNE service on the basis of a single BAN per RAO?</p>	<p>a. No. It is more efficient for SWBT to assign AT&T one BAN each, per RAO for residential and business customers. AT&T's request is technically feasible and can be implemented by SWBT. To the extent that deficiencies exist in SWBT's billing systems, AT&T is willing to work with SWBT. A more efficient automated service order and billing process is beneficial to the industry as manual intervention always leaves room for human error that could cause fallout of service orders.</p> <p>SWBT, on the other hand, would require multiple BANS per RAO, which will require extensive manual work by AT&T to send SWBT service orders.</p> <p>The parties have moved toward agreement for resolving this issue, but have not reached final resolution. In the Texas arbitration, SWBT's witness referred to agreement on the concept of a "mega-bill." Under the proposed "mega-bill" compromise, SWBT would render monthly to AT&T a summary bill for each RAO – one for resale and one for unbundled network elements/mutual compensation. That "mega-bill" would be accompanied by separate detail data files; the billing data in the detail data would be aggregated at the LATA level, rather than the RAO.</p> <p>As AT&T has advised SWBT, this "mega-bill" compromise offers a satisfactory solution to the RAO/LATA billing issue, <i>but only if</i> AT&T may order resale or UNE service on the basis of a single BAN per RAO, rather than face continued BAN proliferation as it passes increasing numbers of orders. The parties have not yet agreed on this aspect of the compromise, so the issue remains in dispute.</p> <p>b. Yes. See discussion in a. above.</p>	<p>Attachment 9: Billing-UNE</p> <p><u>2.X SWBT will assign to AT&T one Billing Account Number (BAN) per Regional Accounting Office (RAO) for consumer and one BAN per RAO for business.</u></p> <p>Attachment 4: Connectivity Billing-Resale</p> <p><u>2.X SWBT will assign to AT&T one Billing Account Number (BAN) per Regional Accounting Office (RAO) for consumer and one BAN per RAO for business.</u></p>
<p>6. UNE Provisioning and Ordering</p> <p>Should SWBT and AT&T have to jointly develop process metrics requirements for new processes and electronic interfaces that are implemented between AT&T and SWBT?</p>	<p>AT&T's proposed language will commit the parties to develop process performance requirements as new processes and new electronic interfaces are implemented between them. SWBT agreed to parallel language in the resale context. AT&T's language is a reasonable, limited measure to provide some assurance that the processes developed between the parties will function effectively.</p>	<p>Attachment 7</p> <p><u>8.X When new processes and electronic interfaces are implemented between AT&T and SWBT, SWBT and AT&T will develop process metrics requirements. Implementation of such measurements are subject to future agreements by SWBT and AT&T. All such process metrics will be subject to</u></p>

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III. OPERATIONAL ISSUES
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
		<u>review quarterly and subject to modification or discontinuance.</u>
<p>7. UNE Provisioning and Ordering</p> <p>Should SWBT be required to provide to AT&T access to the same types of operational support systems information and functions for UNE pre-ordering, ordering and provisioning with the same timing and quality it provides to itself when it provides a service to its end users equivalent to the service AT&T will provide its end users using UNEs?</p>	<p>Yes. AT&T should be provided access to operational support systems for UNE pre-ordering, ordering and provisioning at parity with that available to SWBT. AT&T should not be put at a competitive disadvantage as a new competitor and not allowed access to the same functionality provided by SWBT customers. AT&T end users should be at parity with SWBT end users for equivalent services provided to them via SWBT or via AT&T using UNE. See also IV UNE Parity Matrix issue 1.</p>	<p>Attachment 7</p> <p>1.X For all unbundled Network Elements and Combinations ordered under this Agreement, SWBT will provide pre-order, ordering and provisioning services equal in quality and speed (speed to be measured from the time SWBT receives the service order from AT&T) to the services SWBT provides to its end users <u>for an equivalent service. When UNEs are ordered in combination, for example, loop and switch port, the service must be supported by all the functionalities provided to SWBT's local exchange service customers. This will include but is not limited to, MLT testing, Dispatch scheduling, and Real time Due Date assignment. The ordering and provisioning to support these services will be provided in an efficient manner which meets or exceeds the performance metrics SWBT achieves when providing the equivalent end user services to an end user.</u></p>
<p>8a. UNE Provisioning and Ordering</p> <p>Should SWBT develop the capability to perform pre-testing and to provide test results to AT&T by January of 1998?</p>	<p>Yes. The parties agreed to include in a Missouri Interconnection agreement language providing pre-testing and providing test results in support of both UNE and Resale services where available. In further discussions, SWBT has indicated that it will never be available. AT&T's proposed language will commit the parties to develop the capability within a reasonable timeframe. When turning up new service, it is imperative that AT&T manage the reliability of the customer's service being provisioned. AT&T's language is a reasonable measure to provide some assurance that the processes developed between the parties will function effectively.</p>	<p>Attachment 7: O & P UNE</p> <p>6.X Where available, SWBT will perform pre-testing and will provide in writing (hard copy) or electronically, as directed by AT&T, all test and turn up results in support of Unbundled Network Elements or Combinations ordered by AT&T. <u>This capability will be available by January 1998 or as agreed to by the Parties.</u></p> <p>Attachment 2: O & P-Resale</p> <p>4.X Where available, SWBT will perform pre-testing and will provide in writing (hard copy) or electronically, as directed by AT&T, all test and turn up results in support of Resale services ordered by AT&T. <u>This capability will be available by January 1998 or as agreed to by the Parties.</u></p>

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AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
8b. Should all billing and usage data provided for under the Interconnection Agreement, (e.g., mutual compensation, resale, UNE) be delivered to AT&T in a single transmission?	AT&T is willing to agree to the language SWBT proposed in the Texas arbitration, which is now found under "AT&T language" at right.	Attachment 9 Billing for mutual compensation will be provided in accordance with mutually agreed to CABS-like data content via current industry processes for mutual compensation.
9. Should AT&T be able to use standard OBF conventions for ordering common-use unbundled network elements?	<p>Yes. AT&T's language would ensure that the ordering and provisioning of unbundled network elements would comply with OBF standards. SWBT has agreed in other sections of the Agreement to use standards developed by the OBF. It is not clear why SWBT would resist and object to AT&T's language to use and to abide by OBF guidelines.</p> <p>It is advantageous for all LSPs to utilize nationally-accepted standards for ordering and provisioning whenever possible. National standards are developed in an effort to promote the spread of competition across state barriers and into other incumbent LECs' territories. In this circumstance, it is more reasonable to have the parties abide by OBF standards than attempt to devise mutually-agreed upon standards that may never materialize.</p>	Attachment 7 <u>1.X Combinations will be identified and described by AT&T so that they can be ordered and provisioned together. All elements and functionalities will be enumerated using OBF defined fields (e.g., Pulse, Sgnl (signaling), TBE (Toll Billing Indicator, Feature, Feature Detail) and industry standard formats.</u> 1.X Common Use unbundled Network Elements are defined as unbundled Network Elements provided by SWBT that are used by AT&T to provide a Telecommunications Service but are not customer specific, <i>including, without limitation, Common Transport, Dedicated Transport, tandem switching, signaling and call-related databases, Operator Services and DA, and Operations Support Systems. Common-Use Unbundled Network Elements will be ordered in a manner that is consistent with the OBF Access Service Request Process; in addition customized routing will be ordered in the same manner. When AT&T orders an unbundled Local Switch Port, and does not order customized routing, SWBT will provide AT&T access to SWBT's local network elements for the purposes of completing AT&T end user calls without the need for an order for the following Common Use Network Elements: Common Transport; Signaling and Call Related databases; and Tandem Switching. AT&T will pay the charges for usage of those elements in accordance with Appendix Pricing UNE - Schedule of Prices.</i>

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**AT&T PROPOSED
ELECTRONIC PRE-ORDER AND ORDERING
AND PROVISIONING - UNE**

Function	Loop	INP	Loop w/ INP	Switch Port	Loop w/ Port + OS/DA	Loop w/ Port - OS/DA	Dedicated Transport	DSR
PRE-ORDER								
Address Verification	X	X	X	X	X	X	X	X
Service/Feature Availability	X	X	X	X	X	X	X	X
Telephone Number Assignment	X	X	X	X	X	X	X	X
Dispatch Schedule	X	X	X	X	X	X	X	X
Due Date	X	X	X	X	X	X	X	X
Customer Service Record	X	X	X	X	X	X	X	X
ORDERING & PROVISIONING								
Migration (Convert As Is)	X ^{1,6,7,8}	X ²	X ^{1,6,7,8}	X ^{1,4}	X ^{1,4,6,8}	X ^{1,4,6,7}	X ⁹	X
Migration With Changes (Convert with changes)	X ^{1,6,7,8}	X ²	X ^{1,6,7,8}	X ^{1,4}	X ^{1,4,6,8}	X ^{1,4,6,7}	X ⁹	X
Add/Disc Class Features				X	X	X		
Add/Disc Blocking (e.g., 1+, 0+, 011, 900, 976)				X	X	X		
PIC and PIC Freeze				X	X	X		
Add/Disc Lines	X	X ³	X ³	X ⁵	X	X		X ¹¹
Directory Listing - White - Straight Line	X	X	X	X	X	X		X
Directory Listing - White - Other than Straight Line	X	X	X	X	X	X		X

Function	Loop	INP	Loop w/ INP	Switch Port	Loop w/ Port + OS/DA	Loop w/ Port - OS/DA	Dedicated Transport	DSR
Partial Migration (Line/WTN vs. Account Level)	X	X	X	X	X	X		X ¹¹
Type of Port (e.g. POTS, ISDN)				X	X	X		
Line Conditioning	X		X		X	X		
With / Without Diversity	X		X		X	X	X	
With / Without Clear Channel Capability	X ¹⁰		X ¹⁰		X ¹⁰	X ¹⁰	X	
New Connects	X	X ³	X ³	X ⁵	X	X	X	X
Single Line	X		X ³		X	X		
Multi-Line (Less Than 30 Lines)	X		X ³		X	X		
Projects (Large Job - add'l facilities/coordinated work effort required - need SWBT criteria)	X		X ³		X	X		
Disconnects	X	X	X	X	X	X	X	X
Change Orders	X	X	X	X	X	X	X	X
Add/Disc Class Features				X	X	X		
Simple Number Change		X	X	X	X	X		
Add/Disc Blocking				X	X	X		
PIC and Local PIC Change				X	X	X		
Add/Disc Lines	X	X ³	X ³	X ⁵	X	X		X ¹¹
Directory Listing - White - Straight Line	X	X	X	X	X	X		X

Function	Loop	INP	Loop w/ INP	Switch Port	Loop w/ Port + OS/DA	Loop w/ Port - OS/DA	Dedicated Transport	DSR
Directory Listing - White - Other than Straight Line	X	X	X	X	X	X		X
Suspend/Restore Non- Payment				X	X	X		
Suspend/Restore Vacation Svc.				X	X	X		
Type of Port (e.g. POTS, ISDN)				X	X	X		
Line Conditioning	X		X		X	X		
With / Without Diversity	X		X		X	X	X	
With / Without Clear Channel Capability	X ¹⁰		X ¹⁰		X ¹⁰	X ¹⁰	X	
Records Only Order	X	X	X	X	X	X	X	X
T&F Order					X	X		
Outside Move	X		X		X	X	X	
Inside Move	X		X		X	X		
POST SERVICE ORDER EDI TRANSACTIONS								
Supplemental Orders	X	X	X	X	X	X	X	X
Firm Order Confirmation (FOC)	X	X	X	X	X	X	X	X
Jeopardies	X	X	X	X	X	X	X	X
Rejects	X	X	X	X	X	X	X	X
Order Completion	X	X	X	X	X	X	X	X

Footnotes:

1. Existing SWBT customer, existing AT&T TSR customer, existing CLEC TSR customer, existing CLEC UNE (Platform, port or loop) customer.
2. Existing SWBT number or existing CLEC INP number.
3. "Numbers" should be substituted for "lines"
4. Existing AT&T Unbundled Loop customer
5. "Ports" should be substituted for "lines"
6. Existing AT&T Unbundled Switch Port customer
7. Existing AT&T UNE Loop w/Port +OS/DA customer
8. Existing AT&T UNE Loop w/Port -OS/DA customer
9. Existing AT&T leased facility
10. Only applies to DS-1 loops
11. "Directory Listings" should be substituted for "lines"

IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
<p>1. Parity: Overview</p> <p>When AT&T orders a combination of unbundled network elements, and specifies the service it intends to provide using that combination (e.g., POTS, ISDN), should SWBT provide the requested elements with at least the same functionality, performance quality, and operations systems support that is available to SWBT for providing equivalent service to its customers?</p>	<p>Yes. AT&T should be able to provide a service using UNE elements equivalent to that provided by SWBT to its customers. SWBT's business and "policy" positions conspire to lower the level of service, limit the functionality, and raise the price of UNEs in such a way that would discourage competition in Missouri.</p> <p>Through the loops, switches, transport facilities, and other elements that comprise the SWBT network, SWBT is able to market and deliver telecommunications services to its customers with a certain range of functionality, quality, and speed. If AT&T and other LSPs are to have the opportunity to compete successfully for local service customers using unbundled network elements, their access to SWBT's UNEs must provide them the opportunity at least to match the functionality, quality, and speed of service offered by SWBT through those same elements. SWBT's implementation plans, however, made manifest in contract negotiations, are certain to deny AT&T access to unbundled elements on a parity basis with SWBT itself.</p> <p>This issue arises in several contexts. When SWBT uses a loop and switch port to serve a POTS customer, the customer's loop is automatically tested by the Mechanized Loop Testing (MLT) system in the local switch. Proactive maintenance is provided to the customer through the Local Maintenance Operation System. When AT&T orders that same loop and switch port to serve a POTS customer, however, SWBT plans to reclassify the elements as "designed circuits", eliminate MLT testing of the loop, and maintain them under a non-automated Work Force Administration system. To take another example, when a prospective POTS customer calls a SWBT customer service representative, SWBT's operations support systems provide that customer service representative with electronic access to dispatch requirements and due date information. However, SWBT holds to the position that its operations support systems will not provide AT&T customer service representatives with that same information when they seek to order unbundled network elements to provide comparable service to the same prospective POTS customers. Similarly, when a SWBT customer service representative completes an order for POTS service, SWBT's systems automatically flow through the relevant information to populate the LIDB database. Although AT&T will be required to provide the relevant information for LIDB on its orders for unbundled network elements, SWBT has set up its systems so that this "flow-through" capability will not be available to AT&T or other LSPs.</p>	<p>Attachment 6</p> <p><u>2.X When AT&T orders unbundled Network Elements in combination, and identifies to SWBT the type of telecommunications service it intends to deliver to its end-user customer through that combination (e.g., POTS, ISDN), SWBT will provide the requested elements with all the functionality, and with at least the same quality of performance and operations systems support (ordering, provisioning, maintenance, billing and recording), that SWBT provides through its own network to its local exchange service customers receiving equivalent service, unless AT&T requests a lesser or greater quality of performance through the Special Request process. For example, loop/switch port combinations ordered by AT&T for POTS service will include, without limitation, MLT testing, real time due date assignment, dispatch scheduling, service turn-up without interruption of customer service, and speed and quality of maintenance, at parity with SWBT's delivery of service to its POTS customers served through equivalent SWBT loop and switch ports. Network element combinations provided to AT&T by SWBT will meet or exceed all performance criteria and measurements that SWBT achieves when providing equivalent end-user service to its local exchange service customers (e.g., POTS, ISDN).</u></p>

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IV. UNE PARITY
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Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>Rather, each LSP will have to develop an alternative system for populating SWBT's LIDB database with information for the LSP's customers.</p> <p>In each of these instances, the same difference in perspective separates SWBT and AT&T. SWBT disclaims any obligation to make the network elements available to AT&T and other LSPs so that they may use those elements on a par with SWBT (to the extent technically feasible) in competing to provide telecommunications service to customers. Rather, SWBT maintains that it does not provide unbundled network elements "to itself" and that its only obligation is to provide equal access to unbundled network elements to all LSPs. According to SWBT, it is irrelevant if that equal access leaves all the LSPs at a substantial disadvantage to SWBT in competing for POTS customers.</p> <p>This Commission's 12/11/96 Arbitration Award established that SWBT must provide unrestricted access to the unbundled network elements identified by the Commission. (Arbitration Award at p. 13.) The recent 8th circuit court July 18, 1997 decision in <i>Iowa Utilities Board v. FCC</i> states that LSPs may not be required to own or control any of their own local exchange facilities before they can purchase or use unbundled elements to provide a telecommunications service. This ruling opened an important pathway by which LSPs will be able to use unbundled network elements to offer competitive services to Missouri consumers. A new entrant may order from SWBT the complete combination of elements needed in order to deliver telecommunications service to a retail customer through a physical configuration of network facilities that is unchanged from the facilities that serve the customer today. This UNE "platform," offers an economic, marketing, and technical basis for transition to facilities-based competition.</p> <p>The FCC and each of the state commissions in SWBT's traditional local service territory all agree that LSPs may purchase and use the UNE platform for competitive entry, without a requirement that the LSP own its own facilities. See FCC Order, ¶ 331; Kansas Arbitration Order at 43; Missouri Arbitration Order at 13; Texas award at 16; Arkansas Arbitration Order at 28; Oklahoma Arbitration Order Regarding Unresolved Issues at 5. SWBT, however, continues to resist the UNE platform at every turn, not only by its appeals, where it characterizes the UNE platform as "sham unbundling," but also in its contract negotiations and UNE implementation plans. SWBT's plans for UNE implementation will effectively deny LSPs</p>	

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>the capability to compete for POTS customers via the UNE platform.</p> <p>This proposed AT&T language directly addresses this conflict. It will define "parity" of access to unbundled network element combinations from the only perspective that will create a meaningful opportunity for competition – the ability to deliver equivalent service to the end-user customer. AT&T will indicate on orders for combinations of elements the type of service it intends to deliver over those elements (e.g., POTS, ISDN) – indeed, this is a requirement of the ordering processes developed in implementation of the Missouri Interconnection Agreement. In turn, SWBT will be required to provide the requested elements with all of the functionality, and with at least the same quality of performance and operations systems support, that SWBT provides through its own network to its local exchange customers receiving equivalent service. Unless LSPs are provided with access to SWBT's UNEs in a manner that provides them with an opportunity to deliver equivalent service to end-user customers, then the access to unbundled network elements previously ordered by this Commission will remain access in name only.</p>	
<p>2. <u>Ordering and Provisioning: Access to Information</u></p> <p>Should SWBT provide AT&T with parity in pre-ordering, ordering, and provisioning processes in terms of access to information?</p>	<p>Yes. SWBT should be required to provide its end user due date and dispatch information to AT&T so that AT&T can coordinate its inside plant vendor with the time table of the end user. This information should be provided to AT&T in the same manner as SWBT provides this information to its end users for equivalent services (e.g. SWBT POTS customer vs. AT&T Loop and Port combination POTS customer). SWBT should not put AT&T at a competitive disadvantage by not allowing access to information that SWBT can provide to its customers.</p> <p>SWBT should also be obligated to provide AT&T end users the same level of performance that it provides its own end users for equivalent services. SWBT should also provide to AT&T an electronic transaction to notify AT&T that a due date is not going to be met so that AT&T can notify its customer of the situation.</p> <p>The FCC recognizes that nondiscriminatory access to the ILEC's operations support systems "is vital to creating opportunities for meaningful competition." FCC Order at ¶ 518. The FCC thus concluded that "an incumbent LEC must provide nondiscriminatory access to their operation support systems functions for pre-ordering, ordering, provisioning, maintenance and repair, and billing available to the LEC itself. Such nondiscriminatory access includes access to the functionality</p>	<p>Attachment 7 - UNE Ordering and Provisioning</p> <p>2.X SWBT and AT&T agree to work together to implement the Electronic Gateway Interface (EGI) used for resold services that provides non-discriminatory access to SWBT's pre-order process. AT&T and SWBT agree to implement the electronic interface, which will be transaction based, to provide the pre-service ordering information (i.e., address verification, service and feature availability, telephone number assignment, dispatch requirements, due date and Customer Service Record (CSR) information), subject to the conditions as set forth in Attachment 2 Ordering and Provisioning - Resale, Paragraph 1.X.</p> <p>Attachment 2</p> <p>4.X When available, SWBT will provide AT&T an 855 EDI transaction based reply when SWBT's committed Due Date (DD) is in jeopardy of not being met by SWBT on any Resale service. SWBT will concurrently provide the revised due date. SWBT may satisfy its obligations under this paragraph by providing AT&T access through the electronic interface to a database which</p>

