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ACCESS SERVICES TARIFF
E.20
EXPANDED INTERCONNECTION SERVICE (EIS)

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BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA
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E20. EXPANDED INTERCONNECTION SERVICE (EIS)

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TELECOMMUNICATIONS, INC.
FLORIDA
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Miami, Florida

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E20. Expanded Interconnection Service (EIS)[1] (N)

E20.1 Virtual Expanded Interconnection Service (VEIS)

E20.1.1 Service Description

A. Virtual Expanded Interconnection Service (VEIS) provides for central office interconnection of collocator-provided/Company leased transmission equipment to Company Switched and Dedicated Access Services. VEIS for Switched Access is provided at designated central offices, tandems, and remote nodes/switches (e.g., locations). Dedicated Access VEIS is available only at designated central offices. Under VEIS, a collocator provides fiber optic cable up to a Company-designated interconnection point outside of the location, such as a manhole.

B. The collocator will provide the entrance fiber extending between the interconnection point and the VEIS arrangement location. The Company will lease the entrance fiber under the provisions E20.1.2.A. following, and will install the fiber into the location for connection to VEIS collocator-provided/Company leased transmission equipment. In addition, if multiple entry points are available, and the collocator so desires, multiple entry points will be provided to the collocator. A VEIS arrangement may interconnect with Company Switched Access DS0, DS1 and DS3 level and dedicated access DS0 and DS1 level high capacity services within the location.

C. Microwave facilities, in lieu of fiber facilities, may be used for interconnection where they may reasonably be provided. Upon receipt of a request for microwave interconnection, the Company will negotiate the arrangements and file the appropriate rates and regulations for the service.

D. VEIS will be made available subject to the availability of space and facilities in each Company location. The Company's central office, tandem and remote node switch site designations are listed in the National Exchange Carriers Association (NECA) Tariff F.C.C. No. 4.

E. General regulations, rates, and charges applicable to all VEIS arrangements are contained in this Tariff.

E20.1.2 Regulations

A. In order to ensure the compatibility of the transmission capabilities of the facilities and equipment used in the provision of VEIS, such equipment and facilities, including the entrance fiber, associated riser cable/fiber, terminal transmission equipment, plug-ins, software, unique tools and test equipment will be provided by the collocator. The collocator agrees to lease to the Company all the equipment and support structure components required to provision and maintain/repair VEIS on an ongoing basis, for the nominal sum of one dollar.

B. The Company will designate the point of interconnection in proximity to the location building, which is normally an entrance manhole. The Company reserves the right to prohibit all equipment and facilities, other than cable, within its entrance manholes. No splicing will be permitted in the entrance manhole. The collocator must provide a length of underground fiber optic cable in the entrance manhole specified by the Company which is of sufficient length to be pulled through the conduit and into the cable vault splice locations. The collocator is responsible for placement of the fiber optic facilitiy within the manhole and for the maintenance of the fiber optic cable(s). Before placing the fiber optic facility in the manhole, the collocator will contact the Company for instructions. The collocator agrees to comply with the Company's safety and security rules. Access to the manhole is covered by the terms and conditions specified by the Company.

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E20. Expanded Interconnection Service (EIS)[1] (N)

E20.1 Virtual Expanded Interconnection Service (VEIS) (Cont'd)

E20.1.2 Regulations (Cont'd)

C. The Company will pull the collocator-provided/Company leased fiber cable from the interconnection point to the cable vault where the cable will be spliced to collocator-provided/Company leased fire retardant riser cable which the Company will install.

D. The VEIS collocator must provide the terminating transmission equipment that the Company will lease and use pursuant to A. preceding to provision the VEIS arrangement. The equipment must comply with the Bellcore Network Equipment Building System (NEBS) General Equipment Requirements (TR-NWT-000063); National Electrical Code standards, and meet the minimum Operational System Modification for Intelligent Network Elements (OSMINE) requirements of coding for the TIRKS System. This minimum includes Human Equipment Catalog Item Group (HECIG), Equipment Catalog Item Group (ECIG) processing code, Human Equipment Catalog Item (HECI), Equipment Catalog Item (ECI) number, and Function Codes as required for provisioning. OSMINE requirements of coding are covered in BellCore Publication GR-485-CORE. Additionally, this equipment must comply with any local, state or federal statutory and/or regulatory requirements in effect at the time or subsequent to equipment installation.

E. The collocator is responsible for providing the terminating transmission equipment, e.g., fiber optic terminals, channelization equipment, fiber terminating device. The VEIS collocator must also specify all software options for the transmission equipment and associated plug-ins. In addition, the collocator shall provide the following:

- all necessary plug-ins/circuit packs (both working and spare) including any required options that must be physically set on the plug-ins.
- all unique tools and test equipment.
- initial and subseqently added equipment should be sized and equipped to handle a minimum of 12 months forecasted growth.
- rack mounted storage unit to house spare plug-ins, tools, and test equipment.
- any desired equipment for remote monitoring and control.
- fuse panel(s) with sufficient capacity for all VEIS transmission equipment.
- network facility rack(s), i.e., relay racks, to mount all of the above referenced equipment and Company-provided interconnection panel(s).

F. Any equipment provided under E. preceding shall be leased to the Company in accordance with A. preceding.

G. Performance monitoring, alarm monitoring and software cross-connect control of all facilities and equipment used in provisioning a VEIS arrangement will be the responsibility of the VEIS collocator. The VEIS collocator will be responsible for initiating maintenance/repair requests for said facilities and equipment, pursuant to J. following.

If the collocator desires the Company to provide the transport for monitoring and control functions, such transport will be ordered and billed pursuant to the applicable service tariff provisions.

H. The Company will have responsibility for installation and maintenance/repair of the facilities used to provide VEIS from the point of interconnection up to the collocator's terminating equipment.

I. The Company will designate a meet-point location within the VEIS site where the Company's switched and dedicated access services will be terminated for interconnection with the VEIS central office equipment.

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E20. Expanded Interconnection Service (EIS)[1] (N)

E20.1 Virtual Expanded Interconnection Service (VEIS) (Cont'd)

E20.1.2 Regulations (Cont'd)

J. The Company will work cooperatively with the VEIS collocator to facilitate joint testing and related activities.

1. The collocator will be responsible for notifying the Company of significant outages of any portion of its network, which could impact or degrade Company switches and services. The collocator will also provide, if possible, an estimated time for restoral.
2. Troubles reported to or observed by the collocator should be tested and isolated by the collocator prior to reporting the trouble to the Company.

K. All installation work performed on behalf of the collocator must be performed by the Company or a Company-authorized vendor. Authorization procedures may be obtained from the Company, upon request.

E20.1.3 Limitations of Service

The following provisions address VEIS interconnections to the Company network and service prohibitions for VEIS arrangements:

A. Collocators who subscribe to VEIS will not have access to the Company building, except as provided in E20.1.4.H. following.

B. A Company security escort will accompany the VEIS collocator at the interconnection point outside of the VEIS location. The security escort will be provided at the collocator's expense in accordance with charges described in E20.1.5.A.6. following.

C. The Company will not interconnect facilities between two or more different collocators within the same central office.

D. Collocators who subscribe to VEIS may not permit any other person or entity to use the allocated floor space.

E. VEIS arrangments for Dedicated Access Services will be DS0 and/or DS1 electrical interconnections. VEIS arrangement for Switched Access Services will be DS1 and/or DS3 electricial interconnections.

F. DS0 Access Service will be delivered to the VEIS arrangement via a DS0 equivalent interface. A DS0 equivalent interface is a DS1 interface using Company-provided DS0 to DS1 multiplexing in the same wire center as the VEIS arrangement.

G. The VEIS collocator may interconnect at the DS3 level with the following Company Switched Access Services:

- DS3 Switched Local Channel or Switched Interoffice Channel
- Switched DS3 to DS1 Channelization Equipment

H. The VEIS collocator may interconnect at the DS1 level with the following Company services:

- DS1 Local channel or interoffice channel
- DS1 Basic channelization system
- DS1 Switched Local Channel or Switched Interoffice Channel
- SMARTPath* Service
- DS0 Switched Interoffice Channel

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E20. Expanded Interconnection Service (EIS)[1] (N)

E20.1 Virtual Expanded Interconnection Service (VEIS) (Cont'd)

E20.1.3 Limitations of Service (Cont'd)

H. The VEIS collocator may interconnect at the DS1 level with the following Company services: (Cont'd)

- Switched DS1 to DS0 or analog Channelization Equipment
- Digital Data Access Service
- FlexServ® Channel Connection Service Port
- Voice Grade Access Service

E20.1.4 Provision of Service

A. Service Application

1. A collocator shall complete and provide to the Company a written application requesting a VEIS service arrangement and an Application Fee per request, per location. Details on the specific requirements of the requested VEIS arrangement, interconnect drawings, technical specifications, monitor and control design and other equipment related documentation, must be provided with the written application.
2. The Company will process applications for VEIS arrangements on a first-come, first-served basis by location as determined through the receipt of the Application Fee.
3. The Company will accept letters of agency in conjunction with an application for VEIS.
4. Upon receipt of the Application Fee, the Company will conduct the following design and planning activities:
   a. engineering record search and review to determine availability of conduit, rack, floor space and multiple entry points.
   b. determination of requirements of the requested VEIS design.
   c. administrative activities required to process the application.
5. Once the Company has completed the design and planning activities, the collocator will be informed of the floor space and power requirements. At this time the Company will provide to the collocator a list of vendors certified to perform equipment installations.
6. A collocator shall have thirty (30) days from receipt of the information to place a firm order.
7. Interconnection space will be made available to each collocator in square foot increments. The collocator's interconnection floor space will be designed with additional interconnection floor space remaining between each VEIS arrangement until interconnection floor space is exhausted.

   When a collocator with an existing VEIS arrangement in a given Company central office requests expansion of the current VEIS arrangement and if additional interconnection floor space is available adjacent to the existing arrangement, the Company will retain the contiguous interconnection floor space upon receipt of the Application for Service from the collocator. If contiguous interconnection floor space is not available the Company will design the interconnection floor space that is available pursuant to the Application for Service. Additional interconnection floor space will be made available, and will be contiguous with the collocator's other VEIS arrangements where feasible. Regulations regarding the retention of the interconnection floor space upon receipt of the Application for Service are shown as 6. preceding.

