The Exchange Network Facilities For Interstate Access (ENFIA) Interim Settlement Agreement

Using Governmentally Sanctioned Negotiating Processes to Coordinate Telecommunications Facilities And Services

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Program on Information Resources Policy

Harvard University

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EXECUTIVE SUMMARY

THE EXCHANGE NETWORK FACILITIES FOR INTERSTATE ACCESS (ENFIA) INTERIM SETTLEMENT AGREEMENT

Kurt Borchardt

Replacing the traditional adversary process with governmentally-sanctioned negotiation shows great promise for the coordination of telecommunications services and facilities. Under this arrangement, the expense, delay and litigation which often occurs when two competing companies seek to offer complementary services to the public can be avoided.

Kurt Borchardt examines the particular factors affecting the success or failure of such a process, using as a case in point the 1978 Exchange Network Facilities for Interstate Access (ENFIA) tariff negotiations between the Bell System and Other Common Carriers.

THE EXCHANGE NETWORK FACILITIES FOR INTERSTATE ACCESS (ENFIA) INTERIM SETTLEMENT AGREEMENT

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PREFACE AND ACKNOWLEDGEMENTS

The study reported in this paper is based on interviews with a majority of the participants and observers in the ENFIA negotiations.[1] The negotiations began on September 25 and ended on December 13, 1978, with the signing of an agreement.

All of the participants and observers were furnished a draft of a summary of the interviews with a request to indicate whether (1) the draft correctly reflected their views or (2) they held different views or (3) they had additional comments. A majority responded and indicated that in their opinion the draft represented a consensus of the perceptions of the participants and observers. Some of them submitted additional comments and authorized attribution to them. These comments are set forth at the end of the study. A minority failed to respond.

The author is greatly indebted to the participants and observers for the time and efforts expended by them in making this study possible. While the author went to considerable length in seeking to ascertain correctly their perceptions regarding the negotiations and the circumstances surrounding them, the responsibility for any shortcomings in achieving this objective is properly that of the author and not of the individuals interviewed or responding to written communications.

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[1] For a list of the participants and observers, see the Appendix.

I. INTRODUCTION

A. Why an ENFIA Negotiations Study?

This paper reports on a study of the ENFIA (Exchange Network Facilities for Interstate Access) negotiations of 1978, as seen by the participants.

The Harvard Program on Information Resources Policy undertook this study for the following reasons:

(1) If two or more telecommunication entities which operate separate but complementary facilities or services, offer combinations thereof to the public, coordination is required to make such combinations possible.

(2) Should the telecommunication entities which offer such combined facilities or services be competitors, such coordination is likely to involve processes which have the tendency of being more formal, more adversary, and being carried on under governmental aegis while traditional geographic telephone monopolies have been able to achieve some coordination through processes which have the tendency of being less formal, less adversary, and being carried on without government participation.

(3) As the number of competitors increases and as the facilities or services become more diversified, any formal, adversary coordinating processes under governmental aegis are likely to become increasingly burdensome in terms of time, personnel, and money for the government agencies, the telecommunication entities and the users of such combined facilities or services.

(4) This is likely to be true not only with regard to combinations of traditional telecommunication facilities or services but also with regard to non-traditional combinations of telecommunication facilities or services.

(5) Governmentally sanctioned negotiating processes may serve to reduce these burdens.

We expect to learn from studies of actual negotiations such as ENFIA what the significance is of particular factors for the success or failure of such negotiations.

B. Why ENFIA Negotiations?

In order to offer interstate intercity communication services in competition with the traditional telephone companies as authorized by the FCC, "Specialized" or "Other" carriers need access to local exchange network facilities owned and operated by the traditional telephone companies.

The Bell System, which owns most of the local exchanges, specified access rates and charges to be paid by the Specialized or Other carriers in an ENFIA tariff filed with the FCC in May 1978.[1] Having won several court victories allowing them to offer MTS/WATS-like services in competition with the traditional telephone companies,[2] the Specialized or Other carriers claimed that the proposed ENFIA charges were too high to permit them to compete effectively with the telephone companies in the interstate intercity market, and that the charges had no sound basis in the local

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[1] Tariff FCC No 5, Transmittal No. 14.

