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Decision 99-06-060 June 10, 1999

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Rulemaking on the Commission's Own Motion to Govern Open Access to Bottleneck Services and Establish a Framework for Network Architecture Development of Dominant Carrier Networks.	Rulemaking 93-04-003 (Filed April 7, 1993)
Investigation on the Commission's Own Motion Into Open Access and Network Architecture Development of Dominant Carrier Networks.	Investigation 93-04-002 (Filed April 7, 1993)

ORDER GRANTING LIMITED REHEARING TO MODIFY DECISION (D.) 98-12-079 AND DENYING REHEARING OF MODIFIED DECISION

In this Order, we grant limited rehearing to modify D.98-12-079 in two respects. As modified, the applications for rehearing of D.98-12-079 filed by GTE California, Incorporated (GTEC), Joint Applicants MCI, WorldCom Technologies, Inc. (WorldCom), and AT&T Communications of California (AT&T), and Joint Applicants Nextlink California (Nextlink), ICG Telecommunications Group, Inc. (ICG), and the California Cable Television Association (CCTA) are denied.

I. BACKGROUND

This proceeding is a part of the Open Access and Network Architecture Development (OANAD) proceeding which was initiated on April 7, 1993 via Rulemaking 93-04-003/OII.93-04-002. This phase of OANAD was created in an attempt to better manage the complex, controversial and interrelated

issues of Operations Support System (OSS), nonrecurring costs (NRC), and changeover charges.[1] Four interrelated phases currently comprise the OANAD proceeding: 1) UNE; 2) Resale phase for the pricing of wholesale services; 3) Collocation phase; and 4) OSS/NRC.

On September 15, 1997, Pacific, GTEC, and AT&T/MCI submitted cost models and underlying cost studies for resale changeover. GTEC and AT&T/MCI submitted nonrecurring UNE cost models and underlying cost studies. Pacific submitted its UNE cost model and cost studies on October 15, 1997. ALJ Ruling on November 12, 1997 directed AT&T/MCI, GTEC, and Pacific to supplement their filings to include, among other things, recurring costs associated with providing gateways to OSS. Pacific submitted its supplemental cost filing on November 26, 1997, and GTEC submitted its supplemental cost filing on December 8, 1997. On December 15, 1997, all parties filed opening comments except Pacific and AT&T/MCI. Supplemental opening comments and declarations were filed on February 11, 1997; reply comments and declarations were filed on March 4, 1997.

The ALJ's draft decision was issued on November 25, 1998.[2] Comments were submitted on December 7, 1998, and reply comments were filed on December 11, 1998. Decision 98-12-079 was issued on December 21, 1998. In the instant Decision, the Commission adopted final nonrecurring and changeover costs for Pacific Bell (Pacific) and GTE California's (GTEC) unbundled network element (UNE) and wholesale service that reflect the cost savings of access to electronic OSS that Pacific and GTEC are installing. D.98-12-079 (hereinafter, the Decision) is designed to fit within the existing framework adopted for OANAD in D.95-12-016, 96-08-021, and 98-02-106 and

[1] *See* Joint ALJ Ruling of August 22, 1997, p. 6. However, scheduling for this phase did not contemplate that the costs would be finalized before supplementary pricing hearings for Pacific. (*Id.* at 11.)

[2] A proposed decision was not required under PU Code 311(d), as the matter did not go to hearing.

Federal Communications Commission (FCC) regulations. This requires that final OSS/NRC costs be based on the Consensus Costing Principles (CCPs) adopted in D.95-12-016.

On January 20, 1999, several applications were filed for the rehearing of the D.98-12-079. A single application was filed by GTE of California (GTEC), as well as two joint applications. A joint application for rehearing of the Decision was filed by MCI Telecommunications Corporation (MCI), WorldCom Technologies, Inc.(WorldCom), and AT&T Communications of California Telecommunications Corporation (AT&T). Another joint application was filed by Nextlink California (Nextlink), ICG Telecommunications Group, Inc.(ICG), and the California Cable Television Association (CCTA).

On January 25, 1999, The U.S. Supreme Court issued *AT&T v. Iowa Utils. Bd.* [3] The Court held that Section 201(b) of the 1934 Act gives the FCC jurisdiction to implement the 1996 Act's local competition provisions, including pricing provisions and local dialing parity; the FCC reasonably omitted a facilities-ownership requirement; reinstated FCC Rule 315(b), which prohibits incumbents from separating already-combined network elements before leasing them to competitors, as a reasonable construction of 251(c)(3) of the 1996 Act; and affirmed the "pick and choose" rule as lawful and reasonable. However, the Court vacated and remanded to the Eighth Circuit FCC Rule 319, which sets forth the network elements that incumbent LECs (ILECs) must make available to requesting carriers on an unbundled basis, because the FCC did not adequately consider the "necessary and impair" standard set out in §251(d)(2). The Court did not address the merits of the FCC's pricing rules, and thus the issue of the FCC's forward-looking pricing methodology for network elements (TELRIC) was remanded to the Eighth Circuit for resolution.

[3] *AT&T v. Iowa Utilities Board*, 119 S.Ct. 721 (1999).

On February 4, 1999, the parties filed responses to the rehearing applications. GTEC seeks further delays by asking the Commission to postpone the NRC pricing phase, stay its Decision on costs, and vacate the findings on GTEC's costs pending the FCC's ruling on remand from the Supreme Court in *AT&T et al. v. Iowa Utils Bd.* (GTEC's Response, p. 6) Joint Applicants MCI/AT&T and CCTA recommend the denial of GTEC's rehearing application, pointing out the reasonableness of modifying and adopting Pacific's cost models and applying them to GTEC. Pacific's response supported the Decision's adoption of NRCs for UNE combinations, concluding that the Decision correctly includes field work in the adopted NRCs. Pacific also endorsed the rejection of MCI's Emergency Motion. Pacific opposed Nextlink's Joint Rehearing Application which asks that a new ordering paragraph be added.

II. APPLICATIONS FOR REHEARING

The basis of GTEC's application is that the Decision denied it due process by adopting Pacific's cost model without giving it notice. GTEC further claims that the Decision violated the 1996 Act by failing to reasonably estimate GTEC's costs, not those of another local exchange carrier. In addition, GTEC contends that the Commission's objections to its cost model are without merit. Finally, GTEC's Rehearing Application requests opportunity for oral argument on all issues.

The MCI/AT&T Joint Application alleges that the Decision: 1) erroneously adopts NRCs for unbundled network element combinations that prejudge the issues and preclude further consideration, and are inconsistent with the requirements of the Telecommunications Act of 1996; 2) applies the occurrence of the Frame and NTEC workgroups in a manner that is inconsistent with the decision's findings; 3) fails to consider all the evidence in the record and incorrectly concludes that field work should be included in nonrecurring costs; and

4) erroneously declines to grant MCI's Emergency Motion asking the Commission to set new interim nonrecurring prices for unbundled network elements.

In Nextlink's joint application, it proposes that if the Commission does not resolve the issue of whether Pacific's Local Service Request Exchange (LEX) should be classified as fully mechanized for costing and pricing purposes before its decision in the UNE pricing phase of this proceeding, the Commission should add a new ordering paragraph to D.98-12-079. The proposed paragraph should specify that any nonrecurring rates and charges collected by either Pacific Bell or GTEC for competitive local carriers' (CLCs) orders of unbundled network elements based on LEX (an electronic gateway being developed by Pacific) or other OSS being classified as less than fully mechanized are collected subject to refund.

III. RESPONSES TO APPLICATIONS FOR REHEARING

A joint response to GTEC's rehearing application was filed by AT&T, ICG, and MCI. CCTA also filed a response to GTEC's application. Pacific responded to the joint application for rehearing filed by MCI, WorldCom, AT&T, as well as to the joint application filed by Nextlink, ICG, and CCTA. GTEC responded to the MCI/AT&T Joint Application and to the Nextlink Joint Application.

CCTA's response asserted that GTEC's due process rights have not been violated due to lack of notice. It stated that GTEC was, or should have been, fully aware that the Commission could have adopted any cost model in this proceeding, and the fact that the GTEC cost model was defective is a problem of GTEC's own making and not a failure of due process by the Commission. CCTA further stated that GTEC's rehearing application is procedurally incorrect in that the modifications that GTEC seeks belong in the pricing phase of OANAD, not the costing phase. CCTA rejected GTEC's argument that the Commission's reliance on Pacific's model to estimate GTEC's nonrecurring costs imposed

Pacific's underlying price structure on GTEC. CCTA asserted that the Decision adopts costs for GTEC that are reasonable, based on GTEC's own cost experience and are forward looking, consistent with FCC regulations.

CCTA also refuted GTEC's claim that the decision failed to address all costs related to processing resale orders. Similarly, CCTA rejected GTEC's charge that the decision does not comply with Consensus Costing Principle No. 6. CCTA's response also supported the decision's findings regarding appropriate adjustments to model inputs. However, CCTA asserted that the Commission should verify the consistency between the Commission's findings and the GTEC-adopted costs as part of its review of GTEC's application. CCTA states that if GTEC's claims are found to be correct, the Commission can modify Appendix C of the decision to make it consistent with the findings set forth in D.98-12-079, without granting rehearing.

MCI/AT&T object to GTEC's proposed stay and rehearing application because, if granted, would create unnecessary further delay in the Commission's plans to carry out its responsibilities under the 1996 Act. MCI/AT&T assert that GTEC's problem is one of its own making because "GTEC for whatever reason, continues to be unable or unwilling to produce cost studies that comply with the TELRIC principles mandated by the Act, the FCC's implementing regulations, and the Commission's Consensus Costing Principles." (AT&T Response, p. 2, citations omitted.) MCI/AT&T conclude that delay in establishing TELRIC-compliant rates benefits GTEC, and harms consumers and competitors because real competitive entry will not occur until such rates are established.

MCI/AT&T rejected GTEC's argument that the Commission erred in using "Pacific's model." It asserted that the Commission did not use "Pacific's model" for GTEC, rather, the Commission began with Pacific's model, made numerous and substantial changes to correct some of the major flaws to the extent

that the model was no longer "Pacific's model." The model in essence became "the Commission's model."

GTEC's assertion that the Commission must use a model that estimates GTEC-specific costs likewise found no support with MCI/AT&T. MCI/AT&T argued that each of the components of a nonrecurring cost model can be populated with company-specific data to yield company-specific results, which is what the Commission proposed to do. Also, MCI/AT&T assert that GTEC's claimed right to recover "GTEC-specific" costs is misleading and incorrect. MCI/AT&T declare that TELRIC principles require the use of forward-looking efficient technologies and practices, deployed efficiently, and such technologies and practices are equally available to GTEC and Pacific.

Finally, MCI/AT&T ask the Commission to deny GTEC's rehearing application and motion for a stay because GTEC has raised no valid bases for its claims of error. The Commission is admonished not to allow GTEC to achieve the same delay in the nonrecurring phase that it achieved in the monthly recurring phase of the OANAD proceeding.

Pacific's response focused on the MCI/AT&T Joint Application, and the Nextlink Joint Application. Regarding the former, Pacific rejected the MCI/AT&T argument that the Commission erroneously prejudged the issue of the relevant nonrecurring costs of the platform and UNE combinations by adopting a formula for calculating the NRCs of combinations of UNEs. Pacific supports the Commission's approach regarding the issue of costs for combinations and platforms, notwithstanding the issuance of *Iowa Utils. Bd.* on January 25, 1999, after the Commission issued D.98-12-079. Pacific stated that the record in this proceeding supports alternative outcomes in the face of uncertainty created by Supreme Court review.

The claim by MCI/AT&T that the Decision applies occurrence factors for the Frame and NTEC workgroups in a manner that is inconsistent with the findings in the Decision is likewise rejected by Pacific. Pacific maintained that the

decision correctly found that jumper work in the central office is always required to connect the unbundled loop to the EISCC that brings the circuit to the CLEC point of access, but the AT&T/MCI's proposal would leave fiber loops simply hanging in the breeze with no connection to the CLEC. Further, Pacific asserted that the occurrence factors are entirely consistent with the decision in that the occurrence factors for both the Frame workgroup and the NTEC workgroup should add up to 100% since a cross-connect is always required. The Decision adopted a frame occurrence factor of 91% and a NTEC factor of 9% for Pacific, which is consistent with the values used in earlier studies. In addition, Pacific stated that the Decision correctly includes field work in the adopted nonrecurring costs.

The denial of MCI's Emergency Motion was also supported by Pacific on the grounds that the determination of interim prices requested by MCI is beyond the scope of this phase of OANAD, and the Motion is essentially moot because the pricing decision is expected imminently. GTEC also supports the denial of MCI's Motion.

The Joint Application of Nextlink to add a new ordering paragraph to D.98-12-079 is opposed by Pacific on several grounds. Pacific asserts that adding a new ordering paragraph constitutes the Commission ruling on an issue it has not yet heard, Nextlink's argument violates Commission Rule 86.1 in not alerting the Commission to an error, and the application goes beyond the scope of this phase of OANAD.