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E20. Expanded Interconnection Service (EIS)[1] (N)

E20.1 Virtual Expanded Interconnection Service (VEIS) (Cont'd)

E20.1.4 Provision of Service (Cont'd)

A. Service Application (Cont'd)

8. The Company's engineering and other labor time associated with establishing VEIS arrangement will be billed under the provisions of E13.1.1 and E13.2.6 preceding.

9. The collocator will contract directly with its chosen certified vendor for installation. The Company will retain project management responsibility and authority related to the installation work done in the central office (i.e. decisions as to specific location of the equipment bay, termination panel appearance, assignments, etc.). Equipment installation includes, but is not limited to assembly, floor mounting, connecting power, connecting optical and metallic interfaces, connecting monitoring equipment, turn-up, acceptance testing, stenciling, updating central office records and any other task that may be required for compliance with Company installation standards as contained in TR-73503. The collocator and its chosen vendor will work in close cooperation with Company representatives having project management responsibility and will comply with the installation standards, specified in TR-73503.

10. A collocator agrees to meet with the Company on an as needed basis to review the design and work plans and schedules for the installation of the collocator-provided/Company leased terminating transmission equipment and facilities.

B. Service Activation

1. The Company will notify the collocator in writing upon completion of the cable installation work and prior to activating the VEIS arrangement.

2. The Company will provide the VEIS collocator with the circuit identification associated with the collocator-provided/Company leased terminating transmission equipment, as well as specific location of the equipment, e.g. VEIS location, bay location, shelf, etc., at the time of installation.

3. The Company will utilize existing test equipment, or the collocator-provided/Company leased unique test equipment, for acceptance and repair in cooperation with the VEIS collocator.

C. Training

If a collocator selects terminating transmission equipment hardware and/or software which is not currently in use in the Company location where VEIS will be provided, the collocator will be responsible for payment of the charges as set forth in E20.1.6.A.7. following, for any necessary training for Company personnel needed to install and repair said equipment. Additionally, the collocator will be responsible for payment of any applicable tuition fees associated with said training.

In the event that the collocator does not provide the necessary training to enable Company personnel to repair said equipment, the Company may call a certified vendor to make repairs of said equipment. The collocator will reimburse the Company for any charges submitted by the certified vendor for repair of said equipment. In addition, charges for security escort will apply as set forth in E20.1.6.A.6. following.

D. Inspections

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E20. Expanded Interconnection Service (EIS)[1] (N)

E20.1 Virtual Expanded Interconnection Service (VEIS) (Cont'd)

E20.1.4 Provision of Service (Cont'd)

D. Inspections (Cont'd)

A VEIS collocator shall call to schedule a time to enter the VEIS location(s) for the purpose of inspecting the terminating transmission equipment dedicated for its use. A Company security escort will accompany the VEIS collocator during said inspections at the expense of the collocator. Security escort rates are as set forth in E20.1.6.A.6. following.

E. Maintenance

Except in emergency situations, the collocator-provided/Company leased fiber optic cable facilities and terminating transmission equipment will be maintained/repaired only upon request of the VEIS collocator. In an emergency, the Company will use reasonable efforts to notify the collocator, but nevertheless may perform such maintenance/repair as deemed necessary without prior notification or request. When initiating maintenance/repair requests on VEIS equipment, the collocator must provide the Company with the associated circuit identifications and specific location of the equipment, as well as a detailed description of the trouble. Charges for maintenance/repair performed upon request from, or on behalf of, the VEIS collocator will be billed to the collocator on a time sensitive basis as described in Section E13. preceding. No charges will be assessed to the VEIS collocator for maintenance if said maintenance is required as a result of negligence or willful misconduct on the part of the Company, or from incidental damage resulting from Company activities. The collocator is responsible for providing equipment required for maintenance/repair spares under the terms of paragraph 20.1.2.E, preceding.

All maintenance/repair on VEIS terminating transmission equipment will be performed by the Company.

F. Liability and Damages

1. The Company reserves to itself, its successors and assigns, the right to utilize the space within its location(s) in such a manner as will best enable it to fulfill its own service requirements. The Company shall not be liable to the collocator for physical damage to the collocator-provided/Company leased facilities or equipment occupying a Company location unless caused by the negligence or willful misconduct of the Company. In such event, the liability of the Company shall be limited to the reasonable cost of repair/replacement of damaged facilities or equipment. The Company shall have no liability whatsoever to a collocator or customer of the collocator for lost revenues or profits occasioned by any interruption of the collocator's service or interference with the operation of the collocator-provided/Company leased facilities in a Company location(s).
2. The collocator shall indemnify, defend, and save harmless the Company from and against any and all losses, claims, demands, causes of action, and costs, including attorneys' fees, whether suffered, made, instituted, or asserted by the collocator or by any other party or person for damages to property and injury or death to persons, including payments made under any Workers' Compensation Law or under any plan for employees' disability and death benefits, which may arise out of or be caused by the installation, repair, use, or removal of a VEIS collocator-provided/Company leased equipment or facilities, or by their proximity to the equipment or facilities of another VEIS collocator occupying space in a Company location(s), or by any act or omission of the Company, its employees, agents, former or striking employees, or contractors, in connection therewith.

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E20. Expanded Interconnection Service (EIS)[1] (N)

E20.1 Virtual Expanded Interconnection Service (VEIS) (Cont'd)

E20.1.4 Provision of Service (Cont'd)

F. Liability and Damages (Cont'd)

3. The collocator shall indemnify, defend, and save harmless the Company from and against any and all losses, claims, demands, causes of action, damages and costs, including but not limited to attorney's fees which may arise out of or be caused by the collocator's presence in the VEIS location and/or acts by the collocator, its employees, agents, or contractors. The collocator shall indemnify, defend, and save harmless the Company from and against any and all damages, costs and expense of relocating conduit systems, when such relocation is necessitated by the VEIS arrangement and/or by acts of the collocator, its employees, agents or contractors.

4. In no event shall the Company or any of its directors, officers or employees or agents be liable for any loss of profit or revenue by the collocator or for any loss of AC or DC power, HVAC interruptions, consequential, incidental, special, punitive or exemplary damages incurred or suffered by the collocator, even if the Company has been advised of the possibility of such loss or damage. The collocator shall indemnify, defend, and hold harmless the Company, its directors, officers and employees, servants, agents, affiliates and parents, from and against any and all claims, cost, expenses or liability arising out of the installation and operation of the collocator-provided/Company leased facilities and equipment within the location.

5. The collocator represents, warrants and covenants that it shall not cause or permit any other party to cause any environmental conditions in, at or affecting the VEIS location which violate any federal, state or local law, ordinance, rule or regulation. The collocator shall indemnify, defend, and hold harmless the Company from any and all liability, damage claim or cost of any kind, including reasonable attorney's fees, resulting from or arising out of any breach of the foregoing sentence.

6. The collocator shall be responsible for the actions of all persons under its control when working in a Company premises, or other point of interconnection outside of the VEIS location.

   a. If the interconnection floor space or any part thereof shall be damaged by fire or other casualty, the Company shall give immediate notice thereof to the collocator and the provisions of this Tariff shall continue in full force and effect except as hereinafter set forth.

   b. If the interconnection floor space is partially damaged or rendered paritally unusable by fire or other casualty not caused by the collocator, the damages thereto shall be repaired by and at the expense of the Company. The interconnection floor space fee, until such repair shall be substantially completed, shall be reduced from the day following the casualty according to the portion of the interconnection space and/or associated cable and conduit spaces which are rendered unusable.

   c. If the interconnection floor space, cable space, or conduit space is totally damaged or rendered wholly unusable by fire or other casualty not caused by the collocator, then the occupancy fees shall be paid up to the time of the casualty and thenceforth shall cease until the date when the space shall have been repaired and restored by the Company, subject to the Company's right to elect not to restore the same as hereinafter provided.

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E20. Expanded Interconnection Service (EIS)[1] (N)

E20.1 Virtual Expanded Interconnection Service (VEIS) (Cont'd)

E20.1.4 Provision of Service (Cont'd)

F. Liability and Damages (Cont'd)

6. The collocator shall be responsible for the actions of all persons under its control when working in a Company premises, or other point of interconnection outside of the VEIS location. (Cont'd)

d. If the interconnection floor space, cable space, or conduit space is rendered wholly unusable or if the building shall be so damaged that the Company shall decide to demolish it or not to rebuild it, then, in any of such events, the Company may elect to terminate service under this Tariff by written notice to the collocator given within ninety (90) days after such fire or casualty specifying a date for the cessation of service, which date shall not be more than sixty (60) days after the giving of such notice, and upon the date specified in such notice service under this Tariff shall cease and the VEIS arrangement with the collocator shall forthwith be terminated and the remaining collocator-provided/Company leased equipment removed and returned to the collocator without prejudice however to the Company's rights and remedies against the collocator under the Tariff provisions in effect prior to such termination, and any facility/equipment fees owing shall be paid up to such date and any payments of the fees made by the collocator which were on account of any period subsequent to such date shall be returned to the collocator. Unless the Company shall serve a termination notice as provided for herein, the Company shall make the repairs and restorations under the conditions of b. and c. preceding, with all reasonable expedition subject to delays due to adjustment of insurance claims, labor troubles and causes beyond the Company's reasonable control. After any such casualty, the collocator shall cooperate with the Company's restoration by agreeing to the Company removing from the interconnection floor space all of the salvageable inventory and movable equipment. The collocator's liability for VEIS fees shall resume upon reactivation of service after the Company has notified the collocator that the VEIS arrangement has been restored to a condition comparable to that existing prior to such casualty.

