

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

Nos. 00-1012 *et al.*

UNITED STATES TELECOM ASSOCIATION, *et al.*,
Petitioners,

v.

FEDERAL COMMUNICATIONS COMMISSION
and UNITED STATES OF AMERICA,
Respondents.

Declaration of Glen Sirles

1. I am Glen Sirles, Vice President and General Manager-Local Interconnections Services. I am employed by SBC Telecommunications, Inc., which is the authorized agent for the SBC incumbent local exchange carriers (ILECs) for wholesale matters, including those arising under the Telecommunications Act of 1996. In this position I am responsible for product management and policy development of local wholesale products purchased by CLECs for all of the SBC ILECs in their service areas. I also am responsible for Interconnection and Commercial negotiations with CLECs, contract administration and Account Management. I have provided oversight to all of SBC's negotiations with its CLEC customers since the *USTA II* decision. I also have been involved with, overseen development of, or drafted external communications relating to SBC's policies concerning the *USTA II* decision.
2. The purpose of this Declaration is to refute CLEC claims that they will suffer irreparable harm unless the Court stays its mandate beyond June 15, 2004. In support of these claims, CLECs have alleged that SBC may unilaterally breach its interconnection agreements and throw competitors off its network. As shown below, these claims are completely unfounded:
 - a. First, SBC will fully abide by the terms of its existing, effective interconnection agreements including any applicable change of law provisions in those agreements.
 - b. Second, even when SBC may cease to provide UNE-P or unbundled high-capacity transmission facilities under interconnection agreements, SBC will not refuse to provide service to CLECs that had been purchasing those UNEs or UNE combinations. Rather, those CLECs will simply be asked to pay statutory resale rates or tariffed special access rates for such access.

- c. Third, SBC has made clear its willingness to negotiate substitutes for the UNE-P and high capacity transmission facilities that mitigate the financial impact of the elimination of those UNEs. Indeed, SBC already has concluded a commercial agreement with its third largest UNE-P purchaser, Sage Telecom, for the provision of a UNE-P replacement product throughout SBC's service areas for a period of 7 years.
3. CLECs allege that SBC may breach its interconnection agreements (ICAs) with them when the mandate of this Court issues on June 15, 2004. SBC historically has complied with the terms of its interconnection agreements, and it will continue to do so when the mandate of this Court issues. To the extent CLECs have actually asked SBC its position in this regard, SBC provided them with written assurances that it will continue to honor its existing, effective interconnection agreements after June 15, 2004. SBC also has consistently stated in public forums that it will continue to adhere to its existing, effective interconnection agreements, including any applicable "change of law"/"intervening law" provisions in those agreements. Moreover, when the Supreme Court, and then this Court, previously vacated FCC unbundling requirements, SBC voluntarily continued providing UNEs in accordance with the vacated rules, notwithstanding that it had no legal obligation to do so. Thus, CLEC claims that SBC might now breach its ICAs in order to create industry havoc not only are wrong, but also are inconsistent with SBC's past conduct.
4. SBC also has offered to give CLECs a reasonable period of time (30 to 90 days) to transition to an alternative serving arrangement (e.g., resale/access analog, commercial offering by SBC, self-provision, third-party supplier) before withdrawing from use a UNE that is no longer required to be provided. SBC has memorialized this offer in a proposed ICA amendment that it has made available to all CLECs. To date, more than 90 of these amendments have been requested by CLECs, 19 amendments have been signed, and 5 such amendments have been approved by state commissions. No state commission has disapproved of this amendment.
5. It is important to note that when a UNE is withdrawn from use, SBC does not refuse to provide the CLEC with alternative serving arrangements. To the contrary, SBC allows the CLEC to purchase alternative lawful serving arrangements. For example, a CLEC using the UNE-P could continue to provide local service via a lawful resale arrangement. Likewise, a CLEC using high capacity loops or transport facilities could obtain the same functionality at tariffed special access rates.
6. SBC also has made clear that it is willing to negotiate reasonable commercial terms for alternative serving arrangements with its CLEC customers. Indeed, SBC has made a variety of public offers in the wake of *USTA II* to that end. For example, just one day after the *USTA II* decision, SBC offered to put an end to business uncertainty and regulatory gridlock by offering to negotiate commercial agreements for a UNE-P replacement, as well as to freeze ICA terms for 90 days. See Exhibit 1, a copy of the SBC Accessible Letter CLECALL04-037 dated March 3, 2004 (informing CLECs that their ICAs might be affected by *USTA II* and that, "[n]otwithstanding this decision and whatever rights that we both may have under existing interconnection agreements, SBC stands ready to work with

