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BEFORE THE ARIZONA CORPORATION COMMISSION

CARL J. KUNASEK  
CHAIRMAN  
JIM IRVIN  
COMMISSIONER  
WILLIAM A. MUNDELL  
COMMISSIONER

Arizona Corporation Comm 2001 JUL 13 P 12: 59

DOCKETED

AZ CORP COMMISSION  
JUL 13 2001 DOCUMENT CONTROL

DOCKETED BY *[Signature]*

IN THE MATTER OF INVESTIGATION INTO ) DOCKET NO. T-0000A-00-0194  
U.S. WEST COMMUNICATION, INC.'S )  
COMPLIANCE WITH CERTAIN ) MEMORANDUM IN RESPONSE TO  
WHOLESALE PRICING REQUIREMENTS ) QWEST MOTION TO STRIKE  
FOR UNBUNDLED NETWORK ELEMENTS ) HAI MODEL  
AND RESALE DISCOUNTS. )

**I. INTRODUCTION**

Qwest's Motion to Strike the HAI Model misstates the availability of the information sought, fails to acknowledge Qwest's prior access to those materials, and overstates Qwest's need to review those materials in analyzing the HAI Model. The customer location information at issue in Qwest's motion has been used in the HAI Model for years. Qwest has had the opportunity to review and validate that information in prior proceedings. Qwest's last minute claim here that its failure to obtain the information to date in this proceeding "precludes a meaningful analysis" is simply untrue - Qwest can conduct a thorough evaluation of the HAI Model without the data it seeks. For these reasons, AT&T Communications of the Mountain States ("AT&T") and XO Arizona, Inc. request that Qwest's motion be denied.

**II. ARGUMENT**

**A. The Information Qwest Seeks Is Available.**

Qwest contends that the HAI Model must be stricken because information regarding customer locations and clusters used in the model is not available. Qwest quotes counsel for AT&T and XO as stating that "at this point in the proceeding, TNS [the third party vendor that

owns the information] will not provide Qwest with access to the data, regardless of whether Qwest can pay for it.” Qwest Brief at 3. This claim misquotes counsel and, more to the point, is false. The information Qwest seeks is available from TNS. The issue here is not whether the information can be obtained, but how long it will take to get the information and how much it will cost. TNS needs two to three weeks in the ordinary course to make the preparations necessary to allow review and analysis of the data requested. Obtaining the information more quickly would cause substantial additional expense. This means that the information cannot be made available at a reasonable cost before the hearing in this matter commences.

Given that the information Qwest seeks is available, there are three real issues that face the Commission. First, does Qwest need the information it has requested? Second, if Qwest does need the information, is the appropriate remedy here to strike the HAI Model, or should this matter simply be continued to allow Qwest to conduct whatever analysis it desires?<sup>1</sup> Finally, if Qwest is provided with time to conduct an analysis on the data, who should be required to pay the costs of Qwest’s examination?

AT&T and XO submit that Qwest has no need to review the information it seeks. Qwest has had every necessary opportunity to validate the workings of the HAI Model. Moreover, if a determination is made that Qwest should be permitted an opportunity to review the TNS data, the proper result is to vacate the hearing date and allow Qwest to review the materials at its own expense. Qwest’s inability to conduct a review of these materials before the hearing in this matter is the result of its own delay in requesting the information. Qwest’s motion should be denied.

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<sup>1</sup> This is the approach AT&T and XO agreed to follow in response to Qwest’s failure to provide the information necessary to allow any analysis of the switching costs Qwest proposed in this proceeding. Qwest apparently believes that other parties should comply with different standards than those that apply to Qwest.

**B. Qwest Has No Need to Review the Information it Has Requested.**

Qwest's claim that its failure to obtain customer location and cluster information prevents Qwest from validating the HAI Model is simply untrue. Qwest has sufficient information to test the model. Moreover, it has reviewed and analyzed the data and processes used by TNS in prior proceedings. These analyses have provided Qwest adequate opportunity to assess for itself the validity of the data underlying the model.

Understanding Qwest's allegations here requires a correct description of the basic data used in the HAI Model, how the data are developed, and what parties are responsible for each state of this development.