In GTEC's response, it advocated the denial of MCI's/AT&T's and CCTA's rehearing applications. However, it concurred with MCI/AT&T that the Commission prejudged key issues which are now "up for grabs" due to the Supreme Court's recent ruling in *AT&T v. Iowa Utils. Bd.* GTEC believes it is premature to go any further in this NRC phase and the pricing proceeding, and recommends that the process be postponed until the dust settles. GTEC asserts that doing so would provide the Commission the opportunity to revisit GTEC's

costs and cure its denial of GTEC's due process rights. Therefore, GTEC asked the Commission to postpone the pricing phase, stay the decision on costs, and vacate its findings on GTEC's costs, pending the FCC's ruling on remand from the Supreme Court.

GTEC stated that it was unable to respond to MCI/AT&T's criticisms of Pacific's model, but noted that the criticisms were not valid with respect to GTEC's study. GTEC urged the Commission to reject CCTA's request that the Commission specify that any nonrecurring rates based on less than fully mechanized OSS be subject to refund. GTEC asserted that there is no basis in law for ordering GTEC be paid less than its full cost of providing a service on the theory that GTEC should have provided the service using a less costly technology, as this would be against the plain language of Section 252(d)(1) which requires that rates be set based on cost.

IV. DISCUSSION

Out of the myriad arguments raised in the various applications for rehearing, we find several grounds for limited rehearing. With regard to all other issues raised, rehearing is denied. Our examination of GTEC's argument concerning the possible incompletion of GTEC-specific inputs in the Commission's adopted model necessitates inputting adopted data points to the resale changeover model, which we have attached as Revised Appendix C. In addition, the MCI/AT&T Joint Applicants raised an issue that necessitates modification of the Decision with respect to its explanation of how costs for all possible platform combinations under the methodology proposed by MCI/AT&T are determined. Accordingly, we modify the Decision in those respects. Nextlink's arguments, for the most part, are not meritorious, as we explain further below. As a preliminary matter, we address GTEC's request for oral argument.

Request For Oral Argument

Oral argument is requested by GTEC on *all* issues on the theory that oral argument will "assist the Commission in resolving the manifold issues presented in the Application. Many of them involved complex technical consideration that can best be explicated in the give and take of oral argument." (GTEC's App., p. 29) We conclude that GTEC's request for oral argument does not meet the criteria for oral arguments, as set forth in the Commission's Rules of Practice and Procedure (Rules) 86.3 (Cal.Code Regs., tit.20). That rule provides in pertinent part that an application for rehearing will be considered for oral argument if the application or a response to the application demonstrates that oral argument will materially assist the Commission in resolving the application, and the application or response raises issues of major significance for the Commission.[4]

GTEC fails to demonstrate that oral argument will materially assist the Commission, or that its rehearing application raised issues of major significance for the Commission. We find that the matters raised in GTEC's rehearing application will not only *not* materially assist the Commission in resolving the issues, but also will only obfuscate the issues and further delay an already prolonged proceeding. GTEC appears to want rehearing as a substitute for presenting valid, verifiable models and cost studies which it had the opportunity to provide, but failed to do so after having been given numerous opportunities to do so. GTEC cannot now use oral argument as a substitute for evidence. Such "evidence" would not be a part of the record since "[o]ral argument is not deemed part of the evidentiary record." (Rule 86.3(b).) In the final analysis, it appears that GTEC simply wants another bite at the apple and a chance to reiterate its views before the full Commission, as other parties were quick to note in their

[4] Rule 86.3 lists certain criteria which are not exclusive, but are intended to assist the Commission in choosing which applications for rehearing are suitable for oral argument. The rule notes that the Commission has complete discretion to determine the appropriateness for oral argument in any particular matter.

responses to GTEC's rehearing application. Furthermore, granting rehearing does not guarantee oral argument.[5]

For all of the above reasons, the Commission denies GTEC's request for oral argument. (Rule 86.5.)

GTEC's Rehearing Application

At the heart of GTEC's rehearing application is its claim that the Commission has denied it due process by using Pacific's cost model as a proxy for GTEC's model, contending that the Commission did so without giving it notice. We find that GTEC's due process contentions are without merit. However, we will grant rehearing on instances where our staff's computations are incomplete and correct those computations, as necessary to conform to D.98-12-079.

A. The Commission Did Not Deny GTEC Due Process.

GTEC alleges that the decision denies it due process, asserting that the fundamental requirement of due process is "the opportunity to be heard at a meaningful time and in a meaningful manner." (GTEC's App, p. 5.) This is a settled principle with which we agree. (*Mathews v. Eldridge* 424 U.S. 319, 333 (1976)) We therefore provided GTEC with numerous opportunities to be heard here. GTEC's allegations do not reflect an understanding of what a hearing is under California law. In *Lewis*, *supra*, the California Supreme Court recalled precedent which defines a hearing as a proceeding where evidence is taken to determine an issue of fact and a decision is made on the basis of that evidence.[6] An oral presentation is not a requirement. GTEC has had ample opportunities to be heard by presenting evidence which should have included adequate cost studies that comport with the Commission's Costing Principles, are forward-looking,

[5] *See James T. Lewis v. Sup. Ct of San Bernardino County(Green),* 19 Cal.4th 1232, 1247 (Feb. 8, 1999). In this case, the California Supreme Court concluded that use of the term "hearing" does not necessarily require an opportunity for an oral presentation. The Court noted that "[An administrative hearing] consists of any confrontation, oral or otherwise between an affected individual and an agency decision-maker sufficient to allow [an] individual to present his [or her] case in a meaningful manner." (Citation omitted.)

[6] *Ibid.*, citing People *v. Pennington* (1967) 66 Cal.2d 508, 521.

comply with FCC regulations, and that model the required unbundled network elements. GTEC has utterly failed to submit cost studies that were even minimally adequate, even after having been given several extensions of time to develop an acceptable model.

GTEC further contends that the Commission violated its due process rights by adopting Pacific's cost model for GTEC's without giving GTEC notice. GTEC's claim that it did not receive notice that "Pacific's" model would be used is disingenuous and at variance with the facts. To the contrary, in several instances, GTEC had been on notice that there was no assurance that its own cost model would be selected over that of others.

When the parties were ordered to submit cost models and studies, no guarantees were made that the Commission would apply the model submitted by a particular ILEC to that ILEC. In one related ALJ ruling, the ALJ specifically stated that it is "only fair to place GTEC on notice that the Commission's use of ICM [methodology modeled by GTE] over other available costing models is not assured. In view of the fact that ICM, like its predecessors, will apparently have to rely on USOA data and a potentially large number of factors, the Commission may well conclude, when it compares the models side-by-side, that the Hatfield Model is preferable." (ALJ'S Ruling Concerning Workplan of GTE California, Inc. for Preparing New Cost Studies at 6, dated 6/18/97.)

Similarly, and in a later ALJ ruling granting GTEC and AT&T/MCI the opportunity to submit nonrecurring cost studies that conform to the Commission's Consensus Costing Principles, the ALJ stated the following:

> "As all parties have pointed out in their responses to the extension motion, GTEC has been on notice for nearly a year now that it would be required to submit new cost studies that conformed to the CCPs and the requirements of D.96-08-021. While the time needed to prepare updated NRC studies based on 'intermediate' OSS solutions makes the extension request reasonable, it is distressing to be told, in effect,

> that without a 45-day extension, GTEC might have difficulty meeting the other requirements set forth in the June 18 ALJ Ruling." (ALJ's Ruling Granting Motion of GTE California Inc. for Extension of Time to Submit New Cost Studies at 5, dated 7/29/97.)

In that same ruling, the ALJ further stated: "Accordingly, GTEC may have until September 15, 1997 to submit its recurring and non-recurring cost studies, and AT&T and MCI may have until the same date to submit the version of the Hatfield Model on which they wish to rely, *as well as any NRC studies they choose to submit*." (*Id.* at 4-5, dated 7/29/97; emphasis added.)

For GTEC to somehow conclude that the Commission had not given it adequate notice, or that the Commission could not first modify a model submitted to it and populate it with GTEC's unique cost characteristics, is simply at odds with the record in this proceeding. To the contrary, GTEC has been on notice since 1996, by D.96-08-021, that its cost model might not be adopted. Furthermore, GTEC should have been aware that its model would be rejected if it failed to meet the Commission's requirements for the cost models. The Commission had no choice but to reject GTEC's model for good cause because, of the three models submitted in the NRC/Changeover/OSS Phase of OANAD docket, GTEC's model did not measure up to either Pacific's or AT&T/MCI's models in terms of meeting the Commission's requirements. The Commission's next option would have been to use the AT&T/MCI model which generates results very similar to Pacific's model in order to determine nonrecurring costs for GTEC. In the final analysis, GTEC's model would not have been utilized because of its incurable deficiencies even after the Commission granted GTEC ample opportunity to produce an acceptable model.

This is not the first time that this Commission has ordered the application of a Pacific-based proxy to GTEC. It did so in *Re Universal Service and Compliance with the Mandates of Assembly Bill 3643*, 68 CPUC.2d 524 (D.96-10-066). In that decision, the Commission ordered the cost proxy model

sponsored by Pacific to be used to estimate the cost of providing residential basic service to the five large and mid-size LECs which include Pacific, GTEC/Contel, Citizens Telephone, and Roseville Telephone Co. (*See* Ordering Paragraph 8 of 68 CPUC.2d 524.) Nor is this the first time in the OANAD proceeding that GTEC has been ordered to use a Pacific-based proxy. In D.96-08-021 (67 CPUC 2d 221), the Commission stated "We will also order the use of a Pacific proxy to make GTEC's marketing, sales and advertising expenses more forward-looking...." (*See* D.96-08-021 at 76, n. 33.) Therefore, GTEC was ordered to increase by 16% its expenses for two USOA accounts that include retail sales and advertising expense. Furthermore, proxy models are not *ipso facto* offensive to GTEC. In other jurisdictions, not binding on this Commission, GTEC strongly supported the use of proxies.[7]

Pragmatically and logically, the Commission could not adopt all of the cost studies submitted to it. It was well understood that the Commission would adjust the models, as necessary, and adopt the model that included the required UNEs, complied with the Consensus Costing Principles and with FCC regulations. This comes as no surprise to GTEC or the other parties. Moreover, the Commission changed Pacific's model so substantially that, in essence, it was no longer Pacific's model.[8] The Commission in fact used its adopted cost model as a template into which it could plug company-specific data in order to determine costs for a particular company. (Decision at 33.)

The Commission gave GTEC every opportunity to submit adequate cost studies of its own. Rather than adopt Pacific's cost model as a proxy for GTEC in 1996 when GTEC failed to submit adequate cost studies, the

[7] For example, in Pennsylvania, GTEC's view was that proxy costs should be permitted because many LECs have very limited data on actual costs below the exchange level, therefore, it generally opposed the use of statistical models as a replacement for a proxy estimation methodology. (1995 Pa. PUC LEXIS 76, Docket No. I-00940055.) In Illinois, before the Illinois Commerce Commission, GTEC favored defaulting to the FCC's universal service cost proxy model rather than resorting to cost models. (1998 Ill. PUC LEXIS 359.)

[8] MCI/AT&T are in accord. *See* AT&T/MCI Response to Rehearing, p. 3. These Joint Applicants went so far as to call the resulting model, "the Commission's model."

Commission in D.96-08-021 ordered GTEC to prepare new cost studies due one year from the effective date of that decision.[9] Since then, there have been numerous other extensions granted to GTEC. GTEC's persistent delays caused other parties to question its motives.[10] Further, on page 2 of its Response, the MCI/AT&T Joint Applicants observed that GTEC continues to be "unable or unwilling to produce cost studies that comply with the TELRIC principles mandated by the Act, the FCC's implementing regulations, and the Commission's Consensus Cost Principles." GTEC cannot reasonably claim to be surprised that a Pacific-based proxy was modified and applied to it.

B. The Commission's Objections to GTEC's Cost Model Are Entirely Meritorious.

GTEC alleges that the Decision's findings with respect to GTEC's study are factually erroneous and that its rationale for determining GTEC's costs using "Pacific's" model was based on a misunderstanding of GTEC's study. (GTEC at 26.) To the contrary, the Commission understood GTEC's model all too well, as did other parties in this proceeding. The Decision's conclusion that GTEC's study is not sufficiently forward-looking has substantial support in the record. The Commission is also on solid ground in holding that GTEC did not model the required nonrecurring costs based on the use of OSS gateways. OSS is the most critical element in UNE cost model, yet except in limited circumstances, GTEC did not model nonrecurring costs based on the use of OSS gateways.[11] The Commission could hardly escape the conclusion that GTEC modeled too few network elements when GTEC itself admitted that it did not model costs for at

[9] The Commission found that GTEC's studies were not compliant with the Consensus Costing Principles. Therefore, GTEC was ordered to prepare its new cost studies to reflect the deployment of least-cost technologies, including NGDLC. (D.96-08-021, pp. 81-82, OP 3&4)

[10] The MCI/AT&T Joint Applicants believe that "[d]elay in establishing TELRIC-compliant rates benefits GTEC, and harms consumers and CLCs, because real competitive entry will not occur until such rates are established." (MCI/AT&T Response, pp. 2-3.)

[11] Decision, Finding of Fact 30.

least 5 of the 12 UNE categories and other specific UNE options. (Decision at 26.)