[2] MCI Telecommunications Corporation v. FCC, 561 F 2d 365 (D.C. Circuit, 1977), cert. denied 434 U.S. 1040 (1977).
MCI Telecommunications Corporation v. FCC, U.S. Court of Appeals, 580 F 2d 590 (D.C. Circuit, 1978) cert. denied ___U.S.___(1978).

companies' cost of providing the service.[1] Under the Communications Act of 1934, the FCC is required to determine whether the proposed charges are just and reasonable (or perhaps unreasonably discriminatory and anticompetitive).

An adversary proceeding to make this determination might have taken several years (one estimate suggests five years). Therefore, at the suggestion of Henry Geller, Assistant Secretary of Commerce in charge of the National Telecommunication and Information Administration,[2] the FCC invited the contending parties to negotiate "rough justice" charges on an "interim" basis pending other proceedings. These negotiations, chaired by a staff member of the FCC, Mr. David A. Irwin, proved successful in that agreed-to interim, rough justice charges set forth in an Interim Settlement Agreement executed on December 13, 1978 were tariffed. The FCC approved this agreement on April 16, 1979.[3]

This settlement, according to the comments filed with the FCC by the National Telecommunications and Information Administration, "will avoid the uncertainty, delay, litigation, and expense which failure of the agreement would entail, will smooth the path for the OCC's (other carriers) to offer their EXECUNET-(MTS/WATS-)type service with a minimum of delay and disruption, and will significantly improve the competitive equality between the OCC's and AT&T with respect to the settlement process."[4]

[1] Regarding this charge, see below p. 9 to the effect that..."participants split repeatedly on defining the amount shifted from interstate toll to local and intrastate operations to keep local rates down--terming it variously 'contribution,' 'subsidy,' 'excess payment over cost,' and 'tribute.'" For details regarding the highly complex separations and settlement processes, see particularly James W. Sichter, SEPARATION PROCEDURES IN THE TELEPHONE INDUSTRY: *The Historical Origins of a Public Policy*, P-77-2, January 1977; Warren G. Lavey: A FRAMEWORK FOR THE ANALYSIS OF THE REGULATORY PROBLEMS OF TELEPHONE SEPARATIONS/SETTLEMENTS PROCEDURES, W-78-13, November 1978, and Anthony G. Oettinger with Carol L. Weinhaus, NATIONAL STAKES IN THE COMPUNICATIONS REVOLUTION: JURISDICTIONAL COST SEPARATIONS, WP-79-2, Feb. 1978.

[2] Letter of September 6, 1978.

[3] FCC Docket No. 78-371, Interim Settlement Agreement, ___FCC 2d___(1979).

[4] "Comments of National Telecommunications and Information Administration" in CC Docket No. 78-371, p. 2.

II. ENFIA NEGOTIATIONS AS SEEN THROUGH EYES OF PARTICIPANTS

A. Initiatives Concerning Negotiations

Q: Do you think Henry Geller initiated the request addressed to the Commission on his own, or did he act in response to suggestions made by one or more of the players?

A: Most of the players thought it might have been either way. Bernard Strassburg commented that Henry Geller, as an FCC veteran, was aware that such negotiating processes had worked well in the past in the common carrier area. Some of the players stated that they had contacted people on the Hill, at the Commission and at NTIA to explore alternative ways of handling the ENFIA tariff situation since a prompt resolution of issues involving access charges had become imperative after the U.S. Supreme Court's denial of certiorari in the two Execunet cases. (see Note 2, p. 3).

Q: Do you think the Commission might have initiated the negotiations on its own?

A: All of the participants interviewed thought the Commission might have acted on its own, particularly since the Commission had used negotiations successfully in the past to resolve tariff issues.