Because HAI 5.2a has the goal of modeling a distribution plant that is as precisely and efficiently engineered as possible to the actual locations at which customers desire telephone service, HAI uses as an input the best possible latitude and longitude data on these precise customer locations. The latitude and longitude specifications of customer geographical locations are called "geocodes." TNS provides these geocodes by converting commercially available direct mail address lists from Metromail and Dunn & Bradstreet. Essentially, TNS determines the latitude and longitude of each customer address by processing the address through commercially available geocoding software.

Geocoded information for a certain percentage of the customer locations located in any given census block is typically unavailable, because, for example, the direct mail databases are incomplete. For those customers, the HAI model uses "surrogate" geocodes that are uniformly distributed along roads within the census block in which the surrogate geocodes are located. Both the actual geocoded locations and the surrogate locations are then mapped to an existing

Qwest serving wire center. The data is then clustered by TNS and data regarding the clusters is then provided to AT&T for inclusion in the input data used directly in the HAI Model.

Qwest argues that it needs the underlying TNS customer location data because without it, Qwest cannot perform any “meaningful analysis of whether the HAI Model builds enough network plant and includes enough network-related investment to serve the customers in Arizona.” Qwest Motion at 4. Qwest’s contention is incorrect. Qwest has readily available information to test the extent to which the HAI Model includes sufficient network plant. For example, in the prior cost proceeding, Qwest provided the Commission with information regarding the actual route miles of distribution cable in its network, as well as the route miles assumed by its own cost model. Qwest compared those figures to the amount of plant modeled by the Hatfield Model 2.2.2. and argued that the model did not build enough distribution plant to reach all customers.

Qwest could make a similar analysis here. In fact, Qwest has already conducted part of this analysis. The Rebuttal Testimony of Mr. Fitzsimmons filed by Qwest in this proceeding shows that HAI Model 5.2a includes 26,328 route miles of distribution plant. Fitzsimmons Rebuttal at 27. Although AT&T has not had time to determine the route miles produced by Qwest’s own cost study in this proceeding, the distribution mileage assumed by HAI 5.2a is comparable to the distribution mileage produced by Qwest’s loop model filed in the prior cost docket. There is every reason to believe, therefore, that HAI Model 5.2a does “build enough plant.”

Moreover, information already provided to Qwest with the model allows Qwest to analyze the extent to which the customer locations assumed by the model reflect the actual locations of customers in the State of Arizona. Information that Qwest has in its possession

allows it to map each cluster of customers assumed by HAI 5.2a to actual physical locations in the State. Some of these clusters are as small as a single building. This process would allow Qwest to determine whether the model makes appropriate assumptions regarding where customers actually exist. Currently, the Minnesota Department of Commerce is validating HAI Model 5.2a using precisely this technique in a proceeding where Qwest is an intervenor.

In addition, Qwest's prior access to the TNS data in other proceedings has allowed it an opportunity to test the reliability and accuracy of the process used by TNS. Qwest has reviewed and examined this information (at its own expense) in connection with presentations of the model to the FCC and to the Minnesota Department of Public Service. Copies of correspondence describing some of Qwest's prior access to this information are attached as Exhibit A. Qwest's past experience in analyzing the data provide a basis for it to critique the data here if it has actually found errors or problems in the TNS analysis.

Finally, the source of the data used here provides its own indicia of reliability. The underlying customer location data comes from commercial databases. These databases were not created for litigation purposes. Rather, they are marketed and sold to businesses in need of mailing list information based, in large part, on the comprehensiveness and accuracy of the information included.<sup>2</sup> There is no basis, therefore, for Qwest to complain that it needs to review these materials for bias.

**C. Qwest's Own Delay Has Prevented Review of the Data Prior to the Hearing.**

To the extent that Qwest had a true desire to review the TNS data for the purposes of this proceeding, its own delay in requesting the material is the reason that it could not obtain access before the scheduled hearing date. As indicated in the documents attached as Exhibit A, Qwest

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<sup>2</sup> Qwest itself is in the direct mail database business in competition with Metromail and Dunn & Bradstreet.

has long known that the HAI Model uses customer location information owned by third parties. Qwest has also known the issues involved and the time required in obtaining access to the information. Qwest employee Peter Copeland reviewed the TNS (formerly PNR) data at the TNS site as early as 1998. Nevertheless, Qwest did not seek access to the TNS data in this proceeding until data requests that were first served on June 5, 2001. AT&T timely responded that it did not have the information, but that it would assist Qwest in obtaining access to the information if requested. Qwest failed to seek access through AT&T at any time until a discovery conference between counsel on June 26, 2001.