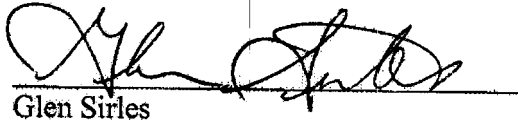
you to develop a viable solution to ensure that none of your customers' service is disrupted on account of this decision").

7. The FCC also endorsed a commercial negotiation approach on March 31, 2004, when the FCC issued a press release, and sent a letter to telecommunications carriers and trade associations urging them to begin commercial negotiations to arrive at commercially acceptable arrangements for the availability of facilities in lieu of UNEs. *See* Exhibits 2 and 3. The 45-day extension to June 15, 2004, of the mandate in this case resulted from the FCC's related motion to this Court.
8. Within a few days of that FCC announcement -- and less than a month after SBC's offer to negotiate -- SBC reached the commercial agreement with Sage Telecom referenced above. And a few days thereafter, on April 6, 2004, SBC Chairman Edward Whitacre sent a letter to the FCC commissioners supporting their proposal for the industry to engage in commercial negotiations, and expressing SBC's willingness to agree to the FCC's request for a 45-day extension of the Court's mandate. SBC noted that it was "eager to work with [the FCC] and with [SBC's] CLEC wholesale customers to reach agreements that will ensure that [the] Nation continues to have the most vibrant, the most competitive, and the most creative telecommunications market in the world and that offers consumers real telecommunications choices." *See* Exhibit 4.
9. Thereafter, SBC has continued to reach out to its CLEC customers. To address concerns over the time available for negotiations and to add certainty over the continued use of UNE-P, on April 20, 2004, SBC offered to amend interconnection agreements to ensure the availability of UNE-P throughout its service areas through December 31, 2004. Specifically, SBC offered to continue providing the basic UNE-P -- as it is currently provided -- at a monthly rate of \$22 for the major UNE-P components (loop, switching, shared transport). This rate includes a generous average monthly usage allowance. This offer remains available until June 15, 2004. *See* Exhibit 5, a copy of the SBC Accessible Letter CLECALL04-063 dated April 20, 2004, announcing that offer.
10. SBC also has sought to accommodate CLECs that complained about SBC's desire to negotiate commercial arrangements on a confidential basis, subject to non-disclosure agreements. Confidential negotiations are normal in business-to-business negotiations (including in the telecommunications industry), and SBC believes that they provide a setting for a more full and candid exchange of information, proposals, and responses between the parties and thus are more likely to be conducive to reaching a commercial agreement. Nevertheless, SBC has offered to engage in non-confidential negotiations if that is what a CLEC wants. *See* Exhibits 6 and 7, a copy of the Open Letter released by SBC, and a copy of the SBC Accessible Letter CLECALL04-079 dated May 6, 2004, conveying that "Open Letter to SBC ILEC's Local Wholesale Customers."
1. CLEC claims regarding the adverse effects on their business arising from the vacatur of the FCC's UNE rules by the *USTA II* decision are simply not reasonable or supported by the facts. CLECs will not be left without an ability to serve their existing customers, or to add new customers. Beyond the SBC offers and approaches to address CLECs' needs that are

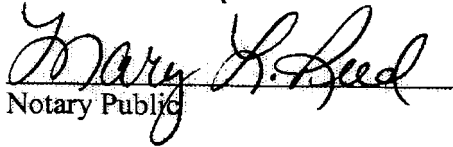
mentioned above, CLECs have other existing alternatives that permit them to continue to provide service without the need for access to the UNEs affected by the *USTA II* decision. CLECs retain the ability to self-provision, as well as to purchase needed services and capabilities from third-party (non-ILEC) providers. In addition, as noted, SBC offers resale or access analogs for most if not all of the UNEs (including UNE combinations) that are currently available to CLECs under their ICAs. Those options will permit CLECs to continue providing service in the market.