Q: Do you think the players might have initiated the negotiations without being requested by the Commission?

A: Definitely not--primarily because of possible antitrust implications.

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[1] For a list of the participants and observers see the Appendix.

B. Circumstances Surrounding Request to Negotiate

Q: Did circumstances favor negotiations?

A: Definitely. In the first place, there was substantial agreement among the players and the policymakers in Congress, NTIA and the Commission that access charges should be paid and that they should bear some relationship to costs of local exchange network facilities. Secondly, the courts had ruled twice in favor of the specialized or other carriers, allowing them to offer services similar to MTS and WATS services in competition with traditional telephone companies. Under these circumstances AT&T could ill afford to risk antagonizing NTIA, the Commission and the courts by refusing to negotiate charges other than those contained in the initial ENFIA tariff, particular in view of the pendency of governmental and private antitrust cases. Vice versa, the specialized or other carriers were anxious to have some degree of certainty as to what the actual charges and other access terms might be.

Mr. Carl J. Cangelosi, Vice President and General Counsel, RCA American Communications, Inc., submitted the following observations representing his personal views as an observer who attended only a few of the negotiating sessions.

"I would disagree that there was substantial agreement at least among the non-telephone carriers that access charges should be paid and that they should bear some relationship to costs of local exchange network facilities. I think the real position of the specialized carriers was that the only proper charge would be one that covered just the costs of the facilities involved. The willingness to negotiate anything higher resulted from the prevailing political climate which favored an ENFIA-type access charge and the

legal leverage AT&T had with a filed tariff that may well not have been rejected."

"I would also disagree with the statement that 'Under these circumstances AT&T could ill afford to risk antagonizing NTIA, the Commission and the courts by refusing to negotiate charges lower than those contained in the ENFIA Tariff.' It would appear to me that AT&T was more concerned with the establishment of a principle, i.e., that the charge should include some payment in excess of costs, than in the ability to derive substantial amounts of revenue. Additionally, AT&T had repeatedly 'antagonized' both the FCC and the courts in connection with the Execunet matter and I do not believe that it would be dissuaded by this factor alone."

Note Bernard Strassburg's comments on the subject of AT&T's motives (below p.10) that "AT&T could have stonewalled and forced a prolonged hearing. It chose the conciliatory course because it could not afford the risk of pricing its competitors out of the market."

Q: Do you think Henry Geller contacted Chairman Ferris and the principal players informally prior to making the formal request?

A: Definitely he would have contacted Chairman Ferris and possibly he contacted some of the principal players.

Q: Do you think the references to "rough justice" and "interim" were felicitous?

A: Definitely.

Q: If the request to negotiate had not been limited in this manner, what might have been the scenario?

A: It would have made the negotiations much more difficult and time consuming. The players or the Commission might have suggested similar limitations before, early or later during the negotiations, but the players' expectations and their strategies and tactics based on those expectations might have been quite different.

Q: Did you expect (1) bona fide bargaining, (2) pro-forma compliance with request to bargain, or (3) dilatory or other tactics delaying or making unlikely any agreement?

A: Did not know what to expect but did not rule out the possibility of bona fide bargaining.

C. Factors Favoring Success of Negotiations

Q: Which factors do you consider were primarily responsible for reaching agreement?

A: (The order in which factors are listed does not suggest agreement on how factors should be ranked. Kenneth A. Cox, for example, considers who the negotiators are foremost among all the factors that make or break negotiations. Bernard Strassburg, on the other hand considered the first two factors below as secondary at best. Other participants did not rank the following factors.)