G. Confidential Information

The Company agrees to hold in confidence information provided to it by a collocator pursuant to this Tariff; and information known to the Company as a result of the interconnection of collocator-provided/Company leased equipment to Company facilities and services if such information is of a competitive nature. Similarly, the collocator agrees to hold in confidence information provided to it by the Company pursuant to this Tariff if such information is of a competitive nature. Neither party is obligated to hold in confidence information that:

(1) was already known to the party free of any obligation to keep said information confidential;

(2) was or becomes publicly available by other than unauthorized disclosure; or

(3) was rightfully obtained from a third party not obligated to hold such information in confidence.

H. Title

This Tariff does not convey to a collocator any right, title or interest in the Company facility; interconnection space; cable space; cable racking; vault or conduit space used in the provisioning of a VEIS arrangement.

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E20. Expanded Interconnection Service (EIS)[1] (N)

E20.1 Virtual Expanded Interconnection Service (VEIS) (Cont'd)

E20.1.4 Provision of Service (Cont'd)

I. Force Majeure

The Company shall not be liable for any delay or failure in performance of any part of this Tariff to the extent that such failure or delay is caused by acts of God, acts of civil or military authority, government regulations, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, strikes, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities, or acts or omissions of transportation common carriers or other causes beyond the control of the Company.

J. Security Arrangements

The collocator agrees to abide by all Company security practices for access to Company central offices.

E20.1.5 Rate Regulations

A. VEIS Elements

Regulations governing the application of VEIS rates and charges are described following. Rates and charges for each element are specified in E20.1.6 following.

1. Application Fee

   An Application Fee in the amount specified in E20.1.6.A.1 following must be submitted with the collocator's application for VEIS. The first-come, first-served policy of processing applications for VEIS arrangements will be determined based upon the order of receipt of applications for VEIS along with the Application Fee. The Applicaton Fee will be used for design and planning activities which include an engineering record search for conduit, rack, and floor space availability, and a determination of requirements for the requested VEIS design.

   An Application Fee is required with each VEIS arrangement application submitted per location. If more than one VEIS arrangement is ordered at the same location on the initial VEIS arrangement application, then only one Application Fee will apply. A subsequent application for an additional arrangement within the same location must be submitted with another Application Fee.

2. Cable Installation Charge

   The Cable Installation Charge applies for each VEIS cable ordered within a location. Cable installation involves activities associated with pulling the collocator-provided/Company leased fiber cable from the interconnection point to the VEIS terminating equipment or the vault, installing collocator-provided/Company leased fire retardant riser cable, and splicing the entrance fiber cable to the riser cable.

   Payment of the Cable Installation Charge must be made prior to the Company commencing work on the VEIS arrangement work order. The Cable Installation Charge will not apply on subsequent VEIS arrangement orders within the same location for the same VEIS collocator if the collocator and Company jointly determine that sufficient cable *facilities exist to accommodate the subsequent VEIS arrangement(s).*

3. Cable Support Structure

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA
ISSUED: July 1, 1996
BY: Joseph P. Lacher, President - FL
Miami, Florida

E20. Expanded Interconnection Service (EIS)[1] (N)

E20.1 Virtual Expanded Interconnection Service (VEIS) (Cont'd)

E20.1.5 Rate Regulations (Cont'd)

A. VEIS Elements (Cont'd)

3. Cable Support Structure (Cont'd)

The Cable Support Structure monthly recurring charge applies for the use of conduit from the point of interconnection to the cable vault or other central office entrance, and for entrance and riser cable rack space.

4. Cross-Connect

A monthly recurring charge applies for the Cross-Connect elements which consist of the cross-connect panel, cable racks, bay framework and other supporting hardware.

The cross-connect element is designated as Switched Access or Dedicated Access depending on the type of service to which it cross connects.

The Switched Access cross-connect elements are subject to the jurisdictional report requirements as set forth in E2.3.14 preceding.

Nonrecurring charges for the Cross-Connect are assessed on a "First" and "Additional" basis.

5. Floor Space

Floor Space consists of two recurring rate elements that apply as follows:

Per Square Foot - The Per Square Foot element applies for the floor space required to provision the VEIS arrangement and includes heat, ventilation, and air conditioning (HVAC), lighting, and AC power.

Per Ampere - The Per Ampere element consists of two separate -48 volts direct current feeds (A&B) with battery back-up and applies per ampere for the equipment maximum power requirement.

6. Security Escort

A Security Escort is provided to a collocator whenever the collocator, or approved agent, desires access to the collocator-provided/Company leased terminal transmission equipment.

Charges for a Security Escort are assessed in half-hour increments as either Basic, Overtime or Premium Time charges. A request resulting in the dispatch of a Company employee at a time not consecutive with the employee's scheduled work period is subject to a minimum charge of three (3) hours.

7. Training

When collocator-provided/Company leased equipment (hardware and/or software) is identical to that already in use in the Company location:

No training charges are applicable.

When collocator-provided/Company leased equipment (hardware and/or software) is not identical to that already in use in the Company location:

Charges as set forth in E20.1.6.A.7., following are applicable.

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E20. Expanded Interconnection Service (EIS)[1] (N)

E20.1 Virtual Expanded Interconnection Service (VEIS) (Cont'd)

E20.1.5 Rate Regulations (Cont'd)

B. Access Service Elements

The access service elements, as set forth in Section E3., Carrier Common Line Access Service; Section E6., Switched Access Service; Section E9., Directory Assistance Access Service; and E18., Operator Service Access Services ordered and/or working in association with DS0/DS1/DS3 Switched Cross-Connect Service will be billed to and paid by the customer of record for the service involved, unless the VEIS customer requests and/or agrees to be responsible for all charges.

For Switched Access Service line or trunk activation charges, see Section E6.8.1 preceding.

E20.1.6 Rates and Charges

A. Virtual Expanded Interconnection Service (VEIS)

1. Application Fee

	Monthly Rate	Nonrecurring Charge	USOC
(a) Per Location	$-	$2,848.30	EAF

2. Cable Installation Charge

(a) Per Cable	-	2,750.00	ESPCX

3. Cable Support Structure

(a) Per Cable	13.35	-	ESPSX

4. Cross-Connect

(1) Switched Access

	Monthly Rate	Nonrecurring Charge First	Nonrecurring Charge Additional	USOC
(a) DS3	$56.25	$151.90	$11.83	TEFC3
(b) DS1	7.50	155.00	14.00	TEFC1
(c) DS0	8.60	96.70	9.30	TEFCO

(2) Dedicated Access

(a) DS0	8.60	96.70	9.30	CNC0X
(b) DS1	7.50	155.00	14.00	CNC1X

5. Floor Space

	Monthly Rate	Nonrecurring Charge	USOC
(a) Per Square Foot	$3.20	$-	ESPVX
(b) Per Ampere	3.48	-	ESPAX

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

E20. Expanded Interconnection Service (EIS)[1] (N)

E20.1 Virtual Expanded Interconnection Service (VEIS) (Cont'd)

E20.1.6 Rates and Charges (Cont'd)

A. Virtual Expanded Interconnection Service (VEIS) (Cont'd)

6. Security Escort

	First Half Hour Or Fraction Thereof	Each Additional Half Hour Or Fraction Thereof	USOC
(a) Basic Time, normally scheduled work hours	**$41.00**	**$25.00**	**SPTBX**
(b) Overtime, outside of normally scheduled working hours on a scheduled work day	**48.00**	**30.00**	**SPTOX**
(c) Premium Time, outside of scheduled work day	**55.00**	**35.00**	**SPTPX**

7. Training, Per Trainee

(1) Living Expenses

	Nonrecurring Charge	USOC
(a) Per Day	**$136.67**	**CTRLD**

(2) Labor rate, First 1/2 hour and each additional 1/2 or fraction thereof

(a) Basic Time	**30.64**	**CTRLX**
(b) Overtime	**35.77**	**CTRLX**
(c) Premium Time	**40.90**	**CTRLX**

(3) Air Fare/Travel Expense

(a) Per Trip	**555.00**	**CTRTA**

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS)

E20.2.1 General

A. The Company shall provide Physical Expanded Interconnection Service (PEIS) in accordance with, and subject to, the rates, terms and conditions of this Tariff and any additional applicable regulations in other Company Tariffs. The rates, terms and conditions of this Tariff apply only in the case of an application submitted pursuant to this Tariff; and any application submitted pursuant to this Tariff will be controlled solely and entirely by the rates, terms and conditions of this Tariff. The terms and conditions of this Tariff shall not apply to any application submitted pursuant to a contract between the Company and the PEIS collocator. The PEIS collocator shall be solely responsible for identifying in writing on the application form if the application is submitted pursuant to this Tariff. In the event a PEIS ***collocator*** does not identify whether the application is submitted pursuant to this Tariff or to a contract, then the Company will consider that such application is not a Bona Fide Application. This Tariff is applicable to Premises owned by the Company. If the Premises occupied ***by the Company*** is leased by the Company from a Third Party, special considerations ***and intervals*** may apply in addition to the terms and conditions of this Tariff. (C)

B. If any due date contained in this Tariff falls on a weekend or holiday, then the due date will be the next business day thereafter. (N)

C. The Parties agree to comply with all applicable federal, state, county, local and administrative laws, rules, ordinances, regulations and codes in the performance of their obligations hereunder. (N)

E20.2.2 Service Description

PEIS is a service offering which provides for the installation of collocator-owned equipment and facilities within leased floor space in the Company Central Offices for the purpose of connecting to the Company network. PEIS is available as: Cageless, Caged, Shared Caged and Adjacent. The equipment compliment may include any type of equipment that is directly related to and thus necessary, required or indispensable for interconnection or access to unbundled network elements in the provision of telecommunications services. The collocator is solely responsible for the timing, alarming, monitoring, performance, maintenance, provisioning and repair of their equipment. Equipment ownership, maintenance and insurance are the responsibility of the collocator or their approved agent. Equipment and facilities placed as part of a collocation arrangement must be installed by a Company Certified Contractor. The PEIS collocator and their selected Company Certified Contractor must follow and comply with all Company requirements outlined in The Company's TR73503, TR73519 and TR73564. (C)

E20.2.3 Types of Collocation

A. Cageless

1. The Company shall allow the PEIS collocator to collocate the PEIS collocator's equipment and facilities without requiring the construction of a cage or similar structure. The Company shall allow the PEIS collocator to have direct access to its equipment and facilities . The Company shall make cageless collocation available in single bay increments pursuant to the rate regulations, rates and charges contained in this Tariff. (C)

2. Except where the PEIS collocator's equipment requires special technical considerations (e.g., special cable racking, isolated ground plane), the Company shall assign cageless Collocation Space in conventional equipment rack lineups where feasible. For equipment requiring special technical considerations, the PEIS collocator must provide the equipment layout, including spatial dimensions for such equipment pursuant to generic requirements contained in Telcordia (BellCore) GR-63-Core and shall be responsible for constructing all special technical requirements associated with such equipment pursuant to E20.2.7.D. following.

