STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

ILLINOIS BELL TELEPHONE COMPANY (Ameritech Illinois) and CAT COMMUNICATIONS INTERNATIONAL INC.	)	
Joint Petition for Approval of Negotiated Interconnection Agreement dated July 30, 2002, pursuant to 47 U.S.C. § 252	)	02 - 0537

JOINT PETITION FOR APPROVAL OF NEGOTIATED INTERCONNECTION AGREEMENT BETWEEN CAT COMMUNICATIONS INTERNATIONAL, INC. AND AMERITECH ILLINOIS

Illinois Bell Telephone Company ("Ameritech Illinois") and Cat Communications International, Inc. through counsel, hereby request that the Commission review and approve the attached Interconnection Agreement dated July 30, 2002 pursuant to Sections 252(a)(1) and 252(e) of the Telecommunications Act of 1996 47 U.S.C. §§ 252 (a)(1) and 252(e), (the "Act"). In support of their request, the parties state as follows:

1. The Agreement was arrived at through good faith negotiations between the parties as contemplated by Section 252(a) of the Act and provides for interconnection, access to unbundled network elements, resale and other services addressed in Section 251 of the Act.

2. Pursuant to Section 252(e)(2) the Commission may only reject a negotiated agreement if it finds that (1) the agreement discriminates against another carrier or (2) implementation of the Agreement would not be consistent with the public interest, convenience and necessity. Neither basis for rejection is present here.

3. As set forth in the attached Verification of Eric Larsen, Ameritech Illinois will make the Agreement available to any other telecommunications carrier operating within its territory. Other carriers are also free to negotiate their own terms and conditions pursuant to the applicable provisions of the Act. For this reason, the Agreement is not discriminatory.

OFFICIAL FILE
I.C.C. DOCKET NO. 02-0650
Ameritech Exhibit No. X4
Witness
Date 11-12-02 Reporter
X4

4. In addition, Mr. Larsen's Verification demonstrates that implementation of the Agreement is consistent with the public interest because it will promote competition and enhance Cat Communications International, Inc. ability to provide Illinois telecommunications users with a competitive alternative for data and transport services.

5. In accordance with Section 252(e)(4) of the Act, the Agreement will be deemed approved if the Commission does not act to approve or reject the Agreement within 90 days from the date of this submission.

6. Copies of the Agreement are available for public inspection in Ameritech Illinois and Cat's public offices.

WHEREFORE, Ameritech Illinois and Cat Communications International, Inc. respectfully request that the Commission approve the attached interconnection Agreement under Section 252(e) of the Act as expeditiously as possible.

Respectfully submitted this _____ day of August, 2002

AMERITECH ILLINOIS

_____

Mark Kerber/James Huttenhower
Ameritech Services, Inc.
225 West Randolph Street, 25D
Chicago, Illinois 60606
(312) 727-7140
Counsel

Cat Communications International, Inc.

_____

Patricia M. Spencer
Cat Communications International, Inc.
4142 Melrose Avenue, Unit #25
Roanoke, Va 24017
(540) 444-2158
Vice President - Regulatory

INTERCONNECTION AGREEMENT UNDER SECTIONS 251 AND 252 OF THE TELECOMMUNICATIONS ACT OF 1996

between one or more of

**Illinois Bell Telephone Company,
Indiana Bell Telephone Company Incorporated,
Michigan Bell Telephone Company d/b/a Ameritech Michigan, Nevada Bell Telephone Company d/b/a SBC Nevada Bell Telephone Company,
The Ohio Bell Telephone Company,
Pacific Bell Telephone Company d/b/a SBC Pacific Bell Telephone Company,The Southern New England Telephone Company, Southwestern Bell Telephone, L.P. d/b/a Southwestern Bell Telephone Company, Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin**

and

CAT Communications International, Inc.

14.8.7 If the Indemnifying Party does not accept the defense of any indemnified claim as provided above, the Indemnified Party shall have the right to employ counsel for such defense at the expense of the Indemnifying Party.

14.8.8 In the event of a failure to assume the defense, the Indemnified Party may negotiate a settlement, which shall be presented to the Indemnifying Party. If the Indemnifying Party refuses to agree to the presented settlement, the Indemnifying Party may take over the defense. If the Indemnifying Party refuses to agree to the presented settlement and refuses to take over the defense, the Indemnifying Party shall be liable for any reasonable cash settlement not involving any admission of liability by the Indemnifying Party, though such settlement may have been made by the Indemnified Party without approval of the Indemnifying Party, it being the Parties' intent that no settlement involving a non-monetary concession by the Indemnifying Party, including an admission of liability by such Party, shall take effect without the written approval of the Indemnifying Party.

14.8.9 Each Party agrees to cooperate and to cause its employees and agents to cooperate with the other Party in the defense of any such claim and the relevant records of each Party shall be available to the other Party with respect to any such defense, subject to the restrictions and limitations set forth in Section 20.

15. PERFORMANCE MEASURES

15.1 Attachment Performance Measures provides monetary payments for failure to meet specified performance standards. The provisions of that Attachment constitute the sole obligation of **SBC-13STATE** to pay damages or financial penalties for failure to meet specified performance standards identified in such Attachment and all other Attachments to this Agreement.

16. INTELLECTUAL PROPERTY

16.1 Any Intellectual Property originating from or developed by a Party shall remain in the exclusive ownership of that Party.

17. NOTICES

17.1 Subject to Section 17.2, notices given by one Party to the other Party under this Agreement shall be in writing (unless specifically provided otherwise herein), and unless otherwise expressly required by this Agreement to be delivered to another representative or point of contact, shall be

17.1.1 delivered personally;

17.1.2 delivered by express overnight delivery service;

21. INTERVENING LAW

21.1 This Agreement is entered into as a result of both private negotiations between the Parties and the incorporation of some of the results of arbitration by the Commissions. In the event that any of the rates, terms and/or conditions herein, or any of the laws or regulations that were the basis or rationale for such rates, terms and/or conditions in the Agreement, are invalidated, modified or stayed by any action of any state or federal regulatory or legislative bodies or courts of competent jurisdiction, the affected provision shall be immediately invalidated, modified, or stayed, consistent with the action of the legislative body, court, or regulatory agency upon the written request of either Party. In such event, the Parties shall expend diligent efforts to arrive at an agreement regarding the appropriate conforming modifications to the Agreement. If negotiations fail, disputes between the Parties concerning the interpretation of the actions required or provisions affected by such governmental actions shall be resolved pursuant to the dispute resolution process provided for in this Agreement. Without limiting the general applicability of the foregoing, the Parties acknowledge that on January 25, 1999, the United States Supreme Court issued its opinion in *AT&T Corp. v. Iowa Utilities Bd.,* 525 U.S. 366 (1999) (and on remand, *Iowa Utilities Board v. FCC,* 219 F.3d 744 (8th Cir. 2000)) and *Ameritech v. FCC*, No. 98-1381, 1999 WL 116994, 1999 Lexis 3671 (1999) and on appeal to and remand by the United States Supreme Court, *Verizon v. FCC, et. al*, 535 U.S. __ (2002). The Parties further acknowledge that on May 24, 2002, the United States District Court for the District of Columbia Circuit issued its decision in *United States Telecom Association, et. al v. FCC,* No. 00-101, in which the Court granted the petitions for review of the Federal Communications Commission's ("FCC") Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (FCC 99-238) ("the UNE Remand Order") and the FCC's Third Report and Order in CC Docket No. 98-147 and Fourth Report and Order in CC Docket No. 96-98 (FCC 99-355) (rel. December 9, 1999) ("the Line Sharing Order"), specifically vacated the Line Sharing Order, and remanded both these orders to the FCC for further consideration in accordance with the decision. In addition, on November 24, 1999, the FCC issued its Supplemental Order *In the Matter of the Local Competition Provisions of the Telecommunications Act of 1996*, (FCC 99-370) and on June 2, 2000, its Supplemental Order Clarification, (FCC 00-183), in CC Docket 96-98. The Parties further acknowledge that on April 27, 2001, the FCC released its Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68, *In the Matter of the Local Competition Provisions in the Telecommunications Act of 1996; Intercarrier Compensation for ISP-bound Traffic* (the "ISP Intercarrier Compensation Order") which was remanded in *WorldCom, Inc. v. FCC*, No. 01-1218 (D.C. Cir. 2002). By executing this Agreement and any Amendments to such Agreement and carrying out the rates, terms and conditions herein, **SBC-13STATE** does not waive any of its legal rights, and expressly reserves all of its rights, remedies and arguments, including but not limited to those related to any of the foregoing decisions or proceedings or any remands thereof, including its right to seek legal review or a stay pending appeal of such decisions and its rights under this Intervening