Moreover, GTEC's model clearly violated CCP No. 6. GTEC's model presented costs based on a blend of manual and semi-mechanized access which reflect its current network configuration. There is very little electronic flow-through for service orders, which would allow a competitor to directly enter orders for UNEs and resale into the ILECs service order databases for provisioning. (Decision at 20.) GTEC's showing was largely deficient in modeling electronic access to gateways necessary to preorder and order UNEs. The impact on costs to the competitors could be very costly because the orders would have to be processed manually. This is a clear violation of CCP No. 6 which provides as follows:

> "This principle assumes that a TSLRIC analysis should be based on the existing or planned location of switching and outside plant facilities using the least-cost, most efficient technology. The least-cost technology should reflect a known and proven technology that is clearly identified and is in use, at least partially, today."

CCP No. 6 requires the technology used in the study to be least cost, most efficient technology currently available for purchase. GTEC fails to comply with CCP No. 6, yet it accuses the Decision of violating CCP No. 6 in several ways. First, GTEC asserts that the Decision errs because it incompletely cites CCP No. 6 throughout the Decision. This is of no significance since the Decision includes the complete language for all nine CCPs in Appendix D, and it is not legal error to, in the interest of brevity, refer to that rule in a shorthand manner. Secondly, GTEC claims the Decision violates CCP No. 6 because the least-cost technology referred to in CCP No. 6 are not the systems *in use by GTE today*. As CCTA points out on page 5 of its Response, "[a]ll this principle [CCP No. 6] requires is that the cost determination be based on a least-cost efficient technology

that can be purchased and is *currently being used by the industry*, at least to some degree." (Emphasis added.)

The Commission justifiably rejected GTEC's cost studies because of numerous deficiencies, including reliance on historic or embedded costs. GTEC claims that there is no support for the view that its study is not sufficiently forward-looking. (GTEC's App. at 28) However, parties criticized GTEC's model for not making even the most rudimentary adjustment for forward-looking costs. The Commission found that GTEC's cost model could not be adjusted to accommodate the changes necessary to establish costs that are forward-looking and are consistent with the Commission's CCPs. Taken together, the record shows that GTEC's deficiencies provided just cause for the Commission to reject GTEC's studies and cost model.

Thus, the decision was made to populate "Pacific's" model with GTEC's own labor rates, head count loadings, geographic adjustments, dedicated inside plant (DIP) and dedicated outside (DOP) plant levels, and appropriate network specific assumptions (Decision at 28-29). As noted in Finding of Fact 40, GTEC's changeover nonrecurring cost model may be used to set nonrecurring costs for GTEC *after it is modified* with GTEC-specific inputs. Under the circumstances, the Commission used a reasonable approach in employing GTEC-specific inputs in its adopted model to develop nonrecurring costs for GTEC. (Decision at 29.)

C. The Decision Does Not Violate the 1996 Act Because It Reasonably Estimates GTEC's Costs Based on the FCC's TELRIC Methodology.

GTEC claims that by using Pacific's model, the Commission failed to reasonably estimate its costs. (GTEC's App. at 14) GTEC's theory is that the Decision failed to estimate GTEC's costs of providing interconnection or network elements in violation of Sec. 252(d)(1).[12] (*Id.* at 13) This allegation bears no

[12] Section 251(d)(1) requires state commissions to establish nondiscriminatory rates for

relationship to the facts, and thus provides no basis for claiming that the Decision violates the 1996 Act. A significant portion of the Decision is dedicated to discussing how the Commission's use of its adopted model results in reasonable costs for GTEC. The Decision adopts costs for GTEC that are reasonable, based on GTEC's cost experience, comport fully with the FCC's pricing methodology, are consistent with the 1996 Act, and finally the Commission's Consensus Costing Principles which GTEC agreed to adhere to in D.95-12-016.

GTEC's allegation directly challenges Conclusion of Law No. 5 which states: "It is just and reasonable to use Pacific's nonrecurring UNE cost model and changeover model, as modified, to develop final nonrecurring UNE costs for Pacific and GTEC." The record substantiates that GTEC's model was so flawed that it was beyond rehabilitation for use in estimating GTEC's costs. Although Pacific's model was the only model that met all the Commission's criteria, the model itself was modified so substantially for use as a proxy that in reality, it was no longer Pacific's model. Furthermore, that the Commission adapted "Pacific's" model, populated with GTEC's inputs, is not offensive to due process. The issue is whether the inputs conform to the CPUC's cost study principles adopted in the OANAD proceeding and complies with the 1996 Act.[13] The record establishes that they do.

In addition, the use of historic or embedded costs by GTEC is a basic flaw that contravenes forward-looking costing methodology provided in the FCC regulations implementing the 1996 Act. Section 252(d)(1)(A) of the 1996 Act requires that efficient costs must be the basis for UNE rates, i.e., costs that are *not* determined pursuant to traditional cost-based ratemaking. Since section 252(d)(1) of the 1996 Act does not require the use of monopoly-era embedded cost pricing, and since the UNE rates are based on a forward-looking TELRIC study rather than

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interconnection of facilities and equipment and for network elements based on the cost of providing the interconnection or network element. (47 USC §252(d)(1).)

[13] *See* D.95-12-016, 62 CPUC.2d 575.

rate-based procedures, the Commission has acted well within its authority in adopting the NRC/OSS UNE costs for GTEC based on the best information available to it. The Commission's actions are consistent with the framework contained in the 1996 Act. Section 252(d)(1) states that UNE prices shall be "just and reasonable" and "based on the cost (determined without reference to a rate-of-return or other rate-based proceeding) of providing the interconnection or network element."

Furthermore, we agree with the MCI/AT&T Joint Applicants that GTEC is wrong when it asserts that the Commission must use a model that estimates GTEC-specific costs:

> "First, GTEC is attempting to make the non-recurring cost modeling effort sound far more complicated than it actually is. Simply put, a nonrecurring cost study is made up of nothing more than labor rates, task times, and occurrence factors. Each of these components of a nonrecurring cost model can be populated with company-specific data, to yield company-specific results, and this is exactly what the Commission proposes to do, for both Pacific and GTEC." (MCI/AT&T Response, p. 3)

MCI/AT&T had little difficulty discerning what the Commission proposed to do in order to develop a model that could be used to estimate GTEC's costs. Indeed, the Commission noted in Finding of Fact 40 that: "Pacific's UNE and changeover nonrecurring cost model may be used to set nonrecurring costs for GTEC *after it is modified* with GTEC's own cost inputs for labor rates, head count loadings, Dedicated Outside Plant, NGDLC, copper/fiber estimates, geographic specific adjustments and other network assumptions." (Emphasis added.) The Commission was cognizant of further modifications required before Pacific's changeover nonrecurring cost model could be used to set nonrecurring costs for GTEC. The Decision thus ordered Pacific to modify its changeover model and to submit this modified model under G.O. 96A.

GTEC correctly notes that the "pre" G.O. 96A model for GTEC did not capture GTEC's changeover costs. The process of inputting adopted data points is largely ministerial. Thus, to the extent that GTEC identifies this as a shortcoming of the modeling exercise, we have inserted GTEC's adopted inputs for labor rates and geography, as well as final changeover costs. Therefore, we grant limited rehearing to input the last of data points adopted in the Decision. (*See* Revised Appendix C, pages C-1 through C-4 attached.) Having completed the GTEC-specific inputs, the Commission's adopted model produces accurate costs for GTEC, is verifiable, and is consistent with the OANAD framework.

In sum, the instant Decision provided substantial evidence that GTEC failed to produce cost studies that comply with the TELRIC principles mandated by the Act, the FCC's implementing regulations, and the Commission's Consensus Costing Principles. Responding parties concurred with this assessment. (MCI Response, p. 2; CCTA, p. 3) The substantial revision of "Pacific's model" to address GTEC's shortcomings and the use of GTEC-specific inputs is reasonable under the circumstances. Moreover, the completion of GTEC-specific inputs for resale changeover support our conclusion that it is just and reasonable to use Pacific's nonrecurring UNE and changeover model after adjustments to develop final nonrecurring UNE and changeover costs for Pacific and GTEC. Therefore, we modify Conclusion of Law 5 to include changeover costs as well as UNE costs.[14]

AT&T/MCI's/WorldCom's Joint Application

This rehearing application seeks limited rehearing and modification on the grounds that:

[14] Conclusion of Law 5 currently reads: "5. It is just and reasonable to use Pacific's nonrecurring UNE cost model and change over model, as modified, to develop final nonrecurring UNE costs for Pacific and GTEC.

1. The Decision erroneously adopts NRCs for UNE combinations that prejudge the issue, preclude further consideration and are inconsistent with the requirements of the 1996 Act;

2. The Decision applies the occurrence of the Frame and NTEC workgroups in a manner that is inconsistent with findings in the Decision;

3. The Decision fails to consider all the evidence in the record, and therefore incorrectly concludes that field work should be included in nonrecurring costs; and

4. The Decision erroneously declines to grant MCI's Emergency Motion asking the Commission to set new interim nonrecurring prices for UNEs, subject to true-up to the final nonrecurring prices established.

A. The Decision's NRCs for UNEs Do Not Prejudge the Issue and Are Consistent with the 1996 Act.

The MCI/AT&T Joint Applicants allege that the Decision errs in declining to set specific costs for combinations of UNEs, and instead calculates NRCs for recombining UNEs which is the sum of the stand-alone nonrecurring costs of each UNE adopted in the Decision. (MCI/AT&T, p. 3) This is alleged to be error because the cost of a combination is not necessarily equal to the sum of the NRCs for individual UNEs, and by adding the NRCs for stand-alone UNEs, the Decision locks in NRC subcomponent costs that will not be necessary if the ILECs are required to provide UNEs by means of the platform. The MCI/AT&T Joint Applicants raise this issue in the wrong phase of OANAD.

In D.98-02-106, we indicated that the issue of recombinations and platforms would be taken up in the UNE pricing hearings. (D.98-02-106 at 16-17.) In addition, because we assumed in D.98-12-079 that cost recovery was linked to recombining UNEs as a UNE platform, we deferred to the UNE pricing phase the issue of whether and how the costs should be recovered. (D.98-12-079 at 32.) The issue for consideration here is whether D.98-12-079's approach in calculating nonrecurring costs currently forms an adequate basis upon which

prices can be determined for recombinations and platforms of UNEs in light of the Court's ruling in *AT&T v. Iowa Utils. Bd.* We believe that it does.

Contrary to MCI/AT&T's assertion, the Commission did not prejudge the recombination issue. Rather, the Commission contemplated alternative outcomes since *AT&T v. Iowa Utils. Bd.* was still pending when the Decision was issued. The Decision stated clearly that "as a practical matter," it would "adopt costs for UNE platforms that can be used by the Commission in the UNE pricing phase and that will be readily available *if* the U.S. Supreme Court rules in favor of the FCC on this issue."[15] With respect to recombinations, the Court reinstated FCC Rule 315(b) which requires ILECs to provide pre-assembled platforms to competitors. However, the Court vacated FCC Rule 319, which identified the network elements that ILECs must make available to requesting carriers on an unbundled basis because the FCC misapplied §251(d)(2)'s "necessary and impair" requirements. Nonetheless, we are convinced that for the time being the costs adopted in D.98-12-079 furnish an adequate basis for determining prices for recombinations in the pricing phase of OANAD.

We recognize that there is a cost in transferring or "migrating" the ILECs' pre-assembled platform to the competitive local carrier (CLC). In D.98-12-079, we recognized that one approach would be to compensate the ILEC with the sum of the adopted service order charges applicable to each UNE in the platform. (*Mimeo.* at 32, n. 29.) This approach was not formally adopted because we thought that determining migration costs in this manner would require the release of proprietary workpapers and might lead to computational disputes among

[15] Decision at 31; emphasis added. D.98-12-079 opted for a pragmatic course of action for the following reasons: 1) uncertainty about whether the Court would uphold or lift the stay of pricing and related sections of the FCC's First Report & Order (including UNE combinations ordered by means of the use of platforms); 2) disinclination to revisit nonrecurring costs a third time should the Court lift the Eighth Circuit's stay; 3) the Commission had already expressed its intention to explore more fully the issue of UNE platforms and related combinations; and 4) no party of record argued or demonstrated that UNE platforms lead to cost estimates that are below the ILECs costs.

the parties.[16] It now appears that determining the appropriate nonrecurring charges in this manner does not require access to proprietary workpapers, but can be accomplished by referring to the nonrecurring charges that will be set forth in the UNE pricing decision, and that will be based on the service order costs adopted in D.98-12-079. Accordingly, we modify the language in footnote 29.

We believe that the stand-alone nonrecurring charge approach described in D.98-12-079 provides a beginning point for nonrecurring prices, but ultimately that issue will be determined in the pricing phase of OANAD.