B. Cages (C)

1. The Company shall construct cage enclosures in compliance with the PEIS collocator's collocation request. At the PEIS collocator's request, the Company shall permit the PEIS collocator to subcontract the construction of physical collocation arrangements with a contractor certified by the Company ("The Company Certified Contractor"), provided however, that the Company shall not unreasonably withhold approval of contractors. (C)

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.3 Types of Collocation (Cont'd)

B. Cages (Cont'd) (C)

2. When the PEIS collocator subcontracts the construction, the PEIS collocator must arrange with a Company Certified Contractor to construct a collocation arrangement enclosure in accordance with the Company's guidelines and specifications ***prior to starting equipment installation*** and at the PEIS collocator's sole expense. The Company will provide guidelines and specifications upon request. Where local building codes require enclosure specifications more stringent than the Company's standard enclosure ***specifications***, the PEIS collocator and the PEIS collocator's Company Certified Contractor must comply with the more stringent local building code requirements. The PEIS collocator's Company Certified Contractor shall be responsible for filing and receiving any and all necessary permits and/or licenses for such construction. The Company shall cooperate with the PEIS collocator and provide, at the PEIS collocator's expense, the documentation, including architectural drawings, necessary for the PEIS collocator to obtain the zoning, permits and/or other licenses. The Company shall pass on to the PEIS collocator the costs of providing the documentation. The Company Certified Contractor shall bill the PEIS collocator directly for all work performed for the PEIS collocator pursuant to this Tariff and the Company shall have no liability for nor responsibility to pay such charges imposed by the Company Certified Contractor. The PEIS collocator must provide the local Company building_contact with two Access Keys used to enter the locked enclosure. Except in case of emergency, the Company will not access the PEIS collocator's locked enclosure prior to notifying the PEIS collocator. (C)

3. The Company may elect to review the PEIS collocator's plans and specifications prior to allowing construction to start to ensure compliance with the Company's guidelines and specifications. The Company shall complete its review within fifteen (15) ***calendar*** days. The PEIS collocator shall be able to design caged enclosures in amounts as small as sufficient to house and maintain a single rack or bay of equipment. If the Company reviews the PEIS collocator's plans and specifications prior to construction, then the Company will have the right to inspect the enclosure after construction to make sure it is constructed according to the submitted plans and specifications. If the Company elects not to review the PEIS collocator's plans and specifications prior to construction, the PEIS collocator will be entitled to request the Company to review; and in the event the PEIS collocator does not request a Company review, the Company shall have the right to inspect the enclosure after construction to make sure it is constructed according to the Company's guidelines and specifications. The Company may require the PEIS collocator to remove or correct ***within seven (7) calendar days*** at the PEIS collocator's expense any structure that does not meet these plans and specifications or, where applicable, the Company guidelines and specifications. (C)

C. Shared (Subleased) Caged Collocation

1. The PEIS collocator may allow other telecommunications carriers to share the PEIS collocator's caged collocation arrangement pursuant to terms and conditions agreed to by the PEIS collocator ("Host") and other telecommunications carriers ("Guests") and pursuant to this section , except where the Company Premises is located within a leased space and the Company is prohibited by said lease from offering such an option. The PEIS collocator shall notify the Company in writing upon execution of any agreement between the Host and its Guest within ten (10) ***calendar*** days of its execution and prior to any Firm Order. Further, such notice shall include the name of the Guest(s) and the term of the agreement, and shall contain a certification by the PEIS collocator that said agreement imposes upon the Guest(s) the same terms and conditions for Collocation Space as set forth in this Tariff. (C)

2. The PEIS collocator shall be the sole interface and responsible Party to the Company for ***the*** assessment ***and billing*** of rates and charges contained within this Tariff and for the purposes of ensuring that the safety and security requirements of this Tariff are fully complied with by the Guest, its employees and agents. ***The Company shall prorate the costs based on the number of collocators and the space used by each***. In the event the Host and Guest jointly submit an initial Application, only one Application Fee will be assessed. A separate initial Guest application shall require the assessment of a Subsequent Application Fee, as set forth in this Tariff, if this application is not the initial application made for the arrangement. Notwithstanding the foregoing, Guest may arrange directly with the Company for ***equipment placement, unbundled network elements and other services, regardless of whether the Host or Guest was the original collocator.*** (C)

3. The PEIS collocator shall indemnify and hold harmless the Company from any and all claims, actions, causes of action, of whatever kind or nature arising out of the presence of the PEIS collocator's Guests in the Collocation Space except to the extent caused by the Company's sole negligence, gross negligence, or willful misconduct.

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.3 Types of Collocation (Cont'd)

D. Adjacent Collocation

1. The Company will ***permit*** adjacent collocation arrangements ("Adjacent Arrangement") on the Premises' property where space within the Premises is legitimately exhausted, subject to technical feasibility, where the Adjacent Arrangement does not interfere with access to existing or planned structures or facilities on the Premises' property and where permitted by zoning and other applicable state and local regulations. The Adjacent Arrangement shall be designed, constructed or procured by the PEIS collocator and in conformance with the Company's design and construction specifications. Further, the PEIS collocator shall design, construct, procure, maintain and operate said Adjacent Arrangement(s) pursuant to all of the terms and conditions set forth in this Tariff. (C)

2. Should the PEIS collocator elect such option, the PEIS collocator must arrange with a Company Certified ***Vendor*** to construct an Adjacent Arrangement structure in accordance with the Company's guidelines and specifications. The Company will provide guidelines and specifications upon request. Where local building codes require enclosure specifications more stringent than the Company's standard ***specifications***, the PEIS collocator and the PEIS collocator's Company Certified ***Vendor*** must comply with the more stringent local building code requirements. The PEIS collocator's Company Certified Contractor shall be responsible for filing and receiving any and all necessary zoning, permits and/or licenses for such construction. The PEIS collocator's Company Certified ***Vendor*** shall bill the PEIS collocator directly for all work performed for the PEIS collocator pursuant to this Tariff and the Company shall have no liability for nor responsibility to pay such charges imposed by the Company Certified Contractor. The PEIS collocator must provide the local Company building contact with two cards, keys or other access device used to enter the locked enclosure. Except in cases of emergency, the Company shall not access the PEIS collocator's locked enclosure prior to notifying the PEIS collocator. (C)

3. The Company may elect to review the PEIS collocator's plans and specifications prior to construction of an Adjacent Arrangement(s) to ensure compliance with the Company's guidelines and specifications. The Company shall complete its review within fifteen (15) ***calendar*** days. If the Company reviews the PEIS collocator's plans and specifications prior to construction, then the Company will have the right to inspect the Adjacent Arrangement after construction to make sure it is constructed according to the submitted plans and specifications. If the Company elects not to review the PEIS collocator's plans and specifications prior to construction, the PEIS collocator will be entitled to request the Company to review; and in the event the PEIS collocator does not request a Company review, ***the*** Company shall have the right to inspect the Adjacent Arrangement after construction to make sure it is constructed according to the Company's guidelines and specifications. The Company may require the PEIS collocator to remove or correct ***within seven (7) calendar days*** at the PEIS collocator's expense any structure that does not meet these plans and specifications or, where applicable, the Company's guidelines and specifications. (C)

4. The PEIS collocator shall provide a concrete pad, the structure housing the arrangement, heating/ventilation/air conditioning ("HVAC"), lighting, and all facilities that connect the structure (i.e. racking, conduits, etc.) to the Company point of interconnection. At the PEIS collocator's option, and where the local authority having jurisdiction permits, the Company shall provide an AC power source and access to physical collocation services and facilities subject to the same nondiscriminatory requirements as applicable to any other physical collocation arrangement. The PEIS collocator's Company Certified Contractor shall be responsible for filing and receiving any and all necessary zoning, permits and/or licenses for such arrangement.

5. The Company shall allow Shared (Subleased) Caged Collocation within an Adjacent Arrangement pursuant to the terms and conditions set forth in B.2. preceding.

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.4 Space Notification

A. Upon submission of an application pursuant to E20.2.7, the Company will permit the PEIS collocator to physically collocate, pursuant to the terms of this Tariff, at any Company Premises, unless the Company has determined that there is no space available due to space limitations or that physical collocation is not practical for technical reasons. The Company will respond to an application within fifteen (15) calendar days as to whether space is available or not available within a Company Premises. (C)

B. Reporting

1. Upon request from the PEIS collocator, the Company will provide a written report ("Space Availability Report") specifying the amount of Collocation Space available at the Premises requested, the number of collocators present at the Premises, any modifications in the use of the space since the last report on the Premises requested and the measures the Company is taking to make additional space available for collocation arrangements.
2. The request from the PEIS collocator for a Space Availability Report must be written and must include the Premises and Common Language Location Identification ("CLLI") code of the Premises. Such information regarding Premises and CLLI code is located in the National Exchange Carriers Association (NECA) Tariff FCC No. 4.
3. The Company will respond to a request for a Space Availability Report for a particular Premises within ten (10) ***calendar*** days of receipt of such request. The Company will make best efforts to respond in ten (10) ***calendar*** days to such a request when the request includes from two (2) to five (5) Premises within the same state. The response time for requests of more than five (5) Premises shall be negotiated between the Parties. If the Company cannot meet the ten ***calendar*** day response time, the Company shall notify the PEIS collocator and inform the PEIS collocator of the time frame under which it can respond. (C)

C. If the Company determines that there is no available space in the requested Premises ("Denial of Application"), the Company will comply with the requirements of Order No. PSC-99-1744-PAA-TP ***and Order No. PSC-00-0941-FOF-TP*** issued by the Florida Public Service Commission. (C)

D. Upon Denial of Application the Company will file in a timely manner a petition with the Commission pursuant to 47 U.S.C. § 251(c)(6) and Order No. PSC-99-1744-PAA-TP.