(1) Personalities

The personalities of the players' representatives, the moderator (also referred to as facilitator, mediator, impartial chairman), and other participants were considered highly important or even crucial. The personality traits considered important were credibility, sense of humor, patience, forebearing, sense of perspective, appreciation of players' priorities, linguistic skills. Credibility includes both competence (knowledge of fact and law) and keeping demands in line with realities of situation. The last factor was

considered highly important and distinguishes bona fide bargaining from polarized posturing often practiced and considered acceptable in adversary processes. Since words are the currency of negotiations, satisfactory linguistic skills of the negotiators and the moderator constitute one of the important factors in the negotiating process. Telecommunications Reports of October 23, 1978 (Vol. 44, No. 42, p. 3) contains the following report on the ENFIA negotiations:

> "After the participants split repeatedly on defining the amount shifted from interstate toll to local and intrastate operations to keep local rates down--terming it variously 'contribution,''subsidy,' 'excess payment over cost,' and 'tribute'--they decided to find a meaningless term they could agree on for purposes of reference. The result was 'Ralph.'"

(2) Commission Presence

The Commission's presence (represented by the moderator) was thought indispensable because of the Commission's power to achieve by prescriptive regulation what players fail to achieve by negotiated agreement. "Raised eyebrow" of Commission representative (moderator) concerning positions deemed by him unacceptable perceived to be significant because it might carry over to unfavorable regulatory prescriptions in case negotiations should fail. (Example: proposal to base charge on a percentage of revenues was deemd unacceptable by moderator.)

Bernard Strassburg perceived as the dominant factor responsible for reaching agreement the fact that AT&T and each OCC was motivated to negotiate and find a basis for settlement. AT&T's attitude was perceived by him as

crucial because it could have stonewalled and forced a prolonged hearing. It chose the conciliatory course because it could not afford the risk of pricing its competitors out of the market. In Strassburg's opinion, the participants were concerned entirely with the bottom line and its affordability, while exhibiting little knowledge of facts or law.

(3) Limited Objectives of Negotiations

It was essential to limit negotiations to those issues which might be resolved with reasonable expedition and postponing those issues which would unreasonably prolong negotiations and on which agreement was less likely. (Example: access charges in connection with FX (foreign exchange) services are not covered by the ENFIA agreement). Reaching agreement was expedited by negotiating an agreement of shorter rather than longer duration (Example: some players favored five years, other players favored three years. NTIA representatives stated Henry Geller's view as five years being better than three years, and three years better than no agreement at all).

(4) Overcoming Antitrust Fears

Antitrust fears on the part of some of the participants were overcome by securing Commission approval of the agreement. Some participants felt that Commission and NTIA presence at the negotiations were valuable but constituted insufficient antitrust protection. Kenneth A. Cox of MCI Communication Corporation considered governmental presence at the negotiations sufficient, particularly since the participants were not discussing retail prices with competitors or dividing up markets, but were actually

in an adversary relationship to the carriers providing local exchange facilities.

(5) Limited Number of Players

The number of players participating in negotiations was limited, and therefore, negotiations were readily manageable.

(6) Players' Stakes Not Too Diverse

All of the players were suppliers of services. Ultimate users evidently did not consider their stakes sufficiently large to warrant participating or in spite of the FCC's public notice of the impending negotiations, were otherwise not sufficiently aware of the potential impact of the negotiations on their respective stakes.

(7) Availability of Suitable Facilities

The availability of facilities suitable for negotiating processes constitutes an important environmental factor which is likely to be overlooked in a survey of factors favoring success of negotiations.

In the case of the ENFIA negotiations, neither the FCC nor the NTIA had suitable facilities available. After meeting once at the facilities of NTIA, meetings were held at the conference room of AT&T's Washington office. Telecommunications Reports of October 23, 1978 (Vol. 44, No. 42, p. 3) characterized those facilities as "the closest thing to an adequate site available to the negotiators, after an upsurge of popular demand not to return to last week's scene"--namely the facilities of NTIA.

Most of the participants' first choice would have been meeting at suitable "neutral" facilities. However, since suitable "neutral" facilities were unavailable, AT&T's offer of making its facilities available was gratefully accepted by the negotiators and the Commission moderator.

"Suitable" facilities, whether neutral or otherwise, should include among others:

(1) Main meeting room affording space for (a) negotiators and their aids, (b) the moderator and his aids, (c) an official reporter, and (d) press, interested observers, and general public.