Qwest is also well aware of the difficulties in general that are involved in obtaining access to documents where a third party is involved. As indicated in AT&T's recently filed Motion to Strike Qwest's Loop Module and Transport Module, even now, Qwest itself has still has not released certain third-party materials in its possession that AT&T requested from Qwest more than three months ago.<sup>3</sup> The fact that the TNS materials could not be made available slightly over one month after Qwest first asked for the documents is simply unremarkable.

Qwest's failure to seek any arrangement for access to the customer location data until June 5 is difficult to understand. Qwest cannot reasonably claim that it was unaware of AT&T's intention to rely on the HAI Model. AT&T has consistently used the model in cost proceedings throughout Qwest's region. For example, AT&T provided HAI Model 5.2a to Qwest in a parallel Colorado cost proceeding as recently as March 16, 2001, indicating that AT&T would rely on the model to establish unbundled network element pricing. Even in this proceeding, AT&T filed its testimony presenting the HAI Model on May 16, 2001, almost three weeks before Qwest made any request for the TNS information. Qwest certainly could have requested

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<sup>3</sup> In fact, Qwest failed to produce any of the requested materials until almost two months after AT&T's initial requests.

access to these materials long ago if it, in fact, wanted the opportunity to analyze the data prior to the hearing.

Qwest's delay in seeking the data is the source the difficulty now facing the Commission in deciding this motion. With more notice, a decision could have been made early on regarding how the data would be made available and who would be responsible for paying the costs associated with obtaining the data. Moreover, with greater notice and cooperation from Qwest, we have been advised by TNS, the third-party vendor, that there are options available to minimize the cost of obtaining the data. None of these cost-saving options are available, however, in the short time frame created by Qwest's request.

If the Commission believes that Qwest should have access to the TNS data, and if Qwest truly has a desire to review that data, AT&T suggests that an appropriate approach would be to delay this hearing to permit Qwest to conduct whatever analysis it desires. The cost of the analysis will be highly dependent upon the timing and scope of the information that Qwest requests. Moreover, as argued above, Qwest has no need for the information to validate the HAI Model results. For these reasons, Qwest should initially bear the cost of its own review. Should Qwest be able to demonstrate at the hearing on this matter that its analysis has actually produced results that are beneficial to the Commission in analyzing the HAI Model, the Commission could consider at that time whether it is appropriate to assign the cost of the Qwest's review to the sponsors of the model.

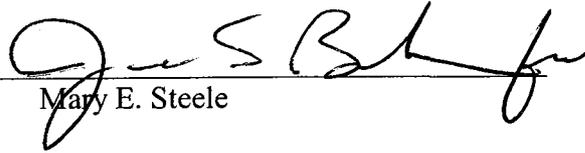
### III. CONCLUSION

For these reasons, AT&T and XO request that Qwest's motion be denied.

Dated this 15<sup>th</sup> day of July, 2001.

DAVIS WRIGHT TREMAINE LLP  
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Attorneys for AT&T Communications of the Mountain  
States, Inc., and XO Arizona, Inc.

By



Mary E. Steele

## CERTIFICATE OF SERVICE

I hereby certify that the original and 10 copies of the Memorandum in Response to Qwest Motion to Strike HAI Model, regarding Docket No. T-00000A-00-0194, were hand delivered this 13th day of July, 2001, to:

Arizona Corporation Commission  
Docket Control – Utilities Division  
1200 West Washington Street  
Phoenix, AZ 85007

and that a copy of the foregoing was hand-delivered this 13th day of July, 2001 to the following:

Deborah Scott  
Director - Utilities Division  
Arizona Corporation Commission  
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Chief Hearing Officer  
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Phoenix, AZ 85007

Dwight D. Nodes, Administrative Law  
Judge  
Hearing Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

and that a copy of the foregoing was sent via United States Mail, postage prepaid, on the 13th day of July, 2001 to the following:

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A handwritten signature in cursive script, appearing to read "Scott S. Wakefield", is written over a horizontal line.