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>of any internal gateway systems the incumbent employs in performing the above functions for its own customers." <i>Id.</i> at ¶523. The FCC required ILECs to meet the requirement of nondiscriminatory OSS access by January 1, 1997. <i>Id.</i> at ¶ 525.</p> <p>SWBT has failed to meet this requirement in its implementation negotiations with AT&T. SWBT has delayed and resisted providing AT&T with access to OSS functions that will enable AT&T to pre-order, order, and provision UNE service for its customers with the same quality and speed that SWBT uses to serve its retail customers, contrary to the requirements of Section 251(c)(3) of the Act and the FCC's very plain, specific interpretation. This resistance has manifested itself in disagreements over a number of provisions in Attachment 7: Ordering and Provisioning - Unbundled Network Elements.</p> <p>For example, AT&T's proposed language at right which will appear in Attachment 7 would include dispatch requirements and due date in the categories of information that would be available to AT&T via electronic interface for pre-ordering purposes for unbundled network elements. That information is available to SWBT in performing pre-ordering for its retail customers who will be served through the same equipment and facilities (i.e., network elements) as AT&T's retail customers served through unbundled network elements. SWBT has agreed to provide this information via electronic interface for resale pre-ordering. See <i>Attachment 2</i>. The FCC itself has said that, "to the extent that customer service representatives of the incumbent have access to . . . service interval information during customer contacts, the incumbent must provide the same access to competing providers." FCC Order at ¶ 523.</p> <p>SWBT's refusal to make this pre-ordering information available to AT&T via electronic interface cannot be justified under the Act. SWBT has commented in defense of its position that it does not "order UNEs" or "provide UNE service" to itself, so that its failure to provide such information is not discriminatory. If SWBT is serious about this position, it misapprehends the fundamental nature of the 251(c)(3) requirement that UNEs must be provided on terms that are nondiscriminatory. The FCC expressly admonished that the Act requires ILECs to provide access to UNEs that is not only equal as between all carriers requesting access, but also "must be at least equal-in-quality to that which the incumbent LEC provides to itself." FCC Order at ¶ 312. This more broad nondiscrimination requirement is necessary to protect against the ILEC's</p>	<p>identifies due dates in jeopardy and provides revised due dates as soon as they have been established by SWBT. On an interim basis, where available, SWBT and AT&T will establish mutually acceptable methods and procedures for handling the processes for a jeopardy notification or missed <i>due date</i>. <u>This capability will be available by January 1998 or as agreed to by the Parties.</u></p> <p><u>Attachment 7</u></p> <p>6.X When available, SWBT will provide AT&T an 855 EDI transaction based reply when SWBT's committed Due Date (DD) is in jeopardy of not being met by SWBT on any Unbundled Network Elements or Combinations. SWBT will concurrently provide the revised due date. SWBT may satisfy its obligations under this paragraph by providing AT&T access through the electronic interface to a database which identifies due dates in jeopardy and provides revised due dates as soon as they have been established by SWBT. On an interim basis, where available, SWBT and AT&T will establish mutually acceptable methods and procedures for handling the processes for a jeopardy notification or missed <i>due date</i>. <u>This capability will be available by January 1998 or as agreed by the Parties.</u></p> <p>9.X <u>SWBT will provide AT&T with the provisioning intervals as currently outlined in the LCUG Service Quality Measurements document, or as may be revised from time to time.</u></p>

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue	AT&T Reason why language should be included or excluded	AT&T Language
	<p>"incentive to discriminate against its competitors by offering them less favorable terms and conditions" than it provides itself. <i>Id.</i> at ¶ 218 (addressing interconnection; same concern referenced with regard to UNE access at ¶ 312, note 675).</p> <p>The Act's nondiscrimination requirement cannot be evaded by the facile contention that SWBT does not use unbundled elements for itself. SWBT has and does use unbundled elements — i.e., facilities and equipment used to provide a telecommunications service (the definition of a network element at 47 C.F.R. § 51.5). The FCC's interpretation of the nondiscrimination requirement is directed at ILEC's such as SWBT. The requirement would be meaningless if ILECs could avoid it by saying that they do not order or use "unbundled network elements" as such.</p> <p>The only other explanation for SWBT's refusal to agree to provide pre-ordering information on due date and dispatch requirements electronically (as it will do for resale) is that its decision to treat all UNE orders as "designed circuit" orders will result in SWBT administering these orders under systems that do not provide electronic access to this information. SWBT's business discretion, however, does not extend to avoiding the requirements of the Act. This information is available to SWBT customer service representatives providing pre-order services to prospective POTS customers, customers who will be served by a combination of SWBT local switches, loops, and its common network. When AT&T performs pre-order services for prospective POTS customers whom it may serve through those same facilities ordered as unbundled network elements, the Act entitles it to the same information. AT&T's proposed Section 2.X should be accepted in its entirety.</p> <p>The same reasons compel acceptance of AT&T's other proposed language for Attachments 2 and 7. In each instance AT&T's language is intended to provide AT&T with nothing more than what SWBT provides to itself. The proposed Attachment 7 language requires SWBT to provide electronic notification when any UNE due date is in jeopardy of not being met no later than January 1998 or as agreed to by the Parties. The last proposed Attachment 7 language at right requires SWBT to provision UNE orders within the intervals currently outlined in the LCUG Service Quality Measurement document. All of these OSS functions are functions that SWBT provides to itself. All are important to AT&T's ability to compete meaningfully with the incumbent. All these contract provisions should be accepted in order to require SWBT to make nondiscriminatory</p>	

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
<p>3. <u>Ordering and Provisioning: Network Elements that are interconnected and functional</u></p> <p>a. May SWBT disconnect elements that are ordered in combination when those elements are interconnected and functional at the time of the order?</p> <p>b. Should SWBT provide AT&T with parity in pre-ordering, ordering, and provisioning processes without significant service interruption?</p>	<p>OSS access a reality.</p> <p>a. No. FCC Rule 51-315(b) states that "except upon request, an incumbent LEC shall not separate requested network elements that the incumbent currently combines." The 8th circuit court affirms this rule in its July 18, 1997 <i>Iowa Utilities Board v. FCC</i> decision. The FCC has confirmed, following the 8th circuit decision, that this rule prohibits ILECs from disconnecting network elements that are connected at the time that it receives an unbundling request (see <i>FCC Shared Transport Order</i>).</p> <p>b. Yes. SWBT has made a "business" and "policy" decision to move all UNE elements to its designed service system. This threatens to cause a service interruption to AT&T UNE customers when AT&T orders a loop and switch port from SWBT to offer POTS service (alternatively, this will deny the UNE switching user access to testing capability altogether; see issue 7 below). Because of its decision to administer UNEs as a designed service, SWBT will take those loops out of the current system, which has an automated testing component, and move it to their SARTS system, which does not. As a result, SWBT will interrupt service on loops (by its own account, for approximately 30 minutes), to install a SMAS test point. This disadvantages AT&T customers served by UNEs, and places an unreasonable and unnecessary constraint on any new entrant's opportunity to compete.</p> <p>The Arbitrator recommended that "...there shall be no restrictions or limitations on LSP use of UNEs." (Award p. 13).</p> <p>As mentioned above, one likely use of unbundled network elements for a new entrant is to order from the ILEC the complete combination of elements needed in order to deliver telecommunications service to a retail customer through a physical configuration of network facilities that is unchanged from the facilities that serve the customer today. By ordering the local loop and local switch port that serve that customer and using those elements in combination with the common network elements to which they are already interconnected (e.g., common transport, signaling and databases, tandem switching), the new entrant can deliver the same end-to-end service that had been provided by the ILEC. Through such a UNE "platform", AT&T (and other CLECs) may obtain the benefits of cost-based pricing, creating the opportunity for more competitive retail pricing offers, and giving it the flexibility to design customized offers, particularly</p>	<p><u>Attachment 7</u></p> <p>6.X When AT&T orders Elements or Combinations that are currently interconnected and functional, such Elements and Combinations will remain interconnected and functional without any disconnection and without loss of feature capability and without loss of associated Ancillary Functions. This will be known as Contiguous Network Interconnection Network Elements. There will be no charge for such interconnection.</p> <p>6.X "Contiguous Network Interconnection of Network Elements" includes, without limitation, the situation when AT&T orders all the SWBT Network Elements required to convert a SWBT end-user customer or an AT&T resale customer to AT&T unbundled Network Elements service (a) without any change in features or functionality that was being provided by SWBT (or by AT&T on a resale basis) at the time of the order or (b) with only the change needed to route the customer's operator service and directory assistance calls to the AT&T OS/DA platform via customized routing and/or changes needed in order to change a local switching feature, e.g., call waiting. (This section only applies to orders involving customized routing after customized routing has been established to an AT&T OS/DA platform from the relevant SWBT local switch, including AT&T's payment of all applicable charges to establish that routing.) There will be no interruption of service to the end-user customer in connection with orders covered by this section, except for processing time that is technically necessary to execute the appropriate recent change order in the SWBT local switch. SWBT will treat recent change orders necessary to provision AT&T orders under this section at parity with recent change orders executed to serve SWBT end-user customers, in terms of scheduling necessary service interruptions so as to minimize inconvenience to end-user customers.</p>

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>for vertical services. A UNE platform also is the means by which a new entrant may offer services that are differentiated from the ILEC's services, without having to duplicate the ILEC's existing network at the time of entry. With time and development of the customer base, the new entrant can substitute its own facilities more broadly. The UNE platform creates an economic, marketing, and technical basis for transition to facilities-based competition.</p> <p>SWBT has aggressively opposed the UNE platform in this arbitration and others. It has complained in various appeals that it authorizes "sham unbundling." SWBT's legal opposition to the UNE platform has carried over into contract negotiations. SWBT has been unwilling to agree to reasonable contract provisions that will enable AT&T to implement UNE platform purchases, and it has adopted an operational plan for implementing UNE service that will place CLECs who use the UNE platform at a significant competitive disadvantage.</p> <p>In attempting to put into contract terms AT&T's right to order the complete combination of network elements needed to provide end-to-end service to a customer, the Parties have reached two chief areas of disagreement. The first is SWBT's assertion that it may collect nonrecurring charges for orders that do not cause SWBT any one-time expenses other than service order processing expenses. The Missouri Commission has ordered in its 7/31/97 award that under a CLEC Simple Conversion, no nonrecurring charges in addition to the \$5 service order charge will be assessed (see related issue in Pricing Matrix V. for further discussion of nonrecurring charges.). The second is SWBT's unwillingness to commit that it will not interrupt service to customers who convert to AT&T UNE service, even though interruption is technically unnecessary.</p> <p>Under SWBT's approach, any local service provider who uses UNE combinations as one market entry strategy will find itself competing with one hand tied behind its back. For a new entrant to be required to tell prospective customers that they must expect an extended interruption of service, represents a very serious competitive disadvantage. Section 251(c)(3) of the Act requires SWBT to provide access to UNEs on terms that are just and reasonable, as well as nondiscriminatory. "These terms require incumbent LECs to provide unbundled elements under terms and conditions that would provide an efficient competitor with a meaningful opportunity to compete." FCC Order, ¶ 315. Causing unnecessary service interruptions violates this standard. There is no justification for</p>	

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>imposing a service interruption on end user customers so that SWBT can install an <u>unnecessary</u> test point.</p> <p>AT&T has proposed language that would prohibit interruption of customer service when AT&T orders the complete UNE platform for a customer, with no change in features. No physical change to the facilities serving the customer is required in those circumstances, so no extended outage can be justified. When a new AT&T customer is established in the switch database, a "recent change" order must be executed. This "recent change order" takes only a fraction of a second of computer processing time to execute. AT&T understands SWBT to agree that this is the only outage technically required in such situations, but for SWBT's decision to insist on installing an automated test point in the loop. Like nonrecurring charges, SWBT's business choice to place all UNE circuits under its WFA system, with the consequence that test points must be installed, cannot justify imposing on AT&T the competitive disadvantage of a customer service interruption in situations where that interruption is otherwise unnecessary.</p> <p>AT&T's proposed language prohibiting extended customer service interruptions in the situations described above should be accepted in order to provide AT&T with nondiscriminatory access to element combinations on terms that will provide it with a meaningful opportunity to compete.</p>	
<p>4. Ordering and Provisioning: No Service Disruption With IDLC</p> <p>Should SWBT disconnect working service and possibly deny AT&T access to loops served by IDLC technology when AT&T orders the loop and switch port in combination?</p>	<p>No. AT&T, and its end user customers, should not be forced to endure an unnecessary disconnection. When an existing, interconnected loop and switch port are ordered by AT&T, and that loop happens to be served by IDLC today, there is no reason for SWBT to: 1) disconnect that service and move the loop to another technology, and 2) possibly respond to AT&T that there is no alternative loop available; therefore, AT&T cannot serve that customer. In this situation, AT&T's proposed contract language would allow AT&T to serve the customer over the existing IDLC loop/switch combination. Indeed, for SWBT to disconnect elements, without AT&T's request, violates FCC Rule 51.315 (b).</p> <p>Because the Missouri Commission ruled that the DLC need not be further unbundled at this time, it is clear that when AT&T owns or manages its own switch, loops served by IDLC must be moved off of that technology and onto either an existing physical loop or a universal digital loop carrier. This is because a loop served by IDLC would have to be further unbundled to interact with AT&T's switch.</p>	<p>Attachment 6</p> <p>4.X When AT&T owns or manages its own switch and requests an unbundled Loop to be terminated on AT&T's switch and the requested loop is currently serviced by SWBT's Integrated Digital Loop Carrier (IDLC) or Remote Switching technology, SWBT will, where available, move the requested unbundled Loop to a spare, existing physical or a universal digital loop carrier unbundled Loop at no additional charge to AT&T. If, however, no spare unbundled Loop is available, SWBT will within forty-eight (48) hours, excluding weekends and holidays, of AT&T's request notify AT&T of the lack of available facilities. AT&T may request alternative arrangements through the Special Request process. <u>This section does not apply when AT&T orders a Loop/Switch port combination from SWBT.</u></p> <p>5.X Analog Line Port: A line side switch connection available in</p>

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>SWBT seeks to reassure AT&T that this technology is not in common use in its network today, and this may be true – today. This is new, forward looking technology, and although AT&T is not privy to SWBT's procurement policy for IDLC, it is reasonable to assume that SWBT will be buying what is one of the best-selling new technologies today. Although IDLC is only present in less than 10% of SWBT's network today, we can expect that number to grow in the future. (In fact, in the Arbitration award, the Commission ordered that SWBT assume that its network contains 25% IDLC for purposes of identifying forward-looking technology.)</p> <p>The Commission should rule in favor of AT&T's language for the reasons stated above.</p>	<p>either a loop or ground start signaling configuration used primarily for switched voice communications <i>including centrex-like applications</i>. When AT&T orders a Loop/Switch combination in which the loop is served by IDLC, AT&T will pay the applicable loop charge and an Analog Line Port charge.</p> <p>5.X ISDN Basic Rate Interface (BRI) Port: A line side switch connection which provides ISDN Basic Rate Interface (BRI) based capabilities <i>including centrex-like applications</i>. When AT&T orders a Loop/Switch combination in which the loop is served by IDLC, AT&T will pay the applicable loop charge and a BRI Port charge.</p>
<p>5. <u>Ordering and Provisioning: Parity of Provisioning Intervals</u></p> <p>Should SWBT provide parity between provisioning intervals for its end users and provisioning intervals for AT&T end users receiving the same service as they received from SWBT?</p>	<p>Yes. AT&T customers receiving service from UNEs should not have to wait longer for their service than SWBT or resale customers.</p> <p>SWBT should not put AT&T at a competitive disadvantage by not providing to AT&T the same level of performance that they provide to their end users for equivalent services (e.g. SWBT POTS customer vs. AT&T POTS customer served via UNE Loop and Port). For example, SWBT will offer a 2-day interval to its own or resale customers for POTS service, but offers a five-day interval to UNE users. SWBT has been unable or unwilling to explain why, when the same function is being performed, it takes longer to provide service on UNEs.</p>	<p><u>Attachment 7</u></p> <p>5.X SWBT will provide AT&T with standard provisioning intervals for all unbundled Network Elements and combinations as compared to SWBT customers for equivalent service.</p>
<p>6. <u>Ordering and Provisioning: Provisioning of Databases</u></p> <p>Should SWBT be required to provision collect calling, 3rd number billing, credit card number and other information provided by AT&T on the UNE order within its LIDB in the same manner as it provisions 911, directory listings, UNE elements and features when ordered?</p>	<p>Absolutely! In order for AT&T to receive full functionality of the switching element, SWBT provisions several databases. AT&T views LIDB as simply another database to be provisioned in order for AT&T to receive full functionality of the unbundled local switch, much as the switch database, directory listing database, and 911 database are agreed-upon as being provisioned by SWBT for UNEs today.</p> <p>SWBT should provide to AT&T the same flow through provisioning process that it provides to itself and that it provides to AT&T for all other unbundled elements and databases when AT&T purchases UNE switching. The LIDB update consists of updating collect calling, 3rd number billing, and credit card information linked to the customer information provided to SWBT on the UNE switching order. In</p>	<p><u>Attachment 6: UNE</u></p> <p>9.X <i>In the event that AT&T is using SWBT's OS platform, until otherwise agreed, no charge is made for such Validation queries other than applicable OS charges under Appendix Pricing UNE - Schedule of Prices labeled "Operator Services Call Completion Services" and all subparts thereunder.</i></p> <p><u>Attachment 7: O&P</u></p> <p>1.X When AT&T utilizes UNE switching, SWBT will populate its LIDB database with customer information using information provided by AT&T using standard OBF fields as defined in the</p>

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>negotiations, SWBT stated that it will remove such information from the database, then require AT&T to re-enter the data. SWBT also should not be allowed to clear all such functionality of a customer that migrates to AT&T service. No other RBOC has imposed this completely unnecessary requirement on AT&T.</p> <p>SWBT claims that the FCC's First Report and Order, ¶ 493* only requires SWBT to "provide access, on an unbundled basis, to the service management system (SMS), which allow competitors to create, modify, or update information in call-related databases." This paragraph in the FCC's Interconnection Order is irrelevant to SWBT's obligation to provide INP in accordance with the FCC's regulations. Under the Federal Act and the FCC's regulations, INP is a service that SWBT must provide on request including any necessary provisioning of the LIDB.</p> <p>SWBTs own retail systems today flow through information for SWBTs customers directly to the LIDB. SWBT is asking that AT&T manually update the LIDB with customer information for every AT&T customer. AT&T is willing to specify all of the necessary information to SWBT on the customer service order, and SWBT should update the LIDB just as it updates other databases such as 911/E911 and directory listings.</p> <p>SWBT also claims that there are security reasons that keep it from updating the LIDB. AT&T finds it peculiar that SWBT singles out this particular database when it today updates its own switch, directory listings, 911/E911 etc., with the information that AT&T provides over the service order. SWBT is trying to introduce manual work on the part of AT&T to slow down the service order process and create additional costs to AT&T.</p> <p>* First Report and Order, Implementation of the Local Competition Provisions in The Telecommunications Act of 1996, CC Docket No. 96-98 (August 8, 1996) ("First Report and Order").</p>	<p><u>LSOG (Local Service Ordering Guide).</u></p>
<p>7. <u>Maintenance: Automated testing</u></p> <p>Should SWBT provide AT&T with automated testing of the switch port?</p>	<p>Yes. AT&T, like SWBT should be able to test the loop using automated testing through the switch port. SWBT's "business decision" to treat all UNE elements as designed services precludes the option of automated testing. Not only does this cause the service interruption noted above, it also disadvantages AT&T customers in terms of speed of response to troubles. Automated testing through MLT ensures that a quick response can be given to service options. Manual testing with SARTS requires that</p>	<p><u>Attachment 6</u></p> <p>11.X Cross connects to the cage associated with unbundled local loops are available with or without automated testing and monitoring capability. If AT&T uses its own testing and monitoring services, SWBT will treat AT&T test reports as its own for purposes of procedures and time intervals for clearing trouble reports. When</p>

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>a technician set up the test, causing unnecessary work and delays in testing.</p> <p>Further, the Missouri Commission has ordered that when AT&T orders local loops from SWBT, it can order loops with and without automated testing. Again, SWBT attempts to limit the intent of the order by taking a very narrow reading of the order.</p> <p>SWBT agrees that when AT&T wishes to combine an unbundled local loop with its own facilities, it has no need for SWBT to provide automated testing. AT&T will supply its own loop testing in those circumstances. However, in cases where AT&T orders a switch port, or a local loop and switch port in combination, SWBT holds fast to their "business decision" to insert SMAS testing points, rather than using the more efficient MLT testing system that is an integral part of the switch port.</p> <p>To obtain access to loop and switch combinations at parity with SWBT itself, and to receive full functionality of the switch itself, AT&T should be able to specify that those combinations will continue to be tested through the local switch's remote testing capability, rather than through installation of a loop cross connect test point.</p>	<p><u>AT&T orders a switch port, or local loop and switch port in combination, SWBT will, at AT&T's request, provide automated loop testing through the Local Switch rather than install a loop test point.</u></p>
<p>8. <u>Combinations of Element, Services and Facilities</u></p> <p>May SWBT restrict AT&T from connecting or combining unbundled network elements (UNEs) with access services or tariffed services?</p>	<p>No. In negotiations, SWBT has taken the position that, under the Act, AT&T may not combine or connect UNEs to access services or tariffed services provided by SWBT. This constitutes a restriction on AT&T's use of UNEs, creates inefficient networks, and should be rejected by the Commission.</p> <p>Section 251(c)(3) of the Act requires SWBT to provide access to unbundled network elements "in a manner that allows requesting carriers to combine" such elements in order to provide a telecommunications service. The FCC has held "that this language bars incumbent LECs from imposing limitations, restrictions, or requirements on requests for, or the sale or use of, unbundled network elements that would impair the ability of requesting carriers to offer telecommunications services in the manner that they intend." FCC Order at ¶ 292. Further, the Missouri Commission, in its 12/11/96 order, ruled (p. 13) that "...there shall be no restrictions or limitations on LSP use of UNEs."</p> <p>SWBT's position is contrary to the Act and the FCC Order. The Act permits CLECs, including AT&T, to use UNEs without restriction, however they deem appropriate to provide a telecommunications service. To take</p>	<p><u>Attachment 6</u></p> <p><u>2.X AT&T may combine any unbundled Network Element with any other element, equipment, or facility in its network, without restriction or limitations, regardless of whether that other element, equipment, or facility is owned or managed by AT&T, for the provision by AT&T of a telecommunications service, provided that the combination is technically feasible and would not impair the ability of other carriers to obtain access to other unbundled Network Elements or to interconnect with SWBT's network.</u></p>