Law paragraph. These rights also include but are not limited to **SBC-13STATE**'s right to exercise its option at any time in the future to invoke these Intervening Law or Change of Law provisions to adopt on a date specified by **SBC-13STATE** the FCC ISP terminating compensation plan, after which date ISP-bound traffic will be subject to the FCC's prescribed terminating compensation rates, and other terms and conditions.

22. GOVERNING LAW

22.1 Unless otherwise provided by Applicable Law, this Agreement shall be governed by and construed in accordance with the Act, the FCC Rules and Regulations interpreting the Act and other applicable federal law. To the extent that federal law would apply state law in interpreting this Agreement, the domestic laws of the state in which the Interconnection, Resale Services, Network Elements, functions, facilities, products and services at issue are furnished or sought shall apply, without regard to that state's conflict of laws principles. The Parties submit to personal jurisdiction in Little Rock, Arkansas; San Francisco, California; New Haven, Connecticut; Chicago, Illinois; Indianapolis, Indiana; Topeka, Kansas; Detroit, Michigan; St. Louis, Missouri; Reno, Nevada; Columbus, Ohio; Oklahoma City, Oklahoma, Dallas, Texas and Milwaukee, Wisconsin, and waive any and all objection to any such venue.

23. REGULATORY APPROVAL

23.1 The Parties understand and agree that this Agreement and any amendment or modification hereto will be filed with the Commission for approval in accordance with Section 252 of the Act and may thereafter be filed with the FCC. The Parties believe in good faith and agree that the services to be provided under this Agreement are in the public interest. Each Party covenants and agrees to fully support approval of this Agreement by the Commission or the FCC under Section 252 of the Act without modification.

23.2 Unless otherwise agreed, if the designated Party fails to file this agreement with the appropriate State commission within sixty (60) days of both Parties signatures, then this signed agreement is null and no longer valid. In such event, the designated Party may not file this signed agreement for approval unless it obtains the express written permission of the other Party. If the other Party objects to the filing of this signed agreement following the expiration of the sixty (60) days referenced above, then either Party may initiate negotiations for a successor agreement under Section 251/252 of the Act. If negotiations are commenced by either Party, then the Parties will determine what rates, terms and conditions, if any, will apply until such time as a successor agreement is reached. In any event, upon approval of the successor agreement by the appropriate State commission, the rates, terms and conditions of such successor agreement shall retroactively apply back to the expiration and/or effective termination date of the last State commission approved agreement between

APPENDIX
PERFORMANCE MEASUREMENTS

TABLE OF CONTENTS

1. INTRODUCTION 3

2. SOLE REMEDY 3

3. DEFINITIONS 4

4. OCCURRENCE OF A SPECIFIED PERFORMANCE BREACH 4

5. LIQUIDATED DAMAGES AS FORM OF REMEDY 5

6. LIQUIDATED DAMAGES PAYMENT PLAN; GENERALLY 5

7. LIQUIDATED DAMAGES; METHOD OF CALCULATION 6

8. TABLE OF CRITICAL VALUES 9

9. LIMITATIONS 10

10. RECORDS AND REPORTS 11

11 AUDITS 12

12. INITIAL IMPLEMENTATION 13

13. PERFORMANCE MEASUREMENTS 13

APPENDIX PERFORMANCE MEASUREMENTS

1. INTRODUCTION

1.1 SBC Communications Inc. (SBC) means the holding company which owns the following ILECs: Illinois Bell Telephone Company, Indiana Bell Telephone Company Incorporated, Michigan Bell Telephone Company d/b/a Ameritech Michigan, Nevada Bell Telephone Company d/b/a SBC Nevada Bell Telephone Company, The Ohio Bell Telephone Company, Pacific Bell Telephone Company, The Southern New England Telephone Company, Southwestern Bell Telephone, L.P. d/b/a Southwestern Bell Telephone Company and/or Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin.

1.2 As used herein, **SBC-11STATE** means the applicable above listed ILEC doing business in Arkansas, Connecticut, Illinois, Indiana, Kansas, Michigan, Missouri, Ohio, Oklahoma, Texas, and Wisconsin.

1.3 As used herein, **Service Bureau Provider** means a company which has been engaged by CLEC to act as its agent for purposes of accessing SBC-LEC's OSS application-to-application interfaces.

1.4 The performance measurements contained herein, notwithstanding any provisions in any other appendix in this Agreement, are not intended to create, modify or otherwise affect parties' rights and obligations with respect to OSS access. The existence of any particular performance measure, or the language describing that measure, is not evidence that CLEC is entitled to any particular manner of access, nor is it evidence **SBC-11STATE** is limited to providing any particular manner of access. The parties' rights and obligations to such access are defined elsewhere, including the relevant laws, FCC and PUC decisions/regulations, tariffs, and within this interconnection agreement.

2. SOLE REMEDY

2.1 These liquidated damages shall be the sole and exclusive remedy of CLEC for **SBC 11-STATE**'s failure to meet specified performance measures and shall be in lieu of any other damages CLEC might otherwise seek for such breach through any claim or suit brought under any contract or tariff.

2.2 In Wisconsin, the Public Service Commission of Wisconsin has ordered a remedy plan in docket in Docket No. 6720 -TI –160, effective September 25, 2001 ("Wisconsin Remedy Plan"). CLEC acknowledges and agrees that if it elects to include this Appendix as a part of its Interconnection Agreement in Wisconsin, the performance measurements, remedy plan, and liquidated damages set forth in this Appendix shall apply in lieu of the Wisconsin Remedy Plan and CLEC expressly

waives its rights to receive performance measurements, the remedy plan or liquidated damages under the Wisconsin Remedy Plan.

3. DEFINITIONS

3.1 When used in this Appendix, the following terms will have the meanings indicated:

3.1.1 Performance Criteria

3.1.1.1 The target level of **SBC-11STATE** performance specified for each Performance Measurement. Generally, the Performance Measurements contained in this Appendix specify performance equal to that **SBC-11STATE** achieves for itself in providing equivalent end user service as the Performance Criterion. Parity exists when the measured results in a single month (whether in the form of means, proportions, or rates) for the same measure, at equivalent disaggregation for **SBC-11STATE** and CLEC are used to calculate an appropriate test statistic and the resulting test value has an associated probability that is no less than the critical probability indicated in the Table of Critical Values shown in Section 8.