(2) Amplification equipment (this may or may not be required depending on circumstances).

(3) Auxiliary meeting rooms for sub-groups.

(4) Secretarial services (dictation, messages, etc.)

(5) Duplicating services.

(6) Telephone services.

D. In Case of "No Agreement"

Q: If the ENFIA negotiators had failed to reach agreement, would the negotiating process have constituted a wasted effort.

A. The answers to this question are likely to differ, depending on who is asked--the negotiators, the moderator, or the members or staff of the FCC. The latter would have to employ adversary processes in order to reach an agency decision. Here are the views of one unidentified top FCC official with regard to the Commission's ability of securing vital "real world" background

information through negotiating processes rather than formal adversary processes as reported in the October 23, 1978 issue of Telecommunications Report (Vol. 44, No. 42, p. 2):

> "We already have more factual information on which we can base our own decision, if necessary, as a result of these meetings than we would have been able to get in months of a formal proceeding."

E. Companies vs. Membership Organizations

Q: What differences do you perceive between negotiating on behalf of companies and negotiating on behalf of membership organizations?

A: Any agreement reached binds companies but does not bind membership organizations unless members agree beforehand to be bound. Representatives of companies are perceived as having greater freedom to negotiate and more accessible channels of communications to secure approval of positions taken by negotiators than representatives of membership organizations.

F. Role of Moderator

Q: In what respect do you perceive the role of the Commission appointed moderator to be significant?

A: Moderator may (1) determine procedures to be followed in conducting negotiations, including agenda, time and length of meetings, deadlines, who may participate in what capacity (player with stake vs. observer); (2) limit negotiations to those propositions which he perceives as being acceptable to Commission; and (3) meet with

individual players privately to explore acceptability of alternative resolutions of issues, and if he deems necessary, prod individual players to be flexible.

G. Role of "Neutral" Experts

Q: What is the role of a "neutral" expert such as Bernard Strassburg, who may make himself available in such negotiations?

A: If there is substantial agreement among the players and the moderator regarding the expertise and neutrality of such expert, he may be used as a resource regarding facts, law and policies.

H. ENFIA Negotiations as a Model

Q: Do you perceive the ENFIA negotiations to constitute a broad or narrow model for future negotiations?

A: ENFIA negotiations are perceived as a narrow model, i.e., in situations where all or most of factors favoring success of negotiations listed above are present.

One observer felt that the negotiations were successful, largely because all of the participating entities benefitted from the results of the negotiations in some significant manner, and that similar negotiations in the future would be successful only if each of the participating entities stood to gain from a settlement reached in such negotiations.

Bernard Strassburg pointed out that reference to the ENFIA negotiations as a "model" was misleading since over the years the

Commission had used the negotiating process selectively and successfully in the common carrier area (e.g., TV program transmission tariffs; interconnection of customer equipment; interconnection between local telephone companies and other common carriers (Docket 20099)).

Mr. William R. Nusbaum elaborated as follows regarding "Factors Favoring Success of Negotiations" and "ENFIA negotiations as a Model":

> "Pre-ENFIA, but post-Execunet,[1] AT&T had an obligation to allow interconnection of OCCs to the local exchange network. However, no mention was made in the Court decisions ordering interconnection, of payment for such access. Thus, AT&T was left in the undesirable position of providing a "service" (i.e. access) without compensation. It would therefore appear that AT&T had all to gain by negotiating an access charge and receiving some immediate financial renumeration rather than litigating and getting no payment for a period of years. It could conceivably be argued that this factor insured the success of the ENFIA negotiations. Under similar circumstances, negotiations like ENFIA would appear to be a useful model in the future. However, I must stress my belief that the circumstances surrounding such negotiations must be very similar to those in the ENFIA situation."