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>one example, a CLEC may purchase an unbundled DS1 loop and cross-connect that loop to SONET facilities purchased out of the STN tariff. Through this combination the CLEC can provide private line service to a customer. Nothing in the Act authorizes or justifies SWBT's attempt to foreclose such combinations. Under the Act, AT&T must be able to combine unbundled elements in many different ways in order to meet the needs of its end user customers. AT&T should have the ability to combine access services and tariffed services with unbundled elements for its local customers just as SWBT can provide access and other tariffed services for its local customers.</p> <p>AT&T has proposed contract language that would recognize its unqualified right to combine UNEs with other equipment and facilities, whether owned or managed by AT&T or third parties, for the provision of a telecommunications service. AT&T's proposed language should be included in the contract because it is consistent with the Act and will provide for implementation of the network unbundling previously ordered by the Missouri PUC without unnecessary disputes.</p>	
<p>9. <u>Maintenance: Forward-looking Testing Systems</u></p> <p>Should AT&T be informed when SWBT introduces new test systems? Should they be allowed access to such systems?</p>	<p>Yes. Proposed Section 3.X allows AT&T the opportunity to negotiate with SWBT should new upgrades to existing test systems be developed. SWBT must provide parity of systems; especially when those systems directly affect the quality of service provided to the end user. This is a reasonable, limited measure to provide some assurance that SWBT will not abandon a system that is less capable for an upgraded testing system, yet force AT&T to remain on the less capable test system. AT&T's request is reasonable and therefore, AT&T's language should be accepted.</p>	<p><u>Attachment 8</u></p> <p>3.X SWBT agrees to notify AT&T of upgrades to existing test systems and the deployment of new test systems within SWBT and to negotiate with AT&T to allow AT&T to use such systems through a controlled interface.</p>

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
<p>10. <u>Maintenance: Automated testing through EBI?</u></p> <p>Should AT&T have the capability to interactively initiate and receive test results?</p>	<p>Yes. SWBT has agreed to work with AT&T to create four out of five capabilities through electronic bonding. It has refused to provide the capability to initiate and receive test results in the future, much in the same way that it currently refuses to provide automated testing through MLT today (Issue 7 above). AT&T should have the capability to provide online testing to its end users for the same services that SWBT provides such testing to its end users. By refusing to agree to this language, SWBT seeks to perpetuate the deficiency it seeks to create in AT&T's use of UNEs.</p>	<p><u>Attachment 6: UNE</u></p> <p>5.X SWBT will perform testing through the Local Switching element for AT&T customers in the same manner and frequency that it performs such testing for its own customers <u>for an equivalent service.</u></p> <p><u>Attachment 8: Maintenance</u></p> <p>3.X SWBT and AT&T agree to work together to develop new or modify existing standards for Phase II of EBI (specific date by which said development is to be completed to be jointly agreed upon) which will provide AT&T the following capabilities, including, but not limited to :</p> <p>a) performing feature and line option verification and request corrections;</p> <p>b) performing network surveillance (e.g., performance monitoring);</p> <p>c) <u>initiating and receiving test results;</u></p> <p>d) receiving immediate notification of missed appointments;</p> <p>e) identifying existing cable failures (by cable and pair numbering).</p>
<p>11. <u>Performance Data</u></p> <p>Should the contract incorporate specific UNE performance measurement requirements, developed with industry input, so that the parties are able to determine whether the elements provided to AT&T perform at parity with the elements provided by SWBT to other LSPs and to itself?</p>	<p>Yes. In order to consistently deliver the level of service that AT&T will offer to customers, AT&T must have reliable performance measurements from SWBT.</p> <p>AT&T has proposed to incorporate specific performance measurements being developed by the Local Competition User's Group (LCUG), an industry group that includes competitive local exchange carriers and prospective local service providers. The supplier quality measurements developed by LCUG include measurements of network performance parity (e.g., subscriber loop loss, signal to noise ratio, dial tone delay, post dial delay), unavailability of network elements (e.g., ratio of minutes loop unavailable to total minutes), and performance of individual network elements (e.g., post dial delay for calls routed to CLEC OS/DA platforms). Use of the LCUG criteria will provide AT&T with reasonable means to determine that SWBT is meeting its commitment to provide elements that "provide the CLECS with at least the same level of service it provides</p>	<p><u>Attachment 6</u></p> <p>2.X <u>SWBT and AT&T will jointly define performance data consistent with that provided by SWBT to other LSPs, that is to be provided monthly to AT&T to measure whether unbundled Network Elements are provided at least equal in quality and performance to that which SWBT provides to itself and other LSPs. Such performance data will be defined by the Parties no later than ninety (90) days from the effective date of this Agreement or a date mutually agreeable by the Parties. The performance data to be measured will be according to the Supplier Performance Metrics in accordance with the Local Competitive User Group (LCUG) recommendations, and any such future LCUG revisions, which includes but is not limited to network elements, pre-ordering and provisioning, maintenance, billing, operator services/ directory assistance,</u></p>

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	itself" (12/11/96 award page 47). Using the LCUG criteria also will address SWBT's concern that it not be required to measure different performance criteria for different LSPs; these criteria should provide performance data that will be responsive to the needs of LSPs generally.	<u>as incorporated herein to this Agreement. These performance measurements will be measured and reported to AT&T on a monthly basis by SWBT for both AT&T customers and SWBT customers.</u> The Parties will review the measures three months after AT&T's first purchase of a SWBT network element to determine if (1) the information meets the needs of the Parties and (2) the information can be gathered in an accurate and timely manner. SWBT will not be held accountable for performance comparisons based on the data until after the three month review or longer as the Parties may agree.
<p>12. <u>Performance Measurements: Provisioning Intervals</u></p> <p>Should SWBT be required to meet reasonable provisioning requirements that will ensure parity and provide a single set of standards that can be used for all UNE purchasers?</p>	<p>Yes. The Local Competition Users Group (LCUG) has developed a set of reasonable performance metrics to be expected when ordering Unbundled Network Elements. These performance metrics are in most cases the same as those SWBT provides itself for equivalent services.</p>	<p><u>Attachment 7: O&P</u></p> <p><u>9.X SWBT will provide AT&T with the provisioning intervals as currently outlined in the LCUG Service Quality Measurements document, or as may be revised from time to time.</u></p> <p><u>Attachment 8: Maintenance</u></p> <p><u>2.X SWBT will provide maintenance for all unbundled Network Elements and Combinations ordered under this Agreement at levels equal to the maintenance provided by SWBT in serving its end user customers for an equivalent service, and will meet the requirements set forth in this Attachment. Such maintenance requirements will include, without limitation, those applicable to testing and network management. For maintenance of UNE and UNE combinations, for example, loop and switch port, the service must be supported by all the functionalities provided to SWBT's local exchange service customers. This will include but is not limited to, MLT testing, dispatch scheduling and real time repair commitments. The maintenance to support these services will be provided in an efficient manner which meets or exceeds the performance metrics SWBT achieves when providing the equivalent end user services to an end user.</u></p>

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
<p>13. <u>Performance Measurements: Network Outages</u></p> <p>Should SWBT provide to AT&T performance measurements for network outages compared between equivalent services (e.g. SWBT POTS customer vs. AT&T POTS customer served via UNE)? Also should SWBT provide to AT&T "out of service" performance measurements that affect AT&T customers?</p>	<p>Yes, SWBT should treat AT&T customers served via UNEs in the same manner that they treat their customers for an equivalent service. AT&T would be at a competitive disadvantage if SWBT did not provide the same performance for maintenance to AT&T UNE customers that it provides its own end users for an equivalent service.</p>	<p><u>Attachment 8</u></p> <p>8.X For network outages other than emergency outages, the following performance measurements will be taken with respect to restoration of Unbundled Network Elements and Combinations service:</p> <p>See Exhibit B attached.</p> <p>8.X The above performance measurements will be measured and reported to AT&T on a monthly basis by SWBT for both AT&T customers and SWBT customers for an equivalent service. If the quality of service provided to AT&T customers based on these measurements is less than that provided to SWBT customers for three consecutive months, or if the average quality of service for a six month period is less than that provided to SWBT customers, AT&T may request a service improvement meeting with SWBT.</p>
<p>14. <u>Access to Equipment to Allow AT&T to Utilize Full Functionality of UNEs</u></p> <p>a. <u>Optical Multiplexing</u></p> <p>Should the Agreement provide AT&T with access to optical multiplexing on the same basis SWBT provides to itself?</p>	<p>This group of issues concern various types of equipment that AT&T believes are part of UNEs, to which the Commission ordered AT&T to have access. SWBT takes a far more limited view and seeks to "fence off" portions of its network from required unbundling; instead it may, in some cases, offer these items as a "business decision", but not at TELRIC prices.</p> <p>a. Yes. Access to optical multiplexing allows AT&T access to SWBT's forward looking SONET technology. The denial of this supplement to AT&T constitutes a refusal to allow full functionality to the dedicated transport element, which the Commission ordered SWBT to unbundle. AT&T has proposed contract language that would provide AT&T with the ability to use SWBT optical multiplexing facilities as part of dedicated transport, equivalent to SWBT's ability to use those facilities for the provision of telecommunications services. SWBT has opposed that language and asserted that multiplexing facilities are not part of any network element. SWBT maintains that it has no obligation under the Act to offer AT&T or other CLECs access to multiplexing. During negotiations, AT&T offered to provide specific requirements regarding the</p>	<p><u>Attachment 6</u></p> <p>8.X SWBT will provide multiplexing/demultiplexing for Voice Grade to DS1 and DS1 to DS3 conversions. SWBT will provide all technically feasible types of multiplexing / demultiplexing and grooming on the same basis as is available to SWBT for the purpose of providing telecommunications service.</p> <p>8.X AT&T will pay rates and charges for Voice Grade to DS1 and DS1 to DS3 multiplexing and demultiplexing that are in addition to Dedicated Transport rates and charges. These charges are shown in Appendix Pricing - UNE - Schedule of Prices labeled "Multiplexing". The multiplexing / demultiplexing and grooming associated with optical multiplexing is included in the optical interoffice dedicated transport price.</p>

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>types of multiplexing required, but SWBT steadfastly maintained its position that it would not offer optical multiplexing at all, except under Special Request "ICB" pricing, making discussion of specific requirements a moot point. SWBT has agreed to offer electronic multiplexing but is unwilling to offer access to optical multiplexing at parity with its own access to such facilities. SWBT has offered no more than uncertain and discriminatory access to such facilities through a special request process.</p> <p>Multiplexing is required to interconnect unbundled local loops or lower bandwidth dedicated transport to higher bandwidth dedicated transport. Multiplexing is necessary to take advantage of economies of scale of higher bandwidth transport.</p> <p>SWBT's position is contrary to the Act and would deny AT&T the ability to implement contractually the nondiscriminatory access to unbundled interoffice transport that the Missouri Commission ordered. Multiplexing certainly meets the regulatory definition of a network element as a "facility or equipment used in the provision of a telecommunications service." 47 C.F.R. §51.5. Multiplexing is a part of the transmission facilities between SWBT switches and wire centers, or between such SWBT locations and those of other carriers. As such, it forms part of the element identified by the FCC as "interoffice transmission facilities," one of the elements ordered unbundled by the Missouri Commission. 47 C.F.R. § 51.319(d). SWBT's refusal to provide AT&T access to multiplexing facilities that SWBT uses to provide local service in Missouri today violates the Act's requirement that it provide access to unbundled network elements on terms that are just, reasonable, and nondiscriminatory.</p> <p>Since AT&T learned of SWBT's position that it has no obligation under the Act to offer access to multiplexing, it has presented that issue to two state commissions. Both the Kansas and Arkansas Commissions have rejected SWBT's position and confirmed that SWBT must provide multiplexing as part of dedicated transport. In Kansas, the Arbitrator found that "SWBT is required to provide all technically feasible types of multiplexing, demultiplexing, grooming, DCS bridging, broadcast, test and conversion features to the extent such services and features are available to SWBT." AT&T/SWBT Kansas Arbitration Order at 45; see also AT&T/SWBT Arkansas Arbitration Order at 31.</p> <p>AT&T's proposed contract language provides AT&T with no more access</p>	

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue	AT&T Reason why language should be included or excluded	AT&T Language
	to multiplexing than the access that SWBT provides to itself for similar purposes. AT&T's language should be accepted in order to implement nondiscriminatory access to unbundled dedicated transport.	
<p>14. <u>Access to Equipment to Allow AT&T to Utilize Full Functionality of UNE</u></p> <p>b. <u>Input/Output Port</u></p> <p>Should AT&T have access to capabilities such as voice mail capability requiring Input/Output switching ports?</p>	<p>Yes. the language in Section 5 of Attachment 6 defines certain local switching ports that SWBT will make available to AT&T and which are priced on Appendix Pricing UNE - Schedule of Prices. The language in that Section further provides that AT&T may request additional port types through the Special Request process.</p> <p>This structure is acceptable to AT&T so long as it has reasonable assurance that the parties have included in the "standard" ports a complete list of the ports necessary to utilize the switching functionality that will meet its projected needs for the life of the contract.</p> <p>During recent negotiations AT&T requested that SWBT include "input/output" ports in the list of ports available under Attachment 6 without special request. Third-party voice mail providers use a type of input/output port called an "SMDI" port to make voice mail functions available through local switching. Not all switches, however, use the name "SMDI" for the port that provides this functionality. Accordingly, AT&T has proposed that the contract recognize the more generic "input/output port."</p> <p>This functionality is available to SWBT for use in providing voice mail service to its local customers. Parity requires that it be available to AT&T as well. AT&T should not have to specify the name of every type of port that SWBT may have in its network, matching the arcane labels employed by various switch vendors, in order to obtain the full functionality of local switching. SWBT should be required to provide the input/output port without special request.</p> <p>AT&T believes that, during the price proceedings, the Commission may have found that the cost of input/output ports is already included in the SWBT switching cost study. If this is the case, then there should be no</p>	<p><u>Attachment 6</u></p> <p>5.X Input/Output (I/O) Port: Provides access to the switch for a variety of functions including but not limited to voice mail functions (e.g., SMDI Port).</p>

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
<p>14. <u>Access to Equipment to Allow AT&T to Utilize Full Functionality of UNEs</u></p> <p>c. <u>Switch Capability</u></p> <p>Should the Contract Require SWBT to Provide AT&T with Information on Switch Capability that is available to SWBT?</p>	<p>additional charges for input/output port functionality.</p> <p>Yes. Here, AT&T seeks to differentiate its service and avail itself of the full functionality of the UNE switching element, not just those features that SWBT currently provides its customers. AT&T has proposed contract language that will require SWBT to provide it with a detailed list of all services, features, functions and capabilities of each local switch, by switch CLLI and NPA NXX. SWBT opposes providing information about any switch service or feature capabilities that are not currently activated and working.</p> <p>SWBT's position again denies AT&T full access to UNE functionality and the information necessary to provide competitive services to customers through unbundled network elements. SWBT's position is self-contradictory and cannot be sustained. SWBT complains (incorrectly) that the UNE platform is "sham unbundling" and nothing more than resale service. Then, when AT&T requests to include a contract provision that is important to its ability to create services that are differentiated from the incumbent's, SWBT resists. SWBT is wrong on both counts. AT&T is entitled to know what the capabilities of the unbundled local switches are, so that it may plan and design competitive services. That information is available to SWBT. It should be available to AT&T. AT&T's proposed language should be accepted.</p>	<p>Attachment 6</p> <p>3.X a list of all services and features, functions and capabilities of each switch by switch CLLI and NPA NXX, including, but not limited to, type of switching equipment, installed version of software generic, secured features, identification of any software or hardware constraints or enhancements, and a means to reliably correlate a customer address with the data. Within ten (10) business days after the Effective Date of this agreement, SWBT will provide AT&T an initial electronic copy of this information. SWBT will provide complete refreshes of this data to AT&T electronically as changes are made to the SWBT data base or as AT&T may otherwise request. SWBT will send the initial batch feed electronically via the Network Data Mover Network using the CONNECT: Direct protocol;</p>
<p>14. <u>Access to Equipment to Allow AT&T to Utilize Full Functionality of UNEs</u></p> <p>d. <u>Expedited Special Request Process</u></p> <p>Should the special request process provide reasonable procedures for expedited requests?</p>	<p>Yes. During the life of the contract, AT&T may request an element that has not been provided for under the Agreement (i.e., a request for unbundling some facility or functionality not previously recognized as a distinct unbundled element). An expedited process is needed to fulfill those requests when the request is for an element that exists in the network but is not priced. The language in Attachment 6, Section 2 describes a "Special Request Process." The standard process provides for a 30-day preliminary feasibility determination by SWBT; it then provides an additional 60 days for developing a price quote and more detailed description of how the request would be implemented. The process requires the Parties to act "promptly" and to develop a quote "as soon as feasible," but specifies only the 30 and 60-day deadlines for action by SWBT.</p> <p>Pursuant to the 12/96 Arbitration Award, AT&T and SWBT have agreed to contract language that applies to this process and these time frames for requests that are truly for "new elements." However, the Agreement also refers other kinds of requests to the Special Request Process, which AT&T believes go beyond the types of requests that the Commission</p>	<p>Attachment 6</p> <p>2.X Whenever AT&T submits the Special Request for any of the following elements: Local Loop, Local Switching; Tandem Switching; Operator Services and Directory Assistance; Interoffice Transport, including Common Transport and Dedicated Transport; Signaling and Call Related Databases; Operations Support Systems; and Cross Connects – and the particular unbundled Network Elements requested is operational at the time of the request, but is not priced under this Agreement, SWBT will provide a price quote to AT&T for that element within ten days following receipt of AT&T's request. If the Parties have not agreed to the price within ten days thereafter either Party may submit the matter for dispute resolution as provided for in Attachment 1: Terms and Conditions.</p>

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue	AT&T Reason why language should be included or excluded	AT&T Language
	<p>intended to cover in its arbitration award.. For a number of the elements that the PUC ordered to be unbundled (e.g., local loops), it became apparent during prior negotiations that SWBT was prepared only to offer certain types on a standard basis. Thus, Section 4.X of Attachment 6 provides for a 2-wire analog loop, with and without conditioning, a 4-wire analog loop, and 2-wire (BRI) and 4-wire (PRI) digital loops. Section 4.X provides that AT&T may request additional loop types through the Special Request Process. Other provisions of the Agreement refer other types of requests to this process, including requests to modify an element or requests to provide an element performing with greater or lesser quality than SWBT provides to itself.</p> <p>The 90-day time frames provided for processing special will not be appropriate for some types of requests, but will serve as an anticompetitive barrier. If AT&T requests an element that is in place and serving a SWBT customer whom AT&T has won (e.g., a loop that is in place and functional but is not one of the standard types priced under the Agreement), there is no need for feasibility analysis. All that requires development is a price. Allowing an extended time for "analysis" of the request in these circumstances will certainly delay delivery of AT&T service to the end-user customer and may well deny AT&T the opportunity to win the customer.</p> <p>AT&T has proposed language that would require SWBT to provide a price quote within 10 days of receiving a request for an element that is within one of the recognized categories of elements and is operational at the time of the request.</p> <p>SWBT's intended scope of application for a Special Request Process did not become apparent until post-hearing Missouri interconnection agreement negotiations. Since that time AT&T has presented these timing concerns directly to the Arkansas, Kansas, and Oklahoma Commissions. All of those Commissions have found AT&T's 10-day price quote procedure to be reasonable and have ordered the parties to follow them. See Arkansas Arbitration Order, February 28, 1997, at p. 29-30 ("The time frame proposed by AT&T appears to be reasonable and SWBT's unwillingness to agree to any schedule is unreasonable.")</p> <p>AT&T's proposed language should be accepted in order that the Special Request Process does not deny AT&T nondiscriminatory, just and reasonable access to the network elements that the PUCT has ordered</p>	

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

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<p>15. Blocking/Screening Requirements</p> <p>Should SWBT limit AT&T's ability to block 900/976 calls, long-distance calls, and international calls for AT&T customers served by SWBT UNEs?</p>	<p>SWBT to unbundle.</p> <p>No. The ability to block 900, 976, long-distance, and international calls are features commonly requested by customers. SWBT has chosen to offer these capabilities by line class code. SWBT has made a "business decision" to offer only twelve default line class codes to UNE providers. When asked why such a limited default set was defined, SWBT's explained that this was a "business decision" to conserve line class code resources and receive compensation for work driven by their decision to use these line class codes. In negotiations, it has become clear that the development of line class codes for these features will consume an inordinate amount of time and money. AT&T's ability to offer these features to their customers should not be impaired by SWBT's internal business decisions.</p> <p>SWBT uses line class codes in its switches for purposes of routing (as discussed in the Customized Routing matrix), blocking/screening, and recording. It has become apparent that it will be especially difficult and especially (perhaps prohibitively) expensive for AT&T to access these line class code-based functionalities under SWBT's plans.</p> <p>SWBT has proposed that AT&T will be required to order any call blocking or screening requirements on a per class of service basis, by end office, when it uses unbundled local switching. SWBT would require such orders, regardless of whether AT&T orders customized routing to its own OS/DA platform from the affected switch or whether AT&T uses SWBT's OS/DA element associated with that switch.</p> <p>AT&T understands that it may need to address call blocking/screening requirements as part of establishing customized routing orders for an end office. For switches where AT&T does not request customized routing for OS/DA, AT&T would expect to receive the same range of call screening and blocking capabilities for its customers that SWBT provides to its customers out of that same end office. AT&T should not be required to place a special end-office order for such capabilities, unless it proposes to vary the screening and blocking capabilities from those that SWBT provides.</p> <p>Regardless of any ordering requirements, AT&T should not be required to pay any separate charges associated with call screening and blocking. These capabilities of the SWBT switch, commonly used by it to provide service to its customers, should be included in the rates for unbundled</p>	<p>Attachment 6</p> <p><u>5.X There will be no charge to AT&T, over and above switch port and usage charges to obtain the blocking/screening and recording functions that SWBT provides to its own customers served by the local switch. If AT&T requests special screening or recording capabilities that SWBT does not provide to its customers, AT&T will pay SWBT its cost to provide those capabilities.</u></p> <p>Attachment 7</p> <p><u>5.X When AT&T requests call screening capability in connection with a purchase of unbundled Local Switching, AT&T will not be required to pay these proposed "Call Blocking/Screening" charges, but will pay the applicable switch port and switching usage charges from Appendix Pricing UNE - Schedule of Prices for the local switch used to provide such screening. If it is determined by the Texas Commission that additional "Call Blocking/Screening charges should apply, AT&T will pay the rates and charges ordered by the Texas Commission or as the Parties may otherwise agree.</u></p>