B. The Decision Correctly Applies the Occurrence of the Frame and NTEC Workgroups.

The MCI/AT&T Joint Applicants argue that the Decision commits legal error by applying so-called "work group occurrence factors"[17] in a manner that is inconsistent with the Decision's findings regarding the proper assumed network design for Pacific and GTEC. (MCI/AT&T at 5-6.) MCI *et al.* maintain that the Decision correctly concludes that the forward-looking network modeled in the recurring cost phase (which costs were adopted in D.98-02-106) of this proceeding should be the same network that is modeled in the nonrecurring cost phase of this proceeding. The Joint Applicants contend that the Decision failed to properly make a distinction between fiber and copper loops as they are provisioned within the central office, even though the Decision recognized that

[16] *Id.* at 32. MCI had filed comments recommending that the Decision adopt specific costs for UNE platforms that are no greater than the sum of the service order costs for stand-alone UNEs used in combination. This recommendation was declined, but the Commission indicated MCI could put it forward in the pricing phase.

[17] Workgroup occurrence factors are used in the adopted Pacific and GTEC nonrecurring cost studies to measure the extent to which a certain activity or technician must be employed. Therefore, a workgroup occurrence factor of 52% copper assumes that a given workgroup will be necessary 52% of the time when the task is to provision copper loops. Given the nature of this proceeding, it has not been uncommon for one party to argue that a given workgroup occurrence is 0% (therefore, the cost for that workgroup is ZERO, while another party would argue that a given workgroup is 100% or necessary 100% of the time and therefore ALL of the workgroup's costs are to be included in the nonrecurring cost estimates.

earlier Commission costing orders (D.96-08-021 & D.98-02-106) established loop costs based on an approximate 50%-50% mix of copper and fiber loops.[18]

In order to correct this error, MCI *et al.* contend that the Commission should modify two work groups that are largely responsible for provisioning the loop and cross connect within the central office. These work groups are referred to as the Frames and Network Terminal Equipment Center (NTEC) groups. The MCI Joint Applicants propose that the Commission should modify the occurrence of these groups so that they are employed only when copper loops are ordered by CLCs. Therefore, the workgroup occurrence factor for these two groups would also be modified to 52%-48% copper/fiber.

On page 3 of its Response, Pacific asserts that by default MCI *et al.* argue that, "Frame and NTEC workgroups only perform jumper work on copper loops. By inference, AT&T/MCI incorrectly claim that no central office jumper work is required on fiber loops." [19] Pacific further states that the Frame workgroup performs jumper work on simple loop orders, and the NTEC workgroup performs jumper work on more complex orders.

We agree with Pacific. MCI *et al's* argument, as Pacific correctly notes, would have the effect of leaving fiber loops without cross connects to a CLC's collocation cage. Further, MCI's argument violates our Consensus Costing Principles in that costs clearly incurred in order to provision cross connects would

[18] D.96-08-021 adopted a 52%/48% copper/fiber mix for Pacific. D.98-12-079 adopted a 52%/48% mix for Pacific and a 58%/42% mix for GTEC. It is also appropriate to point out that final recurring cost estimates for GTEC have not been adopted, and thus 58%/42% is what was proposed by GTEC in their TELRIC and TSLRIC recurring cost filings of September 1997. D.98-12-079 also concluded that fiber loops could be groomed or "tested" remotely, and therefore 48% of Pacific's loops and 42% of GTEC's loops (those that are fiber) would not require network technicians or "Network Translations Group" (NOTG) to manually test the loop, as this function could be performed from the central office.

[19] A jumper or cross connect (also known as an EISCC) is required when loops terminate on a CLC's collocation cage. Under this scenario, a cross connect is attached at the Main Distribution Frame of the ILEC and passed onto the CLEC's collocation cage. Under the cost studies adopted in D.98-02-106, two types of cross connects were adopted that were largely composed of fiber. These were DS-1 and DS-3 EISCCs. Cross connects are not required when the loop and port are purchased in combination. In such instances, the CLEC leases the loop and port as a preassembled platform of elements.

be ignored.[20] Therefore, MCI's request to rehear the Decision's treatment of workgroup occurrence factors for NTEC and Frames is denied. MCI's argument in part is consistent with instances where loops and ports are leased "in combination" from the ILECs rather than instances where cross connects are necessary to provision unbundled loops.

C. The Decision's Conclusions About Fieldwork Are Correct.

The MCI/AT&T Joint Applicants claim that D.98-12-079 is factually in error because it allows Pacific to recover fieldwork costs as nonrecurring costs, rather than dismiss them as recurring costs. (MCI Joint App. at 7) MCI *et al.* further argue that the Decision relies on the incorrect claims by Pacific that capitalized investments are only included in the TELRIC cost studies adopted in D.98-02-106. (*Ibid.*) Using D.96-08-021 as a case in point, MCI *et al.* assert that Pacific's plant rearrangement expenses were rejected by the Commission, and thus contend that D.98-12-106 legally errs by allowing Pacific to recover plant rearrangement expenses as a nonrecurring cost.[21]

Finally, MCI *et al.* argue that the Decision factually errs by failing to apply its own definition of nonrecurring costs.[22] The MCI Joint Applicants claim that by purportedly failing to apply its own definition of nonrecurring costs, the Commission overstates nonrecurring costs.[23]

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[20] Consensus Costing Principle No. 2 in part states, "within the telecommunications industry, the principle of cost causation is best viewed from the standpoint of providing a service and what costs are necessary to offer that service." In this case, the cost causative service or function would be to provision loop and fiber cross connects.

[21] MCI/AT&T are correct to note that D.96-08-021 disallowed a substantial portion of Pacific's recurring rearrangement expenses; however, the Commission also adopted in the same order costs for one-time field visits (i.e., nonrecurring).

[22] D.98-02-106 defined nonrecurring costs as "one time expenses associated with initiation or disconnecting a service."

[23] MCI/AT&T App. at 8-9. MCI *et al.* further note that the adopted Dedicated "Outside" Plant (DOP) levels for Pacific should be set at 100% because "very little, if any, manual or technical work will be required to rewire loops in the incumbent central office." (*Id.* at 9.) We remind MCI *et al.* that DOP is largely used to rewire loops in the field while Dedicated Inside Plant (DIP) is synonymous with rewiring facilities in the central office.

Pacific replies that the Decision correctly concludes that fieldwork is required for unbundled loops. (Pacific's Response at 4.) Pacific reiterates an earlier argument, which is that:

> "The forward-looking network used in the TELRIC recurring studies assume[s] less than 100% dedicated outside plant. [Footnote omitted.] Fieldwork is required when a CLEC requests an unbundled loop to a customer location and there is not an idle loop present." (*Ibid.*)

Pacific further adds that the Decision adopted a DOP level consistent with what was adopted in D.96-08-021, which was 85%.

Responding to the double counting allegations, Pacific argues that double counting cannot occur because the adopted nonrecurring cost studies capture only the costs associated with connecting such items such as feeder cables, distribution cables, serving areas interfaces and related items and when there in no dedicated plant to support the customer. These instances accentuate the need for Pacific to incur field visits to provision the loop for the customer. (Pacific Response, p. 5.)

Once again, we find MCI's *et al's* position to be inconsistent with the cost-based requirements of our Consensus Costing Principles (CCPs). The rationale for the Decision's use of earlier OANAD decisions is clear and necessary to eliminate needless relitigation of a myriad of costing issues decided in earlier OANAD decisions. We therefore find MCI's position (i.e., 100% DOP) to be inconsistent with our policy objective of consistency with previous OANAD decisions, and a policy that MCI supports. In D.96-08-021, the Commission adopted TSLRIC costs based upon an 85% DOP figure. Thus, we rejected the argument that 100% is plausible. Rather than relitigate the issue, the parties' views were heard and considered in D-98-02-106 which concluded that an 85% DOP level was consistent with earlier OANAD cost studies.

With regard to the double counting issue, it is appropriate to point out that so-called drop costs for new aerial drops and new buried drops were removed from Pacific's nonrecurring cost studies. Therefore, to conclude as the MCI/AT&T Joint Applicants have that there are never instances where some form of field work is required simply does not conform to our policy of cost-based pricing.

D. MCI's Emergency Motion

Finally, MCI claims that the Decision erred in not acting on its Emergency Motion asking the full Commission to establish interim nonrecurring charges for those Pacific and GTEC UNEs purchased by MCI as a competitive local carrier. MCI is wrong. MCI's Motion properly belongs in the pricing phase of OANAD, as held in this Decision.[24] In the joint application, MCI specifically requested that "the Commission should therefore grant MCI's Emergency Motion by establishing new interim *non-recurring prices* for MCI and any other competitor that wishes to obtain such new interim prices." (MCI Joint App. at 11.) MCI further stated that the Commission should make the *new interim non-recurring prices* subject to a true-up to the final non-recurring prices." (*Ibid.*) The Decision has made it abundantly clear to MCI that its Motion is beyond the scope of the costing proceeding and prices should be set in the appropriate phases of OANAD. Moreover, as Pacific noted in its Response on page 7, the Motion is essentially moot because the pricing decision is expected imminently.

Nextlink's Joint Application Is Premature and Fails to State Any Ground on Which D.98-12-079 Is Unlawful.

We reject Nextlink's Joint rehearing application because legal error has not been demonstrated. Nextlink *et al.* essentially argue that *if* the Commission does not resolve the issue of whether LEX should be classified as

[24] Decision at 14, n. 19 states: "We will not act on MCI's motion here because it is beyond the scope of our determination in this phase. We limit our determinations in this decision to nonrecurring costs. Prices should be set in the appropriate phases of the proceeding."

fully mechanized for costing and pricing purposes before its decision in the UNE pricing phase of this proceeding, then the Commission should add a new ordering paragraph to D.98-12-079. The proposed paragraph should specify that any nonrecurring rates and charges based on LEX or other OSS classified as less than fully mechanized should be collected subject to refund.

Noting that its allegation is "one of timing," Nextlink does not specify any part of D.98-12-079, as being in error. Public Utilities Code §1732 requires that an applicant specifically state the ground on which the order or decision is considered to be unlawful or erroneous. The Nextlink Joint Applicants have failed to meet this requirement.

We further agree with Pacific that complying with Nextlink's request would constitute ruling on an issue that the Commission has not yet heard. (Pacific's Response, p. 7) In the instant Decision, the Commission indicated that it was not prepared to modify Appendices B and C to indicate that LEX should be regarded as a fully mechanized system for costing purposes.[25] Therefore, the Commission proceeded to order additional comments on this issue, with opening comments ordered to be filed on January 18, 1999 and reply comments on February 1, 1999. (Decision at Ordering Paragraph 5.) Moreover, the Decision made it clear that the recovery of costs should be adjudicated in the pricing phase of OANAD, not in this phase. (*See* Finding of Fact 104.)

In sum, Nextlink's rehearing application does not establish legal error, is premature, and should be rejected by the Commission.

V. CONCLUSION

We have reviewed each and every allegation raised in all the rehearing applications, and grant limited rehearing in two respects. In response to

[25] Finding of Fact 111 recommended that further comment be taken as to whether the LEX system should be characterized as fully mechanized or semi-mechanized, consistent with its acknowledgement in Finding of Fact 119 that the Commission had not adequately evaluated whether LEX should have been classified as having an intermediate or full level of mechanization.

GTEC's rehearing application, we have input the last of the data points adopted in the Decision, thus completing the GTEC-specific inputs. The Decision is also modified to correct the misconception that the release of proprietary work papers was required in order to determine migration costs using the sum-of-the-service order charges approach. As modified, rehearing is denied in all other respects.

Therefore, **IT IS ORDERED** that:

1. Limited rehearing of D.98-12-079 is granted for the purpose of inputting additional data points in GTEC's resale changeover model, and to correct a misconception regarding MCI/AT&T's approach to determining migrating costs from the ILEC to a CLC.

2. Decision 98-12-079 is modified as follows:

a) Footnote 29 on page 32 is modified to read:

> "In its December 7, 1998 comments on the draft decision, AT&T/MCI recommend the Commission adopt costs for UNE platforms for customers "migrating" from the ILEC to a CLC that are no greater than the sum of the service order costs for the elements contained in the platform. To determine these costs for all possible platform combinations under the methodology proposed by AT&T/MCI in this phase does not require the Commission to release underlying proprietary workpapers. It appears that determining the appropriate charges can be done by referring to service order charges that will be set in the UNE pricing phase, based on the costs that we are adopting in this decision. Therefore, the UNE pricing phase is the appropriate venue in which to consider the AT&T/MCI proposal."

b) Finding of Fact 11 is modified to read:

> "*AT&T v. Iowa Utilities Board*, 119 S.Ct. 721 (1999), recently held that the FCC has the authority to implement the 1996 Act's local competition provisions and can require states to use the TELRIC methodology."

c) Finding of Fact 12 is modified to read:

"*AT&T v. Iowa Utils. Bd.* reinstated FCC Rule 315(b), requiring incumbent LECs to offer unbundled network elements that have already been "preassembled," or combined, on a platform."

d) Finding of Fact 13 is deleted and is replaced by the following:

"The U.S. Supreme Court vacated and remanded to the Eighth Circuit FCC Rule 319, which lists network elements that ILECs must make available on an unbundled basis, because the FCC did not adequately consider the "necessary and impair" standard set out in Section 251(d)(2) of the 1996 Act."

e) Finding of Fact 14 is modified to read:

"The conclusion in D.98-02-106 that TELRIC is the preferrable methodology was confirmed in *Iowa Utils. Bd."*

f) The following is added as Finding of Fact 120:

"Pacific's changeover nonrecurring cost model was modified with GTEC's own cost inputs for labor rates and geographic specific adjustments."

g) The following is added as Finding of Fact 121:

"Appendix C of D.98-12-079 is modified to include GTEC's adopted inputs for labor rates and geography, as well as final changeover costs, as expressed in the document attached to this rehearing decision which is labeled Revised Attachment C."

h) The following is added as Conclusion of Law 1A:

"The U.S. Supreme Court in *AT&T v. Iowa Utilities Board* upheld the Eighth Circuit's conclusion that OSS is a "network element" under the Act."

i) Conclusion of Law 5 is modified to read:

"It is just and reasonable to use Pacific's nonrecurring UNE cost model changeover model as modified, to develop final nonrecurring UNE and changeover costs for Pacific and GTEC."