However, success of ENFIA negotiations may encourage Commission, NTIA, and players to experiment with open negotiations as processes auxiliary to adversary processes to define terms, establish methodologies, etc. Such experimentation may be attractive, since "ex parte presentations"[2] bearing on adversary processes have been broadly condemned by the courts,

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[1] i.e., after the court decisions in the Execunet cases. (See Note 2, p. 3).

[2] i.e., off-the-record presentation to the decision-makers made by a party to formal on-the-record proceedings.

thus leaving wide areas of uncertainty and reducing freedom of communications between Commission and players except in situations such as ENFIA which involve open negotiations after giving notice of such negotiations to the public.

Supplemental Statements

Submitted by Several

Participants

and

Observers

(in alphabetical order)

Roy Bahnson, who represented GT&E, submitted the following personal observations:

> "As a point of interest, it became obvious to the Independent Telephone Industries' representatives, well along in the negotiations, that their peculiar interests were not being discussed. At that time, a change in tactics took place with the result that the negotiations became 3-sided. The Independents negotiated for themselves with AT&T and OCCs. Participation by the Independents was perceived by AT&T, the OCCs, and the moderator as a necessary ingredient in the negotiations."

Kenneth A. Cox, who together with Bert. C. Roberts, Jr. represented MCI Communications Corporation, submitted the following personal perceptions:

> "MCI was anxious to get the access charge issue settled in an expeditious manner so that MCI could continue to get access to local exchanges without any possibility of a trebling of the charges thereof.
>
> I consider the factor of who the negotiators are to be foremost among all the factors that make or break negotiations. I would not have wanted to sit in negotiations with negotiators who resort to table pounding and are unwilling, or not authorized, to make concessions where their opponents make a clearly valid point. I have been through that and would not want any repetition.
>
> The ex-parte prohibitions are so broad and vague that they keep the commissioners from informing themselves about real life situations.
>
> Public negotiations are not likely to be successful if user groups with highly divergent interests are represented in such negotiations."

William R. Nusbaum, who represented the National Association of Regulatory Utility Commissioners (NARUC), submitted the following statement in his capacity as Assistant General Counsel of the NARUC.

> "At the outset, the NARUC's concern was that of a casual observer. Since there was no immediate impact upon State regulation of telephone common carriers resulting from what tariff would be filed for Execunet and Sprint[1] service, our interest was merely cursory. However, as the matter of jurisdictional separations became more and more an [in] issue, we deemed it imperative that the State commissions be represented.
>
> Thereafter, the NARUC requested and was granted participant status in the negotiations. We attended the majority of ENFIA sessions and, in addition, filed comments, as appropriate, to reflect our position on various issues.
>
> Essentially the NARUC's primary concern centered around the threat of changes being made in the separations process without the convening of a Federal-State Joint Board as required by Section 410 (c) of the Communications Act of 1934 [47 U.S.C. §410 (c)]. Our comments reflected these concerns and beliefs, and thus we opposed the extension of the negotiations to cover such issues as access charges for FX-CCSA services.
>
> I believe that the aforementioned background is important because it demonstrates the NARUC's limited participation in the ENFIA negotiations..."

Robert W. Ross, who represented SPCommunications, submitted the following statement as a participant in the ENFIA negotiations:

> "1. SPCC proposed imposition of an access charge during Congressional hearings in September 1978 in response to allegations by AT&T that the absence of any contribution by our services to the support of local telephone plant adversely affected the public interest. It was thought such payment, if found to be essential by Congress or other appropriate public agencies, would neutralize an argument used to justify denial of our access to local exchanges.

[1] Execunet-like services offered by SPCommunications (Southern Pacific Communications).

2. Our concerns with respect to the legal procedures attending AT&T's filing of an ENFIA tariff were as follows:

a. While, upon analysis we believed the tariffed rates to be unsupported and unlawful, the Commission could suspend the effective date of the tariff for up to six months and order a hearing in which case the tariff would become effective at the expiration of the six month period which in all likelihood would precede completion of such a hearing. We viewed this as the most likely, albeit unsatisfactory, outcome.

b. The Commission could reject the tariff as a prima facie violation of law and Commission requirements. This approach, however, was viewed as unlikely since grounds for rejection are narrow, and it is a difficult argument to sustain.

c. The Commission could ask AT&T to voluntarily defer the effective data of the tariff in order to enter into negotiations. Although we suspected that the ENFIA tariff itself would be starting point of the negotations, this approach provided an opportunity to challenge the numbers and assumptions upon which it was based more directly and expeditiously than is possible in a formal rate hearing.