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IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>local switching. Blocking 900/976 calls today is a basic service that AT&T must be able to offer. There is no justification for SWBT's proposed blocking/screening charges. In preparing for UNE implementation, SWBT developed a set of line class codes to make available to LSPs who order UNEs. It developed those standard codes without opportunity for input from LSPs. SWBT chose to omit from its "standard" UNE line class codes any call blocking or screening capability. Here again SWBT has designed a UNE infrastructure that places LSPs at a competitive disadvantage.</p> <p>SWBT also has disclosed that it uses line class codes to accomplish certain recording functions, e.g., recording associated with certain calling plans. This functionality also should be available to AT&T on a parity basis, without separate charge, unless AT&T orders some type of recording not used by SWBT.</p> <p>SWBT proposes special end-office ordering requirements for call blocking and screening capabilities should be rejected, and AT&T's contract language providing that AT&T will pay only applicable local switching charges, unless it requires blocking/screening or recording capabilities that SWBT does not use in providing services to its customers, should be adopted.</p> <p>See related issue in Pricing Matrix V.</p>	
<p>16. Combining Elements</p> <p>When AT&T orders combinations of elements that are not interconnected in the SWBT network at the time of the order, should the contract provide for SWBT to combine those elements, based on SWBT's determination not to permit AT&T and other LSP technicians access to SWBT network facilities that is equal to the access available to SWBT technicians?</p>	<p>Yes. SWBT has stated, since the Eighth Circuit decision, that it prefers not to allow LSP technicians the same type of access to SWBT network facilities that SWBT technicians use to connect network components for SWBT customers. Rather, SWBT has stated that it will continue, as it had planned, to make such connections between elements for LSPs. Given SWBT's unwillingness to provide nondiscriminatory access for purposes of making connections, SWBT's commitment to make those connections itself is essential to its provision of nondiscriminatory access to unbundled network elements. Accordingly, the requirement to make these connections should be incorporated into the contract.</p> <p>In its <i>Iowa Utilities Board</i> decision, the Eighth Circuit vacated the subparts of FCC Rule 51.315 that had required ILECs to perform the functions necessary to combine unbundled network elements as requested by competing carriers. In reaching this decision, the Eighth Circuit stated its assumption that the ILECs "would rather allow entrants access to their networks than have to rebundle the unbundled elements for them." Slip. op. at 141.</p>	<p>Attachment 7:</p> <p><u>When AT&T orders elements that are not currently interconnected and functional, SWBT will connect the elements for AT&T, except as follows: (a) if AT&T requests that the elements terminate in a collation space, AT&T will be responsible for making the connection; and (b) if AT&T orders an unbundled NID for connection to an AT&T loop, AT&T will be responsible for connecting the loop to the unbundled SWBT NID. There is no separate charge to AT&T for SWBT providing the connections called for under this section, apart from the rates and charges for the relevant elements as listed on Appendix Pricing UNE - Schedule of Prices.</u></p>

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Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>In an August 1997 arbitration hearing with AT&T in Texas, SWBT was called upon to address the impact of this Eighth Circuit ruling. During that hearing, SWBT confirmed that it continues to object to AT&T or any other LSP installing cross-connects between loop and switch port terminations on the main distribution frame in a SWBT central office, which is the means that SWBT uses to cross-connect those network components for its own purposes. August 1997 AT&T/SWBT PUCT Arbitration, Tr. 501-02 (Deere); 511 (Deere). Based on this position, and citing its need to balance its own section 271 objectives, SWBT announced at the hearing that it had decided that "the best approach at this time is to continue to offer to do the connecting of unbundled elements." Tr. 503 (Auinbauh). "To the extent that the access that we offer to the unbundled elements will not allow the local service provider to do the connecting, we will do the connecting. It's a pretty reasonable position." Tr. 503-04 (Auinbauh); see also Tr. 507-08 (Auinbauh).</p> <p>SWBT effectively conceded that it will not allow entrants access to SWBT's network, at parity with SWBT's access, which was the assumption underlying the Eighth Circuit's decision to vacate the FCC rule provisions that obligated ILECs to do the "combining" work for entrants. <i>Iowa Utilities Board</i>, slip op. at 141. Accordingly, for elements that are not currently interconnected and functional at the time of an AT&T order, SWBT should be held to its commitment to "continue to offer to [AT&T] what we have offered in the past; and that is to actually do the connecting of the network elements." Tr. 507-08 (Auinbauh). (Elements that are interconnected and functional at the time of the order may not be disconnected, as discussed elsewhere).</p> <p>AT&T has proposed language that would incorporate this commitment into the Missouri contract. AT&T submits that it is necessary and appropriate to incorporate this language into the Interconnection Agreement, in order to provide for the nondiscriminatory access to UNEs that the Act requires, given SWBT's position on technician access to its facilities.</p>	

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For network outages other than emergency outages, the following performance measurements will be taken with respect to restoration of Unbundled Network Elements and Combinations service:

a)	speed of answer in the LSPC - Note: Comparison will be made against the results for speed of answer in SWBT's CSBs (where SWBT's customers call in to refer troubles directly);
b)	percent missed commitments for nondesigned services;
c)	average outage duration time: nondesigned — receipt to clear; designed — mean time to repair;
d)	percent right the first time (<i>repeat reports</i>): nondesigned — 10 days; designed — 30 days;
e)	percent report rate nondesigned - Note: Comparison will be applicable only after AT&T's customer base equals or exceeds 300,000 <i>total lines (Resale and UNE)</i> ;
f)	percent no access - nondesigned.
g)	percent severity 1 (out of service) cleared in 24 hours

V. PRICING
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
<p>1. <u>UNE Pricing</u></p> <p>May SWBT assess rates or charges for AT&T's use of unbundled network elements, other than the permanent rates and charges established by this Commission for UNEs in its July 31, 1997 Final Arbitration Order in Case No. TO-97-40?</p>	<p>No. In its July 31, 1997 Final Arbitration Order, the Commission established permanent prices for unbundled network elements. 7/31/97 Order at 4. The Commission specifically found as follows: "Prices for the unbundled network elements include the full functionality of each element. No additional charges for any such element, the functionalities of the element, or the activation of the element or its functionalities shall be permitted." <i>Id.</i></p> <p>With that finding, the process of establishing the prices that will apply to AT&T's purchases of unbundled elements under its Interconnection Agreement with SWBT came to a conclusion. AT&T is entitled to purchase the full functionality of the UNEs recognized by this Commission at the rates and charges set in this Commission's July 31 Order.</p> <p>SWBT has taken the position that, notwithstanding the July 31 Order, there are additional "rate elements" associated with AT&T's prospective use of UNEs. SWBT asserts the right to impose additional charges for these "rate elements" and maintains that pricing for these rate elements was not "arbitrated" in the previous AT&T arbitration or the related cost docket. SWBT's position is directly contrary to the July 31 Order and to the Act's cost-based pricing requirements. SWBT's position must be squarely rejected, lest it undermine the availability of cost-based access to unbundled elements promised by the July 31 Order.</p> <p>The prior arbitration proceedings left no room for SWBT to continue to unilaterally assert the right to collect additional UNE rates and charges. On the contrary, that process provided SWBT with full and fair notice and opportunity to present any and all proposed rates and charges associated with the elements that the Commission had recognized.</p> <p>To begin with, the Commission in its December 11, 1996 Arbitration Order required SWBT to make available to AT&T eight unbundled network elements, without restriction: local loops; loop cross-connect; NID; local and tandem switching; interoffice transmission facilities; signaling and call related databases; operations support systems functions; and operator services and directory assistance facilities. December 11, 1996 Order at 8. The Commission also ordered SWBT to provide unbundled access to three subloop elements – loop distribution plant, loop</p>	<p><u>Attachment 6, Appendix Pricing-UNE</u></p> <p><u>1.X Prices for the unbundled network elements, as shown on Appendix Pricing UNE – Schedule of Prices, include the full functionality of each element. No additional charges for any such element, the functionalities of the element, or the activation of the element or its functionalities will be permitted.</u></p> <p><u>1.X Except for requests that are expressly made subject to the Special Request process described in section 2.X of Attachment 6 ("Special Request Elements"), AT&T may order, and SWBT will provide, all Attachment 6 Elements on the basis of the attached Schedule of Prices. The Parties agree that the Appendix Pricing UNE – Schedule of Prices contains a complete list of rate elements and charges associated with AT&T's ordering, provisioning, billing, maintenance, and use of the unbundled Network Elements that SWBT is required to provide under the Act (other than the items that are subject to the special request process). This paragraph does not limit or expand the use of the Special Request Process.</u></p> <p>(See also Appendix Pricing UNE - Schedule of Prices.)</p>

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V. PRICING
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue	AT&T Reason why language should be included or excluded	AT&T Language
	<p>concentrator/multiplexer, and loop feeder -- and to dark fiber. <i>Id.</i> at 9-12.</p> <p>The Commission deferred the establishment of permanent pricing for these unbundled network elements. <i>Id.</i> at 32. The Commission established a schedule and procedure for setting those permanent rates. See July 31, 1997 Order at 2. That procedure offered all parties the opportunity to present their views, and supporting data, on the rate structure that should apply to the unbundled elements and on the rate quantities themselves.</p> <p>Well before that procedure had concluded, the parties submitted to the Commission proposed contracts that included complete sets of competing UNE rates and charges. AT&T challenged several of the rate elements proposed by SWBT, such as switching feature activation charges and LIDB and CNAM query transport charges. The Commission adopted the UNE rate schedule set out in Attachment B to the July 31 Order, and it found that there should be "no additional charges" for any of these elements.</p> <p>The schedule of UNE prices ordered by the Commission omitted several of the rate elements SWBT had proposed (again, for example, feature activation and LIDB and CNAM query transport charges do not appear on Attachment B to the July 31 Order). Based on the Commission's finding that its UNE prices include full functionality of the elements and that no additional charges are permitted, AT&T understands that the exclusion of SWBT's proposed additional rate elements from the Attachment B UNE price schedule was deliberate. That is, the Commission determined that the rates it approved will provide SWBT full cost-based compensation for unbundled network elements, and that the additional rate elements proposed by SWBT were unnecessary or inappropriate. SWBT has had to opportunity to propose its additional rate elements, it did so, they were considered during the cost proceedings, and they were rejected.</p> <p><i>Nevertheless, SWBT has continued to take the position that AT&T must agree to pay additional rates and charges for the network elements that it was ordered to unbundle in the December 1996 Arbitration Order.</i> During negotiations to prepare a contract that would implement both the December 1996 and July 1997 Orders, SWBT has insisted that several of its proposed rate elements were "not arbitrated." It has asserted that position, despite the fact that SWBT's proposed charge</p>	

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CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

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	<p>for that rate element had been tendered to the Commission, that the Commission had omitted SWBT's proposed rate or charge from its UNE price schedule (Attachment B), and that the Commission had prohibited additional charges for unbundled network elements.</p> <p>SWBT recognizes that some of its proposed charges, such as feature activation charges, were rejected. In other instances, however, listed in the specific sub-issues that follow, SWBT persists in asserting its additional UNE charges. SWBT's position is untenable.</p> <p>For example, signaling and call-related databases were recognized as an unbundled element in the December 1996 Arbitration Order. The pricing of AT&T's use of the SWBT LIDB database was addressed by the Commission in the prior proceedings; the Commission's Attachment B includes a per query rate and a non-recurring charge for AT&T's use of the SWBT Line Information Database (LIDB). July 31, Order, Attachment B, p. 4. Yet SWBT now asserts the right to collect a separate "Query Transport" charge for every LIDB query, over and above the query charge approved by the Commission. It does so despite the fact that SWBT's proposed "Query Transport" charge of \$0.0045, and AT&T's opposition to that charge, had been tendered to the Commission as a disputed charge. See AT&T proposed Missouri Interconnection Agreement filed 4/25/97, Attachment 6, Appendix Pricing UNE – Schedule of Prices at 10. SWBT's Query Transport charge was excluded from the approved list of UNE rates and charges on Attachment B, and SWBT may not attempt to resurrect it now.</p> <p>The same analysis holds true for each of the additional SWBT proposed rates and charges addressed below. Each relates to an unbundled element that was recognized in the December 1996 Order and for which rates were established in the July 1997 Order. With limited exception, SWBT's proposed additional rates and charges were tendered to the Commission not later than April 1997, when AT&T submitted its proposed Interconnection Agreement containing all the disputed rates and charges. Each of SWBT's proposed additional rates and charges was omitted from the permanent rates and charges set by the Commission in Attachment B to its July 31 Order.</p> <p>AT&T requests two actions by the Commission to halt what otherwise</p>	

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CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue	AT&T Reason why language should be included or excluded	AT&T Language
	<p>threatens to be a never-ending parade of proposed UNE rates and charges that will prevent any LSP from developing and executing a plan to deliver competitive telecommunications services to Missouri consumers using SWBT's unbundled network elements. First, the Commission should reject each of the proposed additional rates and charges discussed below, on the ground that permanent, cost-based rates for the relevant element were established by this Commission's July 31, 1997 Final Arbitration Order. Second, and more fundamentally, AT&T requests that the Commission order that the Interconnection Agreement include the language that AT&T has proposed here for Sections 1.X and 1.X of Appendix Pricing UNE. This proposed language will incorporate into the contract the Commission's ruling that the approved UNE rates include all the functionality of the elements and that further charges for those functionalities, or activation of those functionalities, are prohibited. It also will affirm that the list of unbundled element prices approved by the Commission and incorporated into the contract is the complete list of prices associated with the network elements that SWBT has been required to unbundle (except for certain out-of-the-ordinary situations that the parties have agreed should be subject to a special request process, e.g., requests for new types of unbundling). This language should foreclose future disputes between the parties of the type that it presented here.</p> <p>AT&T has included this issue in the current application for arbitration out of an abundance of caution. Obviously, AT&T believes that the July 31, 1997 Final Arbitration Order resolved these pricing issues. AT&T is attempting to obtain clarification from the Commission in that regard during the process of preparing and presenting a compliance contract for Commission approval. AT&T also continues to review these matters with SWBT, in hopes of obtaining agreement that complete UNE prices have been established and SWBT's proposed additional rates should be withdrawn. However, if SWBT persists in asserting the right to charge additional UNE rates and the dispute over these proposed additional charges is not explicitly resolved during the contract approval process, AT&T must request the Commission to rule on them here.</p> <p>AT&T has invested over one-and-a-half years in negotiations and proceedings before this Commission, in order to establish its right of access to, and cost-based prices for, the full array of SWBT's unbundled</p>	

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V. PRICING
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	network elements. This Commission's December 1996 and July 1997 Orders establish that access and those prices. AT&T requests the Commission promptly to put an end to SWBT's effort to circumvent those rulings and to assess unapproved UNE rates and charges that will only add cost, confusion, and delay to new entrants' use of SWBT's unbundled elements.	
1a. May SWBT assess an EAS Port Additive Charge, over and above this Commission's approved unbundled switching charges, to artificially compensate SWBT for EAS revenues it once received from customers that have moved to AT&T?	<p>No. SWBT's proposed EAS Port Additive is an attempt to add charges for an unbundled element – local switching – which was the subject of the prior arbitration and for which the Commission already has established permanent, cost-based rates.</p> <p>SWBT did not propose this charge until after the parties had filed proposed contracts and disputed contract issues with the Commission in April 1997. AT&T does not know whether SWBT proposed this charge and attempted to support it in consultation with the Commission staff during the cost proceeding. Certainly it had the opportunity to do so, and it has no basis for seeking to add another local switching charge at this time. Further, the proposed EAS Port Additive Charge is plainly improper under the Act. SWBT seeks to introduce the concept that in a UNE, TELRIC-based environment, it is entitled to a regulatory-style "make-whole" element: the EAS Port Additive. Specifically, SWBT seeks to impose an additional monthly charge for any switching port serving a customer that previously provided EAS revenues to SWBT. SWBT seeks to assess this charge, over and above the port and usage charges that otherwise apply, despite the fact that there is no additional equipment or work required to supply such a port. This EAS Port Additive rate is clearly not part of the cost of providing unbundled local switching.</p>	(AT&T proposes no competing language on this subject and requests the Commission to reject SWBT's proposal)
1b. May SWBT assess multiplexing charges, over and above the dedicated transport charges approved by the Commission?	<p>No. SWBT's proposed multiplexing charges are an attempt to add charges for an unbundled element – dedicated transport – which was the subject of the prior arbitration and for which the Commission already has established permanent, cost-based rates.</p> <p>Multiplexing is a necessary component of interoffice transmission functionality. When an LSP orders higher-speed dedicated transport to be connected to lower-speed transport or to unbundled loops, multiplexing must be supplied in order for the transmission facility to function. AT&T understands that the dedicated transport rates set in the Commission's July 31, 1997 Order include multiplexing functionality. The Commission</p>	<p><u>Attachment 6</u></p> <p><u>8.X There is no charge for multiplexing in addition to the rates charged for dedicated transport.</u></p>

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AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>Advisory Staff Costing and Pricing Report, on which the Commission relied in setting its permanent UNE prices, see July 31, 1997 Final Arbitration Order at 3-4, based its dedicated transport rate recommendation (which the Commission adopted) on a forward-looking fiber based network. The report specifically noted that the investments on which the recurring dedicated transport rates were based included "1996 cable broadguage costs and <i>multiplexing equipment investments provided by SWBT's procurement department.</i>" July 31, 1997 Final Arbitration Order, Attachment C, at 69. Multiplexing costs were included in the costs from which the Commission's dedicated transport rates and charges were derived. SWBT cannot add to them now.</p>	
<p>1c. May SWBT assess Digital Cross Connect System (DCS) charges, over and above the dedicated transport charges approved by the Commission?</p>	<p>No. SWBT's proposed DCS charges are an attempt to impose additional charges for an unbundled element – dedicated transport – which was the subject of the prior arbitration and for which the Commission already has established permanent, cost-based rates.</p> <p>The FCC held that, "as a condition of offering unbundled interoffice facilities, we require incumbent LECs to provide requesting carriers with access to digital cross-connect system (DCS) functionality." FCC First Report and Order at ¶ 444. <i>See also</i> FCC Rule 51.319(d)(2)(iv). The Commission Advisory Staff cost analysis directly considered DCS costs in arriving at the dedicated transport rates and charges approved by the Commission: "DCS cost include charges for establishment, database modification, arrangement, customer performed reconfiguration, plus DS-1 and DS-3 channel ports." July 31, 1997 Order, Attachment C, at 69.</p> <p>SWBT may not assess additional DCS charges, beyond the permanent transport charges set by the Commission in July 31, 1997 Order.</p>	<p><u>Attachment 6</u></p> <p><u>8.X There is no additional charge for DCS functionality.</u></p>
<p>1d. May SWBT assess LIDB and CNAM Query Transport, Service Order Charges, or LIDB administrative system charges, over and above the LIDB and CNAM query and non-recurring charges approved by the Commission ?</p>	<p>No. SWBT's proposed query transport and service order charges and any proposed Line Validation Administration System ("LVAS") charges are an attempt to impose additional charges for an unbundled element – signaling and call-related databases and, specifically, LIDB and CNAM – which was the subject of the prior arbitration and for which the Commission already has established permanent, cost-based rates.</p> <p>The Commission's December 1996 Arbitration Order established AT&T's</p>	<p><u>Attachment 6</u></p> <p>9.X Definition: The Line Information Data Base (LIDB) is a transaction-oriented database that functions as a centralized repository for data storage and retrieval. LIDB is accessible through Common Channel Signaling (CCS) networks. It contains records associated with customer Line Numbers and Special Billing Numbers. LIDB accepts queries from other Network Elements and</p>

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	<p>right to unbundled access to SWBT's signaling system and its call-related databases. The Commission's July 31, 1997 Final Arbitration Order established permanent rates and charges for signaling and call related databases. The Commission specifically approved per-query rates for both Line Information Database (LIDB) queries and for Calling Name Delivery (CNAM) queries. It established a non-recurring charge for AT&T's use of LIDB.</p> <p>SWBT nonetheless asserts that it should be able to collect a separate, additional "Query Transport" rate for transporting LIDB and CNAM queries over the SWBT signaling system and a "Service Order" charge for processing service requests to activate these LIDB and CNAM query functionalities from an AT&T switch. These proposed SWBT charges were presented to the Commission on the schedule of disputed UNE prices included with AT&T's proposed Interconnection Agreement filing in April 1997. SWBT's attempt to assert these charges again now is nothing more than an attempt to evade and relitigate this Commission's decision to set LIDB and CNAM query rates well below the level that SWBT had proposed.</p> <p>SWBT also has suggested that it may assess charges for use of SWBT's Line Validation Administration System ("LVAS"), which an LSP may use to enter and update information in SWBT's LIDB for its customers. No such charges may be added. SWBT agreed that it would not charge separately for use of LVAS, as reflected in the Appendix Pricing UNE – Schedule of Prices that accompanied AT&T's April 1997 proposed contract filing. Now, because the Commission adopted a lower LIDB query rate that SWBT had advocated, SWBT threatens to renege and assess LVAS charges. SWBT's about-face comes too late. SWBT had the opportunity to advocate for LIDB charges that covered its full related costs, including administrative system costs. AT&T believes that SWBT took full advantage of that opportunity and presented its full range of costs, on the basis of which the Commission adopted the LIDB prices shown on the July 31, 1997 pricing schedule. No LVAS charges may be added now.</p> <p>There is nothing incomplete about the LIDB, CNAM, and signaling rates and charges established by the Commission's July 31, 1997 Order. SWBT's proposed additional charges should be rejected.</p>	<p>provides return result, return error and return reject responses as appropriate. LIDB queries include functions such as screening billed numbers that provides the ability to accept Collect or Third Number Billing calls and validation of Telephone Line Number based non-proprietary calling cards. The interface for the LIDB functionality is SWBT's regional STP. LIDB also interfaces with a service management system as defined below. Queries for LIDB based services will be priced as shown on Appendix Pricing UNE – Schedule of Prices labeled "Validation Query." <u>AT&T also will pay the non-recurring LIDB charge shown on the Appendix Pricing UNE – Schedule of Prices, on a per-AT&T switch basis, to establish LIDB and CNAM query capability from an AT&T switch. There will be no additional charges for Query Transport or Service Order Charge or for use of LVAS.</u></p> <p><u>9.X CNAM Service Query will be priced as shown on Appendix Pricing – UNE – Schedule of Prices labeled "CNAM Service Query". There is no separate charge for CNAM Query Transport or CNAM Service Order Charge.</u></p>