3. MCI's Emergency Motion is denied.

4. GTE California's request for oral argument on its application for rehearing is denied.

5. The application for rehearing filed by GTE California is denied.

6. The joint application for rehearing filed by MCI, AT&T and WorldCom is denied.

7. The joint application for rehearing filed by Nextlink, ICG, and CCTA is denied.

8. The rehearing of D.98-12-079, as modified herein, is denied in all other respects.

This order shall be effective immediately.

Dated June 10, 1999, at San Francisco, California.

RICHARD A. BILAS
President
HENRY M. DUQUE
JOSIAH L. NEEPER
JOEL Z. HYATT
Commissioners

I abstain.

/s/ LORETTA M. LYNCH

Revised Appendix C

Telecommunication's Division
Open Access and Network Architecture Development
BASIC SWITCHING FUNCTION

OSS/NRC

	Service Order				Channel Connection				Totals	
	Connect (a)	Disconnect (b)	Change (c)	Record (d)	Connect (e)	Disconnect (f)	Change (g)	Record (h)	Connect (i) (a+e)	Disconnect (j) (b+f)
1AESS CLC SWITCH SERVICE ESTABLISHMENT (PER CLC, PER SWITCH) DA TRUNK GROUP (CESAR/LEX - COMPLEX)	$214.25	$104.00	$146.65	$0.00	$0.00	$0.00	$0.00	$0.00	$214.25	$104.00
1AESS CLC SWITCH SERVICE ESTABLISHMENT (PER CLC, PER SWITCH) OA & DA TRUNK GROUP (CESAR/LEX - COMPLEX)	$214.25	$104.00	$146.65	$0.00	$0.00	$0.00	$0.00	$0.00	$214.25	$104.00
1AESS CLC SWITCH SERVICE ESTABLISHMENT (PER CLC, PER SWITCH) OA TRUNK GROUP (CESAR/LEX - COMPLEX)	$214.25	$104.00	$146.65	$0.00	$0.00	$0.00	$0.00	$0.00	$214.25	$104.00
5ESS CLC SWITCH SERVICE ESTABLISHMENT (PER CLC, PER SWITCH) DA TRUNK GROUP (CESAR/LEX - COMPLEX)	$214.25	$104.00	$146.65	$0.00	$0.00	$0.00	$0.00	$0.00	$214.25	$104.00
5ESS CLC SWITCH SERVICE ESTABLISHMENT (PER CLC, PER SWITCH) OA & DA TRUNK GROUP (CESAR/LEX - COMPLEX)	$214.25	$104.00	$146.65	$0.00	$0.00	$0.00	$0.00	$0.00	$214.25	$104.00
5ESS CLC SWITCH SERVICE ESTABLISHMENT (PER CLC, PER SWITCH) OA TRUNK GROUP (CESAR/LEX - COMPLEX)	$214.25	$104.00	$146.65	$0.00	$0.00	$0.00	$0.00	$0.00	$214.25	$104.00
DMS100 CLC SWITCH SERVICE ESTABLISHMENT (PER CLC, PER SWITCH) DA TRUNK GROUP (CESAR/LEX - COMPLEX)	$214.25	$104.00	$146.65	$0.00	$0.00	$0.00	$0.00	$0.00	$214.25	$104.00
DMS100 CLC SWITCH SERVICE ESTABLISHMENT (PER CLC, PER SWITCH) OA & DA TRUNK GROUP (CESAR/LEX - COMPLEX)	$214.25	$104.00	$146.65	$0.00	$0.00	$0.00	$0.00	$0.00	$214.25	$104.00
DMS100 CLC SWITCH SERVICE ESTABLISHMENT (PER CLC, PER SWITCH) OA TRUNK GROUP (CESAR/LEX - COMPLEX)	$214.25	$104.00	$146.65	$0.00	$0.00	$0.00	$0.00	$0.00	$214.25	$104.00

May not add due to rounding

Revised Appendix C

EXHIBIT- NRC - BASIC SWITCHING FUNCTION

Telecommunication's Division
Open Access and Network Architecture Development
CROSS CONNECT

OSS/NRC

	Service Order				Channel Connection				Totals	
	Connect (a)	Disconnect (b)	Change (c)	Record (d)	Connect (e)	Disconnect (f)	Change (g)	Record (h)	Connect (i) (a+e)	Disconnect (j) (b+f)
EISCC - BASIC VG/ISDN - INITIAL (CESAR/LEX - SIMPLE)	$1.67	$2.64	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1.67	$2.64
EISCC - BASIC VG/ISDN - INITIAL (MECHANIZED)	$0.13	$0.13	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.13	$0.13
EISCC - BASIC VG/ISDN - ADDITIONAL (CESAR/LEX - SIMPLE)	$0.65	$0.65	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.65	$0.65
EISCC - BASIC VG/ISDN - ADDITIONAL	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
EISCC - DS0 - INITIAL (CESAR/LEX - SIMPLE)	$1.67	$2.64	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1.67	$2.64
EISCC - DS0 - INITIAL (MECHANIZED)	$0.13	$0.13	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.13	$0.13
EISCC - DS0 - ADDITIONAL (CESAR/LEX - SIMPLE)	$0.65	$0.65	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.65	$0.65
EISCC - DS0 - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
EISCC - DS1 - INITIAL (CESAR/LEX - SIMPLE)	$1.67	$2.64	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1.67	$2.64
EISCC - DS1 - INITIAL (MECHANIZED)	$0.13	$0.13	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.13	$0.13
EISCC - DS1 - ADDITIONAL (CESAR/LEX - SIMPLE)	$0.65	$0.65	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.65	$0.65
EISCC - DS1 - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
EISCC - DS3 - INITIAL (CESAR/LEX - SIMPLE)	$1.67	$2.64	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1.67	$2.64
EISCC - DS3 - INITIAL (MECHANIZED)	$0.13	$0.13	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.13	$0.13
EISCC - DS3 - ADDITIONAL (CESAR/LEX - SIMPLE)	$0.65	$0.65	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.65	$0.65
EISCC - DS3 - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
UNBUNDLED SERVICE CROSS CONNECT (DS0) - INITIAL (CESAR/LEX - SIMPLE)	$1.67	$2.64	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1.67	$2.64
UNBUNDLED SERVICE CROSS CONNECT (DS0) - INITIAL (MECHANIZED)	$0.13	$0.13	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.13	$0.13
UNBUNDLED SERVICE CROSS CONNECT (DS0) - ADDITIONAL (CESAR/LEX - SIMPLE)	$0.65	$0.65	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.65	$0.65
UNBUNDLED SERVICE CROSS CONNECT (DS0) - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Revised Appendix C

Telecommunication's Division **OSS/NRC**

Open Access and Network Architecture Development

DIGITAL CROSS CONNECT SERVICE - DCS

	Service Order				Channel Connection				Totals	
	Connect (a)	Disconnect (b)	Change (c)	Record (d)	Connect (e)	Disconnect (f)	Change (g)	Record (h)	Connect (i) (a+e)	Disconnect (j) (b+f)
MULTIPLEXING DS1/DS0 (CESAR/LEX - SIMPLE)	$3.25	$3.25	$0.00	$0.00	$85.15	$38.30	$0.00	$0.00	$88.40	$41.55
MULTIPLEXING DS1/DS0 (MECHANIZED)	$0.13	$0.13	$0.00	$0.00	$85.15	$38.30	$0.00	$0.00	$85.28	$38.43
MULTIPLEXING DS3/DS1 (CESAR/LEX - SIMPLE)	$3.25	$3.25	$0.00	$0.00	$92.81	$38.48	$0.00	$0.00	$96.06	$41.73
MULTIPLEXING DS3/DS1 (MECHANIZED)	$0.13	$0.13	$0.00	$0.00	$92.81	$38.48	$0.00	$0.00	$92.94	$38.61

EXHIBIT- NRC - DIGITAL CROSS CONNECT SERVICE - DCS

Revised Appendix C

Telecommunication's Division
Open Access and Network Architecture Development
DNCF (DIRECT NUMBER CALL FORWARDING)

OSS/NRC

	Service Order				Channel Connection				Totals	
	Connect (a)	Disconnect (b)	Change (c)	Record (d)	Connect (e)	Disconnect (f)	Change (g)	Record (h)	Connect (i) (a+e)	Disconnect (j) (b+f)
DNCF - CENTREX - INITIAL (MANUAL/FAX - COMPLEX)	$57.34	$43.39	$45.46	$41.82	$0.00	$0.00	$0.00	$0.00	$57.34	$43.39
DNCF - CENTREX - INITIAL (CESAR/LEX -	$36.07	$20.93	$22.75	$19.20	$0.00	$0.00	$0.00	$0.00	$36.07	$20.93
DNCF - CENTREX - INITIAL (MECHANIZED)	$0.13	$0.13	$0.13	$0.00	$0.00	$0.00	$0.00	$0.00	$0.13	$0.13
DNCF - CENTREX - ADDITIONAL (MANUAL/FAX - COMPLEX)	$3.25	$2.11	$1.84	$0.00	$0.00	$0.00	$0.00	$0.00	$3.25	$2.11
DNCF - CENTREX - ADDITIONAL (CESAR/LEX - COMPLEX)	$3.25	$2.11	$1.84	$0.00	$0.00	$0.00	$0.00	$0.00	$3.25	$2.11
DNCF - CENTREX - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
DNCF - DID - INITIAL (MANUAL/FAX - COMPLEX)	$57.34	$43.39	$45.46	$41.82	$0.00	$0.00	$0.00	$0.00	$57.34	$43.39
DNCF - DID - INITIAL (CESAR/LEX - COMPLEX)	$36.07	$20.93	$22.75	$19.20	$0.00	$0.00	$0.00	$0.00	$36.07	$20.93
DNCF - DID - INITIAL (MECHANIZED)	$0.13	$0.13	$0.13	$0.00	$0.00	$0.00	$0.00	$0.00	$0.13	$0.13
DNCF - DID - ADDITIONAL (MANUAL/FAX - COMPLEX)	$3.25	$2.11	$1.84	$0.00	$0.00	$0.00	$0.00	$0.00	$3.25	$2.11
DNCF - DID - ADDITIONAL (CESAR/LEX -	$3.25	$2.11	$1.84	$0.00	$0.00	$0.00	$0.00	$0.00	$3.25	$2.11
DNCF - DID - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
DNCF - POTS - INITIAL (MANUAL/FAX - SIMPLE)	$45.40	$41.41	$41.86	$39.79	$0.00	$0.00	$0.00	$0.00	$45.40	$41.41
DNCF - POTS - INITIAL (CESAR/LEX - SIMPLE)	$23.89	$19.23	$19.68	$17.71	$0.00	$0.00	$0.00	$0.00	$23.89	$19.23
DNCF - POTS - INITIAL (MECHANIZED)	$0.13	$0.13	$0.13	$0.00	$0.00	$0.00	$0.00	$0.00	$0.13	$0.13
DNCF - POTS - ADDITIONAL (MANUAL/FAX -	$2.60	$2.14	$2.38	$0.00	$0.00	$0.00	$0.00	$0.00	$2.60	$2.14
DNCF - POTS - ADDITIONAL (CESAR/LEX - SIMPLE)	$2.32	$2.14	$2.38	$0.00	$0.00	$0.00	$0.00	$0.00	$2.32	$2.14
DNCF - POTS - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

EXHIBIT- NRC - DNCF (DIRECT NUMBER CALL FORWARDING)