E. On a first-come, first-served basis governed by the date of receipt of an application or Letter of Intent, the Company will maintain a waiting list of requesting carriers who have either received a Denial of Application or, where it is publicly known that the Premises is out of space, have submitted a Letter of Intent to collocate. ***Sixty (60) days prior to space becoming available, if known, the*** Company will notify ***the Florida PSC*** and the telecommunications carriers on the waiting list ***by mail*** when space becomes available according to the position of telecommunications carrier on said waiting list. ***If not known sixty (60) days in advance, the Company shall notify the Florida PSC and the telecommunications carriers on the waiting list within two business days that space is available.*** The PEIS collocator must submit an updated, complete, and correct application to the Company within 30 ***calendar*** days or notify the Company in writing that the PEIS collocator wants to maintain its place on the waiting list either without accepting such space or accepting an amount of space less than its original request. If the PEIS collocator does not submit such an application or notify the Company in writing as described preceding, the Company will offer such space to the next carrier on the waiting list and remove the PEIS collocator from the waiting list. Upon request, the Company will advise the PEIS collocator as to its position on the list. (C)

F. The Company will maintain on its Interconnection Services website a notification document that will indicate all Central Offices that are without available space. The Company shall update such document within ten (10) ***calendar*** days of the Denial of Application due to Space ***Exhaust***. The Company will also post a document on its Interconnection Services website that contains a general notice where space has become available in a Central Office previously on the space exhaust list. The Company shall allocate said available space pursuant to E.20.2.4.E preceding. (C)

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.5 Occupancy

A. The Company shall offer ***collocation*** to the PEIS collocator on rates, terms, and conditions that are just, reasonable, non-discriminatory and consistent with the rules of the Federal Communications Commission ("FCC") ***and the Florida Public Service Commission.*** Subject to E20.2.5 of this Tariff, the Company allows the PEIS collocator to occupy that certain area designated by the Company within a Company Premises, or on the Company property upon which the Company Premises is located, of a size which is specified by the PEIS collocator and agreed to by the Company (hereinafter "Collocation Space"). For purposes of this Tariff, the Company Premises include the Company Central Offices and Serving Wire Centers. ***The necessary rates, terms and conditions for the Company locations other than the Company Premises shall be negotiated upon request for collocation at such location(s).*** The size specified by the PEIS collocator may contemplate a request for space sufficient to accommodate the PEIS collocator's growth within an ***18-month*** period. (C)

B. In the event of space exhaust within a Central Office Premises, the Company may include in its documentation for the Petition for Waiver filing any ***unutilized*** space in the Central Office Premises. The PEIS collocator will be responsible for any justification of ***unutilized*** space within its space, if such justification is required by the Florida Public Service Commission. (C)

C. The PEIS collocator shall use the Collocation Space for the purposes of installing, maintaining and operating the PEIS collocator's equipment (to include testing and monitoring equipment) that is directly related to and thus necessary, required or indispensable to interconnect with the Company services and facilities, including access to unbundled network elements, for the provision of telecommunications services. Pursuant to E20.2.6, the PEIS collocator may at its option, place the PEIS collocator-owned fiber entrance facilities to the Collocation Space.. The Collocation Space may be used for no other purposes except as specifically described herein or authorized in writing by the Company. (C)

D. The Company will notify the PEIS collocator in writing that the Collocation Space is ready for occupancy. The PEIS collocator must notify the Company in writing that collocation equipment installation is complete and is operational with the Company's network. The Company may, at its option, not accept orders for interconnected service until receipt of such notice. For purposes of this paragraph, the PEIS collocator's telecommunications equipment will be deemed operational when cross-connected to the Company's network for the purpose of service provision.

E. Termination of Occupancy.

1. In addition to any other provisions addressing Termination of Occupancy in this tariff, Termination of Occupancy may occur in the following circumstances:
   a. The PEIS collocator may terminate occupancy in a particular Collocation Space by submitting a Subsequent Application requesting termination of occupancy.
   b. The Company may terminate a PEIS collocator's right to occupy space in the event that the PEIS collocator fails to comply with the provisions of this tariff.
   c. The Company has the right to terminate a PEIS collocator's right to occupy Collocation Space in the event that the Company is no longer required to provide Physical Collocation.
2. Upon termination of such occupancy, the PEIS collocator at its expense shall remove its equipment and other property from the Collocation Space. The PEIS collocator shall have thirty (30) ***calendar*** days from the termination date to complete such removal, including the removal of all equipment and facilities of the PEIS collocator's Guests; provided, however, that the PEIS collocator shall continue payment of monthly charges to the Company until such date as the PEIS collocator has fully vacated the Collocation Space. Should the PEIS collocator or the PEIS collocator's Guest fail to vacate the Collocation Space within thirty (30) ***calendar*** days from the termination date, the Company shall have the right to remove the equipment and other property of the PEIS collocator or the PEIS collocator's Guest at the PEIS collocator's expense and with no liability for damage or injury to the PEIS collocator or the PEIS collocator's Guest's property unless caused by the gross negligence or intentional misconduct of the Company. Upon termination of a PEIS collocator's right to occupy Collocation Space, the PEIS collocator shall surrender such Collocation Space to the Company in the same condition as when first occupied by the PEIS collocator except for ordinary wear and tear unless otherwise agreed to by the Parties. The PEIS collocator shall be responsible for the cost of removing any enclosure, together with all support structures (e.g., racking, conduits), at the termination of occupancy and restoring the grounds to their original condition. (C)

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.6 Use of Collocation Space

A. Equipment Type

1. The Company permits the collocation of any type of equipment that is directly related to and thus necessary, required or indispensable for interconnection to the Company's network or for access to unbundled network elements in the provision of telecommunications services.
2. Such equipment must at a minimum meet the following Telcordia (BellCore) Network Equipment Building Systems (NEBS) General Equipment Requirements: Criteria Level 1 requirements as outlined in the Telcordia (BellCore) Special ***Report*** SR-3580, Issue 1; equipment design spatial requirements per GR-63-CORE, Section 2; thermal heat dissipation per GR-063-CORE, Section 4, Criteria 77-79; acoustic noise per GR-063-CORE, Section 4, Criterion 128, and National Electric Code standards. (T)
3. The PEIS collocator shall not use the Collocation Space for marketing purposes nor shall it place any identifying signs or markings in the area surrounding the Collocation Space or on the grounds of the Premises
4. The PEIS collocator shall place a plaque or other identification affixed to the PEIS collocator's equipment necessary to identify the PEIS collocator's equipment, including a list of emergency contacts with telephone numbers.

B. Entrance Facilities

1. The PEIS collocator may elect to place the PEIS collocator-owned or the PEIS collocator-leased fiber entrance facilities into the Collocation Space. The Company will designate the point of ***interconnection*** in close proximity to the Premises building housing the Collocation Space, such as an entrance manhole or a cable vault which are physically accessible by both Parties. The PEIS collocator will provide and place fiber cable at the point of ***interconnection*** of sufficient length to be pulled through conduit and into the splice location. The PEIS collocator will provide and install a sufficient length of fire retardant riser cable, to which the entrance cable will be spliced, which will extend from the splice location to the PEIS collocator's equipment in the Collocation Space. In the event the PEIS collocator utilizes a non-metallic, riser-type entrance facility, a splice will not be required. The PEIS collocator must contact the Company for instructions prior to placing the entrance facility cable in the manhole. The PEIS collocator is responsible for maintenance of the entrance facilities. At the PEIS collocator's option the Company will accommodate where technically feasible a microwave entrance facility pursuant to separately negotiated terms and conditions. ***In the case of adjacent collocation, unless the Company determines that limited space is available for the entrance facilities, copper facilities may be used between the adjacent collocation arrangement and the central office termination point.*** (C)
2. The Company will provide at least two interconnection points at each Premises where there are at least two such interconnection points available and where capacity exists. Upon receipt of a request for physical collocation under this Tariff, the Company shall provide the PEIS collocator with information regarding the Company's capacity to accommodate dual entrance facilities. If conduit in the serving manhole(s) is available and is not reserved for another purpose for utilization within 12 months of the receipt of an application for collocation, the Company will make the requested conduit space available for installing a second entrance facility to the PEIS collocator's arrangement. The location of the serving manhole(s) will be determined at the sole discretion of the Company. Where dual entrance is not available due to lack of capacity, the Company will so state in the Application Response.
3. The PEIS collocator may utilize spare capacity on an existing interconnector entrance facility for the purpose of providing an entrance facility to another PEIS collocator's collocation arrangement within the same Company Premises. The PEIS collocator must arrange with the Company for the Company to splice the utilized entrance facility capacity to the PEIS collocator-provided riser cable.