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AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

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<p>1e. May SWBT assess non-recurring UNE charges, in addition to the CLEC Simple Conversion Charge approved by the Commission, when AT&T converts a SWBT customer to AT&T service, using all the network elements required to provide the service?</p>	<p>No. When AT&T orders the full complement of elements necessary to provide a finished telecommunications service to a customer, the transaction is, or should be, entirely an electronic OSS transaction. Accordingly, the schedule of permanent UNE prices included in the Commission's July 31, 1997 Order provides that, for a "CLEC Conversion," "No Additional Charge other than Service Order" will apply. July 31, 1997 Final Arbitration Order, Attachment B at 5. The Service Order charge is \$ 5.00. This ruling followed the Advisory Staff recommendation: "Staff recommends that there be no additional NRC for a CLEC Simple Conversion. The Staff proposed Service Order Charge of \$ 5.00 would still apply." Attachment C at 122.</p> <p>Nonetheless, as of this writing, SWBT has been unwilling to agree that it may not collect NRCs for the individual elements (e.g., the 2-wire analog loop NRC of \$26.07) in connection with an AT&T order for all the unbundled elements needed to serve a particular customer whom AT&T has won. SWBT's unwillingness to recognize the import of the Commission's ruling in this regard calls for the addition of contract language specifying that no NRC other than the \$ 5.00 Service Order charge applies to these conversion orders. CLEC Simple Conversion orders would apply, under the structure of the AT&T/SWBT contract, to all loop/switch port combination orders, for the parties have agreed that AT&T receives access to the remaining common elements necessary to provide service to a customer by virtue of placing a loop/switch combination order. Whether AT&T will provide operator service and directory assistance to the customer from its own OS/DA platform (via customized routing) or by purchasing SWBT's OS/DA element, the conversion will remain one that requires no reconfiguration of physical facilities, and the \$ 5.00 Service Order would remain the only applicable NRC.</p>	<p><u>Attachment 6: Appendix Pricing UNE</u></p> <p><u>3.X AT&T will not pay non-recurring charges when AT&T orders Elements that are currently interconnected and functional ("Contiguous Network Interconnection of Network Elements," as referenced in sections 6.X and 6.X of Attachment 7. Such orders may also be referred to as Simple Conversion Orders. These orders include all situations in which AT&T converts a SWBT customer using all network elements required to provision service to the customer and applies whether AT&T uses SWBT's operator services and directory assistance or supplies operator services and directory assistance to the customer from an AT&T operator service/directory assistance platform to which customized routing has been established from the customer's local switch.</u></p>
<p>1f. May SWBT assess service order charges, in addition to the \$5.00 service order charge established by the Commission, in connection with AT&T orders for unbundled network elements?</p>	<p>No. The Commission established a UNE service order charge of \$5.00 in its list of permanent UNE prices. July 31, 1997 Final Arbitration Order, Attachment B, at 5. No other service order processing charge should apply to any AT&T UNE order.</p> <p>As of this writing, it appears that SWBT may continue to assert the right to assess higher service order charges in connection with UNE orders, on</p>	<p><u>Appendix Pricing-UNE</u></p> <p><u>3.X. SWBT offers the following order types. A \$5.00 service order charge, and no other service order charges, applies to Simple Conversion and New Service orders. No charge applies to any of the order types.</u></p>

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V. PRICING
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

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	<p>the grounds that some types of orders were "not arbitrated." AT&T submits that there is no ground for any such contention. The subject of UNE service orders was undeniably before the Commission in the prior proceeding and decided in that proceeding. The contract should be clear that no additional service order charges apply.</p> <p>Based on the recommendation of the Advisory Staff, AT&T understands that the service order charge applies "to initial service orders for each customer only." July 31, 1997 Order, Attachment C, at 122. AT&T understands that the Commission may wish to review these charges when electronic ordering cost data becomes available in the future, and in all likelihood reduce these charges. See <i>id.</i> Until then, the \$5.00 service order charge, applied to initial customer service orders, represents the universe of permissible UNE service order charges.</p>	<p><u>Simple Conversion:</u> this will apply when AT&T orders all network elements required to provision service to a customer who is being converted to AT&T UNE-based service and includes orders for elements that are currently interconnected and functional, as described in section 6.X and 6.X of Attachment 7.</p> <p><u>New Service:</u> This will apply when an end user customer initiates service with AT&T and AT&T elects to serve the customer using unbundled Network Elements. This order type does not apply when an existing SWBT or other LSP customer or resale customer converts to an AT&T UNE customer.</p> <p><u>Change:</u> This will apply when an AT&T customer's existing service is being physically or logically altered in some way (e.g., addition of features, loops, ports).</p> <p><u>Record:</u> This will apply when there is no physical or logical work required and all that is necessary is the update of SWBT's internal records.</p> <p><u>Disconnect:</u> This will apply when an existing service is being completely disconnected.</p> <p><u>Suspend:</u> This will apply when a functionality is to be suspended until further notice</p> <p><u>Restore:</u> This will apply when a previously suspended functionality is to be restored</p> <p><u>Expedited:</u> This will apply when the requested due date is less than the standard interval.</p> <p>8.X (AT&T requests that SWBT's proposal be stricken in its entirety.)</p>
1g. May SWBT assess rates or charges for call blocking and screening, in addition to the local switching rates and charges approved by the Commission?	<p>No. SWBT's proposed call blocking and screening charges are an attempt to add charges for an unbundled element – local switching – which was the subject of the prior arbitration and for which the Commission already has established permanent, cost-based rates.</p> <p>One functionality of SWBT's local switches is the ability to provide</p>	<p><u>Attachment 6</u></p> <p><u>5.X: SWBT will provide call blocking and screening (e.g., 900 blocking, toll restriction) in connection with a purchase of unbundled Local Switching upon request from AT&T. No additional charge applies to call blocking and screening,</u></p>

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AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

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	<p>blocking and screening that will prevent certain types of calls from being originated over, or terminated to, a switch port associated with a particular customer. This is an important local switching functionality, demanded by today's consumer and today's lawmakers.</p> <p>The December 1996 Order established AT&T's right of access to unbundled local switching in Missouri. The July 31, 1997 Order established rates and charges for local switching. By the terms of that Order, those rates and charges include the "full functionality" of the local switching element.</p> <p>SWBT nevertheless has taken the position in post-July 31 Order negotiations that it may assess separate charges to establish call blocking and screening capabilities for AT&T customers who are served over unbundled local switching. These proposed separate charges do not relate to providing AT&T some exotic or unique species of branding and screening; SWBT proposes to assess these additional charges merely to provide via unbundled switching the very same blocking and screening capabilities that these local switching ports currently deliver to SWBT customers. Whether SWBT provides this capability to AT&T via line class codes or AIN signaling, the result should be the same. This functionality of the local switch should be available to AT&T on the basis of the permanent local switching rates and charges that this Commission already has established.</p>	<p><u>beyond the local switching charges set out on Appendix Pricing UNE – Schedule of Prices.</u></p>
<p>1h. May SWBT assess rating charges, in addition to the operator services and directory assistance charges established by the Commission, when SWBT provides rate quotation service to AT&T, either in a UNE or resale environment?</p>	<p>No. Insofar as the UNE environment is concerned, SWBT's proposed rating charges are an attempt to add charges for an unbundled element – operator services and directory assistance – which was the subject of the prior arbitration and for which the Commission already has established permanent, cost-based rates. In the resale environment, the reduced discount applicable to operator services and directory assistance will properly compensate SWBT for rating, which it can provide very simply and at minimal cost by zero-minus transfer, as AT&T has requested.</p> <p>There is no need for SWBT to provide rate quotation service to AT&T, and no desire for SWBT to do so, except by virtue of SWBT's delay in implementing the customized routing that would enable AT&T to provide this service to its own resale and UNE-based customers from its own operator services and directory assistance platforms. Until such routing is implemented, a simple zero-minus transfer will enable SWBT to transfer such inquiries to AT&T operators and avoid the need for SWBT to provide</p>	<p><u>Attachment 6</u></p> <p><u>7.X When an AT&T caller requests a quotation of rates, the call will be treated as an Operator Transfer Service request and SWBT will connect the caller to AT&T's operator services for the purposes of provided a quotation of AT&T's rates, thereby fulfilling the customer's request for a quotation of rates. When an AT&T caller requests a quotation of rates, AT&T will pay the applicable rates and charges provided for in the lowest existing SWBT intercompany agreement for operator services and directory assistance.</u></p> <p>Add to Attachment 2, Appendix OS-Resale and Appendix DA-Resale:</p>

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AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

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	<p>competitively sensitive pricing information to its primary competitor weeks before implementing price changes. SWBT's affiliate, Pacific Telesis, is providing zero-minus transfers today for AT&T local service customer rate inquiries in California, at no charge to AT&T.</p> <p>More fundamentally, this is one more proposed additional charge for an element – operator services and directory assistance – for which permanent UNE prices have been set. Both rate reference and operator transfer service (zero-minus transfer) are functionalities of unbundled operator service and directory assistance. That much is clear by agreement of the parties. The proposed contract submitted to this Commission on April 25 of this year, like the AT&T/SWBT contract in effect in Texas and the contracts proposed between the companies in Oklahoma, Arkansas, and Kansas, includes this definition: the "OS/DA Network Element provides two types of functions: Operator Service Functions and Directory Service functions, each of which is described in detail below." Attachment 6, section 7.x. The sections that follow identify and define rate reference as an aspect of both directory assistance and operator service, and they include operator transfer service as a part of operator service. <i>Id.</i> at sections 7.x, 7.x, 7.x.</p> <p>This Commission has established permanent OS/DA rates, by reference to the lowest intercompany compensation arrangement SWBT currently has in place. July 31, 1997 Order, Attachment B, at 4. There is no basis for SWBT now to propose additional rate reference charges. Applicable rates must be selected from the intercompany compensation arrangements in accordance with this Commission's prior order.</p>	<p><u>When an AT&T caller requests a quotation of rates, the call will be treated as an Operator Transfer Service request and SWBT will connect the caller to AT&T's operator services for the purposes of provided a quotation of AT&T's rates, thereby fulfilling the customer's request for a quotation of rates. When an AT&T caller requests a quotation of rates, AT&T will pay the wholesale discounted charge applicable to operator services and directory assistance calls to compensate SWBT for the Operator Transfer Service.</u></p>
<p>1i. May SWBT assess operations support systems charges, other than the service order charge established by the Commission, in connection with AT&T's use of SWBT's operations support systems to order unbundled network elements or resale service?</p>	<p>No. Insofar as the UNE environment is concerned, SWBT's proposed operations support systems charges are an attempt to add charges for an unbundled element – operations support systems functions – which was the subject of the prior arbitration and for which the Commission already has established permanent, cost-based rates in the form of a service order charge. In the resale environment, the Local Service Customer Change Charge established by the Commission will properly compensate SWBT for use of the operations support systems necessary to process and resale orders. Aside from these specific service order charges approved by the Commission, costs associated with OSS systems functionality are recovered in the permanent rates for the other unbundled network element rates established by the Commission and in the wholesale price that AT&T will pay for resold services.</p>	<p><u>Attachment 6</u></p> <p>10.X SWBT will provide AT&T access to its Operations Support Systems Functions through the electronic interfaces provided for Attachment 7 (Pre-Ordering, Ordering and Provisioning – UNE.), Attachment 8 (Maintenance – UNE), Attachment 9 (Connectivity Billing and Recording – UNE), and Attachment 10 (Customer Usage Data – UNE) on the terms and conditions set forth in those Attachments. <u>There is no additional charge for access to, or use of, SWBT operations support systems functions, beyond the charges applicable to the elements ordered by AT&T (e.g., loop charges) and the service order charge provided for in section 3.X of Appendix Pricing UNE.</u></p>

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	<p>The Commission's Advisory Staff, in recommending the \$5.00 service order charge that the Commission approved, expressed concern that this rate was "likely to be in excess of the cost of electronic ordering." July 31, 1997 Order, Attachment C, at 122. It also noted that SWBT had included wholesale marketing and service expense in the common costs that are applied to all network elements. <i>Id.</i></p> <p>Because rates and charges for operations support systems functions have already been litigated, and because there is no justification for any additional charges, the contract should confirm that no additional charges will apply.</p>	<p>Attachment 1: Appendix Services/Pricing</p> <p><u>15.X There is no additional charge for access to, or use of, SWBT operations support systems functions in connection with resold services, beyond the wholesale charges applicable to the services ordered by AT&T and the Local Service Customer Change Charge.</u></p>
<p>1j. May SWBT assess dedicated transport cross-connect charges, in addition to the DS3 transport cross-connect charge established by the Commission?</p>	<p>No. The Commission's July 1997 Order set a specific transport cross-connect charge, for a DS3 Transport Cross Connect. July 31, 1997 Order, Attachment B. The issue of dedicated transport cross-connects was ruled on. SWBT may not now propose to add other cross-connect charges.</p> <p>AT&T does request clarification of the application of the transport cross-connect charge. The parties had earlier agreed during negotiations that there would be no charge for any dedicated transport cross-connects at a DS3 level and below. See AT&T proposed Interconnection Agreement filed April 25, 1997, Attachment 6, Appendix Pricing UNE – Schedule of Prices (showing applicable cross-connect charges of \$0.00 as agreed). AT&T understands that the Commission nevertheless decided to break out a separate cross-connect charge that would apply when AT&T uses DS3 dedicated transport. AT&T requests the Commission to confirm that understanding of the application of its order.</p>	<p>Attachment 6</p> <p><u>11.X When AT&T orders DS3 Dedicated Transport, it will pay the rates and charges shown for Transport Cross Connect on Appendix Pricing UNE – Schedule of Prices. One cross connect charge will apply per DS3 facility ordered. No other cross connect charges apply to AT&T's use of Dedicated Transport.</u></p>
<p>2. <u>Carrier Change Charge</u> May SWBT assess non-recurring or service order charges, other than the \$5.00 Local Service Customer Change Charge established by the Commission, to change a customer to resale service?</p>	<p>No. The Commission established a \$5.00 Local Service Customer Change Charge in its December 1996 Arbitration Order. The July 31, 1997 Final Arbitration Order adjusted the resale discount, but did not alter the customer change charge. The July Order also provided that the December 1996 Order shall remain in effect to the extent it was not inconsistent with the more recent order. July 31, 1997 Order at 5.</p> <p>Accordingly, there should be no other non-recurring or service order-type charge in connection with converting a customer to resale service. AT&T's language limiting the charges that apply to convert a customer to resale services should be adopted. When a customer chooses AT&T for</p>	<p>Attachment 1</p> <p><u>3.X If an AT&T end user customer adds features or services when the end user customer changes their resold local service from SWBT or another LSP to AT&T, SWBT will charge AT&T the Primary Local Exchange Carrier Selection Charge and any applicable wholesale non-recurring charges for the features or services added. The Local Service Customer Change Charge will apply in lieu of service connection charges.</u></p>

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	<p>local service, neither AT&T nor the end-user customer should be charged with additional rates for choosing AT&T, outside of the approved Local Service Customer Change Charge.</p> <p>It remains unclear at this time whether SWBT will seek to impose on AT&T numerous wholesale non-recurring charges/service connection charges for features and/or services added. SWBT has alluded to other service order charges that may apply. No such additional charges could be squared with the December 1996 and July 1997 Orders.</p>	
3a. What should be the rates for White Pages-Resale and White Pages - Other?	<p>Any charges for which SWBT views that a price should apply should be subject to the TELRIC cost studies and determined by the Commission. In an effort to insure that AT&T would be able to enter the market, AT&T has agreed with SWBT on interim prices. This does not mean that AT&T accepts the price automatically as a permanent price for the interconnection agreement. SWBT strategically did not include any of these prices in the initial price proceedings despite the fact that SWBT included the proposed prices in the contract.</p> <p>Also, SWBT would have all prices remain interim until a final decision is rendered following court appeals. This would amount to giving SWBT a contractual stay of all permanent prices for as long as possible if it appeals the Commission's decision. SWBT may pursue whatever appeals SWBT may want to pursue in the state of Missouri, and it may request stays at that time; however, SWBT should not receive an automatic stay on these prices, to which it may not otherwise be entitled under appellate processes</p>	<p><u>Appendix White Pages-Resale</u></p> <p>4.X Any one book covering a geographic area per page per year: \$3,191.73</p> <p>4.X The price contained in Section is interim in nature and is subject to true-up from the effective date of this agreement to the State Commission's determination of permanent prices.</p> <p>4.X The prices contained in Section 4.X above are interim in nature and are subject to true-up from the effective date of this agreement to the State Commission's determination of permanent prices</p>
3b. What should be the E911 rates?	<p>Any charges for which SWBT views that a price should apply should be subject to the TELRIC cost studies and determined by the Commission. In an effort to insure that AT&T would be able to enter the market, AT&T has agreed with SWBT on interim prices. This does not mean that AT&T accepts the price automatically as a permanent price for the interconnection agreement. SWBT strategically did not include any of these prices in the initial price proceedings despite the fact that SWBT included the proposed prices in the contract.</p> <p>Also, SWBT would have all prices remain interim until a final decision is rendered following court appeals. This would amount to giving SWBT a contractual stay of all permanent prices for as long as possible if it</p>	<p><u>Attachment 15</u></p> <p>A. The following compensation amounts will be due SWBT for the provision of services under the above-mentioned Attachment for AT&T exchanges and the feature configurations shown in Addendum I. These prices are interim in nature and are subject to true-up from the effective date of this agreement to the State Commission's determination of permanent prices.</p> <p>B. The following trunk charges will be paid to SWBT for each E911 control office to which AT&T connects. These prices are interim in nature and are subject to true-up from the effective date of this</p>

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CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	appeals the Commission's decision. SWBT may pursue whatever appeals SWBT may want to pursue in the state of Missouri, and it may request stays at that time; however, SWBT should not receive an automatic stay on these prices, to which it may not otherwise be entitled under appellate processes.	<u>agreement to the State Commission's determination of permanent prices</u>
<p>4. <u>NXX Migration</u></p> <p>Will NXX Migration be provided by the Parties as an interim number portability solution, with each party to bear its own costs?</p>	<p>Yes. NXX migration should be provided as part of Interim Number Portability and therefore no charge should apply.</p> <p>SWBT will agree to AT&T's language as written in Sections 8.X and 8.X if the sections were contained in Attachment 21: Numbering. SWBT proposes this relocation based on its desire to charge for NXX migration should it not be considered an INP solution. In the original arbitration, AT&T proposed that NXX Migration (LERG Reassignment) should be used as an INP solution. SWBT agreed. The Arbitration Award requires that both SWBT and AT&T absorb their own costs of providing INP. SWBT proposes to charge \$10,000 per NXX without any cost justification.</p>	<p>Attachment 14: INP</p> <p>8.X NXX Migration (LERG Reassignment)</p> <p>8.X Where a Party has activated more than half of an NXX and the remaining numbers in that NXX are either unassigned or reserved for future use, at the request of that Party it may elect to employ NXX Migration. NXX Migration will be provided by utilizing reassignment of the NXX to the requesting Party through the Local Exchange Routing Guide (LERG).</p>
<p>5. Should SWBT's temporary ULS rate structure, under which AT&T will pay for unbundled switching and common transport based on a surrogate formula rather than actual usage due to SWBT's inability to measure terminating usage, be subject to a certain end date and reasonable audit provisions?</p>	<p>Yes. According to SWBT, its systems development has not yet progressed to the point that it is able to measure terminating usage associated with unbundled local switching and, in some circumstances, originating usage. See Appendix Pricing UNE, Section 5.X. SWBT has expressed confidence that it will have completed the systems development to achieve those capabilities prior to the end of 1997. Meanwhile, however, SWBT states that it is unable to implement the interim rate structure that the parties have otherwise agreed to (with certain exceptions) for applying usage sensitive UNE charges when AT&T has purchased unbundled local switching (this structure is the "Standard Interim Rate Structure for ULS" provided for in Section 5.X of Appendix Pricing UNE).</p> <p>SWBT has proposed a "Temporary ULS Rate Structure" for use until it develops the capability to measure the terminating and originating usage referred to above. Under the proposed temporary structure, AT&T will pay a surrogate charge for all completed calls originated from an unbundled switch port purchased by AT&T and terminating at a different switch. This formula consists of the following: two times the local switching rate, plus one times the common transport rate, plus .3 times the tandem switching rate, for each minute of use. See Attachment 6, Section 5.X.</p> <p>This surrogate formula is undesirable as anything more than a short-term</p>	<p>Appendix Pricing-UNE</p> <p>5.X As of the Effective Date of this Agreement, SWBT is unable to measure terminating usage associated with unbundled Local Switching and in certain circumstances originating usage associated with unbundled Local Switching. Once SWBT has the ability to measure such usage, the standard rate structure for ULS described above will become effective. During the time period prior to the implementation of the Standard Rate Structure the following temporary ULS Rate structure will apply. By December 31, 1997, or by another date as the Parties may otherwise agree, SWBT will cease to use the temporary ULS Rate Structure.</p> <p>5.X SWBT will provide access to information necessary to verify the accuracy of the bills that AT&T receives.</p>