3.1.1.2 Performance Measurements for which parity calculations are not possible have a specified *standard* as the Performance Criterion. Compliance is assessed by comparing the result obtained by the CLEC with the applicable standard using an appropriate statistical test. The result is compliant if the probability associated with the test statistic is no less than the critical probability indicated in the Table of Critical Values shown in Section 8.

3.1.2 Performance Measures

3.1.2.1 The set of measures listed in all of Section 13 of this Appendix.

3.1.3 Non-compliance

3.1.3.1 The failure by **SBC-11STATE** to meet the Performance Criteria for any performance measure identified as an available measurement type in Section 13.

4. OCCURRENCE OF A SPECIFIED PERFORMANCE BREACH

4.1 In recognition of either: 1) the loss of End User opportunities, revenues and goodwill which a CLEC might sustain in the event of a Specified Performance Breach; 2) the uncertainty, in the event of a Specified Performance Breach, of a CLEC having available to its End User opportunities similar to those opportunities available to

SBC-11STATE at the time of a breach; or 3) the difficulty of accurately ascertaining the amount of damages a CLEC would sustain if a Specified Performance Breach occurs, **SBC-11STATE** agrees to pay the CLEC Liquidated Damages, subject to Section 5.1 below.

5. LIQUIDATED DAMAGES AS FORM OF REMEDY

5.1 The Parties agree and acknowledge that a) the Liquidated Damages are not a penalty and have been determined based upon the facts and circumstances known by the Parties at the time of the negotiation and entering into this Agreement, with due consideration given to the performance expectations of each Party; b) the Liquidated Damages constitute a reasonable approximation of the damages the CLEC would sustain if its damages were readily ascertainable; c) neither Party will be required to provide any proof of Liquidated Damages; and d) the Liquidated Damages provided herein will constitute full compensation for any failure of SBC to meet a specified performance commitment in this Attachment and any specific time commitments for the same activity contained in any other Attachments or Appendices.

6. LIQUIDATED DAMAGES PAYMENT PLAN; GENERALLY

6.1 Liquidated damages apply to the available, non-diagnostic measurements of the FCC Merger Conditions designated in Section 13 below, when **SBC-11STATE** delivers non-compliant performance as defined in 3.1.3. In no event shall **SBC-11STATE**be required to pay liquidated damages for any performance which was at parity or in compliance with the applicable benchmark at the time that the performance occurred.

6.2 The Table of Critical Values (Section 8) gives the maximum number, F, of measurements of those required to be reported to the CLEC that may fail the Performance Criteria in any month. Liquidated damages apply to Non-compliant measures that are in excess of the applicable value of F.

6.3 None of the liquidated damages provisions set forth in this proposal will apply during the first three months after a CLEC first purchases the type of service or unbundled network element(s) associated with a particular performance measurement or introduction of a new measure.

6.4 There are two kinds of failures of the Performance Criteria. *Ordinary* failures are failures on a measure for one month or two consecutive months. *Chronic* failures are failures on a measure for three consecutive months. Ordinary failures may be excused up to the applicable value of F from the Table of Critical Values. Chronic failures may not be excused in that manner. $500 is paid for each ordinary failure in excess of F. $2,500 is paid for each Chronic failure. For example, if the value of F is 8 and there are 10 Ordinary failures and 1 Chronic failure in a month, then the Liquidated Damages for that month would be (10-8)*$500 + $2,500 = $3,500. If

there were 7 Ordinary failures and no Chronic failures, no Liquidated Damages would be paid.

7. LIQUIDATED DAMAGES; METHOD OF CALCULATION

7.1 **SBC-11STATE** and CLEC agree to use the following as statistical tests for evaluating the compliance of CLEC results with the Performance Criterion. These tests are applicable if the number of data points for each **SBC-11STATE** and CLEC is greater than or equal to 30 for a given measurement.

7.2 The following list describes the tests to be used in evaluating the performance criterion. In each test, the important concept is the probability that the CLEC's results are significantly worse than either the comparable result for **SBC-11STATE** or the benchmark (whichever is relevant to the test). This probability is compared with the P value from the Table of Critical Values to decide if the measure meets the Performance Criterion. Probabilities that are less than the P value are deemed to have failed the test.

For parity measures that are expressed as Averages or Means, the following (Modified) Z test applies:

$z = (DIFF) / \delta_{DIFF}$

Where;
$DIFF = M_{ILEC} - M_{CLEC}$
M_{ILEC} = ILEC Average
M_{CLEC} = CLEC Average
$\delta_{DIFF} = SQRT\ [\delta^2_{ILEC}\ (1/n_{CLEC} + 1/n_{ILEC})]$
δ^2_{ILEC} = Calculated variance for ILEC.
n_{ILEC} = number of observations or samples used in ILEC measurement
n_{CLEC} = number of observations or samples used in CLEC measurement

The probability of the Z statistic is obtained from a standard normal distribution.

For parity measures that are expressed as Percentages or Proportions:

$z = (DIFF) / \delta_{DIFF}$

Where;
$DIFF = P_{ILEC} - P_{CLEC}$
P_{ILEC} = ILEC Proportion
P_{CLEC} = CLEC Proportion
$\delta_{DIFF} = SQRT\ [\delta^2_{ILEC}\ (1/n_{CLEC} + 1/n_{ILEC})]$
$\delta^2_{ILEC} = P_{ILEC}\ (1 - P_{ILEC})$.
n_{ILEC} = number of observations or samples used in ILEC measurement

n_{CLEC} = number of observations or samples used in CLEC measurement

The probability of the Z statistic is obtained from a standard normal distribution.

In the event that $P_{ILEC} = 0$ (and low values are associated with good service), the above test cannot be used. In such cases, Fisher's Exact Test is used to calculate the probability, P_{FE}, of the data given the hypothesis of parity.:

$$P_{FE} = 1 - \sum_{x=0}^{H_{CLEC}-1} \frac{\binom{n_{CLEC}}{x}\binom{n_{ILEC}}{H_{CLEC}+H_{ILEC}-x}}{\binom{n_{CLEC}+n_{ILEC}}{H_{CLEC}+H_{ILEC}}}$$

Where;
$H_{CLEC} = P_{CLEC} n_{CLEC}$
$H_{ILEC} = P_{ILEC} n_{ILEC}$.
If $P_{ILEC} = 1$ (and high values are associated with good service), the same formula is used with the following interpretation:

$H_{CLEC} = n_{CLEC} . P_{CLEC} n_{CLEC}$
$H_{ILEC} = n_{ILEC} . P_{ILEC} n_{ILEC}$.

Of course if it is also true that $H_{CLEC} = 0$, then $P_{FE} = 1$ because the results are at parity.

For parity measures that are expressed as Rates or Ratios: a binomial test is used to calculate the probability of the data given the hypothesis of parity:

$$P_{Rate} = 1 - \sum_{x=0}^{H_{CLEC}-1} \binom{N}{x} p^x (1-p)^{N-x}$$

Where;
H_{CLEC} = numerator for the CLEC
H_{ILEC} = numerator for the ILEC
$N = H_{CLEC} + H_{ILEC}$
D_{CLEC} = denominator for CLEC
D_{ILEC} = denominator for ILEC
$p = D_{CLEC} / (D_{CLEC} + D_{ILEC})$

In calculating the difference between the performances the formulae given above apply when a larger CLEC value indicates a higher quality of performance. For cases in which a smaller CLEC value indicates a higher quality of performance the order of subtraction should be reversed (i.e., $M_{CLEC} - M_{ILEC}$, $P_{CLEC} - P_{ILEC}$).