12. Further, the gross margins that the CLECs enjoy today by using SBC UNEs at TELRIC prices are generous, and can well exceed 50%. For example, SBC's 13-state average monthly charges for a UNE-P is approximately \$17.00. AT&T's Annual Report for fiscal year 2003 filed with the Securities and Exchange Commission (SEC file number 1-1105) states that AT&T's price for its local service bundle ranges from \$41.95 to \$59.95 per customer per month. It is not clear if that encompasses all AT&T local service revenue, such as Universal Service Fund surcharges, end-user common line charges, access charge revenue, and flow-through taxes, that AT&T may charge and retain. But even ignoring those other potential sources of revenue, AT&T's gross margin in SBC's service area appears to fall between 61.9% and 71.6%.
13. Focusing on the residential service market – where ILECs historically either lose money or have thin margins – AT&T's gross margin using SBC's UNE-P calculates to be approximately 67.9%. Based upon its Annual Report for fiscal year 2003, AT&T began 2003 with 2.4 million consumer (residential) customers and ended 2003 with 3.9 million (AT&T Annual Report, p. 42), for an average of 3.15 million per month (assuming additions during the year were consistent month-to-month). AT&T Annual Report's stated consumer (residential) revenue from local and long-distance service packages in 2003 was \$1.999 billion. Thus, AT&T's billed revenue mathematically averages approximately \$52.88 per month per residential customer to which it provides a local/long-distance package of services.
14. With margins of that magnitude, it seems that the potential price increases that UNE-P CLECs may see from alternative serving arrangements would not provide a business reason for withdrawing or curtailing service. A CLEC can always migrate its existing local service customers to resold services, where SBC provides a wholesale discount of between 14.9% to 21.6% off SBC retail rates, particularly for existing CLEC customers where marketing and other customer acquisition costs have already been incurred.
15. This concludes my declaration.

I hereby declare under penalty of perjury under the laws of the United States that the
forgoing is true and correct.

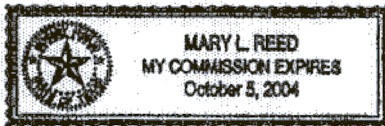

Glen Sirles

Sworn to and subscribed
before me this 28th
day of May, 2004.


Notary Public

My Commission Expires:

October 5, 2004



ATTACHMENT 1

Accessible

Date: **March 3, 2004**

Number: **CLECALL04-037**

Effective Date: **March 3, 2004**

Category: **UNE-P**

Subject: **(OTHER) Commercial Negotiation Offer**

Related Letters: **N/A**

Attachment: **N/A**

States Impacted: **13-States**

Issuing SBC ILECS: **SBC Illinois, SBC Indiana, SBC Ohio, SBC Michigan, SBC Wisconsin, SBC California, SBC Nevada, SBC Arkansas, SBC Kansas, SBC Missouri, SBC Oklahoma, SBC Texas and The Southern New England Telephone**

Response Deadline: **N/A**

Contact: **Account Manager**

Conference Call/Meeting: **N/A**

As you know, on March 2, 2004, the D.C. Circuit, U.S. Court of Appeals released its opinion on the appeal from the Triennial Review Order. Significantly, the court vacated the FCC's nationwide impairment determination with respect to mass market switching. Absent a rehearing or a grant of certiorari by the U.S. Supreme Court resulting in a different decision, the effect of the court's decision is the ultimate elimination of a legal requirement that we provide the UNE-P at TELRIC prices.

