NOTE: The summary below associated with AT&T-13STATE's[1] general policies as to MFN, its in and out-of-region porting requirements as to Illinois and the availability of tariff provisions in Illinois was posted to this website as a result of a commitment made by AT&T Illinois in the context of its Illinois 271 proceeding (but was subject to modification as a result of government actions which impacted AT&T-13STATE's obligations and associated positions in this regard).

This is to advise that on May 24, 2002, the D.C. Circuit issued its decision in *USTA v. FCC*, 290 F.3d 415 (D.C. Cir. 2002) ("*USTA I*"), in which the Court vacated and remanded the FCC's UNE Remand and Line Sharing Orders in accordance with the decision. On remand, the FCC released its *Triennial Review Order* ("*TRO*"), adopting new unbundling rules. On appeal of the *TRO*, the D.C. Circuit issued its decision in *USTA v. FCC*, 359 F.3d 554 (D.C. Cir. 2004) ("*USTA II*") on March 2, 2004, in which the D.C. Circuit vacated and remanded the FCC's rules relating to the unbundling of local switching (effectively eliminating the requirement to offer the UNE-P), dedicated transport, enterprise market loops and enhanced extended loops ("EELs"). The *USTA II* mandate issued on June 16, 2004.

On August 20, 2004, the FCC released its Order and Notice of Proposed Rulemaking (FCC 04-179), in WC Docket No. 04-313 and CC Docket No. 01-338 ("FCC Interim Order"), in which the FCC found that for an interim period (the date that is the earlier of six months from publication of the interim order in the Federal Register or the effective date of final rules), ILECs must continue to provide mass-market switching, enterprise market loops and dedicated transport to CLECs under the rates, terms and conditions set forth in the ILEC's interconnection agreements on June 15, 2004. In its Interim Order, the FCC found that during this interim period, CLECs may not adopt contract provisions "frozen" in place by the FCC's interim approach. The FCC found that "the fundamental thrust of the interim relief...is to maintain the *status quo* in certain respects without expanding unbundling beyond that which was in place on June 15, 2004." *See* ¶22. Furthermore, the FCC stated: "by freezing in place carriers' obligations as they stood on June 15, 2004, we are in many ways preserving contract terms that *predate* the vacated rules. Moreover, if the vacated rules were still in place, competing carriers could expand their contractual rights by seeking arbitration of new contracts, or by opting into other carriers' new contracts. The interim approach adopted here, in contrast, does not enable competing carriers to do either." *See* ¶23. The FCC's Interim Order was published in the Federal Register and became effective on September 13, 2004. Also, on July 13, 2004, the FCC issued its Second Report and Order, CC Docket No. 01-338 (FCC 04-163) ("MFN Order"), in which the FCC eliminated its "pick and choose" MFN rule and in its place adopted its new "all or nothing" rule. Under the FCC's all-or-nothing rule, a requesting carrier may only adopt an effective interconnection agreement in its entirety, taking all rates, terms and conditions of the adopted agreement. See 47 C.F.R. §51.809. The FCC found that its new "all or nothing" rule applies to all effective interconnection agreements, including those approved and in effect before the date the new rule went into effect. The FCC's new rule, 47 C.F.R. § 51.809, became effective on August 23, 2004.

On February 4, 2005, the FCC released its Order on Remand (FCC 04-290) and implementing rules WC Docket No. 04-312 and CC Docket No. 01-338 (rel. Feb. 4, 2005) ("TRO Remand

[1] The AT&T-13STATE ILECs previously operated under d/b/a's that had "SBC" instead of "AT&T" in the d/b/a names and previously, were collectively referred to as "SBC-13STATE."

Order") and found that its final rules would become effective March 11, 2005. In its TRO Remand Order and rules, the FCC found ILECs have no obligation to provide unbundled access (whether alone or in combination) to dark fiber loops; (2) ILECs have no obligation to provide unbundled access (whether alone or in combination) to DS1 and DS3 loops in any building served by a wire center that meets the specified threshold number of both business lines and fiber-based collocators, subject also to certain caps, *see* 47 C.F.R. § 51.319(a)(4), (a)(5); and (3) ILECs have no obligation to provide unbundled access (whether alone or in combination) to DS1, DS3 and Dark Fiber Dedicated Transport on routes connecting a pair of wire centers that both meet the specified threshold number of business lines or fiber-based collocators, subject, again, to certain caps, *see* 47 C.F.R. § 51.319(e)(2)(ii), (iii), (iv). The FCC also concluded in its TRRO that, effective March 11, 2005, ILECs have no obligation to provide unbundled access to local circuit switching to serve mass market customers, whether alone, in combination (as with UNE-P), or otherwise. *See* 47 C.F.R. § 51.319(d)(2). In those situations where the FCC found that an ILEC has no obligation to unbundle a network element, the FCC established certain transitional mechanisms and pricing for a CLEC's embedded base. In light of the FCC's MFN Order, CLECs must adopt an entire agreement and cannot adopt an agreement in pieceparts. Under the FCC's Interim Order and subsequent TRO Remand Order, CLECs cannot adopt an agreement containing UNE provisions which do not reflect current controlling federal law. Any reference to the UNE-P in the example(s) below should not in any way be construed to be a waiver of AT&T-13STATE's rights under the USTA II decision, the TRO Remand Order, or any other relevant government actions), which AT&T-13STATE hereby fully reserves.

