

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 5713

Investigation into New England Telephone and )  
Telegraph Company's (NET's) tariff filing re: )  
Open Network Architecture, including the unbundling )  
of NET's network, expanded interconnection, and )  
intelligent networks in re: Phase II )

Order entered: 07/24/97

**ORDER RE: INTERCONNECTION STIPULATION**

On June 28, 1996, the Department of Public Service ("DPS" or "Department"), New England Telephone & Telegraph Company ("NYNEX"), and AT&T Communications of New England, Inc. ("AT&T") filed an executed stipulation that addresses a number of interconnection issues. Interconnection refers to any arrangement necessary to enable two or more competing local exchange carriers operating within the same geographic area to exchange calls among their respective networks.<sup>1</sup> The Stipulation describes the intercarrier serving arrangements (with the exception of pricing terms) that NYNEX will make available to competitive local exchange carriers ("CLECs"), consistent with the Telecommunications Act of 1996 ("Act"). As such, the Stipulation will assist parties and the Board in the interpretation and implementation of individual interconnection agreements between NYNEX and CLECs. For the reasons set out below, today's proposed decision recommends that the Board approve the Stipulation.

**A. Background and Procedural History**

On May 29, 1996, the Board issued a final order in Phase I of this docket. Before beginning litigation in Phase II, the parties engaged in a series of workshops and negotiations aimed at resolving, or at least narrowing, the issues to be taken up in the second phase. The

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1. See Order of 5/29/96, in this docket, at 49 (referred to herein as the "Phase I Order").

results of those negotiations include a stipulation on the methodology for the total service long-run incremental cost ("TSLRIC") studies to be performed by NYNEX (approved by the Board on November 7, 1996), a list of issues to be litigated in the first module of Phase II (filed by the DPS on January 22, 1997), and the Interconnection Stipulation that is the subject of this proposed decision.

On March 24, 1997, a hearing on the merits of the Interconnection Stipulation was held. The significant interval between the filing of the Stipulation and the hearing on its merits owes itself to a number of factors, described more fully in the several scheduling orders that I issued during that time. Briefly, they involved setting priorities for action on the cost studies, allotting additional time for Phase II negotiations, assessing the effects of decisions of the Federal Communications Commission ("FCC"), and other minor scheduling conflicts. What appears to be a lengthy delay instead connotes the diligent efforts of the parties to collaboratively and efficiently advance the ultimate resolution of this docket.

#### B. Procedural Issues

Several procedural matters must be settled. First, on January 21, 1997, Small Cities Cable Television filed a letter with the Board stating that, because the company is being sold, it is moving to withdraw from participation in this docket. On February 11, 1997, MCI Telecommunications Corporation filed a motion for a waiver of Board Rule 2.201(c) and leave for Scott A. Sawyer to appear *pro hac vice*. On March 18, 1997, AT&T filed a motion for a waiver of Board Rule 2.201(c) and leave for Melinda B. Thayer to appear. On April 25, 1997, United States Cellular Corporation moved to intervene. There were no objections to any of these motions, and I hereby grant them.

Lastly, in my procedural order of March 3, 1997, I noted that "the Board is evaluating its work-loads and personnel assignments for the coming year" and that "in the interest of exploring all reasonable alternatives for staffing," I asked the parties to consider whether they would "be willing to waive objection to the participation of George Young, Associate General Counsel of the Board, in this docket." Mr. Young had represented the DPS in Phase I of this docket. I also asked whether, even if all the parties so waived, Mr. Young would still be precluded from assisting me in Phases II and III. Order of 3/3/97 at 5.

NYNEX, the DPS, Atlantic Cellular Company, L.P., and the independent local exchange companies ("ILECs") all filed responses to my request during the second week of April. The DPS waived objection and agreed to Mr. Young's participation. The other three parties, however, did not consent to Mr. Young's involvement in this docket, citing Board Rule 2.201(E)(2). Because not all parties agreed to Mr. Young's participation, he shall not participate or advise in the decision, recommended decision, or Board review in this docket.

### C. Reciprocal Unbundling

In its May 29, 1996, Phase I Order in this docket, the Board adopted my recommendation that "NYNEX and the independent LECs in Vermont shall have an obligation to unbundle all *essential* facilities. . . ." Phase I Order at 19 (emphasis added). The Board also agreed that "the obligation to unbundle should be reciprocal with respect to carriers requesting interconnection," and accepted the recommendation that:

this obligation should apply (1) only to those portions of the network that are interconnected to that of the incumbent LEC and (2) only to the extent that the facilities of the newly established carrier permit. I conclude that no obligation to perform cost studies by these competing carriers should be required. So long as the service in question is not essential, it should not be subject to the other pricing and unbundling rules recommended herein.

*Id.* at 24-25.

In its filing of January 22, 1997, the DPS noted that the question of reciprocal unbundling—specifically, whether CLECs should be required to unbundle their networks when requested to do so by incumbents or other competitors—was once again in dispute. The debate arose from conflicting interpretations of the Act (which was signed into law after the Phase I proposal for decision was issued). DPS Letter, 1/22/97, at 1-2. Also affecting this issue is the FCC's August 8, 1996, Interconnection Order in Docket No. FCC 96-325 (which expressly preempted states' authority to order reciprocal unbundling). During the February 11th status conference, the parties agreed that the question is legal in nature, not factual, and did not require the gathering of evidence therefore. In my procedural order of March 3, 1997, I directed the parties to file briefs on the issue by April 8th. Only the Department and Hyperion Telecommunications of Vermont, Inc. ("Hyperion") did so.

Both the DPS and Hyperion conclude that, because Hyperion (the state's only certified CLEC) has not yet received any requests to unbundle, "the matter is not ripe for decision." Hyperion Brief, 4/8/97, at 7; DPS Brief, 4/8/97, at 1, 2-3. For the reasons that follow, I concur.