Notwithstanding this decision and whatever rights that we both may have under existing interconnection agreements, SBC stands ready to work with you to develop a viable solution to ensure that none of your customers' service is disrupted on account of this decision. Specifically, while we may disagree on our respective legal rights in the interim, SBC is prepared, without prejudice to any party's legal positions, to continue to offer you your mass market UNE-P serving arrangements at PUC-approved rates for the next 90 days. During that 90 day period, SBC will negotiate with you an orderly transition from your existing interconnection agreement to a private commercial arrangement that would enable you to continue to receive the UNE-P based upon a mutually acceptable market-based rate. Under this proposal, SBC is prepared to negotiate a multi-state agreement.

This proposal will provide you with the certainty of a multi-state, multi-year commercial agreement that includes the continued availability of the UNE-P at mutually agreeable market-based rates. Please contact your SBC account manager if you desire to negotiate such an agreement.

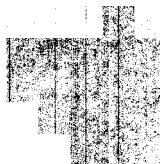
ATTACHMENT 2



NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See *MCI v. FCC*, 818 F.2d 385 (D.C. Cir. 1987).



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FOR IMMEDIATE RELEASE
March 31, 2004

NEWS MEDIA CONTACT
David Fiske 202-418-0513

**Press Statement of Chairman Michael K. Powell
and Commissioners Kathleen Q. Abernathy, Michael J. Copps,
Kevin J. Martin and Jonathan S. Adelstein
On Triennial Review Next Steps**

Today, we sent a letter to telecommunications carriers and trade associations urging them to begin a period of commercial negotiations designed to restore certainty and preserve competition in the telecommunications market. Ongoing litigation has unsettled the market. To address this uncertainty, we ask all carriers to engage in a period of good faith negotiations to arrive at commercially acceptable arrangements for the availability of unbundled network elements. We trust the parties will utilize all means at their disposal, including the selection of a third-party mediator, to maximize the success of this effort. The Communications Act emphasizes the role of commercial negotiations as a tool in shaping a competitive communications marketplace. After years of litigation and uncertainty, such agreements are needed now more than ever.

To provide additional time for these negotiations, we intend to petition the D.C. Circuit for a 45-day extension of the stay of its decision vacating our unbundling rules. We likewise will request that the Solicitor General seek a comparable extension of the deadline for filing a petition for certiorari. The express, limited purpose of this request is to allow these negotiations to take place and for the parties to reach commercial agreements. We have asked the carriers to indicate to us by Tuesday, April 6 whether they will participate and will support a stay of the court's mandate.

In the past, the Commission has been divided on these issues. Today, we come together with one voice to send a clear and unequivocal signal that the best interests of America's telephone consumers are served by a concerted effort to reach a negotiated arrangement. We call on all sides to commit to working in good faith toward a prompt negotiated resolution.

FCC -

ATTACHMENT 3



Federal Communications Commission
Washington, D.C. 20554

March 31, 2004

Edward Whitacre
Chairman & CEO
SBC Communications
175 East Houston Street
Room 1300
San Antonio, TX 78205

Dear Mr. Whitacre:

We write to urge your participation in a serious effort to reach mutually acceptable terms for offering unbundled network elements. Ongoing litigation has unsettled the market. We call upon the telecommunications industry to begin a period of commercial negotiations designed to restore certainty and preserve competition in the telecommunications market. We have asked telecommunications carriers to engage in a period of good faith negotiations to arrive at commercially acceptable arrangements for the availability of unbundled network elements. We trust the parties to utilize all means at their disposal, including the selection of a third-party mediator, to maximize the success of this effort. For our part, we intend to petition the D.C. Circuit for a 45-day extension of the stay of the court's mandate vacating the Commission's rules. We likewise will request that the Solicitor General seek a comparable extension of the deadline for filing a petition for certiorari. We seek your support in these two matters.