Likewise, recent federal Court of Appeals decisions have concluded that an incumbent local exchange carrier (ILEC) cannot be required by a state to tariff the terms and conditions of its wholesale offerings that are required pursuant to § 251 of the Telecommunications Act of 1996.[2] Rather, these courts have found that the terms and conditions for such elements and services are properly subject to the negotiation and arbitration requirements of 47 U.S.C. §§ 251-252. In accordance with this decision, and in an effort to simplify its wholesale offerings consistent with its obligations under federal law, AT&T Illinois has initiated the withdrawal of its wholesale tariffs associated with UNEs, Interconnection, Collocation and Resale and certain other network elements, products and/or services in Illinois.

Finally, in continuing to leave posted these general policies below pursuant to AT&T-13STATE's prior commitment (which were prepared prior to the aforementioned government actions and other relevant government actions), AT&T-13STATE does not waive, but instead fully reserves, all of its rights, remedies, and arguments including, without limitation, with respect to the aforementioned government actions and any and all other relevant government actions which relate to the matters addressed herein, including, but not limited to, its intervening law rights and any appellate rights and equitable remedies.

I. AT&T 13-State General MFN Policy:

AT&T-13STATE will make available to any requesting carrier any individual interconnection, service or network element arrangement provided under an agreement approved by a state regulatory commission under Section 252 of the Act to which it is a party, for use in that same state, upon the same rates, terms and conditions as those provided in the agreement in

[2] See. *Verizon North, Inc. vs. Strand, et al*., 367 F.3d 577 (6th Cir. 2004); *Wisconsin Bell, Inc. vs. Bie, et al.,* 340 F.3d 441 (7th Cir. 2003), and *Verizon North, Inc. vs. Strand, et al*., 309 F.3d 935 (6th Cir. 2002).

accordance with Section 252(i) of the Act, as that Section has been interpreted by the FCC in its First Report and Order, FCC Rule 51.809, and the United States Supreme Court in AT&T Corp. v. Iowa Utilities Bd., 119 S. CT. 721 (1999), along with any other past of future relevant decision(s) by a state or federal regulatory or legislative body or court of competent jurisdiction.

II. AT&T Illinois - Illinois-specific In and Out-of-Region Porting Requirement:

In addition, in Illinois, pursuant to 220 ILCS 5/13-801(b) ("IL Law") and Condition 27 of the SBC/Ameritech Merger Order issued by the Illinois Commerce Commission in Docket No. 98-0555 ("Condition 27"), for long as such IL Law and /or Condition 27 remain in effect, AT&T Illinois will make available to any requesting telecommunications carrier in Illinois, to the extent technically feasible, those services, facilities, or interconnection agreements or arrangements that AT&T Illinois or any of its incumbent local exchange subsidiaries or affiliates offers in another state under the terms and conditions, but not the stated rates, negotiated pursuant to Section 252 of the Act, excluding any provisions imposed upon an AT&T ILEC (other than AT&T Illinois) in arbitration. In addition, AT&T Illinois will also make available to any requesting telecommunications carrier, to the extent technically feasible, and subject to the unbundling provisions of Section 251(d)(2) of the Act, those unbundled network element or interconnection agreements or arrangements that a local exchange carrier affiliate of AT&T Illinois obtains in another state from the incumbent local exchange carrier in that state, under the terms and conditions, but not the stated rates, obtained through negotiation, or through an arbitration initiated by the affiliate, pursuant to Section 252 of the Act. Pursuant to the IL Law and Condition 27, all rates are generally to be state-specific (to Illinois) and in connection with the IL Law, are to be established in accordance with the requirements of subsection (g) of such Law.

III. AT&T Illinois – Availability for Tariff Provisions

To the extent a CLEC may wish to operate under applicable rates, terms and conditions ("provisions") set forth in an effective Illinois tariff, then the Parties may agree to incorporate the relevant provisions of the tariff by reference into their Interconnection Agreement ("Agreement"), as such tariff may be modified from time to time. It is AT&T Illinois' position that an Agreement is a binding contract which generally sets forth all of the provisions under which the Parties have agreed to operate in Illinois. Therefore, for example, it would not be appropriate for a CLEC to elect to purchase and element, service or offering (e.g., a 2-wire analog UNE loop) from an effective tariff (e.g., to obtain more favorable or different rates, terms or conditions) in those instances where such element, service or offering (e.g., a 2-wire analog UNE loop) is available under the CLEC's Agreement with AT&T Illinois. Rather, except as otherwise agreed, in the event that a CLEC would like to obtain UNE-P's, for example, from an effective tariff, then it may request that the Parties amend their existing Agreement to incorporate, or include in an Agreement the Parties' are negotiating, language which provides that all of the relevant provisions relating to the desired subject-matter from the effective tariff are incorporated by reference into the Agreement (as such tariff may be modified from time to time). In the case of a CLEC with an existing Agreement, the Amendment incorporating the effective tariff provisions (e.g., UNE-P tariff provisions) into the Agreement would provide that such tariff provisions supersede and replace any corresponding provisions (i.e., UNE-P provisions) in the Parties' Agreement.