For measures with benchmarks that are expressed as Averages or Means:

$t = (DIFF) / \delta_{DIFF}$

Where;
$DIFF = M_{CLEC} - BM$
M_{CLEC} = CLEC Average
BM = Benchmark
$\delta_{DIFF} = SQRT\ [\delta^2_{CLEC}\ (1/n_{CLEC})]$
δ^2_{CLEC} = Calculated variance for CLEC.
n_{CLEC} = number of observations or samples used in CLEC measurement

The probability of the t statistic is obtained from Student's distribution with $n_{CLEC} - 1$ degrees of freedom.

For measures with benchmarks that are expressed as Percentages or Proportions:

When high proportions designate good service, the probability of the CLEC result is given by

$$\sum_{x=0}^{K} \binom{N}{x} B^x (1-B)^{N-x}$$

Where

K = PN

P = CLEC proportion

N = number of observations or samples used in CLEC measurement

B = benchmark expressed as a proportion

When low proportions designate good service, the probability of the CLEC result is given by

$$1 - \sum_{x=0}^{K-1} \binom{N}{x} B^x (1-B)^{N-x}$$

with the same definition of symbols as is given above.

7.3 The following table will be used for determining the critical probabilities that define the Performance Criterion as well as the number of non-compliant measures that may be excused in a given month. The table is read as follows: (1) determine the number

of measures to which Liquidated Damages are applicable and which have sample sizes greater than or equal to 30 cases. Let this number be M. (2) Find the value of M in the columns of the table with the heading "M". (3 To the immediate right of the value of M, find the value in the column labeled "F". This is the maximum number of measures that may be failed when there are M measures being evaluated. (4) To the immediate right of F in the column labeled "P" is the critical probability for determining compliance in each statistical test performed on the M measures Statistical tests that yield probabilities less than this value indicate failures for the sub-measure.

8. TABLE OF CRITICAL VALUES

M	F	P	M	F	P	M	F	P	M	F	P	M	F	P	M	F	P
1	0	0.010	**71**	8	0.051	**141**	14	0.054	**211**	19	0.054	**281**	23	0.051	**351**	28	0.052
2	1	0.100	**72**	8	0.050	**142**	14	0.054	**212**	19	0.053	**282**	23	0.051	**352**	28	0.052
3	1	0.059	**73**	9	0.059	**143**	14	0.054	**213**	19	0.053	**283**	23	0.051	**353**	28	0.052
4	2	0.141	**74**	9	0.058	**144**	14	0.053	**214**	19	0.053	**284**	23	0.050	**354**	28	0.051
5	2	0.106	**75**	9	0.057	**145**	14	0.053	**215**	19	0.053	**285**	23	0.050	**355**	28	0.051
6	2	0.085	**76**	9	0.056	**146**	14	0.052	**216**	19	0.052	**286**	23	0.050	**356**	28	0.051
7	2	0.071	**77**	9	0.055	**147**	14	0.052	**217**	19	0.052	**287**	24	0.053	**357**	28	0.051
8	2	0.061	**78**	9	0.055	**148**	14	0.052	**218**	19	0.052	**288**	24	0.052	**358**	28	0.051
9	2	0.053	**79**	9	0.054	**149**	14	0.051	**219**	19	0.052	**289**	24	0.052	**359**	28	0.051
10	3	0.093	**80**	9	0.053	**150**	14	0.051	**220**	19	0.051	**290**	24	0.052	**360**	28	0.051
11	3	0.084	**81**	9	0.053	**151**	14	0.051	**221**	19	0.051	**291**	24	0.052	**361**	28	0.050
12	3	0.076	**82**	9	0.052	**152**	14	0.050	**222**	19	0.051	**292**	24	0.052	**362**	28	0.050
13	3	0.069	**83**	9	0.051	**153**	15	0.055	**223**	19	0.051	**293**	24	0.052	**363**	28	0.050
14	3	0.064	**84**	9	0.051	**154**	15	0.054	**224**	19	0.050	**294**	24	0.051	**364**	28	0.050
15	3	0.059	**85**	9	0.050	**155**	15	0.054	**225**	19	0.050	**295**	24	0.051	**365**	29	0.052
16	3	0.055	**86**	10	0.057	**156**	15	0.054	**226**	20	0.053	**296**	24	0.051	**366**	29	0.052
17	3	0.052	**87**	10	0.057	**157**	15	0.053	**227**	20	0.053	**297**	24	0.051	**367**	29	0.052
18	4	0.077	**88**	10	0.056	**158**	15	0.053	**228**	20	0.053	**298**	24	0.051	**368**	29	0.052
19	4	0.073	**89**	10	0.055	**159**	15	0.053	**229**	20	0.053	**299**	24	0.050	**369**	29	0.052
20	4	0.069	**90**	10	0.055	**160**	15	0.052	**230**	20	0.052	**300**	24	0.050	**370**	29	0.051
21	4	0.065	**91**	10	0.054	**161**	15	0.052	**231**	20	0.052	**301**	24	0.050	**371**	29	0.051
22	4	0.062	**92**	10	0.053	**162**	15	0.052	**232**	20	0.052	**302**	25	0.053	**372**	29	0.051
23	4	0.059	**93**	10	0.053	**163**	15	0.051	**233**	20	0.052	**303**	25	0.052	**373**	29	0.051
24	4	0.057	**94**	10	0.052	**164**	15	0.051	**234**	20	0.051	**304**	25	0.052	**374**	29	0.051
25	4	0.054	**95**	10	0.052	**165**	15	0.051	**235**	20	0.051	**305**	25	0.052	**375**	29	0.051
26	4	0.052	**96**	10	0.051	**166**	15	0.050	**236**	20	0.051	**306**	25	0.052	**376**	29	0.051
27	5	0.070	**97**	10	0.051	**167**	15	0.050	**237**	20	0.051	**307**	25	0.052	**377**	29	0.050
28	5	0.068	**98**	10	0.050	**168**	16	0.054	**238**	20	0.051	**308**	25	0.052	**378**	29	0.050
29	5	0.065	**99**	11	0.056	**169**	16	0.054	**239**	20	0.050	**309**	25	0.051	**379**	29	0.050
30	5	0.063	**100**	11	0.056	**170**	16	0.053	**240**	20	0.050	**310**	25	0.051	**380**	29	0.050
31	5	0.061	**101**	11	0.055	**171**	16	0.053	**241**	21	0.053	**311**	25	0.051	**381**	30	0.052
32	5	0.059	**102**	11	0.055	**172**	16	0.053	**242**	21	0.053	**312**	25	0.051	**382**	30	0.052
33	5	0.057	**103**	11	0.054	**173**	16	0.053	**243**	21	0.053	**313**	25	0.051	**383**	30	0.052
34	5	0.055	**104**	11	0.054	**174**	16	0.052	**244**	21	0.052	**314**	25	0.051	**384**	30	0.052