Under the Act, incumbent local exchange companies and CLECs are subject to different sets of obligations. Section 251(b) applies to all LECs, incumbent and competitive, and requires them to provide resale, number portability, dialing parity, access to rights-of-way, and reciprocal compensation to any and all other carriers who request such services. Section 251(c) applies only to incumbent LECs, requiring them, among other things, to negotiate in good faith the terms and conditions of agreements to interconnect with competitors and to fulfill the duties of § 251(b). Under § 251(h), the FCC may apply the criteria of § 251(c) to non-incumbent providers, if specified conditions are met. The obligation to unbundle network elements is one of the duties that applies only to incumbents under § 251(c).

In its Interconnection Order, the FCC ruled that § 251 preempts state authority to impose on CLECs the additional duties of § 251(c). FCC 96-325 at ¶¶ 1247-1248. The FCC stated that any other reading of the statute would be inconsistent with § 251(h), which, the FCC ruled, establishes the sole process and criteria for imposing the duties of § 251 upon CLECs. *Id.* at ¶ 1248.<sup>2</sup>

In its brief, the DPS summarizes the arguments of ILECs and state commissions and why they were rejected by the FCC. Without explicitly reaching its own conclusion that states are preempted from imposing § 251(c) obligations on competitors, the Department gives several reasons why the Board need not act on reciprocal unbundling at this time. First, to date there have been no requests of CLECs to unbundle. And second, if and when there is an unbundling request, the CLEC may accede to it voluntarily, and no Board action will be necessary therefore. Conversely, if the CLEC refuses to unbundle, and if the Board is indeed preempted, the FCC process nevertheless remains available to the incumbent.

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2. The FCC also stated that it expects, when reviewing requests to treat CLECs as incumbents under § 251(h), to "give particular consideration to filings from state commissions." Interconnection Order at ¶ 1248.

Hyperion's analysis follows the same general logic, although it argues that the Board's Phase I reciprocal unbundling requirement is inconsistent with the Act. Hyperion argues that the explicit distinctions in the obligations imposed upon incumbents and LECs in §§ 251(b) and (c) "makes clear that Congress intended to require unbundling only by incumbent LECs," except in circumstances when the conditions of § 251(h) are met. Hyperion Brief at 3. Hyperion also states that the FCC's Interconnection Order is consistent with this reading of the statute. *Id.* Lastly, Hyperion notes that the Act reserves to the states authority to impose requirements to assure CLEC access to incumbents' networks as well as requirements "necessary to preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers." *Id.* at 4-5; Act §§ 251(d)(3) and 253(b). However, Hyperion points out that no argument has so far been made that reciprocal unbundling is necessary to assure access, universal service, safety, or quality, and that it is therefore within the Board's authority to order; nor, Hyperion adds, did the Board base its decision in the Phase I Order on such reasoning. Hyperion Brief at 5-6. Hyperion concludes by arguing:

Because the Act establishes a procedure by which telecommunication carriers can seek preemption should an incumbent LEC seek reciprocal unbundling from a CLEC, it is not necessary for the Board to decide how the FCC would rule on the Board's authority to require reciprocal unbundling. While this brief demonstrates that the Board's reciprocal-unbundling order is inconsistent with and would therefore be preempted under the Act, Hyperion has received no requests for reciprocal unbundling and the matter is therefore not ripe for decision.

*Id.* at 7.

I agree with both the Department and Hyperion that it is not necessary for the Board to decide today whether it has been preempted by the Act from ordering reciprocal unbundling by CLECs. That decision should await the day when the matter, if ever, is put squarely before it.

#### D. Findings of Fact

Based on the testimony and evidence presented during the hearing of March 24, 1997, I hereby report, pursuant to 30 V.S.A. § 8, the following findings of fact and conclusions.

1. On June 28, 1996, NYNEX, the DPS, and AT&T filed a "Proposed Stipulation—Docket 5713," which addresses a variety of issues related to the interconnection of the networks of CLECs. Exh. Multiple-1 (included in its entirety in Appendix One to this Order).

2. The Interconnection Stipulation describes the intercarrier serving arrangements (with the exception of pricing terms) that NYNEX will make available to CLECs, consistent with the Act. As such, it defines terms, sets conditions, and outlines processes for unbundling network elements, interconnecting CLEC networks, responding to requests for new services, and resolving disputes among carriers. *Id.*; tr. 3/24/97 at 8.

3. The Interconnection Stipulation is consistent with the Act, FCC rules, and the Board's Phase I Order in this docket. Exh. Multiple-1; tr. 3/24/97 at 8.

4. The Interconnection Stipulation provides a greater level of detail than typical interconnection agreements executed by incumbent and competitive LECs. Consequently, the Interconnection Stipulation will assist negotiators in the development and interpretation of interconnection agreements. Tr. 3/24/97 at 8-11, 13, 22.

#### E. Discussion

Much need not be said about the Interconnection Stipulation that it does not say for itself. See Appendix One. It resolves a variety of outstanding issues among the signatories, and it provides a solid platform on which to build future interconnection agreements. Testimony given during the March 24th hearing demonstrated that it has already had a beneficial impact on the interconnection negotiations between NYNEX and Hyperion (even though Hyperion is not a party to the Stipulation). Tr. 3/24/97 at 11. The Stipulation meets the requirements set out by the Board in its Phase I Order (at 19-21) and, by approving the Stipulation, the Board will have identified the minimum set of network elements to be unbundled and made available to competitors. And lastly, though not all parties have signed the Stipulation, none has opposed its approval. For all these reasons therefore, I recommend that the Board approve it.

During the hearing, NYNEX requested that the parties and the Board consider and approve several changes to the Stipulation. Specifically, NYNEX asked that the four references to the "filing of a tariff" be modified to allow NYNEX to either file a tariff or submit "other non-discriminatory generally available terms or conditions. . . ." Tr. 3/24/97 at 5. Since neither AT&T nor the DPS had had an opportunity to review the proposed changes, I allowed them two weeks to file responses.

On April 10, AT&T filed its response, which was followed four days later by the Department's. Both parties stated that they did not consent to the proposed changes, and recommended that the Board approve the Stipulation as it was originally drawn up. I concur.