**A**



**AT&T**  
Room 5462C2

**Richard N. Clarke**  
Division Manager

296 North Maple Avenue  
Basking Ridge, NJ 07920  
Phone: 908-221-5555  
FAX: 908-221-4628  
Email: rclarke@att.com

May 11, 1998

Mr. Pete Sywenki  
Sprint  
1850 M Street, N.W., Suite 1100  
Washington, D.C. 20036

Dear Mr. Sywenki:

On May 7, we received by U.S. Mail the letter that you dated May 1, and which was postmarked May 4. In this letter you requested a response by May 7. Although your use of the U.S. Mail to communicate with us has prevented us from meeting your requested deadline, AT&T and MCI are pleased to provide you with this response. We trust that after reading this, you will agree that the HAI Model sponsors have provided third parties with every reasonable opportunity to examine the data underlying the HAI Model – and that this openness exceeds by any standard the access that Sprint has provided to the BCPM model's data.

In this letter you requested a further opportunity to examine the customer location and clustering data that underlie the HAI Model. You noted that Sprint has already been afforded at least one opportunity to review these data for the state of Nevada. This examination was pursuant to an agreement arranged with the Nevada Public Service Commission and permitted Sprint, Nevada Bell, GTE and their consultants to spend three days at PNR's premises in Jenkintown, PA on April 15, 16 and 17 to examine the data that you indicate in your letter.<sup>1</sup> Furthermore, because of a continued interest on the part of the ILECs sponsoring the BCPM Model, PNR will conduct another "open house" on May 13, 14 and 15 where all of these data will again be available for your inspection. It is my understanding that at minimum, Sprint, U S West, StopWatch Maps and INDETEC will be attending this session – along with the staff of several state commissions.

In addition to providing Sprint with these six days of site visit opportunity to examine these data inputs to the HAI Model, PNR is preparing a large sample of

<sup>1</sup> In fact, the data that were made available to Sprint exceeded greatly in scope the three items that you mention in your letter. An attachment to this letter lists the forty-some data variables that have been made available for inspection at visits to PNR.

Mr. Pete Sywenki  
May 11, 1998  
Page 2

clusters (randomly extracted from the HAI Model's input data) for which they will provide the latitude and longitude geocodes of each of the individual customer locations that comprise the cluster. These data will be provided to any interested third party and permit a completely open examination of the HAI Model's customer clustering processes. To ensure that the confidentiality of Metromail's and Dun & Bradstreet's address data is maintained, the only alteration that PNR will make to these point data is to perturb by a fixed, but unstated, amount the longitude of each geocode within a cluster. This adjustment preserves completely the precise spatial relationships between all points within a cluster.<sup>2</sup> In addition, each geocode point will be identified as to whether it is an "actual" point or a "surrogate" point. We trust that these data will permit Sprint to conduct all of its desired analyses.

The obligations that you cite in your letter that, "(t)he cost study or model and all underlying data, formulae, computations, and software associated with the model should be available to all interested parties for review and comment," fall equally upon all models submitted for the FCC's consideration. AT&T and MCI are unaware of Sprint having afforded third parties the opportunity to inspect the proprietary data (or other data that the BCPM sponsors have kept nonpublic) that underlie the BCPM. To our knowledge neither site visits nor sample data sets (as the HAI sponsors have offered) have been made available.

AT&T and MCI are anxious to be afforded similar access to the data and processes used to develop the customer location assumptions in the BCPM. Although the BCPM's documentation is unclear about the source of many of these data and assumptions, they include, at minimum, the source data underlying all of the 31 pre-processing steps used in developing the BCPM's customer location assumptions, plus the unspecified "utilities" or DLLs used to process these. At various times the source of these data has been referred to as StopWatch Maps and/or the spreadsheets of John Banks of Sprint and Peter Copeland of U S West. We have prepared a more complete list of the items in question, and would be happy to discuss with you at greater length the precise nature of these data and their formats so that they can be provided in a form that facilitates their analysis. As you undoubtedly know, your representative, Phil Bolian of StopWatch Maps was very pleased with the similar cooperation that he received from PNR in this regard.