35	5	0.054	**105**	11	0.053	**175**	16	0.052	**245**	21	0.052	**315**	25	0.050	**385**	30	0.051
36	5	0.052	**106**	11	0.053	**176**	16	0.052	**246**	21	0.052	**316**	25	0.050	**386**	30	0.051
37	5	0.051	**107**	11	0.052	**177**	16	0.051	**247**	21	0.052	**317**	25	0.050	**387**	30	0.051
38	6	0.065	**108**	11	0.052	**178**	16	0.051	**248**	21	0.052	**318**	26	0.052	**388**	30	0.051
39	6	0.063	**109**	11	0.051	**179**	16	0.051	**249**	21	0.051	**319**	26	0.052	**389**	30	0.051
40	6	0.061	**110**	11	0.051	**180**	16	0.050	**250**	21	0.051	**320**	26	0.052	**390**	30	0.051
41	6	0.060	**111**	11	0.050	**181**	16	0.050	**251**	21	0.051	**321**	26	0.052	**391**	30	0.051
42	6	0.058	**112**	12	0.056	**182**	17	0.054	**252**	21	0.051	**322**	26	0.052	**392**	30	0.051
43	6	0.057	**113**	12	0.055	**183**	17	0.054	**253**	21	0.051	**323**	26	0.052	**393**	30	0.050
44	6	0.055	**114**	12	0.055	**184**	17	0.053	**254**	21	0.050	**324**	26	0.051	**394**	30	0.050
45	6	0.054	**115**	12	0.054	**185**	17	0.053	**255**	21	0.050	**325**	26	0.051	**395**	30	0.050
46	6	0.053	**116**	12	0.054	**186**	17	0.053	**256**	22	0.053	**326**	26	0.051	**396**	31	0.052
47	6	0.052	**117**	12	0.054	**187**	17	0.052	**257**	22	0.053	**327**	26	0.051	**397**	31	0.052
48	6	0.051	**118**	12	0.053	**188**	17	0.052	**258**	22	0.053	**328**	26	0.051	**398**	31	0.052
49	7	0.062	**119**	12	0.053	**189**	17	0.052	**259**	22	0.052	**329**	26	0.051	**399**	31	0.052
50	7	0.061	**120**	12	0.052	**190**	17	0.052	**260**	22	0.052	**330**	26	0.050	**400**	31	0.052
51	7	0.059	**121**	12	0.052	**191**	17	0.051	**261**	22	0.052	**331**	26	0.050	**401**	31	0.051
52	7	0.058	**122**	12	0.051	**192**	17	0.051	**262**	22	0.052	**332**	26	0.050	**402**	31	0.051
53	7	0.057	**123**	12	0.051	**193**	17	0.051	**263**	22	0.052	**333**	27	0.052	**403**	31	0.051
54	7	0.056	**124**	12	0.050	**194**	17	0.051	**264**	22	0.051	**334**	27	0.052	**404**	31	0.051
55	7	0.055	**125**	13	0.056	**195**	17	0.050	**265**	22	0.051	**335**	27	0.052	**405**	31	0.051
56	7	0.054	**126**	13	0.055	**196**	17	0.050	**266**	22	0.051	**336**	27	0.052	**406**	31	0.051
57	7	0.053	**127**	13	0.055	**197**	18	0.054	**267**	22	0.051	**337**	27	0.052	**407**	31	0.051
58	7	0.052	**128**	13	0.054	**198**	18	0.053	**268**	22	0.051	**338**	27	0.052	**408**	31	0.050
59	7	0.051	**129**	13	0.054	**199**	18	0.053	**269**	22	0.050	**339**	27	0.051	**409**	31	0.050
60	7	0.050	**130**	13	0.053	**200**	18	0.053	**270**	22	0.050	**340**	27	0.051	**410**	31	0.050
61	8	0.060	**131**	13	0.053	**201**	18	0.052	**271**	23	0.053	**341**	27	0.051	**411**	31	0.050
62	8	0.059	**132**	13	0.053	**202**	18	0.052	**272**	23	0.053	**342**	27	0.051	**412**	32	0.052
63	8	0.058	**133**	13	0.052	**203**	18	0.052	**273**	23	0.052	**343**	27	0.051	**413**	32	0.052
64	8	0.057	**134**	13	0.052	**204**	18	0.052	**274**	23	0.052	**344**	27	0.051	**414**	32	0.052
65	8	0.056	**135**	13	0.051	**205**	18	0.051	**275**	23	0.052	**345**	27	0.051	**415**	32	0.052
66	8	0.055	**136**	13	0.051	**206**	18	0.051	**276**	23	0.052	**346**	27	0.050	**416**	32	0.051
67	8	0.054	**137**	13	0.051	**207**	18	0.051	**277**	23	0.052	**347**	27	0.050	**417**	32	0.051
68	8	0.053	**138**	13	0.050	**208**	18	0.051	**278**	23	0.052	**348**	27	0.050	**418**	32	0.051
69	8	0.053	**139**	14	0.055	**209**	18	0.050	**279**	23	0.051	**349**	28	0.052	**419**	32	0.051
70	8	0.052	**140**	14	0.055	**210**	18	0.050	**280**	23	0.051	**350**	28	0.052	**420**	32	0.051

9. LIMITATIONS

9.1 **SBC-11STATE** will not be excused from payment of liquidated damages, as calculated by the rules set forth herein, on any grounds, except as provided in Sections 9.2 and 9.3 and 10.6. Any dispute regarding whether a **SBC-11TATE** performance failure is excused under that paragraph will be resolved, through negotiation, through a dispute resolution proceeding under applicable Commission rules or, if the parties agree, through commercial arbitration with the American Arbitration Association.

9.2 **SBC-11STATE** shall not be obligated to pay liquidated damages or assessments for noncompliance with a performance measurement to the extent that such noncompliance was the result of actions or events beyond **SBC-11STATE**'s control, including but not limited to the following: (i) a Force Majeure event; (ii) an act or omission by a CLEC that is contrary to any of its obligations under its interconnection agreement with **SBC-11STATE** or law; (iii) environmental events beyond **SBC-11STATE**'s control even though not considered "Force Majeure"; (iv) problems associated with third-party systems or equipment which could not be avoided **SBC-11STATE** through the exercise of reasonable diligence, regardless of whether or not such third-party systems or equipment were sold to or otherwise being provided to **SBC-11STATE** and (v) delays or other problems resulting from actions of a Service Bureau Provider acting on the CLEC's behalf for connection to SBC-LEC's OSS, including Service Bureau Provider processes, services, systems or connectivity.

9.3 If a Delaying Event (i) prevents a Party from performing an activity, then such activity will be excluded from the calculation of **SBC-11STATE**'s compliance with the Performance Criteria, or (ii) only suspends **SBC-11STATE**'s ability to timely perform the activity, the applicable time frame in which **SBC-11STATE**'s compliance with the Performance Criteria is measured will be extended on an hour-for-hour or day-for-day basis, as applicable, equal to the duration of the Delaying Event.

10. RECORDS AND REPORTS

10.1 **SBC-11STATE** will not levy a separate charge for provision of the data to CLEC called for under this Appendix. Notwithstanding other provisions of this Agreement, the Parties agree that such data and associated records will be deemed Proprietary Information.

10.2 Reports are to be made available to the CLEC by the 20th day following the close of the calendar month. If the 20th day falls on a weekend or holiday, the reports will be made available the next business day.

10.3 CLEC will have access to monthly reports through an interactive Website.

10.4 **SBC-11STATE** will provide billing credits for the associated liquidated damages on or before the 30th day following the due date of the performance report for the month in which the obligation arose.

10.5 The measurement data herein shall be collected, reported and used to calculate payments or penalties on a per CLEC operating entity basis. The results of multiple CLEC affiliates shall not be combined for any purpose under this Appendix.