The express, limited purpose of these requests is to allow negotiations to take place and for the parties to reach commercial agreements. The Communications Act emphasizes the role of commercial negotiations as a tool in shaping a competitive communications marketplace. After years of litigation and uncertainty, such agreements are needed now more than ever. In the past, the Commission has been divided on these issues. Today, we come together with one voice to send a clear and unequivocal signal that the best interests of consumers are served by negotiation. We call on all sides to commit to working in good faith toward a prompt resolution.

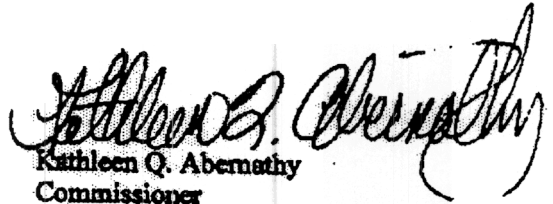
Edward Whitacre
March 31, 2004
Page 2

We urge you to participate fully in this important effort. Please indicate to us by Tuesday, April 6 whether your company or organization will participate and will support a stay of the court's mandate. In the end, we trust you share our view that America's telephone consumers are served best by ending this uncertainty and getting back to business. America's telephone consumers will be served by successfully negotiated agreements.

Sincerely,



Michael K. Powell
Chairman



Kathleen Q. Abernathy
Commissioner



Michael J. Copps
Commissioner



Kevin J. Martin
Commissioner



Jonathan S. Adelstein
Commissioner

ATTACHMENT 4



Edward E. Whitacre Jr.
Chairman and
Chief Executive Officer

SBC Communications Inc.
175 E. Houston Street
San Antonio, Texas 78205
210-351-5401

April 6, 2004

Chairman Michael K. Powell
Commissioner Kathleen Q. Abernathy
Commissioner Michael J. Copps
Commissioner Kevin J. Martin
Commissioner Jonathan S. Adelstein
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Commissioners:

Thank you for your letter dated March 31, 2004. I support your proposal that the industry engage in commercial negotiations designed to restore certainty and promote genuine competition in the telecommunications market. We are already actively engaged in negotiations with a number of carriers. In fact, we have reached agreement with Sage Telecom, our third largest wholesale customer, on a 7-year commercial contract to provide wholesale local phone services (including a replacement for the regulatorily-mandated UNE-P) throughout SBC's 18-state service territory. We hope to reach similar agreements with our other wholesale customers.

Based on our recent experience negotiating with Sage and others, we do not believe that a judicial stay of the mandate is necessary to facilitate commercial negotiations. To the contrary, as long as the old rules remain in place, and the prospect of further litigation looms, we are concerned that some companies will have little incentive to engage in serious negotiations.

Nevertheless, in deference to your direct request, SBC will agree to a 45 day extension of the stay of the Court's mandate from May 3 to June 17. If any petitions for rehearing are filed, then we will agree to a stay of the mandate until those petitions are denied or until June 17, whichever is later. We also will agree to a comparable extension (to July 15) of the current deadline for filing a petition for writ of certiorari. If any petitions for rehearing are filed, we will further agree to a deadline for certiorari of July 15 or 30 days following denial of rehearing, whichever is later. We will not agree to any further extensions of the deadlines described above.

We are eager to work with you and with our CLEC wholesale customers to reach agreements that will ensure that our Nation continues to have the most vibrant, the most competitive, and the most creative telecommunications market in the world and that offers consumers real telecommunications choices.

Yours sincerely,

A handwritten signature in cursive script that reads "Ed Whitacre". The signature is written in dark ink and is positioned below the "Yours sincerely," text.

Edward E. Whitacre, Jr.