May not add due to rounding

Revised Appendix C

Telecommunication's Division
Open Access and Network Architecture Development

OSS/NRC

FEATURES, IN ADDITION TO SELECTED PORT	**Service Order**				**Channel Connection**				**Totals**	
	Connect (a)	**Disconnect (b)**	**Change (c)**	**Record (d)**	**Connect (e)**	**Disconnect (f)**	**Change (g)**	**Record (h)**	**Connect (i) (a+e)**	**Disconnect (j) (b+f)**
CENTREX STATION FEATURES - INITIAL (MANUAL/FAX - SIMPLE)	$2.60	$0.00	$37.38	$0.00	$0.00	$0.00	$0.00	$0.00	$2.60	$0.00
CENTREX STATION FEATURES - INITIAL (CESAR/LEX - SIMPLE)	$2.60	$0.00	$15.11	$0.00	$0.00	$0.00	$0.00	$0.00	$2.60	$0.00
CENTREX STATION FEATURES - INITIAL (MECHANIZED)	$0.13	$0.00	$0.13	$0.00	$0.00	$0.00	$0.00	$0.00	$0.13	$0.00
CENTREX STATION FEATURES - ADDITIONAL (MANUAL/FAX - SIMPLE)	$0.65	$0.00	$1.63	$0.00	$0.00	$0.00	$0.00	$0.00	$0.65	$0.00
CENTREX STATION FEATURES - ADDITIONAL (CESAR/LEX - SIMPLE)	$0.65	$0.00	$1.63	$0.00	$0.00	$0.00	$0.00	$0.00	$0.65	$0.00
CENTREX STATION FEATURES - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
CENTREX SYSTEM FEATURES (MANUAL/FAX - SIMPLE)	$2.60	$0.00	$37.38	$0.00	$20.90	$16.76	$20.90	$0.00	$23.50	$16.76
CENTREX SYSTEM FEATURES (CESAR/LEX -	$2.60	$0.00	$15.11	$0.00	$20.90	$16.76	$20.90	$0.00	$23.50	$16.76
CENTREX SYSTEM FEATURES (MECHANIZED)	$0.13	$0.00	$0.13	$0.00	$20.90	$16.76	$20.90	$0.00	$21.03	$16.76
CUSTOM CALLING FEATURE - INITIAL (MANUAL/FAX - SIMPLE)	$2.60	$0.00	$37.38	$0.00	$0.00	$0.00	$0.00	$0.00	$2.60	$0.00
CUSTOM CALLING FEATURE - INITIAL (CESAR/LEX - SIMPLE)	$2.60	$0.00	$15.11	$0.00	$0.00	$0.00	$0.00	$0.00	$2.60	$0.00
CUSTOM CALLING FEATURE - INITIAL (MECHANIZED)	$0.13	$0.00	$0.13	$0.00	$0.00	$0.00	$0.00	$0.00	$0.13	$0.00
CUSTOM CALLING FEATURE - ADDITIONAL (MANUAL/FAX - SIMPLE)	$0.65	$0.00	$1.63	$0.00	$0.00	$0.00	$0.00	$0.00	$0.65	$0.00
CUSTOM CALLING FEATURE - ADDITIONAL (CESAR/LEX - SIMPLE)	$0.65	$0.00	$1.63	$0.00	$0.00	$0.00	$0.00	$0.00	$0.65	$0.00
CUSTOM CALLING FEATURE - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
HUNTING - INITIAL (MANUAL/FAX - SIMPLE)	$2.60	$0.00	$37.38	$0.00	$0.00	$0.00	$0.00	$0.00	$2.60	$0.00
HUNTING - INITIAL (CESAR/LEX - SIMPLE)	$2.60	$0.00	$15.11	$0.00	$0.00	$0.00	$0.00	$0.00	$2.60	$0.00
HUNTING - INITIAL (MECHANIZED)	$0.13	$0.00	$0.13	$0.00	$0.00	$0.00	$0.00	$0.00	$0.13	$0.00
HUNTING - ADDITIONAL (MANUAL/FAX -	$0.65	$0.00	$1.63	$0.00	$0.00	$0.00	$0.00	$0.00	$0.65	$0.00
HUNTING - ADDITIONAL (CESAR/LEX - SIMPLE)	$0.65	$0.00	$1.63	$0.00	$0.00	$0.00	$0.00	$0.00	$0.65	$0.00
HUNTING - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
REMOTE CALL FORWARDING - INITIAL (MANUAL/FAX - SIMPLE)	$2.60	$0.00	$37.38	$0.00	$0.00	$0.00	$0.00	$0.00	$2.60	$0.00

EXHIBIT- NRC - FEATURES, IN ADDITION TO SELECTED PORT

May not add due to rounding

Revised Appendix C

Telecommunication's Division
Open Access and Network Architecture Development

OSS/NRC

FEATURES, IN ADDITION TO SELECTED PORT	Service Order				Channel Connection				Totals	
	Connect (a)	Disconnect (b)	Change (c)	Record (d)	Connect (e)	Disconnect (f)	Change (g)	Record (h)	Connect (i) (a+e)	Disconnect (j) (b+f)
REMOTE CALL FORWARDING - INITIAL (CESAR/LEX - SIMPLE)	$2.60	$0.00	$15.11	$0.00	$0.00	$0.00	$0.00	$0.00	$2.60	$0.00
REMOTE CALL FORWARDING - INITIAL (MECHANIZED)	$0.13	$0.00	$0.13	$0.00	$0.00	$0.00	$0.00	$0.00	$0.13	$0.00
REMOTE CALL FORWARDING - ADDITIONAL (MANUAL/FAX - SIMPLE)	$0.65	$0.00	$1.63	$0.00	$0.00	$0.00	$0.00	$0.00	$0.65	$0.00
REMOTE CALL FORWARDING - ADDITIONAL (CESAR/LEX - SIMPLE)	$0.65	$0.00	$1.63	$0.00	$0.00	$0.00	$0.00	$0.00	$0.65	$0.00
REMOTE CALL FORWARDING - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

EXHIBIT- NRC - FEATURES, IN ADDITION TO SELECTED PORT CONT.

May not add due to rounding

Revised Appendix C

Telecommunication's Division
Open Access and Network Architecture Development
INTEROFFICE TRANSMISSION FACILITIES (IOF)
DEDICATED TRUNK TRANSPORT

OSS/NRC

	Service Order				Channel Connection				Totals	
	Connect (a)	Disconnect (b)	Change (c)	Record (d)	Connect (e)	Disconnect (f)	Change (g)	Record (h)	Connect (i) (a+e)	Disconnect (j) (b+f)
DIGITAL TRUNK TRANSPORT DS1 - INITIAL (MANUAL/FAX - COMPLEX)	$58.43	$36.08	$0.00	$34.13	$73.02	$37.86	$0.00	$0.00	$131.46	$73.93
DIGITAL TRUNK TRANSPORT DS1 - INITIAL (CESAR/LEX - COMPLEX)	$37.47	$15.11	$0.00	$11.86	$73.02	$37.86	$0.00	$0.00	$110.49	$52.97
DIGITAL TRUNK TRANSPORT DS1 - INITIAL (MECHANIZED)	$0.58	$0.58	$0.00	$0.00	$73.02	$37.86	$0.00	$0.00	$73.61	$38.44
DIGITAL TRUNK TRANSPORT DS1 - ADDITIONAL (MANUAL/FAX - COMPLEX)	$4.55	$1.95	$0.00	$0.00	$62.31	$31.78	$0.00	$0.00	$66.86	$33.73
DIGITAL TRUNK TRANSPORT DS1 - ADDITIONAL (CESAR/LEX - COMPLEX)	$4.55	$1.95	$0.00	$0.00	$62.31	$31.78	$0.00	$0.00	$66.86	$33.73
DIGITAL TRUNK TRANSPORT DS1 - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$62.31	$31.78	$0.00	$0.00	$62.31	$31.78
DIGITAL TRUNK TRANSPORT DS3 - INITIAL (MANUAL/FAX - COMPLEX)	$58.43	$36.08	$0.00	$34.13	$72.79	$37.86	$0.00	$0.00	$131.23	$73.93
DIGITAL TRUNK TRANSPORT DS3 - INITIAL (CESAR/LEX - COMPLEX)	$37.47	$15.11	$0.00	$11.86	$72.79	$37.86	$0.00	$0.00	$110.26	$52.97
DIGITAL TRUNK TRANSPORT DS3 - INITIAL (MECHANIZED)	$0.58	$0.58	$0.00	$0.00	$72.79	$37.86	$0.00	$0.00	$73.38	$38.44
DIGITAL TRUNK TRANSPORT DS3 - ADDITIONAL (MANUAL/FAX - COMPLEX)	$4.55	$1.95	$0.00	$0.00	$62.31	$31.78	$0.00	$0.00	$66.86	$33.73
DIGITAL TRUNK TRANSPORT DS3 - ADDITIONAL (CESAR/LEX - COMPLEX)	$4.55	$1.95	$0.00	$0.00	$62.31	$31.78	$0.00	$0.00	$66.86	$33.73
DIGITAL TRUNK TRANSPORT DS3 - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$62.31	$31.78	$0.00	$0.00	$62.31	$31.78
VG TRUNK TRANSPORT - INITIAL (MANUAL/FAX - COMPLEX)	$58.43	$36.08	$0.00	$34.13	$65.80	$21.55	$0.00	$0.00	$124.23	$57.63
VG TRUNK TRANSPORT - INITIAL (CESAR/LEX - COMPLEX)	$37.47	$15.11	$0.00	$11.86	$65.80	$21.55	$0.00	$0.00	$103.27	$36.67
VG TRUNK TRANSPORT - INITIAL (MECHANIZED)	$0.58	$0.58	$0.00	$0.00	$65.80	$21.55	$0.00	$0.00	$66.38	$22.14
VG TRUNK TRANSPORT - ADDITIONAL (MANUAL/FAX - COMPLEX)	$4.55	$1.95	$0.00	$0.00	$43.39	$14.07	$0.00	$0.00	$47.94	$16.02
VG TRUNK TRANSPORT - ADDITIONAL (CESAR/LEX - COMPLEX)	$4.55	$1.95	$0.00	$0.00	$43.39	$14.07	$0.00	$0.00	$47.94	$16.02
VG TRUNK TRANSPORT - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$43.39	$14.07	$0.00	$0.00	$43.39	$14.07

EXHIBIT- NRC - INTEROFFICE TRANSMISSION FACILITIES (IOF) DEDICATED TRUNK TRANSPORT

May not add due to rounding

Revised Appendix C

Telecommunication's Division
Open Access and Network Architecture Development
INTEROFFICE TRANSMISSION FACILITIES (IOF) ENTRANCE FACILITY

OSS/NRC

	Service Order				Channel Connection				Totals	
	Connect (a)	Disconnect (b)	Change (c)	Record (d)	Connect (e)	Disconnect (f)	Change (g)	Record (h)	Connect (i) (a+e)	Disconnect (j) (b+f)
DS1 - INITIAL (MANUAL/FAX - COMPLEX)	$58.43	$38.67	$0.00	$34.13	$74.54	$46.50	$0.00	$0.00	$132.97	$85.18
DS1 - INITIAL (CESAR/LEX - COMPLEX)	$37.47	$17.88	$0.00	$11.86	$74.54	$46.50	$0.00	$0.00	$112.01	$64.38
DS1 - INITIAL (MECHANIZED)	$0.26	$0.26	$0.00	$0.00	$74.54	$46.50	$0.00	$0.00	$74.80	$46.76
DS1 - ADDITIONAL (MANUAL/FAX - COMPLEX)	$4.55	$1.95	$0.00	$0.00	$63.44	$41.91	$0.00	$0.00	$67.99	$43.86
DS1 - ADDITIONAL (CESAR/LEX - COMPLEX)	$4.55	$1.95	$0.00	$0.00	$63.44	$41.91	$0.00	$0.00	$67.99	$43.86
DS1 - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$63.44	$41.91	$0.00	$0.00	$63.44	$41.91
DS3 (W/ EQUIPMENT) - INITIAL (MANUAL/FAX - COMPLEX)	$58.43	$38.67	$0.00	$34.13	$128.43	$46.21	$0.00	$0.00	$186.87	$84.88
DS3 (W/ EQUIPMENT) - INITIAL (CESAR/LEX - COMPLEX)	$37.47	$17.88	$0.00	$11.86	$128.43	$46.21	$0.00	$0.00	$165.91	$64.08
DS3 (W/ EQUIPMENT) - INITIAL (MECHANIZED)	$0.26	$0.26	$0.00	$0.00	$128.43	$46.21	$0.00	$0.00	$128.69	$46.47
DS3 (W/ EQUIPMENT) - ADDITIONAL (MANUAL/FAX - COMPLEX)	$4.55	$1.95	$0.00	$0.00	$81.17	$40.59	$0.00	$0.00	$85.72	$42.54
DS3 (W/ EQUIPMENT) - ADDITIONAL (CESAR/LEX - COMPLEX)	$4.55	$1.95	$0.00	$0.00	$81.17	$40.59	$0.00	$0.00	$85.72	$42.54
DS3 (W/ EQUIPMENT) - ADDITIONAL	$0.00	$0.00	$0.00	$0.00	$81.17	$40.59	$0.00	$0.00	$81.17	$40.59
DS3 (W/O EQUIPMENT) - INITIAL (MANUAL/FAX - COMPLEX)	$58.43	$38.67	$0.00	$34.13	$74.78	$47.55	$0.00	$0.00	$133.22	$86.22
DS3 (W/O EQUIPMENT) - INITIAL (CESAR/LEX - COMPLEX)	$37.47	$17.88	$0.00	$11.86	$74.78	$47.55	$0.00	$0.00	$112.25	$65.42
DS3 (W/O EQUIPMENT) - INITIAL (MECHANIZED)	$0.26	$0.26	$0.00	$0.00	$74.78	$47.55	$0.00	$0.00	$75.04	$47.81
DS3 (W/O EQUIPMENT) - ADDITIONAL (MANUAL/FAX - COMPLEX)	$4.55	$1.95	$0.00	$0.00	$63.44	$40.86	$0.00	$0.00	$67.99	$42.81
DS3 (W/O EQUIPMENT) - ADDITIONAL (CESAR/LEX - COMPLEX)	$4.55	$1.95	$0.00	$0.00	$63.44	$40.86	$0.00	$0.00	$67.99	$42.81
DS3 (W/O EQUIPMENT) - ADDITIONAL	$0.00	$0.00	$0.00	$0.00	$63.44	$40.86	$0.00	$0.00	$63.44	$40.86
VOICE GRADE - INITIAL (MANUAL/FAX -	$58.43	$38.67	$0.00	$34.13	$24.55	$8.47	$0.00	$0.00	$82.99	$47.15
VOICE GRADE - INITIAL (CESAR/LEX - COMPLEX)	$37.47	$17.88	$0.00	$11.86	$24.55	$8.47	$0.00	$0.00	$62.02	$26.35
VOICE GRADE - INITIAL (MECHANIZED)	$0.26	$0.26	$0.00	$0.00	$24.55	$8.47	$0.00	$0.00	$24.81	$8.73
VOICE GRADE - ADDITIONAL (MANUAL/FAX - COMPLEX)	$4.55	$1.95	$0.00	$0.00	$10.74	$5.89	$0.00	$0.00	$15.29	$7.84
VOICE GRADE - ADDITIONAL (CESAR/LEX - COMPLEX)	$4.55	$1.95	$0.00	$0.00	$10.74	$5.89	$0.00	$0.00	$15.29	$7.84
VOICE GRADE - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$10.74	$5.89	$0.00	$0.00	$10.74	$5.89