10.6 **SBC-11STATE** will not pay liquidated damages in excess of the monthly maximum amounts listed in the table below. These thresholds are based on the aggregate damages to all CLECs in the designated state.

State	Monthly Maximum
Arkansas	$.072M
Connecticut	$.168M
Illinois	$.51M
Indiana	$.165M
Kansas	$.101M
Michigan	$.392M
Missouri	$.189M
Ohio	$.296M
Oklahoma	$.120M
Texas	$.713M
Wisconsin	$.158M

11. AUDITS

11.1 CLEC and **SBC-11STATE** will consult with one another and attempt in good faith to resolve any issues regarding the accuracy or integrity of data collected, generated, and reported pursuant to this Appendix. In the event that CLEC requests such consultation and the issues raised by CLEC have not been resolved within 30 days after CLEC's request for consultation, then **SBC-11STATE** will allow CLEC to commence a mini-audit, at CLEC's expense, upon providing **SBC-11STATE** 5 days advance written notice (including e-mail).

11.2 CLEC is limited to auditing three (3) single measures/submeasures during the year (hereafter, "Mini-Audits"). No more than three (3) Mini-Audits will be conducted simultaneously for all CLECs, unless more than one CLEC wants the same measure/sub-measure audited at the same time, in which case, Mini-Audits of the same measure/submeasure shall count as one Mini-Audit for the purposes of this paragraph only.

11.3 CLEC will bear the expense of the mini-audits, unless **SBC-11STATE** is found to be "materially" misreporting or misrepresenting data or to have non-compliant procedures, in which case, **SBC-11STATE** will pay for the costs of the third party auditor. "Materially" at fault means that a reported successful measure changes as a consequence of the audit to a missed measure, or there is a change from an ordinary missed measure to another category, if such exists. Each party to the mini-audit shall bear its own internal costs, regardless of which party ultimately bears the costs of the third party auditor. The major service categories are listed below:

Pre-Ordering/Ordering
Provisioning
Maintenance
Interconnection
Coordinated Conversions
Collocation
Billing

12. INITIAL IMPLEMENTATION

12.1 The Parties agree that none of the liquidated damages provisions set forth in this Appendix will apply during the first three months after first purchases of a new type of service or unbundled network element(s) associated with a particular Performance Measurement or after the introduction of a new measure. During this three-month period the Parties agree to consider in good faith any adjustments that may be warranted to the Performance Criteria for that Performance Measurement.

13. PERFORMANCE MEASUREMENTS

13.1 **SBC-11STATE** will provide Performance Measurements under this Agreement, in accordance with the Business Rules and associated implementation timelines contained in paragraphs 23 and 24 of the FCC Merger Conditions, and its associated Attachments. Except as otherwise provided herein, the Performance Measure Business Rules contained in the FCC Merger Conditions, including any subsequent additions, modifications and/or deletions to the Business Rules adopted pursuant to FCC Merger Conditions, Attachment A, paragraph 4, shall also be incorporated into this Agreement by reference. As provided in Section 6.1 herein, liquidated damages apply to available, non-diagnostic measurements of the FCC Merger Conditions, when **SBC-11STATE** delivers non-compliant performance as defined in 3.1.3. **SBC-11STATE** will also report results for any measurements that have been ordered by the state commission that approved this agreement, although liquidated damages shall not apply to such measurements. **SBC-11STATE** performance shall be measured by the Business Rules in effect on the first date of each month in which the activity subject to measurement occurred.

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

ILLINOIS BELL TELEPHONE COMPANY	)	
(Ameritech Illinois)	)	
and Cat Communications International, Inc.	)	**02 - _____**
	)	
Joint Petition for Approval of Negotiated	)	
Interconnection Agreement dated July 30, 2002,	)	
pursuant to 47 U.S.C. §§ 252 (a)(1) and 252(e)	)	

STATEMENT IN SUPPORT OF JOINT PETITION FOR APPROVAL

I, Eric Larsen, am Director-Negotiations for Ameritech Services, Inc./Illinois Bell Telephone Company Industry Markets, and submit this Statement in Support of the Joint Petition for Approval of a Negotiated Interconnection Agreement between Cat Communications International, Inc. and Ameritech Illinois.

The attached interconnection agreement (the "Agreement") between Illinois Bell Telephone Company ("Ameritech Illinois") and Cat Communications International, Inc. ("CAT") was reached through voluntary negotiations between the parties. Accordingly, Ameritech Illinois and CAT requests approval pursuant to Sections 252(a)(1) and 252(e) of the Telecommunications Act of 1996 (sometimes referred to as the "Act").

In accordance with Sections 251 and 252 of the Act, the parties engaged in good faith negotiations and agreement was reached on July 30, 2002. The Agreement expires September 29, 2003 and establishes the financial and operational terms for: the physical interconnection between Ameritech Illinois' and CAT' networks based on mutual unbundled access to Ameritech Illinois' network elements, including Ameritech Illinois' operations support systems functions; collocation; resale; and a variety of other business relationships. Absent the receipt by one Party of written notice from the other Party at least within 180 days prior to the expiration of the Term to the effect that such Party does not intend to extend the Term, this Agreement shall remain in full force and effect on and after the expiration of the Term until terminated by either Party. The key provisions of the Agreement are summarized as follows:

Access to Rights-of Way – Section 251(b)(4)

Ameritech shall provide to CAT access to Poles, Conduits and Rights of Ways pursuant to the applicable Appendix ROW.

Collocation – Section 251(c)(6)

Collocation will be provided pursuant to the applicable Appendix Collocation.

Database Access

Ameritech shall provide CAT nondiscriminatory access to databases and associated signaling necessary for call routing and completion pursuant to the applicable Appendix UNE.

Interconnection pursuant to Section 251(c)(2)(A), (B), and (C): 47CFR §51.305(a)(1)

Ameritech shall provide to CAT Interconnection of the Parties' facilities and equipment for the transmission and routing of Telephone Exchange Service traffic and Exchange Access traffic pursuant to the applicable Appendix ITR.

Number Portability – Section 251(b)(2)

The Parties shall provide to each other Permanent Number Portability (PNP) on a reciprocal basis as outlined in the applicable Appendix Number Portability.

Other Services

- 911 and E911 Services, Ameritech will make nondiscriminatory access to 911 and E911 services available under the terms and conditions of the applicable Appendix 911.
- AIN, Ameritech will provide CAT with access to Advanced Intelligent Network (AIN) platform, AIN Service Creation Environment (SCE) and AIN Service Management System (SMS) based upon ILEC-specific rates, terms, conditions and means of access to be negotiated by the Parties.
- Directory Assistance (DA), Ameritech will provide nondiscriminatory access to DA services under the terms and conditions identified in the applicable Appendix DA.
- Operator Services (OS), Ameritech shall provide nondiscriminatory access to Operator Services under the terms and conditions identified in the applicable Appendix OS.
- Signaling System 7 Interconnection, Ameritech shall perform SS7 interconnection services for CLEC pursuant to the applicable Appendix SS7
- Resale, Ameritech shall provide to CAT Communication Services for resale at wholesale rates pursuant to the applicable Appendix Resale.
- Transmission and Routing of Switched Access Traffic, Ameritech shall provide to CAT certain trunk groups (Meet Point Trunks) under certain parameters pursuant to the applicable Appendix ITR.
- Transmission and Routing of Telephone Exchange Service Traffic, pursuant to applicable Appendix Compensation.
- Unbundled Network Elements, CAT agrees to provide Ameritech with those services as required by Section 251(b) and/or 251(c) of the Act, if applicable.