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.6 Use of Collocation Space (Cont'd)

C. The Company will designate the point(s) of demarcation between the PEIS collocator's equipment and/or network and the Company's network. Each Party will be responsible for maintenance and operation of all equipment/facilities on its side of the demarcation point. For 2-wire and 4-wire connections to the Company's network, the demarcation point shall be a common block on the Company designated conventional distributing frame. The PEIS collocator shall be responsible for providing, and a supplier certified by the Company ("the PEIS collocator's Company Certified Supplier") shall be responsible for installing and properly labeling/stenciling, the common block, and necessary cabling pursuant to E20.2.7.C. For all other terminations the Company shall designate a demarcation point on a per arrangement basis. The PEIS collocator or its agent must perform all required maintenance to equipment/facilities on its side of the demarcation point, pursuant to E20.2.6.D, following, and may self-provision cross-connects that may be required within the Collocation Space to activate service requests. At the PEIS collocator's option and expense, a Point of Termination ("POT") bay or frame may be placed in the Collocation Space, but will not serve as the demarcation point. The PEIS collocator must make arrangements with a Company Certified Supplier for such placement. ***If the PEIS collocator requests an alternative point of demarcation, the Company and the PEIS collocator shall negotiate the demarcation point pursuant to Order No. PSC-00-0941-FOF-TP.*** (C)

D. The PEIS collocator, or if required by this Tariff, the PEIS collocator's Company Certified Supplier, is solely responsible for the design, engineering, installation, testing, provisioning, performance, monitoring, maintenance and repair of the equipment and facilities used by the PEIS collocator ***which must be performed in compliance with all applicable Company policies and guidelines***. Such equipment and facilities may include but are not limited to cable(s); equipment; and point of termination connections. The PEIS collocator and its selected Company Certified Supplier must follow and comply with all Company requirements outlined in the Company's TR 73503, TR 73519, ***TR 73572*** and TR 73564. (C)

E. **(DELETED)** (D)

F. Pursuant to E20.2.10, the PEIS collocator shall have access to the Collocation Space twenty-four (24) hours a day, seven (7) days a week. The PEIS collocator agrees to provide the name and social security number or date of birth or driver's license number of each employee, contractor, or agents of the PEIS collocator or the PEIS collocator's ***Guest(s)*** provided with access keys or cards ("Access Keys") prior to the issuance of said Access Keys. ***Key acknowledgement forms must be signed by CLEC-1 and returned to BellSouth Access Management within 15 calendar days of CLEC-1's receipt. Failure to return properly acknowledged forms will result in the holding of subsequent requests until acknowledgements are current.*** Access Keys shall not be duplicated under any circumstances. The PEIS collocator agrees to be responsible for all Access Keys and for the return of all said Access Keys in the possession of the PEIS collocator employees, contractors, Guests, or agents after termination of the employment relationship, contractual obligation with the PEIS collocator or upon the termination of this Tariff or the termination of occupancy of an individual collocation arrangement. (C)

G. The PEIS collocator shall notify the Company in writing within 24 hours of becoming aware in the case of lost or stolen Access Keys. Should it become necessary for the Company to re-key buildings or deactivate a card as a result of a lost Access Key(s) or for failure to return an Access Key(s), the PEIS collocator shall pay for all costs associated with the re-keying or deactivating the card.

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.6 Use of Collocation Space (Cont'd)

H. Notwithstanding any other provisions of this Tariff, ***the PEIS collocator shall not use any product or service provided under this Tariff, any other service related thereto or used in combination therewith, or place or use any*** equipment ***or*** facilities ***in any manner that 1) significantly degrades, interferes with or impairs service provided by the Company or by any other entity or any person's use of its telecommunications service; 2) endangers or damages the equipment, facilities or other property of the Company or of any other entity or person***; ***3) compromises*** the privacy of any communications; ***or 4) creates*** an unreasonable risk of injury or death to any individual or to the public. If the Company reasonably determines that any equipment or facilities of the PEIS collocator violates the provisions of this paragraph, the Company shall give written notice to the PEIS collocator, which notice shall direct the PEIS collocator to cure the violation within forty-eight (48) hours of the PEIS collocator's actual receipt of written notice or, at a minimum, to commence curative measures within 24 hours and to exercise reasonable diligence to complete such measures as soon as possible thereafter. After receipt of the notice, the Parties agree to consult immediately and, if necessary, to inspect the arrangement. ***Except in the case of the deployment of an advanced service which significantly degrades the performance of other advanced services or traditional voice band services, if*** the PEIS collocator fails to take curative action within 48 hours or if the violation is of a character which poses an immediate and substantial threat of damage to property, injury or death to any person, ***or any other significant degradation, interference or impairment of*** the ***Company's*** or ***another entity's service***, then and only in that event the Company may take such action as it deems appropriate to correct the violation, including without limitation the interruption of electrical power to the PEIS collocator's equipment. The Company will endeavor, but is not required, to provide notice to the PEIS collocator prior to taking such action and shall have no liability to the PEIS collocator for any damages arising from such action, except to the extent that such action by the Company constitutes willful misconduct. ***For purposes of this section, the term significantly degrade shall mean an action that noticeably impairs a service from a user's perspective. In the case of the deployment of an advanced service which significantly degrades the performance of other advanced services or traditional voice band services and PEIS collocator fails to take curative action within 48 hours then the Company will establish before the Florida Public Service Commission that the technology deployment is causing the significant degradation. Any claims of network harm presented to PEIS collocator or, if subsequently necessary, the Florida Public Service Commission must be supported with specific and verifiable information. Where the Company demonstrates that a deployed technology is significantly degrading the performance of other advanced services or traditional voice band services, PEIS collocator shall discontinue deployment of that technology and migrate its customers to technologies that will not significantly degrade the performance of other such services. Where the only degraded service itself is a known disturber, and the newly deployed technology satisfies at least one of the criteria for a presumption that is acceptable for deployment under section 47 C.F.R. 51.230, the degraded service shall not prevail against the newly-deployed technology.*** (C)

I. Facilities and equipment placed by the PEIS collocator in the Collocation Space shall not become a part of the Collocation Space, even if nailed, screwed or otherwise fastened to the Collocation Space, but shall retain their status as personal property and may be removed by the PEIS collocator at any time. Any damage caused to the Collocation Space by the PEIS collocator's employees, agents or representatives during the removal of such property shall be promptly repaired by the PEIS collocator at its expense. (C)

J. Alterations. In no case shall the PEIS collocator or any person acting on behalf of the PEIS collocator make any rearrangement, modification, improvement, addition, repair, or other alteration which could affect in any way space, power, HVAC, and/or safety considerations to the Collocation Space or the Company Premises without the written consent of the Company, which consent shall not be unreasonably withheld. The cost of any such specialized alterations shall be paid by the PEIS collocator. Any material rearrangement, modification, improvement, addition, repair, or other alteration shall require a Subsequent Application and Subsequent Application Fee, pursuant to E20.2.7.A2 following. (N)

K. The PEIS collocator shall be responsible for the general upkeep of the Collocation Space ***and the PEIS collocator*** shall arrange directly with a Company Certified Contractor for janitorial services ***applicable to Caged Collocation Space***. The Company shall provide a list of such contractors on a site-specific basis upon request. (C)

L. From time to time, the Company may require access to the Collocation Space. The Company retains the right to access such space for the purpose of making Company equipment and building modifications (e.g., running, altering or removing racking, ducts, electrical wiring, HVAC, and cables). The Company will give notice to the PEIS collocator at least 48 hours before access to the Collocation Space is required. The PEIS collocator may elect to be present whenever the Company performs work in the Collocation Space. The Parties agree that the PEIS collocator will not bear any of the expense associated with this work. (N)

(M)

Material previously appearing on this page now appears on page(s) 20.1 of this section.

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.7 Ordering and Preparation of Space (M)

A. Application for Space - The PEIS collocator shall submit an application document when the PEIS collocator or the PEIS collocator's Guest(s), as defined in E20.2.3.C, desires to request or modify the use of the Collocation Space.An application will be processed in accordance with the terms and conditions of the tariff in effect on the date of receipt of the Bona Fide Application. (M)

1. For the PEIS collocator or the PEIS collocator's Guest(s) initial equipment placement, the PEIS collocator shall submit to the Company a Physical Expanded Interconnection Application Document ("Application"), together with payment of the Application Fee as stated in this Tariff. The Application is Bona Fide when it is complete and accurate, meaning that all required fields on the application are completed with the appropriate type of information . The Bona Fide Application shall contain a detailed description and schematic drawing of the equipment to be placed in the PEIS collocator's Collocation Space(s) and an estimate of the amount of square footage required. (M)

2. In the event the PEIS collocator or the PEIS collocator's Guest(s) ***desires*** to modify the use of the Collocation Space ***("Augmentation")***, the PEIS collocator shall complete an Application document ***("Subsequent Application")*** detailing all information regarding the modification to the Collocation Space together with payment of the minimum Subsequent Application Fee as stated in this Tariff. Said minimum Subsequent Application Fee shall be considered a partial payment of the applicable Subsequent Application Fee which shall be calculated as set forth following. The Company shall determine what modifications, if any, to the Premises are required to accommodate the change requested by the PEIS collocator in the Application. Such necessary modifications to the Premises may include floor loading changes, changes necessary to meet HVAC requirements, changes to power plant requirements, equipment additions,etc. The fee paid by the PEIS collocator for its request to modify the use of the Collocation Space shall be dependent upon the level of assessment needed for the modification requested. Where the Subsequent Application does not require assessment for provisioning or construction work by the Company, no Subsequent Application Fee will be required and the pre-paid fee shall be refunded to the PEIS collocator. The fee for an Application where the modification requested has limited effect (e.g., does not require assessment related to capital expenditure by the Company) shall be the Subsequent Application Fee as set forth in this Tariff. If the modification requires capital expenditure assessment, a full Application Fee shall apply. In the event such modifications require the assessment of a full Application Fee as set forth in this Tariff, the outstanding balance shall be due by the PEIS collocator within 30 calendar days following the PEIS collocator's receipt of a bill or invoice from the Company. ***The Subsequent Application is Bona Fide when it is complete and accurate, meaning that all required fields on the application are completed with the appropriate type of information.*** (C)(M)

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.7 Ordering and Preparation Space (Cont'd)

(M)

B. Application Response - Within fifteen (15) calendar days of receipt of a Bona Fide Application, the Company will respond as to whether space is available or not available within a particular Premises. Additionally, when space has been determined to be available, or when a lesser amount of space than that requested is available, then with respect to the space available, the Company will provide a written response ("Application Response") including sufficient information to enable the PEIS collocator to place a Firm Order. The Application Response will include, at a minimum, the configuration of the space, the Cable Installation Fee and Space Preparation charges as described in this Tariff. Also included will be an Additional Engineering Fee, which recovers costs associated with provisioning the PEIS collocator's request, including, but not limited to, work associated with building cable pairs and tie cable terminations as ordered in the Application. When the PEIS collocator submits ten (10) or more ***Bona Fide*** Applications within 10 calendar days, the initial fifteen (15) ***calendar*** day response period will increase by ten (10) ***calendar*** days for every additional ten (10) ***Bona Fide*** Applications or fraction thereof. (C)

C. Application modifications - If a modification or revision is made to any information in the Bona Fide Application for Physical Collocation, with the exception of modifications to Customer Information, Contact Information or Billing Contact Information, either at the request of the PEIS collocator or necessitated by technical considerations, the Company will respond to the Bona Fide Application within fifteen (15) calendar days after the Company receives such revised application or at such other date as the Parties agree. If, at any time, the Company needs to reevaluate the PEIS collocator's Bona Fide Application as a result of changes requested by the PEIS collocator to the PEIS collocator's original application, then the Company will charge the PEIS collocator a rate based upon the additional engineering hours required to do the reassessment. Major changes such as requesting additional space or adding additional equipment will require the PEIS collocator to resubmit the application with an Application Fee.