This Proposal for Decision has been served on all parties to this proceeding in accordance with 3 V.S.A. § 811.

DATED at Montpelier, Vermont, this 24th day of July, 1997.

s/ Frederick W. Weston  
Frederick W. Weston  
Hearing Officer

**BOARD DISCUSSION**

We adopt the findings and recommendations of the Hearing Officer. We must, however, respond to several points raised by Sprint Communications Company L.P. ("Sprint"), the only party to submit comments on the proposal for decision ("PFD").

In its comments (filed on June 13, 1997), Sprint stated that there are four aspects of the Stipulation that should be approved only if they are modified as Sprint recommends. Furthermore, Sprint notes that "It is because of the Board's stated intent to rely on this Stipulation in future interconnection decisions that Sprint submits the instant comments. . . ." This appears to be a reference to the Hearing Officer's statement on page one of the PFD that "the Stipulation will assist parties and the Board in interpretation and implementation of individual interconnection agreements between NYNEX and CLECs."

Sprint then identifies the four areas of concern. The first is § II.B. of the Stipulation, which describes the end-office switching capabilities that NYNEX agrees to offer on an unbundled basis. Sprint argues that this section "appears to limit unbundled end office switching exclusively to the interconnection of CLECs' own links" and that this "is inconsistent with Section 251(c)(2) of the [Act] and FCC Rule 51.321(a), which require an incumbent LEC to provide interconnection in any technically feasible manner on just, reasonable and nondiscriminatory terms and conditions." Sprint Comments at 2. Sprint asserts that CLECs should be permitted to use NYNEX's own or third parties' links to interconnect to the line side of NYNEX's end office switching. *Id.*

Second, Sprint argues that § II.E.1. and 2. of the Stipulation inappropriately limits the provision of branded Directory Assistance Service ("DA") to *switch-based* CLECs and that this violates Sections 202(a) and 251(c)(3) of the Act. Sprint contends that branded DA should also be provided to switchless resellers. *Id.* at 3.

Third, Sprint objects to § II.F.2. of the Stipulation, which describes the branding of Operator Services. As with DA, the issue here is the limitation of branding to switch-based resellers.

And, lastly, Sprint points out that § IV.C. of the Stipulation recognizes "technical limitations associated with measuring local traffic between competing local exchange carriers currently preclude the use of two-way trunks" and that one-way trunks will be used until this difficulty is resolved. Stipulation at IV.C. Sprint asserts that two-way trunking is now feasible and that any measurement problems can be easily overcome. *Id.* at 3-4. Although Sprint does

not explicitly say so, presumably it is asking us to mandate two-way trunking for local exchange interconnection.

Sprint did not offer evidence during the March hearing as to why the four identified sections of the Stipulation ought to be modified as it suggests.<sup>3</sup> Facially, Sprint's concerns have some merit, but we do not conclude that the PFD need be modified to address them. Although Sprint is not a party to the Stipulation, our approval of it does not harm Sprint in any way, nor does it abridge any of Sprint's rights under current state and federal law. The Hearing Officer is correct that the Stipulation approved today "will assist parties and the Board in the interpretation and implementation" of interconnection agreements; this is because the Stipulation is consistent with the minimum requirements for unbundling that we set out in the Phase I Order (at 19-21).<sup>4</sup> More importantly, the Stipulation does not preclude any CLEC from requesting additional features to be unbundled or from seeking arbitration of its negotiations of an interconnection agreement with NYNEX.

With respect to the first of the issues raised, Sprint is concerned that the parenthetical phrase in § II.B.1. of the Stipulation "*i.e.*, links provided by the CLEC through its own link facilities" unnecessarily limits CLEC access to the end-office switching line port. We can see that this provision appears to be unreasonably restrictive and might run afoul of the Act; however, we do not interpret it to mean *only* those links that a CLEC installs and operates. NYNEX, as the incumbent LEC, should be indifferent to whether a link has been installed by the interconnecting CLEC or leased from a third-party: from NYNEX's point of view, under either circumstance the link appears to be the CLEC's "own link facilities." The same should also be true of an unbundled link leased from NYNEX.<sup>5</sup>

Sprint suggests that the Stipulation inappropriately limits CLEC branding of DA and Operator Services to "switch-based" resellers. We agree that §§ II.E. and II.F. are, at best, ambiguous on the question of whether switchless resellers will be able to purchase branded

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3. Sprint was not represented at the March hearing.

4. The Hearing Officer rightly notes that the Stipulation identifies "the minimum set of network elements to be unbundled and made available to competitors." PFD at 6.

5. In the case of NYNEX links, however, the issue may be moot, since they are already interconnected to the end-office through the switching line port. In § II.A.1. of the Stipulation, NYNEX has already agreed to "unbundle the link element such that a CLEC will be able to lease links and interconnect at the NYNEX end office. . . ." In any event, a joint reading §§ II.A. and II.B. should alleviate Sprint's concern on this point.

services. However, in the year since this Stipulation was executed, we have had another opportunity to address the issue. In Docket 5906 (*In re: arbitration of the NYNEX/AT&T interconnection agreement*), the evidence demonstrated that it was not yet technically feasible to brand resold Operator and DA services but that an interim solution to the problem would be available in mid-1997. A permanent solution is expected about a year later. Docket 5906, Order of 12/4/96 at 14-20. The language of §§ II.E. and II.F. merely reflects the technical constraints that existed at the time the Stipulation was executed. These sections are now, in a sense, obsolete. Under the terms of the federal Act and our rulings in Docket 5906, we expect NYNEX to make branded DA and Operator services available to CLECs with which it has signed interconnection agreements.

On the last point, Sprint asserts that two-way trunking of local exchange service is now technically feasible. Although the request is not explicitly made, it appears that Sprint wants us simply to prohibit NYNEX from exchanging traffic over one-way trunks. Sprint Comments at 4. We decline to do so. Section IV.C. provides for two-way trunking when it is technically feasible; if it is feasible now, then a CLEC can request it. We need take no action on this question today.