ATTACHMENT 5

AccessibleDate: **April 20, 2004**Number: **CLECALL04-063**Effective Date: **April 20, 2004**Category: **UNE-P**Subject: **(OTHER) UNE-P EXTENSION ICA AMENDMENT**Related Letters: **CLECALL04-037**Attachment: **N/A**States Impacted: **13-States**

Issuing SBC ILECS: **SBC Illinois, SBC Indiana, SBC Ohio, SBC Michigan, SBC Wisconsin, SBC California, SBC Nevada, SBC Arkansas, SBC Kansas, SBC Missouri, SBC Oklahoma, SBC Texas and SBC Connecticut**

Response Deadline: **June 15, 2004**Contact: **Account Manager**Conference Call/Meeting: **N/A**

On March 3, 2004, SBC issued an invitation to all CLECs to engage in private commercial negotiations via Accessible Letter **CLECALL04-037**. In that Accessible Letter, SBC offered to retain the existing UNE-P rates for 90 days, during which time it would negotiate an orderly transition from your existing interconnection agreement (ICA) to a private commercial arrangement for local serving arrangements based upon a mutually acceptable market-based rate. On March 31, 2004, all five FCC Commissioners called upon the industry to enter into commercial negotiations "designed to restore certainty and preserve competition in the telecommunications market." In order to allow time for such negotiations, the Commission asked the industry to accept an extension of the Stay of the D.C. Circuit Court's March 2nd Decision vacating certain of the FCC's unbundling rules. SBC did not oppose that request and, on April 13, 2004, the D.C. Court granted the extension requested by the FCC until June 15, 2004.

SBC acknowledges that some CLEC customers may need additional time to pursue the FCC's goal for the industry to "arrive at commercially acceptable arrangements." In order to provide additional time for negotiations and to provide continuity while doing so, SBC is offering its CLEC customers an amendment to their current interconnection agreement(s) with SBC. This amendment will allow both parties to fully reserve their legal rights while assuring availability of a UNE-P product for mass-market customers through the end of the year that, after a prompt payment discount, produces a \$22 monthly recurring rate across all of the SBC service areas in the 13 states. Usage up to 1700 minutes per line on average, is included at no additional charge. The offer also requires acceptance of a simplified UNE-P performance measurement and remedy plan. This offer will allow CLECs to continue to use the UNE-P to serve mass-market customers through the end of this year, by which time the terms of a longer serving arrangement can be negotiated and executed.

This Amendment offer is available through June 15, 2004. Please contact your SBC account manager to amend your ICA(s) with this UNE-P extension.

UNE-P EXTENSION

Interconnection Agreement Amendment

UNE-P Extension through December 31, 2004

Offer available until 6/15/2004, to be effective upon execution

Offered via 251/252 ICA Amendment.

Discounted price available effective 6/16/2004 if CLEC is meeting Days Sales Outstanding of 30 days or less.

Mass Market Residential and Business Basic Analog (POTS) dial tone (line-side switch ports only).

Extends availability of Basic Analog (POTS) UNE-P for embedded base through end of 2004.

Excludes UNE-P Coin, PBX, Centrex, ISDN-BRI, Ground Start, and Trunk ports.

Aggregate MRCs are for ULS Port and UNE Loop combination, and include usage up to 1,700 minutes of use (MOU) on average, calculated on a state-by-state basis. Usage over that 1,700 MOU average will be subject to existing interconnection agreement rates and application (switching, shared transport). All other ICA rate elements/charges apply as applicable (NRCs and MRCs for other ICA UNEs, including those that may be used in providing UNE-P).

MRCs for ULS Port and UNE Loop combination in this Offering would not be affected by subsequent State PUC rate orders when purchased combined.

Does not affect "Change of Law" provisions, and parties' "Change of Law" rights (including any that have been or may be invoked) as to any government action, except as to the application to UNE-P during the specific time period covered by this Amendment.

Agreement to reduced set of Performance Measures (PM) with revised remedy payment plan or suspension of PM plan during period of Amendment as to UNE-P.

Applicable to CLEC and all of its affiliates, throughout all SBC service areas.