Because of the many past and future opportunities detailed in this letter that the HAI sponsors have provided to Sprint to inspect the HAI data, the favor of your early and affirmative reply is requested. If you wish to decline to make these reciprocal arrangements available to inspect these nonpublic BCPM data, written notification from you of this position would also be appreciated. Please note that the only private BCPM

<sup>2</sup> Because the HAI Model recognizes correctly that amounts of distance associated with a degree of longitude vary as one moves north in latitude, the latitude associated with the cluster geocodes is not perturbed.

Mr. Pete Sywenki  
May 11, 1998  
Page 3

data to which we are requesting access at this time are those related to customer counts and location. We expect that at an early future date, Sprint will also make available the many other proprietary models that the BCPM employs to determine critical cost items such as switching (modeled by SCIS) and signaling (modeled by some unspecified U S West proprietary model), and its estimates of operating expenses. This would, of course, include the survey data inputs that were used in these proprietary models.

Please contact Rich Clarke of AT&T (908-221-8685), or Chris Frentrup of MCI (202-887-2731), if you have any questions.

Sincerely,



Richard N. Clarke  
AT&T



Christopher Frentrup (enc)  
MCI

Attachment

cc: A. Richard Metzger  
James Schlichting  
Michael Riordan  
Donald Stockdale  
Brad Wimmer  
Charles Keller  
Robert Loube

## Formats of Provided PNR Data Files

### NV\_PTS.DBF

Variable Name	Variable Description	Format Type	Width
Case	Sequential number of point within a specific wire center	Numeric	8
Cluster	Unique cluster number to which point is assigned	Numeric	3
Clustname	Name of main cluster	Character	4
Outlier	Outlier flag	Character	1
Perimpath	Ordered location of point if located along perimeter	Numeric	3
Cllici	8 digit CLLI Code	Character	8
Long	Longitude of point	Numeric	11
Lat	Latitude of point	Numeric	10
Wt	Number of Lines for point	Numeric	12
CBG	Census block	Character	15
Type	Type of point (Business, Residential, or Surrogate)	Character	1
Grppath	Number of outliers to go through to get to main (or home) cluster	Numeric	6
Clustpath	Cluster name with path back to main (home) cluster	Character	128
Appendinf	Blank field	Character	10

### NV\_CDAT.DBF

Variable Name	Variable Description	Format Type	Width
Blockgroup	Dominant census block group	Character	12
Cluster	Unique cluster number to which point is assigned	Numeric	11
Clus_Name	Cluster Name of main cluster	Character	5
Outlier	Outlier flag	Numeric	11
Splitgroup	Wire Center CLLI Code	Character	9
Area	Cluster Area	Numeric	12
Clustlong	Longitude of cluster centroid	Numeric	12
Clustlat	Latitude of cluster centroid	Numeric	12
Servlong	Longitude of serving cluster centroid	Numeric	12
Servlat	Latitude of serving cluster centroid	Numeric	12
Height	Height of rectangular area	Numeric	12
Width	Width of rectangular area	Numeric	12
Wtcases	Number of modeled lines	Numeric	12
Firms	Number of Firms	Numeric	12
Buslines	Number of Business lines	Numeric	12
Res	Number of Residential points	Numeric	12
Reslines	Number of Residential lines	Numeric	12
SLB	Single Line Business Flag	Numeric	12
Employees	Number of employees	Numeric	12
Ctx	Probability of Context	Numeric	12
Act_ratio	Percentage of actual points to total modeled points	Numeric	12
Real_res	Number of real residential points	Numeric	10

Real firm	Number of real business points	Numeric	10
Grouppath	Number of other points to get to the main (or home) cluster. The count starts with the main cluster.	Numeric	12
Grppathlab	Cluster name with path back to main (home) cluster	Character	254
Grpdist	Distance to connect the outlier cluster to the main cluster (from the closest point in the outlier cluster). <i>Chain Length</i>	Numeric	12
Grpmaxdist	Distance to connect the outlier cluster to the main cluster (from the furthest point in the outlier cluster). <i>Chain Length</i>	Numeric	12