**ORDER**

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED by the Public Service Board of the State of Vermont that:

1. The findings and recommendations of the Hearing Officer are adopted.
2. The Interconnection Stipulation is approved.

DATED at Montpelier, Vermont, this 24th day of July, 1997.

<u>s/ Richard H. Cowart</u>	)	
	)	PUBLIC SERVICE
	)	
<u>s/ Suzanne D. Rude</u>	)	BOARD
	)	
	)	OF VERMONT
<u>s/ David C. Coen</u>	)	

OFFICE OF THE CLERK

Filed: July 24, 1997

Attest: s/ Susan M. Hudson  
Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board of any technical errors, in order that any necessary corrections may be made.*

*Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the*

*Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.*

Appendix One

**STATE OF VERMONT  
PROPOSED STIPULATION -- DOCKET 5713**

WHEREAS, in the context of implementation of the Vermont Public Service Board's Order in Phase I of P.S.B. Docket No. 5713 (the Phase I Order"), and in anticipation of litigation of certain issues in Phase II of P.S.B. Docket 5713, the parties have engaged in extensive workshops and discussions regarding issues in the case;

WHEREAS, the United States Congress enacted the Telecommunications Act of 1996 (the "Act"), which became effective February 8, 1996, and which governs the rights and obligations of the parties hereto with respect to many of the issues considered in P.S.B. Docket 5713;

WHEREAS, the Federal Communications Commission ("FCC") is in the process of promulgating rules implementing provisions of the Act related to those issues;

WHEREAS, the undersigned parties agree, subject to the completion of the FCC rulemakings under the Act, that resolution of certain issues in Docket 5713, as set forth herein, is consistent with the requirements of the Board's Order in Phase I of Docket 5713, Vermont State law, and the Act;

WHEREAS, the undersigned parties acknowledge that resolution of certain issues as set forth herein is not intended to and shall not prevent the parties from exercising their rights under Vermont State law, Public Service Board rules, FCC rules, and the Act, including the right to negotiate and to enter into interconnection agreements, and to request mediation and arbitration, as provided in §§ 251 and 252 of the Act;

WHEREAS, the undersigned parties believe that resolution of certain issues as set forth herein will avoid the necessity for litigation of such issues and may guide the resolution of certain of the remaining issues in P.S.B. Docket 5713, in a manner consistent with provisions of the Act, to the benefit of the parties and the Board; and

NOW THEREFORE, for mutual consideration, the adequacy of which is hereby acknowledged, the parties agree and covenant to resolve the following issues and to implement such resolutions as set forth herein in a timely manner.

***I. Scope of the Agreement:***

The inter-carrier service arrangements described below are made available by and between New England Telephone and Telegraph Company d/b/a/ NYNEX ("NYNEX") and those telecommunications carriers, also known as Competitive Local Exchange Carriers ("CLECs"), authorized by the Public Service Board ("Board") to operate as local exchange carriers pursuant to State law, consistent with the Act.

Unless otherwise specifically excepted herein, the Parties agree that the intercarrier serving arrangements described below are subject to generally accepted telecommunications industry technical switching, transmission and signaling standards for interconnection among carriers as published currently and as may be changed, from time to time, by the American National Standards Institute (“ANSI”) and/or Bell Communications Research Corporation (“BELLCORE”). When, if ever, published ANSI and BELLCORE standards appear to be in conflict, the Parties agree that the ANSI standard(s) will prevail.

Except as provided in Section VIII B concerning inter-carrier arrangements associated with directory listing and directory distribution, nothing in this stipulation is intended, or should be construed as intending, to establish pricing rules for services or elements described herein. The costs shall be developed in the manner set forth in the proposed stipulation regarding cost study methodology filed separately in this docket.

## ***II. Unbundled Access to Certain Network Elements:***

The parties agree as set forth below in this Section II that:

- A. The listed network elements shall not be the exclusive unbundled network elements to be provided by NYNEX to CLECs;
- B. Unbundled network elements will be made available in a manner that allows requesting carriers to combine such elements in order to provide telecommunications services, consistent with Section 251 (c) (3) of the Act, and such Board rules as may apply;
- C. Nothing in this Stipulation shall prevent any party from requesting unbundled elements not specifically set forth herein, pursuant to Sections 251 and 252 of the Act, the parties rights under the Act, the rules established by the FCC under the Act, or such Board Order as may apply.

### **A. Unbundled Links:**

NYNEX agrees to offer the following link configurations on an unbundled basis, assuming technical feasibility. To the extent these elements differ from services or functions NYNEX currently offers, case-by-case determination of technical requirements may be needed.

1. The link is defined as the facility, however derived, that runs from and includes the vertical side of a main distribution frame (“MDF”) or digital service cross-connect (“DSX”) in an end office wire center to a protector, commonly called a Network Interface, or its equivalent in/at an end-user’s premises. NYNEX agrees to unbundle the link element such that a CLEC will be able to lease links and interconnect at the NYNEX end office via a physical collocation arrangement, or such other alternative interconnection arrangement(s) as the parties may mutually agree, or FCC rules, the

Act, or Board rules may otherwise require, in a manner that allows CLECs to provide telecommunications services.

2. Link Sub-Categories:

- a. Switched Voice Grade Analog Link (“SVGAL”) which provides a channel for the transmission of analog signals with an approximate bandwidth of 300-3000 Hz.
- b. ISDN BRI Link Option which provides, where technically feasible, the capacity to provision Basic Rate Interface (“BRI”) service on a NYNEX provided SVGAL. The parties recognize that the availability of the ISDN Link Option may be limited by technical characteristics (e.g., the length and gauge of cable, presence of load coils and other line treatment devices, etc.) of specific SVGALs for which the ISDN Option is sought.
- c. DS-1 Digital Grade Link which provides a 1.544 Mbps digital transmission path between a customer premises and a NYNEX central office, and is capable of operating in a full duplex, time division (digital) multiplexing mode. A DS-1 Digital Grade Link provides transmission capacity equivalent to 24 voice grade channels with associated signaling, twenty-four 56 Kbps digital channels when in band signaling is provided or twenty-four 64 Kbps channels with the selection of the Clear Channel signaling option.
- d. Extended Link which will enable a CLEC that is physically collocated in a given NYNEX central office to access unbundled links served from another NYNEX central office. Extended Link service is a designed service (similar to special access and private line services) which requires detailed engineering to assure that the service provided conforms to specific transmission performance standards unique to the specific service, e.g., voice grade (DS0), DS1 and DS3.