EXHIBIT- NRC - INTEROFFICE TRANSMISSION FACILITIES (IOF) ENTRANCE FACILITY

May not add due to rounding

Revised Appendix C

Telecommunication's Division
Open Access and Network Architecture Development
LINK

OSS/NRC

	Service Order				Channel Connection				Totals	
	Connect (a)	Disconnect (b)	Change (c)	Record (d)	Connect (e)	Disconnect (f)	Change (g)	Record (h)	Connect (i) (a+e)	Disconnect (j) (b+f)
4 WIRE - INITIAL (MANUAL/FAX - COMPLEX)	$50.65	$40.09	$42.65	$38.16	$30.85	$8.88	$16.13	$0.00	$81.50	$48.96
4 WIRE - INITIAL (CESAR/LEX - COMPLEX)	$28.19	$17.33	$19.27	$15.75	$30.85	$8.88	$16.13	$0.00	$59.04	$26.21
4 WIRE - INITIAL (MECHANIZED)	$0.13	$0.13	$0.13	$0.00	$30.85	$8.88	$16.13	$0.00	$30.98	$9.01
4 WIRE - ADDITIONAL (MANUAL/FAX - COMPLEX)	$2.96	$2.92	$1.56	$0.00	$16.99	$5.87	$0.00	$0.00	$19.95	$8.80
4 WIRE - ADDITIONAL (CESAR/LEX - COMPLEX)	$2.96	$2.92	$1.56	$0.00	$16.99	$5.87	$0.00	$0.00	$19.95	$8.80
4 WIRE - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$16.99	$5.87	$0.00	$0.00	$16.99	$5.87
ASSURED - INITIAL (MANUAL/FAX - SIMPLE)	$46.21	$39.31	$41.97	$38.09	$18.14	$7.00	$18.87	$0.00	$64.35	$46.32
ASSURED - INITIAL (CESAR/LEX - SIMPLE)	$24.04	$16.89	$19.55	$15.72	$18.14	$7.00	$18.87	$0.00	$42.18	$23.90
ASSURED - INITIAL (MECHANIZED)	$0.13	$0.13	$0.13	$0.00	$18.14	$7.00	$18.87	$0.00	$18.27	$7.13
ASSURED - ADDITIONAL (MANUAL/FAX -	$2.60	$1.49	$1.63	$0.00	$10.27	$4.18	$0.00	$0.00	$12.87	$5.66
ASSURED - ADDITIONAL (CESAR/LEX - SIMPLE)	$2.60	$1.49	$1.63	$0.00	$10.27	$4.18	$0.00	$0.00	$12.87	$5.66
ASSURED - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$10.27	$4.18	$0.00	$0.00	$10.27	$4.18
BASIC - INITIAL (MANUAL/FAX - SIMPLE)	$46.21	$39.31	$41.97	$38.09	$17.99	$7.03	$18.90	$0.00	$64.20	$46.34
BASIC - INITIAL (CESAR/LEX - SIMPLE)	$24.04	$16.89	$19.55	$15.72	$17.99	$7.03	$18.90	$0.00	$42.03	$23.92
BASIC - INITIAL (MECHANIZED)	$0.13	$0.13	$0.13	$0.00	$17.99	$7.03	$18.90	$0.00	$18.12	$7.16
BASIC - ADDITIONAL (MANUAL/FAX - SIMPLE)	$2.60	$1.49	$1.63	$0.00	$10.40	$4.20	$0.00	$0.00	$13.00	$5.69
BASIC - ADDITIONAL (CESAR/LEX - SIMPLE)	$2.60	$1.49	$1.63	$0.00	$10.40	$4.20	$0.00	$0.00	$13.00	$5.69
BASIC - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$10.40	$4.20	$0.00	$0.00	$10.40	$4.20
DIGITAL DS1 COPPER - INITIAL (MANUAL/FAX - COMPLEX)	$50.65	$40.09	$42.65	$38.16	$100.63	$14.49	$0.00	$0.00	$151.28	$54.58
DIGITAL DS1 COPPER - INITIAL (CESAR/LEX - COMPLEX)	$28.19	$17.33	$19.27	$15.75	$100.63	$14.49	$0.00	$0.00	$128.82	$31.82
DIGITAL DS1 COPPER - INITIAL (MECHANIZED)	$0.13	$0.13	$0.13	$0.00	$100.63	$14.49	$0.00	$0.00	$100.76	$14.62
DIGITAL DS1 COPPER - ADDITIONAL (MANUAL/FAX - COMPLEX)	$2.96	$2.92	$1.56	$0.00	$53.69	$11.57	$0.00	$0.00	$56.65	$14.49
DIGITAL DS1 COPPER - ADDITIONAL (CESAR/LEX - COMPLEX)	$2.96	$2.92	$1.56	$0.00	$53.69	$11.57	$0.00	$0.00	$56.65	$14.49
DIGITAL DS1 COPPER - ADDITIONAL	$0.00	$0.00	$0.00	$0.00	$53.69	$11.57	$0.00	$0.00	$53.69	$11.57
DIGITAL DS1 FIBER - INITIAL (MANUAL/FAX - COMPLEX)	$50.65	$40.09	$42.65	$38.16	$106.46	$16.84	$0.00	$0.00	$157.11	$56.93
DIGITAL DS1 FIBER - INITIAL (CESAR/LEX - COMPLEX)	$28.19	$17.33	$19.27	$15.75	$106.46	$16.84	$0.00	$0.00	$134.65	$34.17
DIGITAL DS1 FIBER - INITIAL (MECHANIZED)	$0.13	$0.13	$0.13	$0.00	$106.46	$16.84	$0.00	$0.00	$106.59	$16.97
DIGITAL DS1 FIBER - ADDITIONAL (MANUAL/FAX - COMPLEX)	$2.96	$2.92	$1.56	$0.00	$57.72	$13.92	$0.00	$0.00	$60.68	$16.84

EXHIBIT- NRC - LINK

May not add due to rounding

Revised Appendix C

Telecommunication's Division **OSS/NRC**

Open Access and Network Architecture Development

LINK

	Service Order				Channel Connection				Totals	
	Connect (a)	Disconnect (b)	Change (c)	Record (d)	Connect (e)	Disconnect (f)	Change (g)	Record (h)	Connect (i) (a+e)	Disconnect (j) (b+f)
DIGITAL DS1 FIBER - ADDITIONAL (CESAR/LEX - COMPLEX)	$2.96	$2.92	$1.56	$0.00	$57.72	$13.92	$0.00	$0.00	$60.68	$16.84
DIGITAL DS1 FIBER - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$57.72	$13.92	$0.00	$0.00	$57.72	$13.92
ISDN LINK - INITIAL (MANUAL/FAX - COMPLEX)	$50.65	$40.09	$42.65	$38.16	$17.98	$7.03	$18.90	$0.00	$68.63	$47.11
ISDN LINK - INITIAL (CESAR/LEX - COMPLEX)	$28.19	$17.33	$19.27	$15.75	$17.98	$7.03	$18.90	$0.00	$46.17	$24.36
ISDN LINK - INITIAL (MECHANIZED)	$0.13	$0.13	$0.13	$0.00	$17.98	$7.03	$18.90	$0.00	$18.11	$7.16
ISDN LINK - ADDITIONAL (MANUAL/FAX -	$2.96	$2.92	$1.56	$0.00	$10.40	$4.11	$0.00	$0.00	$13.36	$7.04
ISDN LINK - ADDITIONAL (CESAR/LEX - COMPLEX)	$2.96	$2.92	$1.56	$0.00	$10.40	$4.11	$0.00	$0.00	$13.36	$7.04
ISDN LINK - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$10.40	$4.11	$0.00	$0.00	$10.40	$4.11

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Telecommunication's Division
Open Access and Network Architecture Development
LOCAL SWITCHING CAPABILITY, SWITCHING PORT

OSS/NRC

	Service Order				Channel Connection				Totals	
	Connect (a)	Disconnect (b)	Change (c)	Record (d)	Connect (e)	Disconnect (f)	Change (g)	Record (h)	Connect (i) (a+e)	Disconnect (j) (b+f)
BASIC 2 WIRE PORT - INITIAL (MANUAL/FAX - SIMPLE)	$41.41	$38.35	$38.35	$33.48	$7.69	$4.14	$0.06	$0.00	$49.10	$42.49
BASIC 2 WIRE PORT - INITIAL (CESAR/LEX -	$19.15	$16.09	$16.41	$11.21	$7.69	$4.14	$0.06	$0.00	$26.84	$20.23
BASIC 2 WIRE PORT - INITIAL (MECHANIZED)	$0.13	$0.13	$0.13	$0.13	$7.69	$4.14	$0.06	$0.00	$7.82	$4.27
BASIC 2 WIRE PORT - ADDITIONAL (MANUAL/FAX - SIMPLE)	$1.63	$1.30	$1.63	$0.00	$5.31	$2.02	$0.06	$0.00	$6.93	$3.32
BASIC 2 WIRE PORT - ADDITIONAL (CESAR/LEX - SIMPLE)	$1.63	$1.30	$1.63	$0.00	$5.31	$2.02	$0.06	$0.00	$6.93	$3.32
BASIC 2 WIRE PORT - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$5.31	$2.02	$0.06	$0.00	$5.31	$2.02
CENTREX PORT - INITIAL (MANUAL/FAX -	$55.96	$38.35	$38.35	$33.48	$7.69	$4.14	$0.06	$0.00	$63.66	$42.49
CENTREX PORT - INITIAL (CESAR/LEX -	$33.70	$16.09	$16.09	$9.10	$7.69	$4.14	$0.06	$0.00	$41.39	$20.23
CENTREX PORT - INITIAL (MECHANIZED)	$0.39	$0.39	$0.39	$0.39	$7.69	$4.14	$0.06	$0.00	$8.08	$4.53
CENTREX PORT - ADDITIONAL (MANUAL/FAX - COMPLEX)	$1.63	$1.63	$1.63	$0.00	$5.31	$2.02	$0.06	$0.00	$6.93	$3.65
CENTREX PORT - ADDITIONAL (CESAR/LEX - COMPLEX)	$1.63	$1.63	$1.63	$0.00	$5.31	$2.02	$0.06	$0.00	$6.93	$3.65
CENTREX PORT - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$5.31	$2.02	$0.06	$0.00	$5.31	$2.02
CENTREX SYSTEM ESTABLISH (NO SERIVE ORDER COSTS)	$0.00	$0.00	$0.00	$0.00	$27.70	$16.76	$27.70	$0.00	$27.70	$16.76
COIN PORT - INITIAL (MANUAL/FAX - SIMPLE)	$41.41	$38.35	$38.35	$33.48	$7.69	$4.14	$0.06	$0.00	$49.10	$42.49
COIN PORT - INITIAL (CESAR/LEX - SIMPLE)	$19.15	$16.09	$16.41	$11.21	$7.69	$4.14	$0.06	$0.00	$26.84	$20.23
COIN PORT - INITIAL (MECHANIZED)	$0.13	$0.13	$0.13	$0.13	$7.69	$4.14	$0.06	$0.00	$7.82	$4.27
COIN PORT - ADDITIONAL (MANUAL/FAX -	$1.63	$1.30	$1.63	$0.00	$5.31	$2.02	$0.06	$0.00	$6.93	$3.32
COIN PORT - ADDITIONAL (CESAR/LEX - SIMPLE)	$1.63	$1.30	$1.63	$0.00	$5.31	$2.02	$0.06	$0.00	$6.93	$3.32
COIN PORT - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$5.31	$2.02	$0.06	$0.00	$5.31	$2.02
DID NBR BLOCK (MANUAL/FAX - COMPLEX)	$55.96	$38.35	$38.35	$33.48	$29.08	$19.61	$0.00	$0.00	$85.05	$57.96
DID NBR BLOCK (CESAR/LEX - COMPLEX)	$33.70	$16.09	$16.09	$9.10	$29.08	$19.61	$0.00	$0.00	$62.78	$35.70
DID NBR BLOCK (MECHANIZED)	$0.39	$0.39	$0.39	$0.39	$29.08	$19.61	$0.00	$0.00	$29.47	$20.00
DID PORT - INITIAL (MANUAL/FAX - COMPLEX)	$55.96	$38.35	$38.35	$33.48	$21.51	$13.02	$0.06	$0.00	$77.48	$51.37
DID PORT - INITIAL (CESAR/LEX - COMPLEX)	$33.70	$16.09	$16.09	$9.10	$21.51	$13.02	$0.06	$0.00	$55.21	$29.11
DID PORT - INITIAL (MECHANIZED)	$0.39	$0.39	$0.39	$0.39	$21.51	$13.02	$0.06	$0.00	$21.90	$13.41
DID PORT - ADDITIONAL (MANUAL/FAX -	$1.63	$1.63	$1.63	$0.00	$8.91	$4.21	$0.06	$0.00	$10.54	$5.84
DID PORT - ADDITIONAL (CESAR/LEX - COMPLEX)	$1.63	$1.63	$1.63	$0.00	$8.91	$4.21	$0.06	$0.00	$10.54	$5.84
DID PORT - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$8.91	$4.21	$0.06	$0.00	$8.91	$4.21
ISDN PORT - INITIAL (MANUAL/FAX - COMPLEX)	$55.96	$38.35	$38.35	$33.48	$20.70	$12.98	$0.06	$0.00	$76.66	$51.33