D. Bona Fide Firm Order - The PEIS collocator shall indicate its intent to proceed with equipment installation in a Company Premises by submitting a Physical Expanded Interconnection Firm Order document ("Firm Order") to the Company. A Firm Order shall be considered Bona Fide when the PEIS collocator has completed the Application/Inquiry process described in E20.2.7.A, preceding ***and*** has submitted the Firm Order document indicating acceptance of the Application Response provided by the Company. The Bona Fide Firm Order must be received by the Company no later than thirty (30) ***calendar*** days after the date of the Company's Application Response to the PEIS collocator's Bona Fide Application or the PEIS collocator forfeits its requested space. (C)

1. The Company will establish a firm order date based upon the date the Company is in receipt of a Bona Fide Firm Order. The Company will acknowledge the receipt of the PEIS collocator's Bona Fide Firm Order within seven (7) calendar days of receipt indicating that the Bona Fide Firm Order has been received. A Company response to a Bona Fide Firm Order will include a Firm Order Confirmation containing the firm order date. No revisions will be made to a Bona Fide Firm Order.
2. The Company will permit one accompanied site visit to the PEIS collocator's designated collocation arrangement location after receipt of the Bona Fide Firm Order without charge to the PEIS collocator.
3. Space preparation for the Collocation Space will not begin until the Company receives the Bona Fide Firm Order and all applicable charges.
4. The PEIS collocator must submit to the Company the completed Access Control Request Form for all employees or agents requiring access to the Company Premises a minimum of 30 calendar days prior to the date the PEIS collocator desires access to the Collocation Space.

Material previously appearing on this page now appears on page(s) 20.1 of this section.

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.7 Ordering and Preparation Space (Cont'd)

E. Construction and Provisioning Interval - The Company will use best efforts to complete construction for collocation arrangements as soon as possible and within a maximum of 90 calendar days from receipt of a Bona Fide Firm Order or as agreed to by the Parties. For Augmentations, the Company will use best efforts to complete construction for collocation arrangements as soon as possible and within a maximum of 45 calendar days from receipt of a Bona Fide Firm Order or as agreed to by the Parties. If the Company does not believe that construction will be completed within the relevant time frame and the Company and the PEIS collocator cannot agree upon a completion date, within 45 calendar days of receipt of the Bona Fide Firm Order for an initial request, and within 30 calendar days for Augmentations, the Company may seek an extension from the Florida State Commission. (C)

F. Joint Planning - Joint planning between the Company and the PEIS collocator will commence within a maximum of twenty (20) calendar days from the Company's receipt of a Bona Fide Firm Order. The Parties will agree to the preliminary location of the Collocation Space and the equipment configuration requirements as reflected in the Bona Fide Application and affirmed in the Bona Fide Firm Order. The Collocation Space completion time period will be provided to the PEIS collocator during joint planning. The Company will complete design work related to work for which the Company is responsible following joint planning. (C)

1. Permits - Each Party or its agents will diligently pursue filing for the permits required for the scope of work to be performed by that Party or its agents within ten (10) calendar days of the completion of finalized construction designs and specifications. (T)
2. Acceptance Walk Through - The PEIS collocator and the Company will complete an acceptance walk through of each Collocation Space requested from the Company by the PEIS collocator. The Company will correct any deviations to the PEIS collocator's original or jointly amended requirements within seven (7) calendar days after the walk through, unless the Parties jointly agree upon a different time frame. (T)

G. Use of The Company Certified Supplier - The PEIS collocator shall select a supplier which has been approved as a Company Certified Supplier to perform all engineering and installation work. The PEIS collocator and their selected Company Certified Supplier must follow and comply with all Company requirements outlined in the Company's TR 73503, TR 73519, TR 73572 and TR 73564. In some cases, the PEIS collocator must select separate Company Certified Suppliers for transmission equipment, switching equipment and power equipment. The Company shall provide the PEIS collocator with a list of the Company Certified Suppliers upon request. The Company Certified Supplier(s) shall be responsible for installing the PEIS collocator's equipment and components, extending power cabling to the Company power distribution frame, performing operational tests after installation is complete, and notifying the Company's equipment engineers and the PEIS collocator upon successful completion of installation, etc. The Company Certified Supplier shall bill the PEIS collocator directly for all work performed for the PEIS collocator pursuant to this Tariff and the Company shall have no liability for nor responsibility to pay such charges imposed by the Company Certified Supplier. The Company shall consider certifying the PEIS collocator or any supplier proposed by the PEIS collocator. (C)

H. Alarm and Monitoring - The Company shall place environmental alarms in the Premises for the protection of the Company equipment and facilities. The PEIS collocator shall be responsible for placement, monitoring and removal of environmental and equipment alarms used to service the PEIS collocator's Collocation Space. Upon request, the Company will provide the PEIS collocator with applicable tariffed service(s) to facilitate remote monitoring of collocated equipment by the PEIS collocator. Both Parties shall use best efforts to notify the other of any verified environmental hazard known to that Party. (T)

I. Basic Telephone Service - Upon request of the PEIS collocator, the Company will provide basic telephone service to the Collocation Space under the rates, terms and conditions of the current tariff offering for the service requested. (T)

J. Space Preparation - The Company shall charge a Space Preparation Charge on a recurring basis for costs of any renovation or upgrade to Premises space or support mechanisms which is required to accommodate physical collocation, unless otherwise specified in this tariff. For this section, support mechanisms provided by the Company may include, but not be limited to, HVAC equipment, HVAC duct work, cable support structure, fire wall(s), mechanical upgrade, asbestos abatement, or ground plane addition. (C)

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.7 Ordering and Preparation of Space (Cont'd)

K. Virtual to Physical Collocation Transition - In the event physical Collocation Space was previously denied at a location due to technical reasons or space limitations, and that physical Collocation Space has subsequently become available, the PEIS collocator may transition its virtual collocation arrangements to physical collocation arrangements and pay the appropriate non-recurring fees for physical collocation and for the rearrangement or reconfiguration of services terminated in the virtual collocation arrangement, as outlined in the appropriate Company tariffs. In the event that the Company knows when additional space for physical collocation may become available at the location requested by the PEIS collocator, such information will be provided to the PEIS collocator in the Company's written denial of physical collocation. To the extent that (i) physical Collocation Space becomes available to the PEIS collocator within 180 calendar days of the Company's written denial of the PEIS collocator's request for physical collocation, (ii) the Company had knowledge that the space was going to become available, and (iii) the PEIS collocator was not informed in the written denial that physical Collocation Space would become available within such 180 calendar days, then the PEIS collocator may transition its virtual collocation arrangement to a physical collocation arrangement and will receive a credit for any nonrecurring charges previously paid for such virtual collocation. The PEIS collocator must arrange with a Company Certified Supplier for the relocation of equipment from its virtual Collocation Space to its physical Collocation Space and will bear the cost of such relocation. (T)

L. Cancellation - If, at anytime prior to space acceptance, the PEIS collocator cancels its order for the Collocation Space(s), the PEIS collocator will reimburse the Company for any expenses incurred up to the date that written notice of the cancellation is received in addition to any costs incurred by the Company as a direct result of canceling the order. In no event will the level of reimbursement under this paragraph exceed the maximum amount the PEIS collocator would have otherwise paid for work undertaken by the Company if no cancellation of the order had occurred. (T)

M. Licenses - The PEIS collocator, at its own expense, will be solely responsible for obtaining from governmental authorities, and any other appropriate agency, entity, or person, all rights, privileges, and licenses necessary or required to operate as a provider of telecommunications services to the public or to occupy the Collocation Space. (T)

N. Environmental Compliance. The Parties agree to utilize and adhere to the Environmental and Safety Principles identified in this Tariff. (T)

O. The Company may conduct an inspection of the PEIS collocator's equipment and facilities in the Collocation Space(s) prior to the activation of facilities between the PEIS collocator's equipment and equipment of the Company. The Company may conduct an inspection if the PEIS collocator adds equipment and may otherwise conduct routine inspections at reasonable intervals mutually agreed upon by the Parties. The Company shall provide the PEIS collocator with a minimum of forty-eight (48) hours or two (2) business days, whichever is greater, advance notice of all such inspections. All costs of such inspection shall be borne by the Company.

Day:	**1**	**15 C**	**45 C**	**90 C from Bona Fide Firm Order**
Event:	*Bona Fide Application* Receipt Date	*Space Availability Response* /Application Response	Bona Fide Firm Order	Space Ready Date

C = Calendar

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.8 Insurance

A. The PEIS collocator shall, at its sole cost and expense, procure, maintain, and keep in force insurance as specified in E20.2.8 and underwritten by insurance companies licensed to do business in the State of Florida and having a Best's Insurance Rating of A-.

B. The PEIS collocator shall maintain the following specific coverage:

1. Commercial General Liability coverage in the amount of ten million dollars ($10,000,000.00) or a combination of Commercial General Liability and Excess/Umbrella coverage totaling not less than ten million dollars ($10,000,000.00). The Company shall be named as an Additional Insured on the Commercial General Liability policy as specified herein.
2. Statutory Workers Compensation coverage and Employers Liability coverage in the amount of one hundred thousand dollars ($100,000.00) each accident, one hundred thousand dollars ($100,000.00) each employee by disease, and five hundred thousand dollars ($500,000.00) policy limit by disease.
3. All Risk Property coverage on a full replacement cost basis insuring all of the PEIS collocator's real and personal property situated on or within the Company's Central Office location(s).
4. The PEIS collocator may elect to purchase business interruption and contingent business interruption insurance, having been advised that the Company assumes no liability for loss of profit or revenues should an interruption of service occur.