B. Unbundled End Office Switching:

1. End Office Switching Line Port (Circuit Switch Line Ports - Class 5 Switch): NYNEX agrees to unbundle end office switching to enable a CLEC to interconnect its links (i.e., links provided by the CLEC through its own link facilities) to a central office switching point or “line port” that provides access to NYNEX’s exchange services. The line port element will enable a CLEC to interconnect at the NYNEX end office via a physical collocation arrangement, or such other alternative interconnection arrangement(s) as the parties may mutually agree, or FCC rules, the

Act, or Board rules may otherwise require. End Office Switching Line Port includes:<sup>1</sup>

- a. a telephone number;
- b. dial tone/ringing;
- c. dial pulse/DTMF recognition;
- d. call completion;
- e. dial plan as resident in switch (e.g., EAS, PIC selection);
- f. access to 911/E-911;
- g. access to NYNEX operator services and directory assistance;
- h. access to Telecommunications Relay Service;
- i. access to mandated blocking options;
- j. access to vertical features associated with the port type; and
- k. call detail required to bill end-users.

2. End Office Switch Usage: NYNEX agrees to unbundle end office switching to enable a CLEC that has purchased NYNEX End Office Switching Line Port service to establish a temporary path between two line ports within the switch (intra-office) or between a line port and a trunk port.<sup>2</sup>

C. Signaling:

NYNEX agrees to file tariffs to introduce Common Channel Signaling Access (“CCSA”) and Signaling System 7 (“SS7”) as optional transport features for use with Feature Group D and Feature Group 2A.

1. SS7 Signaling allows the CLEC to receive signals for call set-up out of band. This option applies when the CLEC’s signaling point (“SP”) is connected with NYNEX’s Signal Transfer Point (“STP”), either directly or via the CLEC’s STP. The parties were able to reach agreement that calls that originate or terminate in a NYNEX end office can use this function.
2. CCSA provides interconnection to NYNEX’s Common Channel Signaling network using dedicated STP Links and dedicated STP Ports. The STP link provides the connection from the CLEC Signal Switching Point (“SSP”) or STP to the NYNEX STP. The STP Port provides the CLEC access to the NYNEX SS7 network; this access shall include access to the NYNEX Service Control Point (“SCP”) when required by the CLEC. Each CCSA STP Link provides for two-way digital transmission at a speed of 56 Kbps. The connection to the NYNEX STP can be

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1. NYNEX will file a tariff to provide End Office Switching Line Ports that will include service descriptions, rules, regulations, terms and responsibilities of all parties.

2. The parties wish to be clear that no consensus was reached on unbundling switch usage from interoffice transport.

made from either the CLEC's SP, which requires two (2) 56 Kbps circuits, or from the CLEC's STP, which requires four (4) 56 Kbps circuits.

D. Inter-Office Transport:

1. NYNEX agrees to unbundle interoffice transport to enable a CLEC to separately purchase or provide one or more of the following elements:
  - a. Dedicated transport from an interexchange carrier's Point of Presence to the NYNEX serving wire center;
  - b. Dedicated transport from NYNEX's serving wire center/end office to a NYNEX end office or from the serving wire center/end office to a NYNEX access tandem; and
  - c. Tandem switching and common transport from a NYNEX access tandem to a NYNEX end office. (See also IV.F.2)

E. Directory Assistance Service:

The parties agree that certain issues relating to the provision of unbundled Directory Assistance ("DA") Service are resolved as follows:

1. NYNEX will provide branded DA Service to switch-based CLECs as an optional DA Service feature.
2. CLEC Branded DA Service is defined as DA Service provided to switch-based CLECs whereby NYNEX will answer a CLEC customer's call by identifying the name of the CLEC.
3. CLEC Branded DA Service requires a CLEC to establish special dedicated trunking arrangements with NYNEX DA Service.
4. NYNEX will accept and include a CLEC customer's listings in the DA database via the electronic bonding interface as provided for in Section H.2. (Operations Support Systems) below.
5. NYNEX will provide switch-based CLECs with electronic access to the NYNEX DA database once it is technically feasible to do so.
6. Each CLEC must identify its non-published, non-listed residence and business customers for DA and directory purposes,

F. Operator Services:

1. NYNEX and interconnecting CLECs shall provide each other (i.e., CLEC-to-LEC, LEC-to-CLEC, and CLEC-to-CLEC) Busy Line Verification and Interrupt (“BLV/I”) trunks on a reciprocal basis, in conjunction with voice grade traffic, to enable each company to support this service.<sup>3</sup> The carriers agree that the dial tone provider of the interrupted end-user will initiate BLV/I through its operator services.
2. NYNEX will provide, upon request, CLEC branded Operator Services (“OS”), which include toll and assist to a switch-based facilities CLEC. OS refers to the provision of toll and assist services and enhancements to such services as they become available.
3. CLEC Branded Operator Service requires a CLEC to establish special dedicated trunking arrangements with NYNEX Operator Service.

G. 911 Service:

1. NYNEX agrees to provide non-discriminatory access to Basic 911 service. For Basic 911 Service, NYNEX will provide a CLEC a list consisting of each municipality in NYNEX’s service territory that subscribes to Basic 911 service. The list will contain a 10-digit directory number representing the appropriate emergency answering position for each municipality subscribed to Basic 911 Service. The CLEC shall arrange to accept 911 calls from its customers in municipalities that subscribe to Basic 911 Service. It shall be the responsibility of the carrier providing dial tone to the end-user<sup>4</sup> to route the 911 call to the appropriate 10-digit directory number from the list provided by NYNEX and then route that call to NYNEX at the appropriate tandem or end office over the same trunk group(s) that other local traffic is sent.
2. NYNEX and the CLECs shall comply with all applicable State laws and rules governing the provision of 911 and E-911 service and to provide such calls at no charge to the end-user originating the 911 or E-911 call.
3. NYNEX and the CLECs shall work cooperatively to enable CLECs non-discriminatory access to an E-911 network, pursuant to the terms and conditions agreed to by the E-911 system provider in its contract with the Vermont Enhanced 911 Board. The CLECs<sup>5</sup> agree to provide:

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3. The parties acknowledge that BLV/I capability is limited due to technical reasons. For example, BLV/I cannot be used in verification of numbers ported via interim number portability.