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AT&T

Richard N. Clarke

Room 5462C2  
295 North Maple Avenue  
Basking Ridge, New Jersey 07920  
(908) 221-8685

EX PARTE OR LATE FILED

May 14, 1998

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
1919 M. St., NW, Room 222  
Washington, D.C. 20554

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MAY 14 1998

RE: Ex Parte Presentation - Proxy Cost Models  
CC Docket No. 96-45

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Dear Ms. Salas:

The attached CD-ROM provides a Microsoft Access file of PNR cluster input data used by the HAI Model v5.0a for a large random sample of clusters from eight states. It contains the location geocodes for nearly 400,000 customer locations. These data will permit all interested parties to examine critically all aspects of the processes used to translate customer geocodes into engineered distribution areas. The READ\_ME.txt file on the CD-ROM provides the definition of each of each record's variables. It is reproduced on the attached page.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(2) of the Commission's rules. A copy of the CD-ROM is being provided to ITS.

Sincerely,

*Richard N. Clarke*  
Richard N. Clarke

Attachments

- cc: Donald Stockdale
- Charles Keller
- Sheryl Todd
- Brad Wimmer (w/ CD-ROM)
- Robert Loube (w/ CD-ROM)
- Jeff Prsbrey

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**READ ME.txt**

The data included in the Access Database file "aliased\_498\_ptset2.mdb" are the intellectual property of, and are proprietary to, PNR and Associates or its data vendors.

These data include the latitude and longitude coordinates of the customer locations points comprising a large selection of clusters from the RAI Model, v5.0a.

To preserve the privacy of these proprietary customer location data, but maintain the precise spatial relationships between points within a cluster, the longitude coordinates of these customer location points have been translated from their actual position by an identical fixed amount for each customer location within a cluster.

Any party examining these data must agree that they will not attempt to reverse-engineer the actual location of these customer points. If you do not agree to adhere to these restrictions, you are not authorized to examine these data.

**VARIABLE NAME:**  
Description  
-----

**CLLI:**  
Dummy characterization of the CLLI of the cluster's serving wire center

**LONG:**  
Longitude of customer geocode point (translated from actual value)

**LAT:**  
Latitude of customer geocode point

**WT:**  
Number of subscriber lines associated with customer geocode point

**TYPE:**  
R - actual residence point  
S - surrogate residence point  
B - actual business point  
C - surrogate business point

**CLUSTER:**  
Name of this cluster

**STAMP & RETURN**

**AT&T**

1120 20th Street, N.W.  
Washington, DC 20038

June 15, 1998

**RECEIVED**

**JUN 15 1998**

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
1919 M. St., NW, Room 222  
Washington, D.C. 20554

RE: Ex Parte Presentation - Proxy Cost Models  
CC Docket No. 96-45

Dear Ms. Salas:

The attached protective agreement is being provided to Chuck Keller of the Common Carrier Bureau staff. It details the requirements agreed to by Sprint and Nevada Bell in order to view HAI Model input data that are proprietary or confidential to PNR or its data vendors in the context of a Nevada UNE cost proceeding.

This agreement, or similar ones relevant to other state proceedings, have been executed by Sprint, Nevada Bell (SBC), U S West, Bell Atlantic, GTE, StopWatch Maps, INDETEC, NERA and the Minnesota Department of Public Service. Representatives of these organizations have, pursuant to these agreements, visited PNR's premises in Jenkintown, PA on April 15, 16 and 17 and/or May 13, 14 and 15 of this year and inspected the data that they requested. To our knowledge, none of these parties has requested from AT&T and MCI wider disclosure of these data pursuant to Section 6 of the attached agreement.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(2) of the Commission's rules.

Sincerely,

*Richard N. Clarke*  
Richard N. Clarke

Attachment

cc: Chuck Keller  
Sheryl Todd



WHEREAS, Sprint and Bell have agreed to execute this Protective Agreement to facilitate access to the information described above.