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	<p>patch. To the extent it prevents AT&T from billing terminating access charges that it is entitled to under the Act, it will improperly restrict AT&T's use of the UNE elements it purchases.</p> <p>These problems notwithstanding, AT&T has agreed to try the Temporary ULS Rate Structure in Missouri as a short-term compromise. However, AT&T should receive some corresponding assurance that this structure will indeed be short-term. AT&T has proposed contract language that would require SWBT to cease use of this rate structure by December 31, 1997, unless the parties agree to another date. A year-end deadline is consistent with SWBT's stated expectations of when it will change over from the temporary structure to the interim standard structure. That mutual expectation should be given force in the contract.</p> <p>Because of its concerns about the accuracy and application of the formula, AT&T also has included language that will provide it access to any information needed to verify related billing. Because the temporary ULS rate structure is a unique structure that will only last a short time, it is reasonable to provide for this limited audit capability, apart from the annual audit provisions in the General Terms and Conditions.</p>	
<p>6. Should a blended transport rate apply to AT&T's usage of common transport and tandem switching, based on average tandem usage within the SWBT network, rather than requiring the parties to track and verify usage of tandem switching for AT&T local customer traffic?</p>	<p>Yes. AT&T's proposed Blended Transport rate will provide full cost-based compensation to SWBT while saving both parties the effort and expense of tracking actual tandem usage for all AT&T local customer traffic.</p> <p>As discussed in Issue 5, above, in connection with SWBT's proposed temporary ULS rate structure, it is important that SWBT measure AT&T's actual usage of originating and terminating unbundled switching, and the AT&T be billed accordingly. Otherwise, AT&T access to unbundled switching is improperly limited.</p> <p>However, AT&T has proposed a Blended Transport rate that should save SWBT the effort and expense of measuring actual tandem usage for AT&T local customer traffic, and it will save AT&T the effort and expense of verifying SWBT's billing in this regard. SWBT has agreed that, when AT&T uses unbundled common transport, its traffic will be routed over SWBT's common network according to the same criteria that SWBT traffic is routed. Thus, tandem usage for AT&T local customer traffic should mirror SWBT tandem usage for comparable traffic. AT&T has proposed a formula that should accurately reflect the average combination of common transport and tandem switching usage that will apply to its local customer traffic. This formula (as well as the underlying common</p>	<p><u>Appendix Pricing-UNE</u></p> <p>5.X The Parties agree that, for calls originated over unbundled local switching and routed over common transport, SWBT will not be required to record and will not bill actual tandem switching usage. Rather, AT&T will pay the rate shown on Appendix Pricing UNE - Schedule of Prices labeled "Blended Transport," for each minute of use of unbundled common transport, whether or not the call actually traverses the tandem switch.</p>

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AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

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	transport and tandem switching rates) will be presented for review and determination in the pending price proceedings. AT&T's proposed contract language referencing the Blended Transport rate, contained in Section 5.X of Appendix Pricing UNE, should be adopted along with AT&T's proposed pricing.	
<p>7. What additional elements need to be priced?</p> <p>a. Optical Transport (including multiplexing)</p> <p>b. 4-wire PRI loop to multiplexer cross-connect.</p>	<p>AT&T has indicated throughout this matrix that it believes that the pricing ordered by the Commission in its July 31 ruling are complete for the elements ordered (e.g., the Commission ordered LIDB queries at a specific price; therefore not additional query transport is applicable).</p> <p>However, there are two additional elements not ordered for which AT&T requests pricing: a) optical transport and b) 4-wire PRI loop to multiplexer cross-connect. Both of these items were included for review in the April 25 filed contract's Schedule of Prices.</p> <p>a) Access to optical transport systems differs from access to individual DS-3 or DS-1 facilities. Through this access, AT&T may purchase an entire SONET ring from SWBT at UNE rates. Since the SONET transmission equipment includes multiplexing functionality, multiplexing charges should be included as part of the SONET ring cost. SWBT has maintained it will offer optical transport and multiplexing at "ICB" prices. AT&T requests the Commission to order unit-based pricing for optical transport (to be TELRIC based) for optical transport and multiplexing so that AT&T may use those rates for business planning purposes. The AT&T cost team is available to work with the Missouri Commission to provide its proposed prices.</p> <p>b) The July 31 ruling did not include a rate for the 4-wire PRI loop to multiplexer cross connect. AT&T seeks a TELRIC cost-based rate for this element, which SWBT now says was "not arbitrated." The Commission did not rule on a price; therefore AT&T seeks clarification on this item, which SWBT says has "not been arbitrated."</p>	<p>Prices to be included in the Attachment 6: Schedule of Prices.</p>

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VI. NETWORK EFFICIENCY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue	AT&T Reason why language should be included or excluded	AT&T Language
1. Whether interconnection between AT&T and SWBT's network should be designed to promote Network Efficiency for the competitive industry by reflecting least-cost, most efficient network design principles?	Yes. This issue is the overall policy issue to be decided. The specific implementation issues related to this overarching issue are listed and discussed below with specific contract language.	
2. <u>Flexibility in Establishing Trunk Groups:</u> Should AT&T be allowed to combine all forms of traffic on its trunks, rather than creating (and paying for) underutilized, redundant facilities?	<p>The FCC order made it clear that UNEs may be used for exchange access services. The FCC has recognized that section 251 (c) (3) of the Act permits requesting telecommunications carriers to purchase UNEs for the purpose of offering exchange access services, or for the purpose of providing exchange access services to themselves in order to provide interexchange services to consumers. FCC Order, para. 356.</p> <p>SWBT seeks to limit AT&T's use of UNES by requiring that traffic continues to be segmented as it has traditionally been: Local and intraLATA on one trunk group, with interLATA traffic (previously segregated as "access traffic") on a separate trunk group.</p> <p>It is important for AT&T to be able to utilize full functionality of trunking arrangements when interconnecting its network to SWBT.</p> <p>In the process of implementing interconnection between AT&T and SWBT networks, SWBT has resisted AT&T's attempts to optimize its network by allowing all types of traffic on a trunk group.</p> <p>Currently, SWBT is unable to measure different types of traffic on a given trunk group; it expects to be able to perform those measurements by the end of the year. Prior to the end of the year, SWBT seeks to use this lack of capability as a roadblock to efficient networks; it requests AT&T to build separate trunk groups for interLATA traffic, rather than utilizing a PLU (Percent Local Usage factor). By the end of the year, SWBT expects to be able to measure this traffic. However, even when it has billing capability to match the potential full utilization of mixed traffic on trunks, SWBT restricts the introduction of interLATA toll into the mix except in the limited case of "Access Toll Connecting Traffic". Access Toll Connecting Traffic is traffic that crosses SWBT's network to connect to an IXC. This function, while important, is but a portion of the total interLATA traffic.</p> <p>It has become apparent that SWBT attempts to restrict AT&T's use of trunk groups and require AT&T to establish inefficient, redundant trunk groups. SWBT may have already been too successful in its efforts; AT&T teams seeking to implement interconnection in Texas were told that that</p>	<p>Attachment 11</p> <p>1.X SWBT will allow AT&T to use the same physical facilities (e.g., dedicated transport access facilities, dedicated transport UNE facilities) to provision trunk groups that carry Local, intraLATA and interLATA traffic. By December 31, 1997, SWBT and AT&T may establish a single two way trunk group to provisioned to carry intraLATA (including local) and interLATA traffic. AT&T may have administrative control (e.g., determination of trunk size) of this combined two way trunk group. Prior to December 31, 1997 as referenced above, when traffic is not segregated according to a traffic type the Parties will provide a percentage of jurisdictional use factors or an actual measurement of jurisdictional traffic.</p> <p>2.X InterLATA Toll, Local Traffic and IntraLATA Interexchange (Toll) Traffic:</p> <p>2.X AT&T Originating (AT&T to SWBT) :Subject to Section 1.X above, InterLATA toll traffic and IntraLATA toll traffic may be combined with local traffic on the same trunk group when AT&T routes traffic to either a SWBT access tandem which serves as a combined local and toll tandem or directly to a SWBT end office. When mutually agreed upon traffic data exchange methods are implemented as specified in Section 5.X of this Appendix, direct trunk group(s) to SWBT end offices will be provisioned as two-way and used as two-way. When there are separate SWBT access local tandems in an exchange, a separate local trunk group will be provided to the local tandem and a separate intraLATA toll trunk group will be provided to the access tandem. When there are multiple SWBT combined local and toll tandems in an Exchange Area, separate trunk groups will be established to each tandem. Such trunk groups may carry [[both]] local, intraLATA toll, and interLATA toll traffic. Trunk groups to the access or local tandem(s) will be provisioned as two-way and used as one-way until such time as it becomes technically feasible to use two-way trunks</p>

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VI. NETWORK EFFICIENCY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>SWBT's access tandems are becoming "full": yet another barrier to entry for AT&T.</p> <p>AT&T seeks to implement an efficient, flexible network in the following ways:</p> <p>AT&T seeks to utilize its existing network interconnections, where spare facilities are available, to provide trunking for all types of calls: local, intraLATA, and interLATA.</p> <p>AT&T seeks to combine InterLATA, IntraLATA, and Local traffic on a single trunk group. SWBT has indicated that it will be able to recognize and account for different trunking types by the end of 1997. AT&T has requested that this arrangement be captured in contract terms.</p> <p>AT&T seeks, prior to the end of 1997 (as indicated above), to be able to combine InterLATA, IntraLATA, and local traffic on a single trunk group by using a "PLU", or percentage of local use factor, similar to the "PIU/LUP" ("percent interstate usage/local usage percentage) factor used today in SWBT's relationship to AT&T as an access provider.</p> <p>SWBT's current position would require AT&T to:</p> <ol style="list-style-type: none"> 1. Buy new facilities, rather than utilize spare capacity on existing facilities. 2. When setting up new trunking arrangements, buy separate and, at least during startup, underutilized trunk groups for InterLATA traffic than would be used for InterLATA and local traffic. SWBT has already agreed to mix IntraLATA and local traffic, and the reason for their reluctance here to add InterLATA traffic to the mix is not clear. <p>Although SWBT may apply these inefficient network designs to its own network it should not be allowed to require AT&T to use these inefficient designs in its network.</p> <p>The implementation teams continue to work these issues; however, as of the date of the filing of this language, SWBT's position would force AT&T to create redundant and inefficient networks. The Missouri Commission should rule in AT&T's favor in order to expedite the process of bringing local competition to the State of Missouri. In order to become a facilities based provider, AT&T must utilize its resources to combine traffic (in ways</p>	<p>in SWBT tandems. Trunks will utilize Signaling System 7 (SS7) protocol signaling when such capabilities exist within the SWBT network. Multifrequency (MF) signaling will be utilized in cases where SWBT switching platforms do not support SS7.</p> <p>2.X AT&T Terminating (SWBT to AT&T): Where SWBT has a combined local and access tandem, SWBT will combine the local <u>InterLATA</u> and the IntraLATA toll traffic over a single trunk group to AT&T. The trunk groups will be provisioned as two-way and used as one-way until such time as it becomes technically feasible to use two-way trunks. When SWBT has separate access and local tandems in an exchange area, a separate trunk group will be established from each tandem to AT&T. As noted in Section 2.X, direct trunk group(s) between AT&T and SWBT end offices will be provisioned as two-way and used as two-way. Trunks will utilize SS7 protocol signaling unless the SWBT switching platform only supports MF signaling.</p> <p>2.X Access Toll Connecting Traffic: Access Toll Connecting Traffic will be transported between the SWBT access tandem and AT&T over a "meet point" trunk group separate from local, intraLATA toll, <u>and interLATA toll</u> trunk group. This trunk group will be established for the transmission and routing of Exchange Access traffic between AT&T's end users and interexchange carriers via a SWBT access tandem. When SWBT has more than one access tandem within an exchange, AT&T may utilize a single "meet point" access toll connecting trunk group to one SWBT access tandem within the exchange. This trunk group will be set up as two-way and will utilize SS7 protocol signaling. Traffic destined to and from multiple interexchange carriers (IXCs) can be combined on this trunk group. <u>This arrangement is subject to the timeframes referenced in Section 1.X.</u></p>

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VI. NETWORK EFFICIENCY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue	AT&T Reason why language should be included or excluded	AT&T Language
	<p>consistent with the Act and applicable laws). One efficient and effective possibility is to carry local and interLATA traffic on one trunk group when providing service to our customers.</p> <p>AT&T's proposed language should be included in order to avoid the inefficient trunking arrangements proposed by SWBT. SWBT's proposed trunking would only serve to increase costs to AT&T and to AT&T's end user customers.</p>	

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VI. NETWORK EFFICIENCY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

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VII. COMPENSATION
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
<p>1. <u>Mutual Compensation:</u></p> <p>When in a UNE environment, must AT&T pay the mutual compensation charge or the UNE rate for common transport.</p>	<p>AT&T should <u>only</u> be required to pay the UNE rate for common transport.</p> <p>AT&T should be able to function as a local carrier does in determining applicable compensation. In a facilities environment, the Parties have agreed at what point the networks will interconnect for the hand-off of traffic (e.g. interconnecting at a tandem or at the end office). In a UNE environment, AT&T wants the ability to use common transport to terminate calls to all other LSPs, including SWBT in the same manner that a facilities-based carrier would terminate calls. There is no logical basis for treating transport differently based upon whether AT&T is using UNE or its own facilities. If AT&T uses common transport, purchased as a UNE, AT&T would not pay mutual compensation for that traffic just as a facilities-based LSP would not pay mutual compensation for such traffic. However, SWBT wants to change mutual compensation in lieu of charging common transport.</p>	<p><u>Attachment 12</u></p> <p>2.X The originating Party will determine at what point it will hand off the call to the terminating Party.</p>
<p>2. <u>Access traffic:</u></p> <p>(i) Whether both interstate and intrastate traffic should be compensated at the applicable access rates;</p> <p>(ii) whether Optional Calling Area traffic should be included in this category.</p>	<p>(i) Yes, AT&T believes that applicable tariff rates should apply to both interstate and intrastate traffic.</p> <p>(ii) No, Optional Calling Area traffic should not be subject to the access tariff rates but should be subject to the mutual compensation rates established in Section 5.X.</p> <p>The current language specifically addresses interstate interLATA intercompany traffic. <u>Intrastate</u> interLATA traffic is not currently specifically referred to in this Compensation Attachment but should be included in this section. Also, intraLATA, specifically post dual PIC, should also be included. AT&T's language is attempting to clarify the traffic that will be subject to the access tariff rates. Section 5.X of Attachment 12, Compensation, addresses Optional Calling Area Traffic. As mentioned in issue above, the mutual compensation rates for Optional Calling Area compensation are to be determined by the PUC. Therefore, this language clarifies that access rates will not apply when traffic is contained in such Optional Calling Areas. This issue was clearly arbitrated and the language in this section is to clarify for what traffic the tariffed access rates will be applicable.</p>	<p><u>Attachment 12</u></p> <p>6.X For interstate and intrastate interLATA traffic and intraLATA traffic (post dual PIC), compensation for termination of intercompany traffic will be at access rates as set forth in each Party's own applicable interstate <u>or</u> intrastate access tariffs. <u>When such traffic is contained in Optional Calling Areas, compensation will be applied pursuant to Section 5.X above.</u></p>

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VII. COMPENSATION
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
<p>3. <u>Compensation:</u></p> <p>Whether the provisions of this Attachment apply in administering compensation in both an Unbundled Network Environment (UNE) environment, as well as in a Facilities-based environment.</p>	<p>AT&T's bolded and underlined language indicates that this attachment, which governs reciprocal compensation arrangements between the parties, applies both when AT&T owns its own facilities and when it purchases unbundled Network Elements. SWBT's network is designed such that virtually all traffic will be routed to a tandem. Because of the difference in price, routing to an End Office vs. Tandem switching, SWBT has an unfair advantage because of it's poor network design. For AT&T to be at parity with SWBT, AT&T would need to design an inefficient network similar to theirs which would in turn cause the consumers to fund this inefficiency with higher rates.</p> <p>There is no basis for distinguishing between facilities-based traffic and unbundled network element traffic when determining whether the traffic is local, transit, intraLATA, interLATA, FGA or cellular traffic.</p> <p>Accordingly, AT&T's proposed language should be included.</p>	<p><u>Attachment 12</u></p> <p>1.X For purposes of compensation under this Agreement, the telecommunications traffic traded between AT&T and SWBT will be classified as either Local Traffic, Transit Traffic, IntraLATA Interexchange Traffic, InterLATA Interexchange Traffic, FGA Traffic, or Cellular Traffic. The compensation arrangement for terminating calls from a Cellular provider (as defined in Appendix Cellular) to AT&T or SWBT end users is set forth in Appendix Cellular, attached hereto and incorporated by reference. The compensation arrangement for the joint provision of Feature Group A (FGA) Services is covered in Appendix FGA, attached hereto and incorporated by reference. The Parties agree that, notwithstanding the classification of traffic under this Agreement, either Party is free to define its own "local" calling area(s) for purposes of its provision of telecommunications services to its end users. <u>The provisions of this Attachment apply to calls originated over the originating carrier's facilities or over unbundled Network Elements.</u> The provisions of this Attachment do not apply to traffic originated over services provided under local Resale services.</p>
<p>4. <u>Compensation:</u></p> <p>Whether SWBT should be required to pay tandem interconnection rates if AT&T's end office switch functions as a tandem switch</p>	<p>The bolded and underlined language should be included to indicate that as AT&T's capability expands to function as the tandem, the applicable charges would apply to SWBT.</p> <p>If AT&T provides the switch and the switch is functioning as a tandem switch, the applicable mutual compensation provisions should apply. The fact that AT&T is purchasing other UNE elements from SWBT does not change the function of AT&T's switch. It is either functioning on a tandem switch or an end office switch. SWBT's position seems to be that mutual compensation would not apply if AT&T purchased other UNE elements from SWBT, leading to the illogical and incorrect conclusion that the functioning of AT&T's switch should be ignored.</p>	<p><u>Attachment 12</u></p> <p><u>3.X Transport and termination rates will vary according to whether the traffic is routed through a tandem switch or directly to the end office switch. The transport and termination rates assessed on the originating carrier should reflect the functions performed by the terminating carrier in transporting and terminating the calls. To the extent new technologies such as fiber ring or wireless network enable AT&T's end office switch to perform functions similar to those performed by SWBT's tandem switch and thereby to serve a geographic area comparable to that served by SWBT's tandem switch the transport and termination rates for all calls terminated to AT&T's switch will be the rates for tandem switching, tandem transport, and end office switching. However, if AT&T's switch is able to serve the same geographic areas as SWBT's tandem switch only by virtue of being connected to SWBT's tandem switch, AT&T will not charge SWBT the tandem interconnection rates because AT&T's end office switch is not performing any functions equivalent to those performed by SWBT's tandem switch.</u></p>

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VII. COMPENSATION
CONTRACTUAL DISPUTED ISSUES MATRIX
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Issue:	AT&T Reason why language should be included or excluded	AT&T Language
<p>5. <u>Wireless Tariffs:</u></p> <p>Whether AT&T is entitled to use its own tariffs for purposes of revenue distribution</p>	<p>This language was agreed to in Texas and is not affected by the change of state boundary</p> <p>In Section 2.X when SWBT is the Secondary Company, the rate elements in SWBT's applicable tariffs determine the distribution of revenues. This is appropriate. But in Section 2.X, when AT&T is the Secondary Company, SWBT objects to the use of AT&T's applicable tariffs (which would then be on file) to determine the distribution of revenues. Instead, SWBT wants to use its own tariffs again. This SWBT position is baseless and illogical. AT&T's language should be included</p>	<p><u>Appendix Cellular</u></p> <p>2.X When AT&T is the Secondary Company, distribution of revenues will be computed using the rate elements <u>to be defined by AT&T in AT&T's tariffs applicable to cellular interconnection</u></p>

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**VIII. PERFORMANCE CRITERIA
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI**

Issue:	AT&T Reason why language should be included or excluded	AT&T Language
<p>1. <u>Performance Criteria:</u></p> <p>Should "Customer - Affecting" Specified Activities be specifically identified? If so, and the activities are not administered by SWBT correctly, what penalties should apply?</p>	<p>Yes, AT&T maintains that it is imperative for specific customer affecting activities to be identified so that SWBT's liability for liquidated damages is clear if SWBT fails to meet its obligations as defined in Attachment 17.</p> <p>The Agreement should include provisions identifying "Customer-Affecting" Specified Activities and establishing when SWBT's liability for a Specified Performance Breach will commence.</p> <p>AT&T views performance metrics as a critical bond to ensure a service guarantee, not only concerning service between AT&T and SWBT, but also so that AT&T can commit to provide quality service to our future Missouri Local customers.</p> <p>This language in Attachment 17 delineates the specific activities, or functions, performed by SWBT that have a direct correlation to AT&T's ability to provide reliable telecommunication service.</p> <p>In the specific areas of pre-ordering, ordering and provisioning, maintenance, usage, billing, and network systems, AT&T must establish performance criteria to measure the quality and reliability of specified activities which are customer-affecting. The requested language is needed to assure that such criteria are developed and applied to SWBT's performance.</p> <p>Failure to adequately provide and measure Specified Activities would result in inferior service provided to end-user customers, and jeopardize many AT&T customer relationships.</p> <p>As outlined above, and to further elaborate, the purpose of the language in 1.X is to establish the means for developing Performance Criteria to ensure AT&T's ability to offer parity local service to its customers.</p> <p>This language must be included to ensure all processes are measured in order to guarantee that AT&T receives service meeting the parity standards established in the Agreement. The language also establishes that AT&T will receive all the necessary data to provide world-class customer satisfaction. Under the Agreement, both AT&T and SWBT must provide high quality service on their respective portions of a call in order for the end-user customer to</p>	<p><u>Attachment 17</u></p> <p><u>1.X Specified Activity means any activity performed under this Agreement as to which the Agreement sets forth Performance Criteria, or processes designed to formulate Performance Criteria as described more fully in Section 1.X below.</u></p> <p><u>1.X Various portions of this Agreement contain provisions covering Performance Criteria and related performance data or measures associated with Specified Activities covered by this Agreement. In some cases specific Performance Criteria and/or data have been set forth in the Agreement. In other cases (e.g., unbundled Network Elements), the Parties have agreed jointly to define Performance Criteria by a date certain. In all cases the Parties have agreed to review the same three months after AT&T first purchases the associated service or function and that SWBT will not be held accountable for a Specified Performance Breach based on such Performance until after the three month review is completed.</u></p> <p>(AT&T matrix: attached hereto pages 2 and 3 of 6 from Attachment Performance Criteria.)</p>