4. Excluding wireless carriers to the extent that it is technically infeasible.

5. Excluding wireless carriers to the extent that it is technically infeasible.

- a. E-911 access to their customers under the same terms and conditions as will be required of the incumbent local exchange carriers; and
- b. Daily updates of all necessary database information required by the E-911 service provider(s).

H. Operations Support Systems:

NYNEX agrees to establish standard, secure electronic interfaces that will enable a CLEC to electronically send and receive end-user customer level information to/from NYNEX necessary for the CLEC to provide local exchange service via resale or the provision of unbundled network elements or services. The electronic interface will be implemented on a time schedule which is mutually agreeable to NYNEX and the CLECs.

The basic electronic interfaces that have been identified are as follows:

1. Pre-Service Ordering -- This is the interface which passes information between the CLEC and NYNEX necessary for an authorized CLEC to obtain certain information in advance of producing a service order. The pre-service ordering interface will enable an authorized CLEC to validate a premise address, and obtain a customer service record, service and feature availability, telephone numbers assignable (when and where technically feasible), and available installation dates. Procedures will be developed to ensure/require customer authorization prior to accessing a customer's record and generally to ensure the confidentiality of customer information.
2. Service Order Processing and Provisioning -- This is the interface which passes information between the CLEC and NYNEX necessary to facilitate a CLEC order for service. This includes corresponding order confirmation, assigned due date and completions (when and where technically feasible), and jeopardy notices. It also enables a CLEC to verify, change, add or delete directory listing and line information data for its customer in these NYNEX databases. This interface will not permit CLECs to query the NYNEX DA database for the purpose of providing DA services or for any other such purpose.
3. Service Trouble Reporting -- This interface will enable the CLEC to directly report service problems, determine scheduled repair dates/times, and check the status of repairs. It also will enable a reseller of NYNEX's retail services to directly access remote line testing facilities.
4. Daily Usage Data -- NYNEX will provide each reseller with the telephone usage information required to generate billing for its end-user customers. Resellers usage data will be transferred in Exchange Message Record ("EMR") format, according to the latest BELLCORE standard definitions, via electronic media. Procedures must be developed to ensure the confidentiality of customer information.

***III. Requests For New Services:***

NYNEX agrees in principle to provide the following new type of service on an Individual Case Basis (“ICB”) and subject to a determination of technical feasibility :

**A. Link Transport Service:**

Certain parties to P.S.B. Docket 5713 have requested that NYNEX provide a new type of transport service to enable a CLEC to access NYNEX provided links without having to locate its transmission equipment in a NYNEX Central Office via a physical collocation arrangement. Link Transport service would involve the provision of a NYNEX provided dedicated transmission arrangement running from the horizontal side of the MDF in a NYNEX end office to an industry standard network interface at a CLEC’s end office or other environmentally suitable CLEC premise or other mutually agreeable CLEC facility (e.g., buildings, controlled environmental vaults or huts). The parties recognize that Link Transport service is a designed, end-to-end service and is provided on an individual case basis.

***IV. Interconnection of Networks:***

- A. NYNEX and the CLECs agree to offer interconnection for the interchange of local traffic<sup>6</sup> at any technically feasible point, including at both end office and tandem switching centers. While collocation is not required for this interchange of traffic, to the extent that it is available and suits the needs of the originating carrier, its use is permitted. The interconnection of physical transmission facilities used to support the interchange of local traffic can also take place at facility meet-points that are technically feasible and mutually agreeable to the two interconnecting carriers. Such agreement shall not be unreasonably withheld.
- B. The originating local exchange carrier shall provide the facilities needed to deliver calls to the terminating carrier. Nothing in this paragraph shall in any way preclude one of the two interconnecting carriers from providing the transmission facilities for both the

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6. Local traffic is defined, at a minimum, as voice grade equivalent traffic that originates and terminates within a local calling area; however, there is no consensus among the parties on the definition of a local calling area. To facilitate the immediate exchange of traffic between local exchange carriers, local calling areas as defined in P.S.B. Vt. No. 20 shall apply, until modified by the Board. Nothing herein shall limit a CLEC’s ability to offer calling areas/plans for retail purposes that define calling areas different from NYNEX’s existing local calling areas, nor shall a carrier be prohibited from petitioning the Board to adopt a different definition(s) of a local calling area from that described in P.S.B. Vt. No. 20.

origination and termination of calls between their subscribers, under such terms as may be mutually agreed upon between both carriers. In such instances, the provider of the transmission facilities will receive appropriate compensation from the other carrier for constructing said facilities.