Under Sections 252(e)(1) and (2) of the Act, the Commission may reject the Agreement only if the Agreement or a portion thereof "... discriminates against a telecommunications carrier not a party to the agreement" or "... implementation of such agreement or portion is not consistent with the public interest, convenience, and necessity". Because the Agreement is the product of voluntary negotiation, it does not have to comply with the standards set forth in Sections 251(b) and (c), thus rendering inapplicable the pricing standards set forth in Section 252(d).

The Agreement is not discriminatory. Ameritech Illinois will make this Agreement available to any other telecommunications carrier operating within Ameritech Illinois' service territory. Other telecommunications carriers can negotiate their own arrangements pursuant to the applicable provisions of the Act.

The Agreement is the product of good faith, arms-length negotiations between competitors. Overall, the Agreement is acceptable to both parties and it shows that two carriers, negotiating in good faith under the terms of the Act, can arrive at a mutually beneficial business arrangement that overall meets their individual business interests and furthers the cause of competition in the local exchange market. This is precisely the process Congress envisioned in crafting the Act. See S. Rep. No. 23, 104th Cong., 1st Sess. at p. 19 ("The Committee intends to encourage private negotiation of interconnection agreements.") (The Conference Committee on the Telecommunications Act of 1996 receded to the Senate on Sections 252 (a) and (b), see Joint Explanatory Statement of the Committee of Conference at p. 125).

The Agreement is consistent with the public interest, convenience and necessity. It is a comprehensive agreement that tailors the interconnection and service arrangements previously approved by the Commission for competition to meet the individual needs of the parties and thereby will promote competition for data and transport services. The Agreement will enhance CAT' ability to quickly begin providing residential and business subscribers in Ameritech Illinois' service territory with a competitive alternative for their data and transport services. Under the Agreement, customers will be able to choose CAT instead of Ameritech Illinois for these services.

The Agreement meets all the requirements of the Act and the Commission should approve it.

ILLINOIS
COMMERCE COMMISSION

AUG 19 2 32 PM '02

CHIEF CLERK'S OFFICE

STATE OF ILLINOIS)
)
COUNTY OF Cook)

VERIFICATION

Eric Larsen, being duly sworn, states on oath that he is Director - Negotiations for Southwestern Bell Telephone Company/Illinois Bell Telephone Company Negotiations and Interconnection, and that the facts stated in the foregoing Joint Petition for Approval of Negotiated Agreement and Statement in Support of Joint Petition for Approval are true and correct to the best of his knowledge, information and belief.

Eric Larsen

Subscribed and sworn to before me this 24 day of January, 2002.

Earlyne M. Berry
Notary Public

OFFICIAL SEAL
EARLYNE M BERRY
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES: 10/03/04

CLEC Name and State(s)
Type of Agreement

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

ILLINOIS BELL TELEPHONE COMPANY (Ameritech Illinois) and CAT COMMUNICATIONS, INC. (CAT COMMUNICATIONS)	)
	) 02-0537
Joint Petition for Approval of Negotiated Interconnection Agreement dated July 30, 2002, pursuant to 47 U.S.C. §252	)

VERIFIED STATEMENT OF A. OLUSANJO OMONIYI

My name is A. Olusanjo Omoniyi and I am employed by the Illinois Commerce Commission as a Policy Analyst in the Telecommunications Division. I graduated from Southern Illinois University at Carbondale with a Bachelor of Arts degree in Cinema & Photography and Bachelor of Science degree in Radio-Television in 1987. In 1990, I obtained a Master of Arts degree in Telecommunications and a Juris Doctor in 1994 also from Southern Illinois University at Carbondale. Among my duties as a Policy Analyst is to review negotiated agreements and provide a recommendation as to their approval.

SYNOPSIS OF THE AGREEMENT

The instant negotiated agreement between ILLINOIS BELL TELEPHONE COMPANY ("AMERITECH ILLINOIS" or "Carrier") and CAT COMMUNICATIONS, INC. ("CAT COMMUNICATIONS" or "Requesting Carrier"), dated July 30, 2002 expires on September 29, 2003. Also, the agreement establishes the financial and operational terms for: the physical interconnection between AMERITECH ILLINOIS and CAT COMMUNICATIONS' networks on access to rights of way and databases; unbundled access to AMERITECH ILLINOIS' network elements, including AMERITECH ILLINOIS'

operations support systems functions; collocation; number portability; resale; and a variety of other business relationships. Absent the receipt by one party of written notice from the other party at least within 180 days prior to the expiration of the Term to the effect that such party does not intend to extend the Term, this Agreement shall automatically be renewed for additional one (1) year periods ("renewal term").

The purpose of my verified statement is to examine the agreement based on the standards enunciated in section 252(e)(2)(A) of the 1996 Act. Specifically, this section states that:

> The State commission may only reject an agreement (or any portion thereof) adopted by negotiation under subsection (a) if it finds that :
> (i) the agreement (or portion thereof) discriminates against a telecommunications carrier not a party to the agreement; or
> (ii) the implementation of such agreement or portion is not consistent with the public interest, convenience, and necessity.

Also, under authority granted the Commission by Section 252(e)(3) of the 1996 Telecom Act, this agreement has been reviewed for consistency with the requirements of the Illinois PUA and regulations, rules and orders adopted pursuant thereof.

I APPROVAL UNDER SECTION 252(e)

A. DISCRIMINATION

The first issue that must be addressed by the Commission in approving or rejecting a negotiated agreement under Section 252(e)(2)(A) is whether it discriminates against a telecommunications carrier that is not a party to the agreement. Discrimination is generally defined as giving preferential treatment to the requesting carrier to the detriment of a telecommunications carrier that is not a party to the agreement. In previous dockets, Staff has taken the position that in order to determine

if a negotiated agreement is discriminatory, the Commission should determine if all similarly situated carriers are allowed to purchase the service under the same terms and conditions as provided in the agreement. I recommend that the Commission use the same approach when evaluating this negotiated agreement.

A carrier should be deemed to be similarly situated to CAT COMMUNICATIONS for purposes of this agreement if telecommunications traffic is exchanged between such carrier and AMERITECH ILLINOIS for termination on each other's networks and if such carrier imposes costs on AMERITECH ILLINOIS that are no higher than the costs imposed by CAT COMMUNICATIONS. If a similarly situated carrier is allowed to purchase the service(s) under the same terms and conditions as provided in this contract, then this contract should not be considered discriminatory. Evaluating the term discrimination in this manner is consistent with the economic theory of discrimination. Economic theory defines discrimination as the practice of charging different prices (or the same prices) for various units of a single product when the price differences (or same prices) are not justified by cost. See, Dolan, Edwin G. and David E. Lindsey, Microeconomics, 6th Edition, The Dryden Press, Orlando, FL (1991) at pg. 586. Since Section 252(i) of the 1996 Act allows similarly situated carriers to enter into essentially the same contract, this agreement should not be deemed discriminatory.

B. PUBLIC INTEREST

The second issue that needs to be addressed by the Commission in approving or rejecting a negotiated agreement under Section 252(e)(2)(A) is whether it is contrary to the public interest, convenience, and necessity. I recommend that the Commission

examine the agreement on the basis of economic efficiency, equity, past Commission orders, and state and federal law to determine if the agreement is consistent with the public interest.