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**VIII. PERFORMANCE CRITERIA
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Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>have quality service. Because of this, metrics and penalties must be established in order to "guarantee" a quality commitment on both Parties' behalf. If SWBT fails to meet the performance criteria, it should be subject to the liquidated damages provisions of the Agreement.</p> <p>AT&T submitted a Matrix as part of Attachment 17 that carefully outlines the key Customer Affecting Specified Activities that are critical to monitoring reliability and quality service standards. The Missouri Commission should review this matrix and understand how failure on SWBT's behalf to live up to these standards will greatly impact AT&T's ability to meet expectations of a competitive Missouri marketplace.</p> <p>Southwestern Bell has proposed a very different Matrix that <i>does not</i> capture all of the critical customer-affecting specified activities necessary to execute reliable local service.</p> <p>The more specific language proposed by AT&T should be adopted, so that Missouri consumers can be assured of at least a minimal level of quality service regardless of which competition they select as their LSP.</p>	
<p>2. Performance Data</p> <p>Should the contract be amended to incorporate specific UNE performance measurement requirements, developed with industry input, so that the parties are able to determine whether the elements provided to AT&T perform at parity with the elements provided by SWBT to other LSPs and to itself?</p>	<p>Yes.</p> <p>Attachment 6, Section 2.X of the proposed Interconnection Agreement incorporates this Commission's ruling on maintaining and reporting data that compares installation intervals and maintenance/response times provided by SWBT to the customers of AT&T, other LSPs, and SWBT itself. See Arbitration Award at p. 14. The section goes on to provide that "SWBT and AT&T will jointly define performance data to be provided to AT&T to measure whether unbundled Network Elements are provided at least equal in quality and performance that which SWBT provides to itself and other LSPs."</p> <p>This latter section was part of a compromise reached between the parties concerning technical performance requirements applicable to the elements themselves. During negotiations, AT&T had proposed detailed performance criteria for the elements, based on Bellcore documents and other industry standards. SWBT had categorically refused to commit that its network elements would</p>	<p>Attachment 6</p> <p>2.X At AT&T's request, SWBT will: (1) maintain data that compares the installation intervals and maintenance/service response times experienced by AT&T's customers to those experienced by SWBT customers and the customers of other LSPs; and (2) provide the comparative data to AT&T on a regular basis. SWBT will not levy a separate charge for providing this information. Additionally, SWBT and AT&T will jointly define performance data to be provided to AT&T to measure whether unbundled Network Elements are provided at least equal in quality and performance to that which SWBT provides to itself and other LSPs. Such performance data will be defined by the Parties no later than March 1, 1997. <u>The performance data to be measured will be according to the Supplier Performance Metrics in accordance with the Local Competitive User Group (LCUG) recommendations, and any such future LCUG revisions, which includes but is not limited to network elements, pre-ordering and provisioning, maintenance, billing, operator services/</u></p>

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**VIII. PERFORMANCE CRITERIA
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Issue:	AT&T Reason why language should be included or excluded	AT&T Language
	<p>meet any such criteria, offering instead only to provide "parity" and to meet regulatory requirements. By way of compromise, the parties agreed that the elements would conform to Technical Publications to be issued by SWBT, with opportunity for input from AT&T, and that the parties would jointly define performance data to be measured and reported in order to give some "teeth" to the parity requirement.</p> <p>AT&T proposes to incorporate specific performance measurements being developed by the Local Competition User's Group (LCUG), an industry group that includes competitive local exchange carriers and prospective local service providers. The supplier quality measurements developed by LCUG include measurements of network performance parity (e.g., subscriber loop loss, signal to noise ratio, dial tone delay, post dial delay), unavailability of network elements (e.g., ratio of minutes loop unavailable to total minutes), and performance of individual network elements (e.g., post dial delay for calls routed to CLEC OS/DA platforms). Use of the LCUG criteria will provide AT&T with reasonable means to determine that SWBT is meeting its commitment to provide elements that "are at least equal in quality and performance as that which SWBT provides to itself." Agreement, Section 2.X. Using the LCUG criteria also will address SWBT's concern that it not be required to measure different performance criteria for different LSPs; these criteria should provide performance data that will be responsive to the needs of LSPs generally.</p>	<p><u>directory assistance, as incorporated herein to this Agreement. These performance measurements will be measured and reported to AT&T on a monthly basis by SWBT for both AT&T customers and SWBT customers.</u> The Parties will review the measures three months after AT&T's first purchase of a SWBT network element to determine if (1) the information meets the needs of the Parties and (2) the information can be gathered in an accurate and timely manner. SWBT will not be held accountable for performance comparisons based on the data until after the three month review or longer as the Parties may agree.</p> <p><u>8.X The performance data to be measured for pre-ordering, ordering, and provisioning services will be according to the Supplier Performance Metrics in accordance with the Local Competitive User Group (LCUG) recommendations, and any such future LCUG revisions. These performance measurements will be measured and reported to AT&T on a monthly basis by SWBT for both AT&T customers and SWBT customers. If the quality of service provided to AT&T customers based on these measurements is less than that provided to SWBT customers for three consecutive months, or if the average quality of service for a six month period is less than that provided to SWBT customers for three consecutive months, or if the average quality of service for a six month period is less than that provided to SWBT customers for equivalent services. AT&T may request a service improvement meeting with SWBT.</u></p>
<p><u>3. Performance Measurements: Provisioning Intervals</u></p> <p>UNE Ordering and Provisioning – Should SWBT be required to provide to AT&T (and 200 other competitive telecommunications companies that are members of CompTel) the quality measurements that are agreed to between all of these companies?</p>	<p>Yes. The Local Competition Users Group(LCUG) has developed a set of reasonable performance metrics to be expected when ordering Unbundled Network Elements. These performance metrics are in most cases the same as those SWBT provides itself for equivalent services.</p>	<p><u>Attachment 7: O&P - UNE</u></p> <p><u>9.X SWBT will provide AT&T with the provisioning intervals as currently outlined in the LCUG Service Quality Measurements document, or as may be revised from time to time.</u></p> <p><u>Attachment 8: Maintenance-UNE</u></p> <p>2.X SWBT will provide maintenance for all unbundled Network Elements and Combinations ordered under this Agreement at levels equal to the maintenance provided by SWBT in serving its end user customers for an equivalent service, and will meet the requirements set forth in this Attachment. Such maintenance</p>

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Issue:	AT&T Reason why language should be included or excluded	AT&T Language
		<p>requirements will include, without limitation, those applicable to testing and network management. <u>For maintenance of UNE and UNE combinations, for example, loop and switch port, the service must be supported by all the functionalities provided to SWBT's local exchange service customers. This will include but is not limited to, MLT testing, dispatch scheduling, and real time repair commitments. The maintenance to support these services will be provided in an efficient manner which meets or exceeds the performance metrics SWBT achieves when providing the equivalent end user services to an end user.</u></p>

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- 1.1.4 Performance Criteria means with respect to each calendar month during the term of this Agreement, the performance by the Parties where applicable during such month of each Specified Activity shown below within the time interval shown in at least eighty per cent (80%) of the covered instances.

<u>CUSTOMER-AFFECTING SPECIFIED ACTIVITIES</u>	<u>SERVICE QUALITY MEASUREMENT</u>
a. <u>Orders completed within specified intervals (percentage of orders completed with a requested due date that is equal or less than the interval specified).</u>	<u>Orders with no Premise Visit or no physical work completed within 1 day of service order receipt</u> <u>Orders that require Premise Visit or physical work completed within 3 days of service order receipt</u> <u>99% installation appointments met</u> <u>The above applies unless specified below:</u> <u>UNE Platform (at least DS0 loop + local switch + all common elements): within 24 hrs, regardless of dispatch</u> <u>UNE Channelized DS1 (DS1 loop + multiplexing): within 48 hours</u> <u>Unbundled DS0 Loop: within 24 hours</u> <u>Unbundled DS1 Loop (non-channelized): within 24 hours</u> <u>Other Unbundled Loops: within 24 hours</u> <u>Unbundled Switch: within 48 hours</u> <u>Dedicated Transport: DS0/DS1 within 3 business days</u> <u>Dedicated Transport: DS3 within 5 business days</u> <u>Feature Changes: All orders completed within 5 business hours of receipt</u> <u>Disconnects:</u> <ol style="list-style-type: none"> <u>1) Resale Product or Service Disconnects within 24 hours</u> <u>2) UNE Switching within 24 hours</u> <u>3) UNE (Other) within 24 hours</u>
b. <u>Percent out of service (Severity 1)</u>	<u>Troubles cleared in 24 hours</u>
c. <u>Estimated time to restore (Missed Commitments)</u>	<u>Percent missed commitments</u>

<u>d. Systems availability (of Operations Support Systems and associated interfaces)</u>	<u>≤ 0.1% unplanned downtime per month, reported for each interface:</u> <u>Pre-order Inquiry Interface</u> <u>Ordering Interface</u> <u>Maintenance Interface</u>
<u>e. Network Performance Parity</u>	<u>Deviation ≤ 0.10% from supplier service performance distribution:</u> <u>Transmission quality:</u> <u>Subscriber Loop Loss</u> <u>Signal to Noise Ratio</u> <u>Idle Channel Circuit Noise</u> <u>Loops-Circuit Balance</u> <u>Circuit Notched Noise</u> <u>Attenuation Distortion</u> <u>Fax Transactions 9.6 kbps</u> <u>Speed of Connection:</u> <u>Dial Tone Delay</u> <u>Post Dial Delay</u> <u>Call Completion:</u> <u>Call delivery rate</u> <u>Reliability Requirements:</u> <u>Network incidents affecting > 5000 blocked calls</u> <u>Network incidents > 100,000 blocked calls</u>

2.0 Specified Performance Standards

- 2.1 The performing Party warrants that it will meet the above Performance Criteria, except in those instances where its failure to do so is a result of a) the other Party's failure to perform any of its obligations set forth in this Agreement, b) any delay, act or failure to act by an end user, agent, or subcontractor of the other Party, c) any Force Majeure Event, or d) for INP, where memory limitations in the switch in the service office cannot accommodate the request.

**IX. POLES, CONDUITS, AND RIGHTS-OF-WAY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T - SWBT INTERCONNECTION AGREEMENT - MISSOURI**

Issue	AT&T Reason why language should be included or excluded	AT&T Language
		<u>indemnify and hold the other party harmless from the other party's negligent acts or omissions, or intentional or willful misconduct, including gross negligence.</u>
25. [The issue is stated in Issue No. 16 in reference to Section 10.X above.]	[The reasons for AT&T's position are set forth in reference to Section 10.X(c) above, Issue No. 16]	<p style="text-align: center;">ARTICLE 22: LIMITATION OF LIABILITIES; CONSEQUENTIAL DAMAGES</p> <p>22.X Limitation of Liabilities. <u>The parties agree that their liability to each other is limited according to the terms of Section 7.X (Limitation of Liabilities) of the Terms and Conditions of the Agreement.</u></p>
26. May SWBT impose new restrictions on the use of self-insurance by AT&T to comply with the insurance requirements of the Poles, Conduits, and Rights-of-Way Appendix?	SWBT has agreed in other states to allow an exception to its insurance requirements upon proper proof of self-insurance. SWBT now desires to limit this exception in a manner that is not altogether clear. AT&T will not agree to a provision that limits its ability to rely on its own self-insurance. Self-insurance is a legitimate business practice in this and other industries and should be allowed. It may be possible to resolve this issue by adoption of the parties' agreed-to language in Arkansas.	23.X Insurance Required. AT&T shall comply with the insurance requirements specified in this section <u>unless AT&T has provided proof of self-insurance as permitted in Section 23.X below:</u> [the remaining language in this section is not disputed]
27. If SWBT elects to terminate the Poles, Conduits, and Rights-of-Way Appendix, is AT&T required to remove all of its facilities from SWBT-owned or -controlled poles, ducts, conduits, and rights-of-way?	In the event SWBT chooses to terminate the Poles, Ducts, Conduits, and Rights-of-Way Appendix, it should not be able to demand that all of AT&T's facilities in place under the Appendix be removed. SWBT's obligation to provide non-discriminatory access to its poles, ducts, conduits, and rights-of-way is not dependent on the existence of a written agreement; in fact, the FCC 1st Report and Order, ¶1160 has stated that a written agreement is not required. Removal of all facilities could cause great disruption of customer service as well as considerable expense. Because of these concerns, at least twelve months' advance notice is necessary prior to termination, and SWBT should be able to terminate the Appendix only for cause for at least some significant period of time after the Appendix becomes effective.	27.X Elective Termination. Either party may terminate this Appendix by giving the other party at least <u>twelve</u> months prior written notice as provided in this section. AT&T may terminate this Appendix with or without cause. <u>During the first five years following the effective date,</u> SWBT may only terminate this Appendix for cause. Thereafter, SWBT may terminate this Appendix with or without cause. <u>Any termination of this Appendix by SWBT will not require removal of AT&T facilities from SWBT-owned or -controlled poles, ducts, conduits, and rights-of-way, and shall be subject to the provisions of 27.X below.</u> [remainder of language in this section is not disputed]
28. [The issue is stated in Issue No. 16 in reference to Section 10.X above.]	[The reasons for AT&T's position are set forth in reference to Section 10.X above, Issue No. 16.] In addition, it is especially crucial that notices of a lawsuit are served upon the proper person to avoid delay and a possible default. If the notice provisions in this Appendix are different from those in the Terms and Conditions of the Interconnection Agreement, service of a lawsuit involving breach of the entire	<p style="text-align: center;">ARTICLE 28: NOTICES</p> <p>28.X Methods for Service of Notice. <u>The parties intend that the notice provisions of this Appendix be identical to Section 11.X (Notices) of the Terms and Conditions of the Agreement.</u> <u>In the event any notices are required to be sent under the</u></p>

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AT&T - SWBT INTERCONNECTION AGREEMENT - MISSOURI**

Issue	AT&T Reason why language should be included or excluded	AT&T Language
	Interconnection Agreement might sit on the desk of a person in charge of outside plant for a local area, depriving the party served of adequate time to prepare its answer to the lawsuit, as well as creating a great risk that a default may occur.	<p>terms of this Appendix, they may be sent by mail and are deemed to have been given on the date received. Notice may also be effected by personal delivery or by overnight courier, and will be effective upon receipt. Notice may also be provided by facsimile, which will be effective on the next business day following the date of transmission; provided, however, notices to a party's 24-hour maintenance contact number will be by telephone and/or facsimile and will be deemed to have been received on the date transmitted. The parties will provide the appropriate telephone and facsimile numbers to each other. Unless otherwise specifically provided in this Appendix, notice will be directed as provided below. Either party may unilaterally change its designated representative and/or address, telephone contact number or facsimile number for the receipt of notices by giving seven (7) days' prior written notice to the other party in compliance with this section. Any notice or other communication will be deemed given when received.</p> <p>Notices to AT&T:</p> <p>Vice President - Southwest Local Services Organization AT&T 5501 LBJ Freeway, Suite 800 Dallas, Texas 75240 972-778-2215 (fax); 972-778-2595 (voice contact)</p> <p>Notices to SWBT:</p> <p>(Special Markets) Southwestern Bell Telephone Company Room 4110 One Bell Center St. Louis, Missouri 63101 314-235-2609 (fax); 314-235-7483 (voice contact)</p>
29. [The issue is stated in Issue No. 16 in reference to Section 10.X above.]	[The reasons for AT&T's position are set forth in reference to Section 10.X above, Issue No. 16.]	<p align="center">ARTICLE 31: GENERAL PROVISIONS</p> <p>31.X General Provisions. The parties agree that their respective rights and obligations as to completeness of agreement, force majeure, severability, and choice of law are set forth in Sections 32.X (Complete Terms), 13.X (Force</p>

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AT&T - SWBT INTERCONNECTION AGREEMENT - MISSOURI**

Issue	AT&T Reason why language should be included or excluded	AT&T Language
		<u>Majeure</u> , <u>42.X (Severability)</u> , <u>26.X (Multiple Counterparts)</u> , <u>43.X (Survival of Obligations)</u> , <u>3.X (Intervening Law)</u> and <u>44.X (Governing Law) of the Terms and Conditions of the Agreement.</u>

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AT&T - SWBT INTERCONNECTION AGREEMENT - MISSOURI**

Issue	AT&T Reason why language should be included or excluded	AT&T Language
<p>1. Where the parties cannot agree, should the terms of the Poles, Conduits, and Rights-of-Way Appendix negotiated by the parties, as well as this Commission's rulings on disputed issues, control over SWBT's form "Master Agreement"?</p>	<p>Yes. This matrix for Poles, Conduits, and Rights-of-Way has a slightly different procedural history from the remainder of the matrix presented here. The issues presented in this matrix are based upon the issues presented to this Commission in April, after negotiations between SWBT and AT&T that resulted in the contract being filed before this Commission in April. The language presented in the "AT&T Language" column or discussed in the "Reason" column is language discussed or proposed by the parties during the Missouri negotiations. Thus, while the issues raised for other parts of the matrix were largely based upon the issues raised in the Texas proceeding, the issues presented here are the result of the parties' Missouri negotiations. This is because in the Texas proceeding, there was a single issue arbitrated relating to poles, ducts, conduits, and rights-of-way: whether a generic document authored by SWBT, called its "Master Agreement" for poles, ducts, conduits, and rights-of-way, would control over the Poles Appendix negotiated by the parties and approved by the Texas Commission. After January 1997, the parties undertook further negotiation in Texas and added a great deal of new agreed language to the Texas Poles Appendix. The vast majority of this language was added at SWBT's request. In the most recent Texas arbitration, the Texas Commission held that the "Master Agreement" provisions would not control over the language approved by the Commission and/or agreed to by the parties, and could not be added to the Poles Appendix over AT&T's objection. While SWBT has not yet presented its "Master Agreement" in its entirety for Missouri, AT&T expects that SWBT will do so in this proceeding, as it has done so in every other state except Arkansas, as discussed below. Therefore, this first issue is presented for the Commission's consideration, in the expectation that SWBT will offer either its "Master Agreement" for adoption by this Commission, or a great amount of language from it. This language should be rejected.</p> <p>The Poles, Conduits, and Rights-of-Way Appendix negotiated by the parties and submitted to this Commission in April (the "April Poles Appendix") was an intensively-negotiated document which includes the parties' agreements and the Commission's rulings on disputed issues (with disputes still remaining for the Commission's resolution highlighted). In the negotiations that led up to the April Poles Appendix, the parties had exhaustively discussed the issues relating to the terms and conditions under which SWBT would afford access to SWBT's poles, ducts, conduits, and rights-of-way, not only for Missouri, but for the other four states in which SWBT does business as well. The starting point for the Missouri negotiations was the Poles Appendix that had been approved by the Public Utility Commission of Texas and signed by the parties. Both</p>	

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AT&T - SWBT INTERCONNECTION AGREEMENT - MISSOURI**

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	<p>parties made concessions in an effort to reach agreement.</p> <p>In every other state except Arkansas, where the Arkansas Public Service Commission made an explicit ruling that SWBT's "Master Agreement" would not control, SWBT has attempted to supersede the parties' negotiated agreement with a document it calls its "Master Agreement for Access to Poles, Ducts, Conduits, and Rights-of-Way." In this "Master Agreement," SWBT has attempted to draw up a generic form that will apply to all parties in all states. The "Master Agreement" unnecessarily complicates AT&T's access to SWBT's poles, ducts, conduits, and rights-of-way, and AT&T has never agreed to the Master Agreement in its entirety in any of the states. It rewrites (in AT&T's opinion, to SWBT's advantage) agreed-upon contractual language embodying the parties' negotiated agreements that were designed to simplify the process of access to poles, ducts, conduits, and rights-of-way. The "Master Agreement" imposes numerous terms, conditions, and procedures to which AT&T has never agreed. It is not specific to the negotiations between AT&T and SWBT. It contains numerous provisions that either conflict with or are redundant of provisions in the Terms and Conditions of the Interconnection Agreement. In Texas, the Commission-approved document was approximately 60 pages; SWBT's insertion of its Master Agreement text in a negotiation draft almost doubled the contract's size. AT&T has accommodated SWBT's quest for uniformity by countless reviews and discussion of Master Agreement language, as well as acceptance of certain Master Agreement provisions for inclusion in the contracts between SWBT and AT&T. In this filing, AT&T has accepted Master Agreement language (originally presented as disputed in AT&T's April matrix) for Missouri on significant issues in a good faith effort to resolve some of the parties' long-standing disputes. The remaining Master Agreement language that has been proposed by SWBT or undoubtedly will be proposed by SWBT in this proceeding should not supersede the parties' carefully-negotiated agreements.</p> <p>In Texas and Arkansas, the two states to which AT&T has presented this specific issue, both Commissions have ruled that the parties' negotiated language, not the Master Agreement, should control. The Arkansas Commission concluded: "The ALJ finds that access to poles, conduits, and rights-of-way should be a part of the interconnection agreement and should not be governed by the separate Master Agreement of SWBT. The arbitration is for the purpose of resolving issues specific to the negotiations between SWBT and AT&T. No other parties may participate in the arbitration and the issue of access to poles, conduits, and rights-of-way is specific to the two parties and the Interconnection Agreement</p>	