- C. The Board's Phase I Order requires that trunking used for interconnection and termination of local traffic have measurement capabilities. The Parties acknowledge that technical limitations associated with measuring local traffic between competing local exchange carriers currently preclude the use of two-way trunks. Until such time as technology allows a technically feasible means of providing two-way trunking, as described below, the parties agree to interchange local traffic over one-way trunks. The parties further agree to work cooperatively to implement a mutually agreeable two-way trunking arrangement at such time as two-way trunking using terminating Feature Group D protocol becomes technically feasible for the exchange of local traffic between competing local exchange carriers.
- D. A separate Carrier Identification Code ("CIC") is required for End Office Interconnection. Signaling for these connections will use Common Channel Signaling - Signaling System 7 ("CCS-SS7") protocol where available or Multi-Frequency (MF) signaling where CCS-SS7 is not available.
- E. The carriers shall work cooperatively to engineer efficient traffic patterns including periodically exchanging forecasts of their interconnection and trunking requirements in sufficient detail to assure traffic completion to and from all customers within the appropriate calling areas.
- F. NYNEX agrees to file tariffs to provide the following interconnection arrangements:
1. End Office Interconnection (Circuit Switch Trunk Ports - Class 5 Switch): End Office Interconnection Service is that service which will provide a CLEC with a trunk-side connection at 1.544 Mbps (DS1 rate, 24 voice-grade equivalent channels) to a central office switch and permit access to all end-users' assigned telephone numbers with NXXs served from that central office switch. This service is intended to allow CLECs to complete local CLEC customers' calls to customers served by NYNEX or its resellers.
  2. Tandem Interconnection (Circuit Switch Trunk Port - Tandem Switch): Tandem Interconnection provides a CLEC with a trunk-side connection at 1.544 Mbps (DS1 rate, 24 voice-grade equivalent channels) to a NYNEX access or local tandem office. This service permits the CLEC to access NYNEX's or a reseller's (e.g., a reseller of NYNEX retail services) end-users' assigned telephone numbers with NXXs served by all NYNEX central office switches subtending the applicable access/local tandem switch. Tandem interconnection also includes a NYNEX provided common transport facility for the portion of the transmission

path between NYNEX's tandem and end offices. All tandem providers shall engineer in accordance with industry standard blocking criteria.

The local exchange carrier providing the tandem switching capability agrees to determine the applicable tandem subtending (homing) arrangements, which are expected to conform to the existing tandem subtending arrangements offered to interexchange carriers for the completion of exchange access calling. The local exchange carrier originating a call will be afforded the opportunity to select the mix of end office and tandem trunking that best meets its needs. Changes to subtending arrangements shall only be made to increase the tandem provider's network efficiency. At least six months prior to implementing a major change to an existing tandem homing arrangement, which will directly impact an existing interconnector's tandem subtending arrangement, (e.g., installing a new tandem that would require carriers subtending a tandem to rearrange its existing subtending arrangements) the tandem provider shall provide sufficient notification to all affected carriers.

G. NYNEX agrees to provide CLEC to CLEC interconnection services as competitive service offerings, as follows:

1. Transient Tandem Service: NYNEX agrees to provide a transient tandem service ("TTS") that will enable two CLECs that are subtending a common NYNEX tandem to interchange calls between each other without having to establish direct trunking between their respective end office switching systems. This tandem subtending arrangement will enable a CLEC connected at a given NYNEX tandem to interchange calls with any other CLEC connected at the same tandem. Under such circumstances, the originating carrier shall compensate NYNEX for its provision of transient tandem service.

The carriers subscribing to TTS agree that when NYNEX provides TTS it will not be responsible to pay reciprocal compensation for call termination, regardless of the carriers' eligibility for such compensation. Any compensation due the terminating exchange carrier for call termination through the use of NYNEX provided TTS will be the responsibility of the originating carrier.

2. CLEC to CLEC Interconnection Service: NYNEX agrees to allow two (2) CLECs to interconnect with one another in a NYNEX central office through NYNEX provided CLEC to CLEC Interconnection Service. Such an offering may include, but is not necessarily limited to, a dedicated connection between two collocated CLEC nodes within a NYNEX central office via a private line and/or special access arrangement, at specified tariff rates. NYNEX will provide CLEC to CLEC Interconnection Service on an Individual Case Basis.

V. **Billing Arrangements:**

The parties agree that certain issues related to billing arrangements in connection with charges for interconnection and unbundled network elements (as described above) are resolved as follows:

- A. The carriers agree to exchange call detail records required for proper billing of intraLATA traffic, including 800 traffic when technically feasible, in a timely fashion, as necessary to accurately and reliably rate and bill end-users or third parties for such traffic. The carriers also agree to treat each other in a fair, non-discriminatory and equal manner with respect to providing records needed for proper billing of each carrier's end-user or third party customers.
- B. Some parties have expressed an interest in obtaining access to the base data (lowest level of disaggregation available) as inputs to CLEC billing systems. The carriers agree to work cooperatively to enable the performance of all billing functions in a timely and efficient manner. The carriers agree that this effort shall include, but is not limited to, determining mutually acceptable standard inter-carrier billing requirements and procedures and evaluating whether, or to what extent, development of automated billing interfaces or systems is warranted. The carriers also agree to collaborate on developing mutually acceptable standard procedures for the accurate and timely billing of third party information provider charges. The carriers acknowledge that such billing is needed for charges to the originating carrier's customers when the information provider is served on the terminating carrier's network. The carriers further agree to establish meet-point billing arrangements to enable a CLEC to provide switched access services to interexchange carriers via a NYNEX access tandem switch, in accordance with the Meet-Point Billing and Provisioning guidelines adopted by the Ordering and Billing Forum.
- C. The parties recognize that interim billing arrangements (i.e., manual or partially automated interfaces/bills, etc.) may be required so as not to cause any unnecessary delay in the provisioning of interconnection or unbundled elements. The carriers agree to work cooperatively to develop fair and efficient interim arrangements, if required. Billing arrangements shall become automated via an electronic media at a date to be agreed upon by all parties.
- D. The carriers agree to work cooperatively to minimize fraud associated with third-number billed calls, calling card calls and any other services related to this stipulated agreement.

***VI. Provisioning of number resources:***

The parties agree that certain issues related to the provision of number resources are resolved as follows:

- A. NYNEX, in its role as North American Numbering Plan ("NANP") code administrator for the State of Vermont, administers code assignments in a non-discriminatory manner in accordance with the industry's Central Office Code Assignment Guidelines. The parties

agree that NYNEX shall continue in its role as NANP administrator until NANP administration is transferred to a neutral third party, as provided for in § 251(e) of the Act.