EXHIBIT- NRC - LOCAL SWITCHING CAPABILITY, SWITCHING PORT

May not add due to rounding

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Telecommunication's Division **OSS/NRC**

Open Access and Network Architecture Development

LOCAL SWITCHING CAPABILITY, SWITCHING PORT

	Service Order				Channel Connection				Totals	
	Connect (a)	Disconnect (b)	Change (c)	Record (d)	Connect (e)	Disconnect (f)	Change (g)	Record (h)	Connect (i) (a+e)	Disconnect (j) (b+f)
ISDN PORT - INITIAL (CESAR/LEX - COMPLEX)	$33.70	$16.09	$16.09	$9.10	$20.70	$12.98	$0.06	$0.00	$54.40	$29.07
ISDN PORT - INITIAL (MECHANIZED)	$0.39	$0.39	$0.39	$0.39	$20.70	$12.98	$0.06	$0.00	$21.09	$13.37
ISDN PORT - ADDITIONAL (MANUAL/FAX -	$1.63	$1.63	$1.63	$0.00	$8.91	$4.21	$0.06	$0.00	$10.54	$5.84
ISDN PORT - ADDITIONAL (CESAR/LEX -	$1.63	$1.63	$1.63	$0.00	$8.91	$4.21	$0.06	$0.00	$10.54	$5.84
ISDN PORT - ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$8.91	$4.21	$0.06	$0.00	$8.91	$4.21

EXHIBIT- NRC - LOCAL SWITCHING CAPABILITY, SWITCHING PORT

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Telecommunication's Division
Open Access and Network Architecture Development
NETWORK INTERFACE DEVICE (NID)

OSS/NRC

	Service Order				Channel Connection				Totals	
	Connect (a)	Disconnect (b)	Change (c)	Record (d)	Connect (e)	Disconnect (f)	Change (g)	Record (h)	Connect (i) (a+e)	Disconnect (j) (b+f)
NID TO NID CROSSCONNECT - SIMPLE (MANUAL/FAX - SIMPLE/COMPLEX)	$37.38	$0.00	$0.00	$0.00	$33.30	$0.00	$0.00	$0.00	$70.68	$0.00
NID TO NID CROSSCONNECT - SIMPLE (CESAR/LEX - (SIMPLE/COMPLEX))	$14.25	$0.00	$0.00	$0.00	$33.30	$0.00	$0.00	$0.00	$47.55	$0.00
NID TO NID CROSSCONNECT - SIMPLE (MECHANIZED)	$0.13	$0.00	$0.00	$0.00	$33.30	$0.00	$0.00	$0.00	$33.43	$0.00
NID TO NID CROSSCONNECT - COMPLEX INITIAL (MANUAL/FAX - SIMPLE/COMPLEX)	$37.38	$0.00	$0.00	$0.00	$45.46	$0.00	$0.00	$0.00	$82.83	$0.00
NID TO NID CROSSCONNECT - COMPLEX INITIAL (CESAR/LEX - (SIMPLE/COMPLEX))	$14.25	$0.00	$0.00	$0.00	$45.46	$0.00	$0.00	$0.00	$59.70	$0.00
NID TO NID CROSSCONNECT - COMPLEX INITIAL (MECHANIZED)	$0.13	$0.00	$0.00	$0.00	$45.46	$0.00	$0.00	$0.00	$45.59	$0.00
NID TO NID CROSSCONNECT - COMPLEX ADDITIONAL (MANUAL/FAX - SIMPLE/COMPLEX)	$0.00	$0.00	$0.00	$0.00	$12.01	$0.00	$0.00	$0.00	$12.01	$0.00
NID TO NID CROSSCONNECT - COMPLEX ADDITIONAL (CESAR/LEX - (SIMPLE/COMPLEX))	$0.00	$0.00	$0.00	$0.00	$12.01	$0.00	$0.00	$0.00	$12.01	$0.00
NID TO NID CROSSCONNECT - COMPLEX ADDITIONAL (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$12.01	$0.00	$0.00	$0.00	$12.01	$0.00

EXHIBIT- NRC - NETWORK INTERFACE DEVICE (NID)

May not add due to rounding

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Telecommunication's Division **OSS/NRC**

Open Access and Network Architecture Development

SIGNALING AND DATABASE CAPABILITIES

	Service Order				Channel Connection				Totals	
	Connect (a)	Disconnect (b)	Change (c)	Record (d)	Connect (e)	Disconnect (f)	Change (g)	Record (h)	Connect (i) (a+e)	Disconnect (j) (b+f)
SS7 LINK- INITIAL (CESAR/LEX - COMPLEX)	$28.19	$17.33	$19.27	$15.75	$158.69	$43.05	$0.00	$0.00	$186.88	$60.38
STP PORT - INITIAL (CESAR/LEX - COMPLEX)	$33.70	$16.09	$16.09	$9.10	$125.41	$40.77	$0.00	$0.00	$159.11	$56.86

EXHIBIT- NRC - SIGNALING AND DATABASE CAPABILITIES

May not add due to rounding

Revised Appendix C

Telecommunication's Division
Open Access and Network Architecture Development
TRUNK PORT TERMINATION

OSS/NRC

	Service Order				Channel Connection				Totals	
	Connect (a)	Disconnect (b)	Change (c)	Record (d)	Connect (e)	Disconnect (f)	Change (g)	Record (h)	Connect (i) (a+e)	Disconnect (j) (b+f)
END OFFICE DEDICATED (DS1) - INITIAL SYSTEM (MANUAL/FAX - COMPLEX)	$64.28	$43.22	$0.00	$36.08	$104.22	$28.61	$0.00	$0.00	$168.51	$71.84
END OFFICE DEDICATED (DS1) - INITIAL SYSTEM (CESAR/LEX - COMPLEX)	$43.97	$22.91	$0.00	$15.76	$104.22	$28.61	$0.00	$0.00	$148.20	$51.53
END OFFICE DEDICATED (DS1) - INITIAL SYSTEM (MECHANIZED)	$0.39	$0.39	$0.00	$0.39	$104.22	$28.61	$0.00	$0.00	$104.61	$29.00
END OFFICE DEDICATED (DS1) - ADDITIONAL SYSTEM (MANUAL/FAX - COMPLEX)	$2.60	$0.65	$0.00	$0.00	$78.77	$21.88	$0.00	$0.00	$81.37	$22.53
END OFFICE DEDICATED (DS1) - ADDITIONAL SYSTEM (CESAR/LEX - COMPLEX)	$2.60	$0.65	$0.00	$0.00	$78.77	$21.88	$0.00	$0.00	$81.37	$22.53
END OFFICE DEDICATED (DS1) - ADDITIONAL SYSTEM (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$78.77	$21.88	$0.00	$0.00	$78.77	$21.88
TANDEM TERMINATION (PER DS1) - INITIAL SYSTEM (MANUAL/FAX - COMPLEX)	$64.28	$43.22	$0.00	$36.08	$104.22	$29.13	$0.00	$0.00	$168.51	$72.35
TANDEM TERMINATION (PER DS1) - INITIAL SYSTEM (CESAR/LEX - COMPLEX)	$43.97	$22.91	$0.00	$15.76	$104.22	$29.13	$0.00	$0.00	$148.20	$52.04
TANDEM TERMINATION (PER DS1) - INITIAL SYSTEM (MECHANIZED)	$0.39	$0.39	$0.00	$0.39	$104.22	$29.13	$0.00	$0.00	$104.61	$29.52
TANDEM TERMINATION (PER DS1) - ADDITIONAL SYSTEM (MANUAL/FAX - COMPLEX)	$2.60	$0.65	$0.00	$0.00	$77.24	$21.88	$0.00	$0.00	$79.84	$22.53
TANDEM TERMINATION (PER DS1) - ADDITIONAL SYSTEM (CESAR/LEX - COMPLEX)	$2.60	$0.65	$0.00	$0.00	$77.24	$21.88	$0.00	$0.00	$79.84	$22.53
TANDEM TERMINATION (PER DS1) - ADDITIONAL SYSTEM (MECHANIZED)	$0.00	$0.00	$0.00	$0.00	$77.24	$21.88	$0.00	$0.00	$77.24	$21.88

EXHIBIT- NRC - TRUNK PORT TERMINATION

May not add due to rounding

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Telecommunication's Division
Open Access and Network Architecture Development

OSS/NRC

EXCHANGE SERVICE (BES)

	Service Order	Channel Connection	Total Changeover
BASIC EXCHANGE SERVICE - INITIAL			
Manual Fax - Simple Initial	$34.07	$0.07	$34.14
Manual NDM - Simple Initial	$27.97	$0.07	$28.03
Mechanized - Simple Initial	$0.13	$0.07	$0.20
BASIC EXCHANGE SERVICE - ADDITIONAL			
No service order costs	$0.00	$0.07	$0.07

EXHIBIT- NRC - BASIC EXCHANGE SERVICE (BES)

05/06/99

May not add due to rounding

OANAD - GTE California - Changeover

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CENTREX SERVICES

	Service Order	Channel Connection	Total Changeover
CENTREX BASIC ACCESS - INITIAL			
Manual Fax - Complex Initial	$58.95	$7.74	$66.69
Mechanized - Complex Initial	$0.52	$7.74	$8.26
CENTREX BASIC ACCESS - ADDITIONAL			
No service order costs	$0.00	$0.07	$0.07

EXHIBIT- NRC – CENTREX SERVICES

05/06/99

May not add due to rounding

OANAD - GTE California - Changeover

Revised Appendix C

Telecommunication's Division
Open Access and Network Architecture Development

OSS/NRC

ISDN SERVICES

	Service Order	Channel Connection	Total Changeover
BASIC RATE INTERFACE (BRI) - INITIAL			
Manual Fax - Complex Initial	$58.95	$2.91	$61.86
Mechanized - Complex Initial	$0.52	$2.91	$3.43
BASIC RATE INTERFACE (BRI) - ADDITIONAL			
No service order costs	$0.00	$0.07	$0.07
CENTREX - IS FEATURE PACKAGE - INITIAL			
Manual Fax - Complex Initial	$58.95	$2.91	$61.86
Mechanized - Complex Initial	$0.52	$2.91	$3.43
CENTREX - IS FEATURE PACKAGE - ADDITIONAL			
No service order costs	$0.00	$0.07	$0.07
PRIMARY RATE ISDN 1,2,3			
Manual Fax - Complex Initial	$58.95	$14.80	$73.75
Mechanized - Complex Initial	$0.52	$14.80	$15.32

EXHIBIT- NRC - ISDN SERVICES

05/06/99

May not add due to rounding

OANAD - GTE California - Changeover

Revised Appendix C

Telecommunication's Division
Open Access and Network Architecture Development

OSS/NRC

PBX TRUNK LINE SERVICES

	Service Order	Channel Connection	Total Changeover
ACCESS TRUNKS BASIC - BUS INITIAL			
Manual Fax - Complex Initial	$58.95	$3.71	$62.66
Mechanized - Complex Initial	$0.52	$3.71	$4.23
ACCESS TRUNKS BASIC - BUS ADDITIONAL			
No service order costs	$0.00	$0.07	$0.07
ACCESS TRUNKS ASSURED - BUS INITIAL			
Manual Fax - Complex Initial	$58.95	$3.67	$62.62
Mechanized - Complex Initial	$0.52	$3.67	$4.19
ACCESS TRUNKS ASSURED - BUS ADDITIONAL			
No service order costs	$0.00	$0.07	$0.07

EXHIBIT- NRC - PBX TRUNK LINE SERVICES

05/06/99

May not add due to rounding

OANAD - GTE California - Changeover