

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

AT&T Communications of Illinois, Inc.,	:	
TCG Illinois and TCG Chicago	:	
	:	
Verified Petition for Arbitration of	:	03-0239
Interconnection Rates, Terms and	:	
Conditions and Related Arrangements with	:	
Illinois Bell Telephone Company (SBC	:	
Illinois) pursuant to Section 252(b) of the	:	
Telecommunications Act of 1996.	:	

CLARIFYING ORDER

By the Commission:

On August 26, 2003, the Illinois Commerce Commission ("Commission") entered an Arbitration Decision in this proceeding. On Interconnection Issue 10, the Commission agreed with Illinois Bell Telephone Company (SBC Illinois) ("SBC") that local SS7 traffic should be exchanged on a "bill and keep" basis. The Commission inadvertently failed to also explicitly adopt SBC's corresponding Interconnection Agreement language.

AT&T Communications of Illinois, Inc., TCG Illinois and TCG Chicago ("AT&T") and SBC filed a Joint Motion for Resolution of Disputed Language ("Motion") on October 14, 2003. The parties each presented contract language that they believe conforms to the Commission's decision. They ask that the Commission either adopt one party's language or direct that the interconnection agreement include such other language as the Commission determines to be appropriate to implement its decision.

Parties' Positions

In the Motion, AT&T proposed language that it believed was consistent with the Commission's decision. Its language reflects the fact that currently both local and access traffic is sent to AT&T's SS7 network over the same D-Links. AT&T states that because it is not possible to measure the different types of traffic that is sent over the same links, it is appropriate that both local and access traffic be subject to "bill and keep". AT&T's proposed language reflects this and requires that local and access traffic continue to be sent over the same links and to be exchanged on a "bill and keep" basis.

SBC's language sets up a default set of charges that would apply when a competitive local exchange carrier ("CLEC") does not have its own SS7 network and must use SBC's SS7 network. SBC states that this is necessary for the CLECs that may opt into this agreement. SBC's proposal also requires AT&T to set up a separate set of links to exchange local SS7 traffic. Once AT&T has done this, then SBC's language would require the parties to exchange local traffic on a "bill and keep" basis.

Commission Analysis and Conclusion

We note that this was an issue that AT&T sought rehearing on. We found in the Arbitration Decision that because of the imbalance in traffic we would impose "bill and keep". This ruling is consistent with our other rulings regarding virtual NXX and ISP traffic. The SS7 traffic that creates the traffic imbalance includes virtual NXX and ISP bound traffic and, therefore, we imposed a "bill and keep" regime to reduce regulatory arbitrage. AT&T presented nothing in its Application for Rehearing to cause the Commission to reconsider, nor does its proposed language accurately reflect our decision.

We agree with SBC that AT&T's language improperly extends our decision to include access SS7 traffic. Access traffic is exchanged between SBC and AT&T pursuant to the parties' access tariffs. AT&T purchased the existing D-Links and established the existing interconnection arrangements between the parties' SS7 networks in 1992, prior to there being local service competition. AT&T has not entered into an agreement with SBC to exchange local SS7 messages.

The parties both agree that it is not possible to measure the different types of traffic when it is sent over the same link. One possible solution is to require the parties to estimate this traffic through percentage use factors. This solution, however, was not advocated by either party. Moreover, it would impact the parties' access traffic arrangements because that traffic would then also be estimated.

SBC's proposed language provides a method by which all traffic can be measured. When AT&T separates local and access traffic onto different links it will be able to accurately bill SBC for access traffic and accurately "bill and keep" SBC for its local traffic.

We also agree with SBC that AT&T's language fails to take into account the possibility of other CLECs opting into this agreement. SBC's language contains default billing arrangements that will apply to CLECs without their own SS7 networks and also to AT&T until it separates local and access traffic.

Accordingly, the Commission adopts SBC's proposed language.

The Commission, having considered the entire record in this proceeding and the pleadings filed herein, and being fully advised in the premises, is of the opinion and finds that:

- (1) the Interconnection Agreement language proposed by SBC to implement the Commission's Arbitration Decision on Interconnection Issue 10 is appropriate.

IT IS THEREFORE ORDERED that the Arbitration Decision entered by the Commission on August 26, 2003 is hereby clarified as noted herein to adopt the language proposed by Illinois Bell Telephone Company (SBC Illinois) for Interconnection Issue 10. In all other respects, the Arbitration Decision remains the same and in full force and effect.

IT IS THEREFORE ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. 200.880, this order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 30th day of October, 2003.

(SIGNED) EDWARD C. HURLEY

Chairman