- B. The parties agree that NXX assignments will only be made to switch-based carriers. In the case of resellers, NYNEX and the CLECs will provide resellers access to telephone numbers for use by subscribers of the reseller. The actual line number, however, will be retained by NYNEX or a CLEC and assigned in the switch-based carrier's switch. If the reseller decides to change from one switch-based carrier to another as its provider of underlying exchange service, it will have the option either to obtain new numbers from the new underlying carrier or to retain the existing numbers via a number portability arrangement.
- C. NYNEX and the switch-based CLECs agree to provide resellers access to number resources, as needed, on a non-discriminatory basis, including the ability to reserve blocks of one hundred (100) consecutive numbers or vanity numbers for their end-user customers.

***VII. Telephone number portability:***

The parties agree that certain issues related to telephone number portability are resolved as follows:

- A. The parties agree that NYNEX and the CLECs will cooperate to implement a long-term service provider number portability solution once an industry standard is adopted by the FCC establishing an industry-wide solution. The parties further agree that a Vermont specific number portability trial may serve to delay the implementation of a long-term solution for Vermont. The parties further agree to participate in a joint task force, which would include the Department, to ensure that the long term solution for number portability is implemented. The solution will be consistent with the accepted industry-wide standard.
- B. Interim number portability will be provided by NYNEX and switch-based CLECs using available technologies, including remote call forwarding, direct inward dialing ("DID"), route indexing or other comparable arrangements, where available, as mutually agreed upon by the carriers.

***VIII. Directory listings and directory distribution:***

The parties agree that certain issues related to directory listings and directory assistance provisioning are resolved as follows:

- A. NYNEX agrees to:

1. Include each CLEC customer's primary listing in its White page (residence or business) and Yellow page (business listings) directories, associated with the areas in which the CLEC provides services to such customers, under the same terms and conditions as it provides listing services to its customers;
  2. Include in the informational pages of its printed directories, associated with the areas in which the CLEC provides services, a statement notifying customers that there is more than one local service provider and include the names of all CLECs together with their main telephone number and a number to call for customer service, billing and repair;
  3. Distribute directory books to CLECs' customers, under the same conditions as NYNEX distributes directory books to its own customers, or to provide a comparable supply of directory books to CLECs at a central location, as the parties may mutually agree;
  4. Recycle directory books for CLECs' customers to the same extent NYNEX recycles directory books for its own customers; and
  5. Make additional directories available to CLECs under the same terms and conditions as NYNEX makes additional directories available to its customers.
- B. NYNEX agrees not to charge CLECs to:
1. Print the CLEC customers' primary listings in the white page and yellow page directories and the CLEC's main telephone numbers in the informational section of the NYNEX directory;
  2. Distribute directory books to CLEC's or their customers;
  3. Recycle CLEC customers' directory books; and
  4. Maintain the Directory Assistance database.
- C. CLECs shall agree to the following in consideration for NYNEX's agreement to the conditions described in sub-sections A and B, above:
1. NYNEX shall not be required to share with the CLECs its directory revenues, including, but not limited to, revenues received from yellow page advertising or the white pages database;
  2. CLECs will not charge NYNEX for the use of the CLEC customers' listings.

3. NYNEX will consider proposals from CLECs to enter into a sales agency arrangement that would enable a CLEC to sell, for a negotiated fee, NYNEX yellow page advertisements to the CLEC's end user customers.
- D. NYNEX and the CLECs shall work cooperatively on issues concerning lead time, timeliness, format, and content of directory listing information.
  - E. CLECs may resell to their customers foreign, additional, non-listed and non-published listings.
  - F. Except in the case of gross negligence, no party shall be liable to another, directly or indirectly, for errors or omissions in connection with the listing of CLEC customer numbers or information in NYNEX databases or the publishing of such data in NYNEX directories. Each parties' liability, if any, for such errors or omissions shall be governed solely by its tariffs or its separate contracts with its individual customers, as appropriate, and shall be determined for CLEC customers on the same basis as is the case for NYNEX customers. Carriers shall include such tariff language in their tariffs to protect NYNEX and CLECs against third-party liability for errors or omissions pertaining to CLEC customer listings in NYNEX directories. There are no third-party beneficiaries with respect to the commitments made by or on behalf of the carriers herein. Nothing in this paragraph is intended to limit an end-user customer's rights or protections granted under any and all applicable Board rules or carriers' tariffs.

***IX. IntraLATA toll presubscription:***

The parties agree that certain issues related to intraLATA presubscription ("ILP") are resolved as follows:

- A. The full 2-PIC technology solution should be the ILP solution for the state;
- B. ILP shall be implemented without state-wide balloting and no party shall propose or support state-wide balloting;<sup>7</sup>

***X. Miscellaneous provisions:***

- A. Nothing in this Stipulation shall obligate any telecommunications carrier to provide proprietary, confidential, or trade secret information to any competitor, subject to such rules and regulations as the Act requires or the FCC or Board may adopt.

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7. Atlantic Cellular does not agree.

- B. The parties agree that this Stipulation is being submitted to the Board as a unified settlement of all referenced issues to the extent set forth herein. Unless approved in substantially the same form as set forth in this document, the parties reserve the right to submit a revised stipulation. If agreement on a revised stipulation cannot then be reached, this stipulation shall be null and void.
- C. If, subsequent to the approval of this Stipulation by the Board, any clause or provision herein is found by a court or administrative agency of competent jurisdiction to be unlawful or unenforceable, the remaining clauses or provisions of this Stipulation shall remain in full force and effect.
- D. The undersigned representatives of the parties represent that they are authorized to enter into this Stipulation on behalf of their respective companies.
- E. Nothing in this Stipulation shall prevent any party from pursuing any position(s) before the Board with respect to matters not expressly set forth herein.
- F. The parties agree that the provisions set forth herein represent the entire agreement of the parties at the time of execution hereof on the subjects specifically set forth herein. Nothing herein shall be construed to prejudice or prejudice the position of any party in continuing negotiations under the Act or in limiting the subjects to be addressed in such negotiations.

Signed this 28th day of June, 1996.

by Vermont Department of Public Service

by New England Telephone and Telegraph Company d/b/a NYNEX

by AT&T Communications of New England, Inc.