NOW, THEREFORE, the parties hereby agree as follows:

1. AT&T shall provide Sprint and Bell with the opportunity to review and utilize in these proceedings PNR data, in accordance with paragraph 51 of the Commission's March 5, 1996, *Opinion and Order* in Docket No. 96-9035. For purposes of this Agreement, said confidential, proprietary or privileged information shall include PNR geocode data associated with clusters formed for use in the HAI Model.
2. All documents and information furnished subject to the terms of this Protective Agreement shall be clearly identified as "Confidential," "Proprietary," "Licensed," or "Restricted" by PNR, et al., and shall hereinafter be referred to as "Protected Materials". All Protected Materials shall be accepted, maintained and utilized in strict conformance with the provisions of this Protective Agreement.
3. Sprint and Bell shall not be deemed, by reason of this Protective Agreement, to have waived the opportunity to argue before the Commission or any other appropriate body that any Protected Materials are not confidential, proprietary or privileged in nature. However, it is specifically agreed that, unless otherwise agreed by the parties or ordered by the Commission, all documents and other Protected Materials pursuant to the terms of this Agreement shall only be used in accordance with the terms of this Agreement.
4. Sprint and Bell, either jointly or separately, shall use the Protected Materials only in the above-referenced proceedings for the purpose of reviewing the data and analyzing its reliability for use in the HAI Model. Neither Sprint nor Bell shall use the Protected Materials for any commercial purposes, or in any cost models other than the HAI Model. Neither Sprint nor Bell shall disclose Protected Materials only to its counsel of record and technical experts

and consultants in the above-referenced proceedings at the premises of PNR. Each such counsel, expert or consultant shall review and abide by the terms of this Agreement and shall execute the attached Acknowledgment before review of the Protected Materials. Neither Sprint nor Bell shall remove such Protected Materials from the premises of PNR without PNR's permission, and shall comply with the terms PNR places upon such removal of data. At the conclusion of these proceedings, Sprint and Bell shall return Protected Materials (and any copies thereof) to AT&T, or either Sprint or Bell, if either retains the Protected Materials, shall destroy such materials and notify AT&T's counsel in writing that it has destroyed such materials.

5. In the event Sprint or Bell intends to disclose Protected Materials to any person to whom disclosure is not authorized by this Agreement or wishes to include, use or disclose the substance of Protected Materials in testimony or exhibits, examination or cross-examination on the public record of this proceeding, or wishes to object to the designation of certain information or materials as Protected Materials, Sprint or Bell, whichever seeks disclosure, will notify counsel for AT&T, in writing four (4) working days prior to making any disclosure or objection, and identify with particularity the Protected Materials it wishes to use or disclose.

6. If AT&T objects to such proposed reclassification or disclosure, AT&T shall notify Sprint or Bell, in writing, of its position and the reasons therefore within the four (4) working days subsequent to receipt of the notice described in Paragraph 5, above. Thereafter, AT&T may request a determination from the Commission regarding the manner in which the Commission should allow Sprint or Bell to use such Protected Materials.

7. No one shall construe anything in this Agreement to prevent Sprint or Bell from attempting to obtain, through lawful discovery in any other judicial or administrative action, any, or all of the Protected Materials subject to this Agreement.

8. AT&T, Sprint, and Bell agree that they will undertake further good-faith negotiations concerning the disclosure of Protected Materials if any party finds that the terms of this agreement impede the balance between the need to protect the commercial interest in the Protected Materials and the requirements of the Nevada Public Utilities Commission. After undertaking such negotiations, and failing to reach a mutually satisfactory resolution, AT&T, Sprint, and Bell agree to seek the assistance of the Nevada Public Utilities Commission's staff in resolving the dispute. In the case that there is no mutually agreeable resolution after negotiations and conferring with the staff, any party may take the issue to the Nevada Public Utilities Commission for resolution.

9. This Protective Agreement embodies the full agreement by and between AT&T, Sprint, and Bell.

CENTRAL TELEPHONE COMPANY - NEVADA  
D/B/A SPRINT OF NEVADA

Dated: \_\_\_\_\_

By:

Ann C. Pongracz, Esq.

AT&T COMMUNICATIONS OF NEVADA, INC

Dated: \_\_\_\_\_

By:

Michael Hurst, Esq.

Nevada Bell

Dated: \_\_\_\_\_ By: \_\_\_\_\_