3. Of the three alternatives, negotiation and deferral, should the Commission request it, seemed to provide the best approach for us in that (1) as noted, rejection was problematic; (2) rate hearings are lengthy and difficult and the tariff would have gone into effect in any event at the expiration of the suspension period; and (3) because Docket 20099[1] provided both precedent and a model for the negotation approach."

Bernard Strassburg, a consultant who formerly served as Chief of the Common Carrier Bureau, FCC, submitted the following statement in addition to commenting on particular statements in the summary:

"I attended some (not all) of the ENFIA negotiating sessions on my own initiative without representing any interest other than my own. I was anxious to see the negotiation succeed because I felt that the ENFIA tariff is a reasonable approach in principle and as a first step to regularizing competition in all intercity markets on a basis that would be workable and

[1] involving interconnection between local telephone companies and other common carriers.

> equitable. I was also interested in the effectiveness of the negotiating process in this difficult and controversial area since the FCC over the years had used the process selectively and successfully in the common carrier area (e.g., TV program transmission tariffs; interconnection of customer-equipment; interconnection between local telephone companies and other common carriers (Docket 20099). While I have had some reservations as to the soundness of the Court's rationale of the law in the Execunet case, I am in complete accord with the result which facilitates new entry and supply in the intercity markets."

William R. Stump, who represented AT&T at the ENFIA negotiations, submitted the following personal perceptions, in addition to expressing his personal views, based on his own discussions with other participants during the several months of negotiating, that the summary appeared to represent the general consensus of the participants:

> "Although convinced that the full charges filled in the original ENFIA tariff were just and reasonable--and fully supportable on the basis of separations costs--we were willing to attempt to negotiate a reasonable 'interim' solution. There was some doubt in my mind whether the other parties would agree to sit down at the negotiating table at all and, if so, whether good faith negotiation would take place or simply contention. However, I was favorably impressed by the caliber of the negotiators and found Bernie Strassburg's presence helpful as a valuable resource whose knowledge and opinions were respected by all participants. We believe that the negotiations were valuable as an example of non-adversary processes which might be relied upon increasingly to avoid unnecessary contention and delay within the information handling complex."

Appendix

ENFIA NEGOTIATIONS

LIST OF PARTICIPANTS AND OBSERVERS

Participants who appear as signatories in the Interim Settlement Agreement

AT&T	William R. Stump Assistant Vice President
MCI Telecommunications Corporation	Bert C. Roberts, Jr. Senior Vice President
	Kenneth A. Cox Vice President
Southern Pacific Communications Corp.	Robert W. Ross Counsel
ITT Corporate Communications Services, Inc.	Joseph J. Jacobs
GTE Service Coporation	Roy Bahnson Assistant Vice President
United States Independent Telephone Association	Donald L. Hirt Director of Settlements
National Telephone Cooperative Association	David Cosson Counsel
Organization for the Protection and Advancement of Small Telephone Companies	Nicholas P. Miller Attorney

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Additional Participants and Observers:

Federal Communications Commission	David A. Irwin Moderator
National Telecommunication and Information Administration (NTIA) U.S. Department of Commerce	William Fishman Ellen Deutsch

National Association of Regulatory Utility Commissioners	William R. Nusbaum Assistant General Counsel
RCA American Communications, Inc.	Carl J. Cangelosi Vice President and General Counsel
Satellite Business Systems	Donald J. Elardo General Attorney, Observer
Bernard Strassburg	Attorney (formerly Chief, Common Carrier Bureau, FCC) Observer