In previous dockets, Staff took the position that negotiated agreements should be considered economically efficient if the services are priced at or above their Long Run Service Incremental Costs ("LRSICs"). Requiring that a service be priced at or above its LRSIC ensures that the service is not being subsidized and complies with the Commission's pricing policy. All of the services in this agreement are priced at or above their respective LRSICs. Therefore, this agreement should not be considered economically inefficient.

Nothing in this agreement leads me to the conclusion that the agreement is inequitable, inconsistent with past Commission Orders, or in violation of state or federal law. Therefore, I recommend that the Commission approve this agreement.

II IMPLEMENTATION

In order to implement the AMERITECH ILLINOIS-CAT COMMUNICATIONS Agreement, the Commission should require AMERITECH ILLINOIS to, within five (5) days from the date the agreement is approved, modify its tariffs to reference the negotiated agreement for each service. Such a requirement is consistent with the Commission's Orders in previous negotiated agreement dockets and allows interested parties access to the agreement. The following sections of AMERITECH ILLINOIS' tariffs should reference the AMERITECH ILLINOIS-CAT COMMUNICATIONS Agreement: Agreements with Telecommunications Carriers (ICC No. 21 Section 19.15).

Also, in order to assure that the implementation of the Agreement is in public interest, AMERITECH ILLINOIS should implement the Agreement by filing a verified statement with the Chief Clerk of the Commission, within five (5) days of approval by the Commission, that the approved Agreement is the same as the Agreement filed in this docket with the verified petition; the Chief Clerk should place the Agreement on the Commission's web site under Interconnection Agreements.

For the reasons enumerated above, I recommend that the Commission approve this agreement pursuant to Section 252(e) of the Telecommunications Act of 1996.

VERIFICATION

STATE OF ILLINOIS)
) SS
COUNTY OF SANGAMON)

I, A. Olusanjo Omoniyi, do on oath depose and state that if called as a witness herein, I would testify to the facts contained in the foregoing document based upon personal knowledge.

SIGNED AND SWORN TO BEFORE ME THIS 4th DAY OF September, 2002.

NOTARY PUBLIC

OFFICIAL SEAL
FRANCES J ADCOCK
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES:08/26/04

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Bell Telephone Company	:	
(Ameritech Illinois) and	:	
CAT Communications International, Inc.	:	**02-0537**
	:	
Joint Petition for Approval of Negotiated	:	
Interconnection Agreement dated	:	
July 30, 2002, pursuant to 47 U.S.C. § 252.	:	

ORDER

By the Commission:

I. PRELIMINARY MATTERS

On August 15, 2002, Illinois Bell Telephone Company ("Ameritech Illinois") and CAT Communications International, Inc. ("CAT"), filed a joint request for approval of the Negotiated Interconnection Agreement dated July 30, 2002 ("Agreement"), under Sections 252(a)(1) and (e) of the Telecommunications Act of 1996 (47 U.S.C. 151, et seq.) (the "Act"). The Agreement was submitted with the request. In addition, a Statement in Support of the request was submitted by Eric Larsen on behalf of Ameritech Illinois and a verification stating that the facts contained in the request for approval are true and correct was submitted by Patricia Spencer, on behalf of CAT.

Pursuant to notice as required by law and the rules and regulations of the Commission, this matter came on for hearing by a duly authorized Administrative Law Judge of the Commission at its offices in Chicago, Illinois, on September 5, 2002. Staff filed the Verified Statement of A. Olusanjo Omoniyi of the Commission's Telecommunications Division, which was admitted into evidence. Mr. Omoniyi recommended the approval of the Agreement. At the hearing, Staff and Ameritech appeared and agreed that there were no unresolved issues in this proceeding, and the record was marked "Heard and Taken."

II. SECTION 252 OF THE TELECOMMUNICATIONS ACT

Section 252(a)(1) of the Telecommunications Act allows parties to enter into negotiated agreements regarding requests for interconnection, services or network elements pursuant to Section 251. Ameritech Illinois and CAT have negotiated such an agreement and submitted it for approval herein.

Section 252(e)(1) of the Act provides, in part, that "[a]ny interconnection agreement adopted by negotiation ... shall be submitted for approval to the State Commission." Section 252(e)(1) further provides that a State Commission to which such

an agreement is submitted "shall approve or reject the agreement, with written findings as to any deficiencies." Section 252(e)(2) provides that the State Commission may only reject the negotiated agreement if it finds that "the agreement (or portion thereof) discriminates against a telecommunications carrier not a party to the agreement" or that "the implementation of such agreement (or portion thereof) is not consistent with the public interest, convenience, and necessity."

Section 252(e)(4) provides that the agreement shall be deemed approved if the State Commission fails to act within 90 days after submission by the parties. This provision further states that "[n]o State court shall have jurisdiction to review the action of a State Commission in approving or rejecting an agreement under this section." Section 252(e)(5) provides for preemption by the Federal Communications Commission if a State Commission fails to carry out its responsibility and Section 262(e)(6) provides that any party aggrieved by a State Commission's determination on a negotiated agreement may bring an action in an appropriate Federal district court.

Section 252(h) requires a State Commission to make a copy of each agreement approved under subsection (3) "available for public inspection and copying within 10 days after the agreement or statement is approved."

Section 252(i) requires a local exchange carrier to "make available any interconnection, service, or network element provided under an agreement approved under this section to which it is a party to any other requesting telecommunications carrier upon the same terms and conditions as those provided in the agreement."

III. THE AGREEMENT

This Agreement establishes the financial and operational terms for the physical interconnection between Ameritech Illinois and CAT networks on access to rights of way and databases; unbundled access to Ameritech's network elements, including Ameritech's operations support systems function; collocation; number portability; resale; and a variety of other business relationships.

IV. POSITIONS OF THE PARTIES

No party contended that this Agreement is discriminatory or contrary to the public interest. Staff recommended that the Agreement be approved by the Commission, for the reasons set forth in the Verified Statement of Mr. Omoniyi. There are no contested issues in this docket.

V. FINDINGS AND ORDERING PARAGRAPHS

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

(1) Ameritech Illinois and CAT are telecommunications carriers as defined in Section 13-202 of the Public Utilities Act;

(2) Ameritech Illinois and CAT have entered into an Agreement dated July 30, 2002, which was submitted to the Commission for approval under Section 252(e) of the Telecommunications Act of 1996;

(3) the Commission has jurisdiction of the parties hereto and the subject matter hereof;

(4) the recitals of fact and conclusions reached in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact;

(5) the Agreement between Ameritech Illinois and CAT does not discriminate against a telecommunications carrier not a party to the Agreement;

(6) in order to assure that the Agreement is in the public interest, Ameritech Illinois should implement the Agreement by filing a verified statement with the Chief Clerk of the Commission, within five (5) days of approval by the Commission, that the approved Agreement is the same as the Agreement filed in this docket with the verified petition; the Chief Clerk should place the Agreement on the Commission's web site under Interconnection Agreements;

(7) Ameritech Illinois should also place replacement sheets in its tariffs at the following location: Ill.C.C. No. 21 Section 19.15;

(8) the Agreement should be approved as hereinafter set forth;

(9) approval of the Agreement does not have any precedential effect on any future negotiated agreements or Commission Orders.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the Agreement dated July 30, 2002 between Ameritech Illinois and CAT is approved pursuant to Section 252(e) of the Telecommunications Act of 1996.

IT IS FURTHER ORDERED that Ameritech Illinois shall comply with Findings (6) and (7) of this Order within five days of the date of this Order.

IT IS FURTHER ORDERED that this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 25th day of September, 2002.

(SIGNED) KEVIN K. WRIGHT

Chairman