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AT&T - SWBT INTERCONNECTION AGREEMENT - MISSOURI**

Issue	AT&T Reason why language should be included or excluded	AT&T Language
	<p>between those parties." Arkansas Public Service Commission, Docket No. 96-395-U, Order No. 5, February 28, 1997, at pp. 42-43. Similarly, the Texas Commission granted AT&T's Motion to Strike testimony and Master Agreement language that SWBT proposed to insert into the parties' negotiated agreement that had been approved by the Commission (which also included additional language inserted by agreement between the parties after the Commission approved and the parties signed the Interconnection Agreement in January, 1997).</p> <p>Therefore, while the April Poles Appendix is not perfect from either party's perspective, it is the product of negotiation and compromise, as well as rulings by this Commission. The remaining issues should be resolved, and those rulings should be incorporated into the April Poles Appendix. Further Master Agreement provisions should be rejected.</p>	
<p>2.a. Where AT&T and SWBT have mutually approved a contractor to perform work on AT&T's or SWBT's behalf, should the work of that contractor be limited by geographic area and by specific task?</p> <p>2.b. May AT&T and its authorized contractors perform work for AT&T under standards that are consistent with SWBT's standards, rather than performing work in accordance with SWBT's specifications, standards, and practices?</p>	<p>AT&T is willing to resolve the dispute as to Section 3.X by adoption of the language agreed to by the parties in Texas. In 10.X, AT&T is willing to perform make-ready work in a manner "consistent with" SWBT's standards and practices, rather than "in accordance" with SWBT's specifications. The difference is that if AT&T's specifications for the particular work it is performing do not violate any of SWBT's standards or practices, and AT&T believes it will be less expensive or more efficient to follow its own specifications, AT&T should be permitted to follow its own specifications. Similarly, in Section 10.X, when SWBT notifies AT&T that make-ready work is necessary, AT&T may advise SWBT that AT&T intends to perform the make-ready work itself. SWBT may not refuse AT&T's proposal "without due cause and justification," but would have the opportunity to refuse or object if it believed that AT&T's work would not be consistent with SWBT's standards or if some danger to system integrity was posed.</p> <p>Further in 10.X, AT&T is willing to agree to a provision stating that neither party may conduct work in such a manner that jeopardizes or degrades the integrity of the other party's structures or interferes with the other party's existing use of facilities; stating this provision in a one-sided manner is not "nondiscriminatory" in that SWBT favors itself over new entrants, in violation of the FCC's First Report and Order. See, Direct Testimony of Daniel C. Keating, III, p. 12; FCC First Report and Order, ¶1157.</p> <p>Also in 10.X, AT&T believes that all indemnity provisions in the Appendix (with specific, limited exceptions) should be covered in one place in the</p>	<p>The parties' agreed language in Texas is as follows:</p> <p>3.X Authorized contractor. "Authorized contractors" are contractors selected by AT&T who may, subject to AT&T's direction and control, perform facilities modification or make-ready work which would ordinarily be performed by SWBT or persons acting on SWBT's behalf. As used in this Appendix, the term "authorized contractor" does not refer to contractors performing routine installation, maintenance, or repair work on AT&T's behalf or other contractors who may be selected by AT&T to perform work on AT&T's behalf without SWBT's approval. More specifically, the term "authorized contractor" refers only to those contractors included on a list of contractors mutually approved by AT&T and SWBT to perform one or more of the following tasks within a specified SWBT construction district: (a) installation of those sections of AT&T's ducts or facilities which connect to SWBT's conduit system as provided in Section 6.X; (b) installation of inner duct as provided in Section 10.X; (c) excavation work in connection with the removal of retired or inactive (dead) cables as provided in Section 10.X; or (d) make-ready work as provided in Section 10.X and 10.X. A person or entity approved as an authorized contractor is only an authorized contractor with respect to those tasks for which such person or entity has been approved by both parties and is an authorized contractor only in those SWBT construction districts agreed to by both parties. Designation of an authorized contractor for a specific category of tasks shall not be deemed to be the designation of such person or entity as an authorized</p>

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Issue	AT&T Reason why language should be included or excluded	AT&T Language
	contract (see discussion in reference to Article 21 below).	<p>contract for other purposes, nor shall approval of an authorized contractor by one SWBT construction district constitute approval of such authorized contractor for the area served by a different SWBT construction district; provided, however, that if a specific construction job extends beyond the boundaries of a single construction district, an authorized contractor shall, for the purposes of that job, be deemed to have been approved by all SWBT construction districts in which the work is to be performed. The parties have previously entered in to three stipulations (Stipulations AT&T 59, 60, and 66 expressly permitting AT&T to perform activities which may be performed by an authorized contractor and providing for the parties to make lists of contractors mutually determined by the parties to be qualified to perform such activities. These stipulations have been made a part of the Arbitration Award in Texas PUC Docket No. 16226). In accordance with the parties' stipulations, AT&T shall be considered to be an authorized contractor for all tasks specified in this section as tasks which may be performed by an authorized contractor.</p> <p>10.X From time to time, additional contractors, subcontractors or other vendors may be approved by AT&T and SWBT to perform make-ready work in the event that the workload exceeds the capacity of the authorized contractors on the approved list to perform the make-ready work in a timely manner.</p> <p>10.X Make-ready work performed by AT&T, by an authorized contractor selected by AT&T, or by a contractor, subcontractor, or other vendor jointly approved by the parties under subsection (c) shall be performed consistent with the same standards and practices which would be followed if such excavation work were being performed by SWBT or SWBT's contractors.</p> <p>10.X AT&T shall have 20 days (the "acceptance period") after receiving SWBT's estimate of make-ready charges to authorize completion of the make-ready work proposed by SWBT <u>or to advise SWBT of its willingness to perform the proposed make-ready work itself. If AT&T advises SWBT that it intends to perform the proposed make-ready work, SWBT, will not, without due cause and justification, refuse to accept AT&T's proposal.</u> Authorization shall be accomplished by AT&T's signing the estimate and returning it to SWBT within the 20-day acceptance period.</p>

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AT&T - SWBT INTERCONNECTION AGREEMENT - MISSOURI**

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3. Should the definitions of "conduit," "duct," "pole," and "rights-of-way" include an incomplete statutory reference?	AT&T is willing to resolve this issue by adoption of the language agreed to by the parties in Texas.	<p>The agreed Texas language in each of these definitions was as follows:</p> <p>3.X Conduit. The term "conduit" refers to all SWBT conduits subject to the Pole Attachment Act and the provisions of the Telecommunications Act of 1996 codified as 47 U.S.C. §§251(b)(4) and 271 (c)(2)(B)(iii). [remainder of definition not disputed; same text would be used in definition of "duct," "pole," and "right-of-way"]</p>
4. Should AT&T be permitted access to SWBT's central office vaults for the limited purpose of installing cables within SWBT's central office building entrance conduits?	<p>AT&T simply wants to be able to do a complete job when installing cable that terminates at a SWBT central office building. AT&T wants to be able to make the final connection of its cable in SWBT's central office vaults (subject to SWBT's security measures and collocation requirements) so that it will not be necessary to leave cable coiled in a manhole or in the street. SWBT's technical publication on collocation precludes AT&T from installing cable in the last segment of SWBT's conduit system, so that transferring this matter to the collocation appendix does not solve the problem. For the same reasons, SWBT's proposal regarding scope of the agreement should be rejected. SWBT's exclusion of central office entrance conduit has a strategic competitive significance as well. This is the aggregate point for all local service infrastructure for a given area: for at least the short to medium term future, every AT&T facility will have to pass through SWBT's central office conduit. SWBT's ability to control the timing of that potential competition allows SWBT to use its control of facilities and property to impede installation of equipment by those seeking to compete, in violation of the 1996 Act's directive of non-discriminatory access. FCC First Report and Order, ¶1123. While AT&T's definition of "conduit" as well as language in Section 5.X recognize that the collocation of equipment will be governed primarily by separate collocation agreements or tariffs, the language of the Appendix should not preclude AT&T from access for the limited purposes noted here, especially where AT&T will be bound by SWBT's security measures for its collocated space. Further, AT&T's language in Section 5.X that "SWBT agrees to provide nondiscriminatory access to rights-of-way containing Controlled Environment Vaults (CEVs), huts, cabinets, and other similar structures to the extent that collocation to such facilities is agreed or required by order of any court or governmental agency having jurisdiction over the subject matter" makes clear that AT&T may have access to rights-of-way containing those structures when collocation has been agreed to or ordered. Again, Congress and the FCC have granted access to "any" pole, duct, conduit or right-of-way owned or controlled by a utility. 42 U.S.C. §224(f)(1); FCC First Report and Order, ¶1185; See</p>	<p>4.X Scope of Agreement. This Appendix establishes procedures for grants of non-discriminatory access to SWBT poles, ducts, conduits, and rights-of-way located within this State, without regard to whether the site is located on public or private property. SWBT will provide AT&T and other telecommunications carriers, cable television systems, and competing providers of telecommunications services with nondiscriminatory access to the poles, ducts, conduits, and rights-of-way owned or controlled by SWBT and located within this State on rates, terms, and conditions that are consistent with the Pole Attachment Act, 47 U.S.C. §224.</p> <p>5.X Access to Associated Rights-of-Way. Each pole attachment and conduit occupancy license made under this Appendix shall include access to and use of all associated rights-of-way, including, but not limited to, rights-of-way required by AT&T for ingress, egress, or other access to any sites where SWBT's solely or partly owned or controlled poles, manholes, conduit, ducts, or other parts of SWBT's solely or partly owned or controlled conduit system are located, but only to the extent, if any, that SWBT has the legal authority to grant such access and use. SWBT also agrees to provide nondiscriminatory access to rights-of-way containing Controlled Environment Vaults (CEVs), huts, cabinets, and other similar structures to the extent that collocation to such facilities is agreed or required by order of any court or governmental agency having jurisdiction over the subject matter. SWBT agrees that it shall place no restrictions on AT&T's ability to construct, maintain, and monitor its facilities at these sites that are more restrictive than those SWBT places on itself.</p>

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	also, Direct Testimony of Daniel C. Keating, III, pp.11-12. SWBT's objection to inclusion of the Arbitrator's ruling that access to sites will be provided by SWBT in an expeditious manner is unfounded and should be rejected.	
5. Should the term "cost" be defined in the Poles, Conduits, and Rights-of-Way Appendix, and should it be defined as AT&T proposes?	AT&T is agreeable to resolving this issue by adoption of the definition of "cost" and the first sentence of Section 19.X as agreed to by the parties in Texas. As to dispute resolution, see issue No. 16 below.	<p>The language agreed to in Texas by the parties is as follows:</p> <p>3.X Cost/Cost-based. The terms "cost" and "costs" refer to costs determined in a manner consistent with the Pole Attachment Act and applicable rules, regulations, and commission orders. The "cost-based" refers to rates, fees, and other charges which are based on costs and determined in a manner consistent with the Pole Attachment Act and applicable rules, regulations, and commission orders.</p> <p>19.X Charges for Work Performed by SWBT Employees: Except as otherwise specifically required by applicable commission orders, SWBT's charges to AT&T for work performed by SWBT employees pursuant to this Appendix shall be computed by multiplying the fully loaded hourly rates for such employees times the number of hours required to perform the work.</p>
6. Should the definition of "overlashing" include the concept of lashing over more than one existing cable or strand?	AT&T accepted revised wording from SWBT on this definition and simply wants to ensure that overlashing of more than one cable is permitted by the Appendix, a practice utilized by SWBT frequently to avoid the need to deploy taller poles.	3.X Overlashing. The term "overlashing" refers to the practice of placing an additional cable or inner duct by lashing such cable or inner duct with spinning wire over existing cable(s) and strands.
7. If SWBT transfers its interest in property to which AT&T has attached facilities, must the transfer be subject to AT&T's rights under the Poles, Conduits, and Rights-of-Way Appendix?	If SWBT transfers its interest in real or personal property to or in which AT&T has attached or placed facilities, there should be some assurance that AT&T's investment will be protected. The transferee's agreement to be bound by the terms and conditions of the Poles, Conduits, and Rights-of-Way Appendix, or a transfer made subject to AT&T's rights, would provide this assurance. Because nondiscrimination includes the concept that SWBT should treat competitors as it treats itself, SWBT should agree to restrictions and terms governing abandonment and transfer, that protect not only its investment but AT&T's investment as well. This provision is also needed to assure that transfers do not interfere with AT&T's provision of service to its end user customers.	4.X No Effect on SWBT's Right to Convey or Transfer Property. Nothing contained in this Appendix shall in any way affect SWBT's right to convey or transfer to any other person or entity any interest in real or personal property, including any poles, conduit, or ducts to or in which AT&T has attached or placed facilities pursuant to this Appendix <u>provided that the transferee of such real or personal property shall be subject to AT&T's rights under this Appendix and licenses subject to this Appendix.</u>
8. May SWBT limit or interfere with AT&T's right to conduct its normal business operations, except to the extent expressly provided by agreement or by law?	AT&T should be able to conduct its normal business operations in serving its customers, and to avail itself of new business opportunities without interference, unless the parties have expressly agreed to the contrary, or	4.X No Effect on AT&T's Rights to Manage its Own Facilities. <u>This Appendix shall not be construed as limiting or interfering with AT&T's right to conduct its normal business operations in</u>

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**IX. POLES, CONDUITS AND RIGHTS-OF-WAY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T - SWBT INTERCONNECTION AGREEMENT - MISSOURI**

Issue	AT&T Reason why language should be included or excluded	AT&T Language
	unless the Telecommunications Act of 1996 or other applicable laws, rules, or regulations so provide. AT&T's proposed language is needed to ensure that this agreement is not interpreted to interfere with such normal business operations. It provides a balance to the language, throughout the Appendix, granting SWBT some degree of control over AT&T's activities to ensure that the control does not result in interference with AT&T's management of its own facilities.	<u>serving its customers or to avail itself of new business opportunities except to the extent expressly provided in this Appendix or by the Telecommunications Act of 1996 or other applicable laws, rules, or regulations.</u>
9. Should SWBT be required, upon notice from AT&T, to suspend activities on, within, or in the vicinity of its poles, ducts, or conduits that create an unreasonable risk of injury to persons or property (including unreasonable risks of service interruptions to AT&T's customers)?	This provision parallels the language of paragraph 6.X which immediately precedes it. Subsection (f) requires AT&T to promptly suspend activities on, within, or in the vicinity of SWBT's poles, ducts, conduits, or rights-of-way if notified by SWBT that such activities create an unreasonable risk of injury to persons or property (including unreasonable risks of service interruptions). If AT&T becomes aware of similar risks around its facilities, it should be able to request that SWBT suspend work until the hazardous conditions have been rectified. It is important to note that in a competitive arena, AT&T and SWBT will both have facilities (cables and wires) present on SWBT's poles. It is in the best interest of the public that both company's facilities be safeguarded equally.	<u>6.X SWBT shall promptly suspend activities on, within, or in the vicinity of its poles, ducts, or conduits if notified by AT&T that such activities create an unreasonable risk of injury to persons or property (including unreasonable risks of service interruptions to AT&T's customers). SWBT shall not resume such activities on or in the vicinity of its poles until it is satisfied that the work may safely proceed and that any hazardous conditions at the site have been rectified and shall not resume such activities within or in the vicinity of SWBT's conduit system until both AT&T and SWBT are satisfied that the work may safely proceed and that any hazardous conditions at the site have been rectified. In the event that AT&T requires SWBT to suspend work activities and it is later determined that there was no reasonable basis for the work suspension, AT&T agrees to compensate SWBT for the cost resulting from the delay.</u>
10. Where AT&T has agreed that it will abide by any laws, regulations, and ordinances regarding the use of spark producing tools, must it also agree to abide by SWBT's standards?	The parties had agreed to the language set forth in section 6.X for other states. SWBT now raises a new objection: instead of agreeing that all parties will abide by any laws, regulations, or ordinances regarding the use of spark-producing tools, SWBT now wants to require AT&T to comply with SWBT's own standards. If SWBT's standards at some future point in time preclude the use of these tools, AT&T may still find it necessary to use the tools for work on AT&T facilities. Any safety concerns are adequately addressed by AT&T's clear statement in the Appendix that it will abide by any applicable law on the subject. An example of a spark producing tool AT&T may desire to use is a fusion splice machine, for splicing optical cable. This technology provides the most efficient transmission of optical signals over spliced fibers. AT&T should not be bound by the type of splice equipment or methodology SWBT has selected for its own work.	<u>6.X All parties shall abide by any laws, regulations, and ordinances regarding the use of spark producing tools, equipment, or devices (including but not limited to such tools as electric drills and hammers, meggers, breakdown sets, induction sets, and the like) in manholes or in any other portions of the conduit system.</u>

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**IX. POLES, CONDUIT, AND RIGHTS-OF-WAY
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T - SWBT INTERCONNECTION AGREEMENT - MISSOURI**

Issue	AT&T Reason why language should be included or excluded	AT&T Language
<p>11. Should AT&T be required to pay the cost of SWBT construction observers under different terms and conditions than those ordered by the Arbitrator?</p>	<p>The Arbitrator ordered (and the Commission approved the ruling) that when SWBT considers it necessary to be present during AT&T's access to manholes and CEVs, it may send its employees to review the work. The cost of a single SWBT employee is to be shared equally (50 percent/50 percent); AT&T is not required to compensate SWBT for any additional SWBT employees present. (Arbitration Order, page 27). This ruling is inserted in the text of AT&T's proposed Section 6.X. SWBT's proposal limits the Arbitrator's ruling to certain types of work, and inserts additional language requiring AT&T to pay the total cost of SWBT observers in all other circumstances. In the Arbitrator's Order, it appears that the Arbitrator considered SWBT's argument that an employee should be present at AT&T's expense only "to observe work operations at poles, conduits, etc." (Arbitrator's Order, page 27), yet ruled that SWBT may send an employee "during LSP access to manholes and CEVs," "to review LSP installation, maintenance, and similar routine work." For other types of work, if SWBT has already approved the use of a contractor, there is no need for SWBT to send an employee to observe the work beyond the scope of the Arbitrator's Order, and no need for AT&T to pay for that employee's time and additional costs. These are discriminatory terms that SWBT does not apply to itself. Further, there is no need for SWBT to observe work performed by AT&T not covered by the Arbitrator's Order where SWBT has stipulated that AT&T is an "authorized contractor." Nothing in the Telecommunications Act of 1996 or in the FCC's orders requires an entrant to pay the incumbent's oversight costs. Accordingly, AT&T should not be required to bear this additional cost, and in no event should the conditions be more burdensome than those ordered by the Arbitrator, i.e., AT&T will split the costs of one SWBT employee/observer. Finally, SWBT's proposed Section 6.X is redundant in that it meets SWBT's own definition of make-ready work and is thus covered by the provisions regarding make-ready work in the Appendix.</p>	<p>6.X As ordered by the Public Service Commission of Missouri, when SWBT considers it necessary to be present during AT&T's access to manholes and CEVs to protect the integrity of SWBT's conduit system, SWBT may, at its option, send its employees to review AT&T's installation, maintenance, and similar routine work. AT&T and SWBT will share the cost of a single SWBT employee present during such work on an equal basis (50 percent/50 percent). AT&T shall not compensate SWBT for any additional SWBT employees present. Post-work review of the integrity of either party's cable and apparatus within the conduit system is addressed in Section 12.X of this Appendix.</p> <p>6.X [AT&T objects to the language proposed by SWBT in negotiations in two subsections of 6.X to the effect that SWBT may determine when work is "integral" to AT&T, and SWBT may charge for construction observers for "capacity expansion, facilities modification, make-ready work, or non-routine work"]</p>
<p>12. May SWBT relieve itself of liability it would otherwise have under applicable environmental laws for the presence of environmental contaminants in its conduit facilities by allowing AT&T to perform tests or requiring AT&T to make its own determinations regarding the presence of contaminants? Should the term "environmental contaminants" be replaced by the term "hazardous substances"?</p>	<p>In subsection 6.X, SWBT should not be able to relieve itself of liability for environmental contaminants on its own property and somehow transfer that liability to AT&T simply by requiring that AT&T perform its own testing before placing facilities on that property. SWBT also objects to the use of the term "environmental contaminants" and desires to replace it with the statutory phrase "hazardous substances." However, the phrase "hazardous substances" is defined in different ways in different statutes and the use of such phrase could lead to confusion. Since the parties have not agreed to a definition of "hazardous substances," the contractual language should be left as is in this paragraph. Finally, AT&T has requested notification (rather than SWBT merely "advising" AT&T) as part of the application process when SWBT is aware of hazardous materials</p>	<p>6.X Environmental Contaminants in SWBT's Conduit System. AT&T acknowledges that, from time to time, environmental contaminants (e.g., hazardous materials and toxic substances) may enter SWBT's conduit system and accumulate in manholes or other conduit facilities, and that environmental contaminants may be present at other sites where SWBT's poles, ducts, conduits, or rights-of-way are located.</p> <p>(a) AT&T may, at its expense, perform such inspections and tests at the site of any pole, duct, conduit, or right-of-way occupied by or assigned to AT&T as AT&T may deem necessary to determine the presence at such sites of environmental contaminants.</p>

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