Pricing

Service & Features

- Residential and Business Basic Analog POTS

	Fully Discounted Rate	Discounts Available (if applicable)	Undiscounted Rate
	MRCs per Port/Loop Combination		MRCs per Port/Loop Combination
Y2004	\$22	DSO ¹	\$24

¹ \$2 MRC discount per access line if Days Sales Outstanding (DSO) is less than 30-days

ATTACHMENT 6



May 6, 2004

OPEN LETTER TO SBC ILECS' LOCAL WHOLESALE CUSTOMERS

Recent press accounts have mischaracterized efforts by SBC's incumbent local exchange affiliates ("SBC") to reach mutually acceptable agreements for commercial replacements for the unbundled network element platform ("UNE-P"). SBC is providing this reiteration of its position on this issue to set the record straight with our customers. SBC has repeatedly offered to enter into interconnection agreement amendments to afford parties added certainty on UNE-P availability through the end of the year, and private commercial agreements for a UNE-P replacement on a long term basis. This letter seeks to reiterate SBC's willingness to negotiate private commercial agreements based on individual customers' needs.

Specifically, SBC remains willing to negotiate private commercial agreements across the entire spectrum of its wholesale relationships with its CLEC customers—including short-term relationships for products facilitating transition from UNE-based business models to facilities-based business models, as well as longer term relationships that would include commercial replacements for the UNE-P, and any relationship in between. SBC will negotiate rates, terms, and conditions for wholesale relationships commensurate with the specific products, duration and volumes requested by our wholesale customers. As in any commercial negotiation, customers willing to make greater commitments to use SBC products and network facilities (including through the use of a UNE-P replacement and the use of unbundled loops provided on commercially reasonable terms) can expect to receive greater commitments from SBC. SBC nevertheless also will negotiate commercial arrangements with firms that desire to maintain the maximum amount of flexibility for their future business plans, including where those customers plan to deploy their own facilities or use the facilities of the many other alternate providers that exist in the marketplace.

You can also be assured that SBC is also fully committed to preserving the confidences of our wholesale customers, and, subject to existing regulatory requirements, to preserving the confidentiality of their business plans as reflected in their negotiation proposals and any final agreements. While SBC believes that candid negotiations in a confidential setting offer the greatest prospect of open discussions that can lead to compromise solutions rather than regulatory positioning, SBC is willing to engage in negotiations without confidentiality protections if CLECs so desire. Of course, for those CLECs with no interest in commercial negotiations, SBC will continue to abide by its legal obligation to negotiate in good faith for the provision of those UNEs lawfully

required under section 251 of the Act under the same processes we have been following for the past 8 years.

When SBC presents an initial offer to a CLEC customer at the outset of a negotiation, that offer reflects SBC's understanding of the customer's business needs and plans as well as our own. These offers do not include "ultimatums" and are not "take-it-or-leave-it" offers. On the contrary, to the extent SBC's offer does not meet the needs of our CLEC customers, we hope and expect that offer will trigger candid, good faith negotiations in which both parties attempt to find common ground. SBC is fully committed to the commercial negotiation process, and we encourage our CLEC customers to contact us if they are interested in entering into such good faith commercial negotiations.

In the final analysis, while we would like you to use SBC's products and network facilities, we understand that you have options in meeting your own business needs. We are committed to working in a constructive manner to attempt to create an arrangement that allows you to use our network whether for a short-term or long-term duration in a manner that makes business sense for both of our companies.

ATTACHMENT 7

Date: **May 6, 2004**

Number: **CLECALL04-079**

Effective Date: **N/A**

Category: **UNE-P**

Subject: **(OTHER) Open Letter to SBC ILEC's Local Wholesale Customers**

Related Letters: **CLECALL04-037, CLECALL04-** Attachment: **Letter**

States Impacted: **13-States**

Issuing SBC ILECS: **SBC Illinois, SBC Indiana, SBC Ohio, SBC Michigan, SBC Wisconsin, SBC California, SBC Nevada, SBC Arkansas, SBC Kansas, SBC Missouri, SBC Oklahoma, SBC Texas and SBC Connecticut**

Response Deadline: **N/A**

Contact: **Account Manager**

Conference Call/Meeting: **N/A**

Attached is a letter to SBC ILEC's Local Wholesale Customers.



OpenLetter.pdf

A copy of this letter is also available at <https://clec.sbc.com/clec/shell.cfm?section=2190>