C. The limits set forth herein may be increased by the Company from time to time upon thirty (30) days notice to the PEIS collocator to at least such minimum limits as shall then be customary with respect to comparable occupancy of the Company structures.

D. All policies purchased by the PEIS collocator shall be deemed to be primary and not contributing to or in excess of any similar coverage purchased by the Company. All insurance must be in effect on or before the date equipment is delivered to the Company's Premises and shall remain in effect until such time as the PEIS collocator terminates its occupancy of the collocation space. If the PEIS collocator fails to maintain required coverage, the Company may pay the premiums thereon and seek reimbursement of same from the PEIS collocator.

E. The PEIS collocator shall submit certificates of insurance reflecting the coverage required pursuant to this Section a minimum of ten (10) ***calendar*** days prior to the commencement of any work in the Collocation Space. Failure to meet this interval may result in construction and equipment installation delays. The PEIS collocator shall arrange for the Company to receive thirty (30) ***calendar*** days' advance notice of cancellation from the PEIS collocator's insurance company. The PEIS collocator shall forward a certificate of insurance and notice of cancellation/non-renewal to the Company at the following address: (C)

BellSouth Telecommunications, Inc. (C)
Attn.: Risk Management Coordinator
17H53 BellSouth Center
675 W. Peachtree Street
Atlanta, Georgia 30375

F. The PEIS collocator must conform to recommendations made by the Company's fire insurance company to the extent the Company has agreed to, or shall hereafter agree to, such recommendations.

G. Self-Insurance - If the PEIS collocator's net worth exceeds five hundred million dollars ($500,000,000), the PEIS collocator may elect to request self-insurance status in lieu of obtaining any of the insurance required in E20.2.8.B.1. and E20.2.8.B.3. preceding. The PEIS collocator shall provide audited financial statements to the Company thirty (30) ***calendar*** days prior to the commencement of any work in the Collocation Space. The Company shall then review such audited financial statements and respond in writing to the PEIS collocator in the event that self-insurance status is not granted to the PEIS collocator. If the Company approves the PEIS collocator for self-insurance, the PEIS collocator shall annually furnish to the Company, and keep current, evidence of such net worth that is attested to by one of the PEIS collocator's corporate officers. The ability to self-insure shall continue so long as the PEIS collocator meets all of the requirements of this Section. If the PEIS collocator subsequently no longer satisfies this Section, the PEIS collocator is required to purchase insurance as indicated by E20.2.8.B.1. and E20.2.8.B.3. preceding. (C)

H. The net worth requirements set forth in E20.2.8.G. preceding may be increased by the Company from time to time upon thirty (30) ***calendar*** days notice to the PEIS collocator to at least such minimum limits as shall then be customary with respect to comparable occupancy of the Company structures. (C)

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.9 Mechanics Liens

If any mechanics lien or other liens shall be filed against property of either Party (the Company or the PEIS collocator), or any improvement thereon by reason of or arising out of any labor or materials furnished or alleged to have been furnished or to be furnished to or for the other Party or by reason of any changes, or additions to said property made at the request or under the direction of the other Party, the other Party directing or requesting those changes shall, within thirty (30) business days after receipt of written notice from the Party against whose property said lien has been filed, either pay such lien or cause the same to be bonded off the affected property in the manner provided by law. The Party causing said lien to be placed against the property of the other shall also defend, at its sole cost and expense, on behalf of the other, any action, suit or proceeding which may be brought for the enforcement of such liens and shall pay any damage and discharge any judgment entered thereon.

E20.2.10 Security and Safety Requirements

A. The security and safety requirements set forth in this section are as stringent as the security requirements the Company maintains at its own premises either for its own employees or for authorized contractors. Only the Company employees, the Company Certified Contractors and authorized employees, authorized Guests, pursuant to E20.2.3.C., preceding, or authorized agents of the PEIS collocator will be permitted in the Company Premises. The PEIS collocator shall provide its employees and agents with picture identification which must be worn and visible at all times while in the Collocation Space or other areas in or around the Premises. The photo identification card shall bear, at a minimum, the employee's name and photo, and the PEIS collocator name. The Company reserves the right to remove from its premises any employee of the PEIS collocator not possessing identification issued by the PEIS collocator or who have violated any of the Company's policies as outlined in the PEIS Collocator Security Training documents. The PEIS collocator shall hold the Company harmless for any damages resulting from such removal of its personnel from the Company premises. The PEIS collocator shall be solely responsible for ensuring that any Guest of the PEIS collocator is in compliance with all Security and Safety Requirements contained herein in E20.2.10.

B. The PEIS collocator will be required, at its own expense, to conduct a statewide investigation of criminal history records for each PEIS collocator employee being considered for work on the Company Premises, for the states/counties where the PEIS collocator employee has worked and lived for the past five years. Where state law does not permit statewide collection or reporting, an investigation of the applicable counties is acceptable. ***This requirement will not apply if the PEIS collocator has performed a pre-employment statewide investigation of criminal history records, or where state law does not permit an investigation of the applicable counties for the PEIS collocator employee seeking access, for the states/counties where the PEIS collocator employee has worked and lived for the past five years.*** (C)

C. The PEIS collocator will be required to administer to their personnel assigned to the Company Premises security training either provided by Company, or meeting criteria defined by the Company.

D. The PEIS collocator shall not assign to the Company Premises any personnel with records of felony criminal convictions. The PEIS collocator shall not assign to the Company Premises any personnel with records of misdemeanor convictions, except for misdemeanor traffic violations, without advising the Company of the nature and gravity of the offense(s). The Company reserves the right to refuse building access to any PEIS collocator personnel who have been identified to have misdemeanor criminal convictions. Notwithstanding the foregoing, in the event that the PEIS collocator chooses not to advise the Company of the nature and gravity of any misdemeanor conviction, the PEIS collocator may, in the alternative, certify to the Company that it shall not assign to the Company Premises any personnel with records of misdemeanor convictions (other than misdemeanor traffic violations).

1. The PEIS collocator shall not knowingly assign to the Company Premises any individual who was a former employee of the Company and whose employment with the Company was terminated for a criminal offense whether or not the Company sought prosecution of the individual for the criminal offense. (N)
2. The PEIS collocator shall not knowingly assign to the Company Premises any individual who was a former contractor of the Company and whose access to a Company Premises was revoked due to commission of a criminal offense whether or not the Company sought prosecution of the individual for the criminal offense. (N)

E. For each PEIS collocator employee requiring access to a Company Premises pursuant to this Tariff, the PEIS collocator shall furnish the Company, prior to an employee gaining such access, a certification that the aforementioned background check and security training were completed. The certification will contain a statement that no felony convictions were found and certifying that the security training was completed by the employee. If the employee's criminal history includes misdemeanor convictions, the PEIS collocator will disclose the nature of the convictions to the Company at that time. In the alternative, the PEIS collocator may certify to the Company that it shall not assign to the Company Premises any personnel with records of misdemeanor convictions other than misdemeanor traffic violations. (C)

(M)

Material previously appearing on this page now appears on page(s) 25.1 of this section.

E20. EXPANDED INTERCONNECTION SERVICE (EIS) (N)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd) (N)

E20.2.10 Security and Safety Requirements (Cont'd) (N)

F. At the Company's request, the PEIS collocator shall promptly remove from the Company's Premises any employee of the PEIS collocator the Company does not wish to grant access to its premises 1) pursuant to any investigation conducted by the Company or 2) prior to the initiation of an investigation in the event that an employee of the PEIS collocator is foundinterfering with the property or personnel of the Company or another PEIS collocator, provided that an investigation shall promptly be commenced by the Company. (M)

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.10 Security and Safety Requirements (Cont'd)

G. The Company reserves the right to interview the PEIS collocator's employees, agents, or contractors in the event of wrongdoing in or around the Company's property or involving the Company's or another PEIS collocator's property or personnel, provided that the Company shall provide reasonable notice to the PEIS collocator's Security contact of such interview. The PEIS collocator and its contractors shall reasonably cooperate with the Company's investigation into allegations of wrongdoing or criminal conduct committed by, witnessed by, or involving the PEIS collocator's employees, agents, or contractors. Additionally, the Company reserves the right to bill the PEIS collocator for all reasonable costs associated with investigations involving its employees, agents, or contractors if it is established and mutually agreed in good faith that the PEIS collocator's employees, agents, or contractors are responsible for the alleged act. The Company shall bill the PEIS collocator for the Company property which is stolen or damaged where an investigation determines the culpability of the PEIS collocator's employees, agents, or contractors and where the PEIS collocator agrees, in good faith, with the results of such investigation. The PEIS collocator shall notify the Company in writing immediately in the event that the PEIS collocator discovers one of its employees already working on the Company premises is a possible security risk. Upon request of the other Party, the Party who is the employer shall discipline consistent with its employment practices, up to and including removal from the Company Premises, any employee found to have violated the security and safety requirements of this section. The PEIS collocator shall hold the Company harmless for any damages resulting from such removal of its personnel from the Company premises.

H. Unauthorized use of telecommunications equipment or supplies by either Party, whether or not used routinely to provide telephone service (e.g. plug-in cards,) will be strictly prohibited and handled appropriately. Costs associated with such unauthorized use may be charged to the offending Party, as may be all associated investigative costs.

I. Except for non-toll calls necessary in the performance of their work, neither Party shall use the telephones of the other Party on the Company Premises. Charges for unauthorized telephone calls may be charged to the offending Party, as may be all associated investigative costs.

J. Full compliance with the Security requirements of this section shall in no way limit the accountability of either Party to the other for the improper actions of its employees.

E20.2.11 Environmental and Safety Principles

A. The following principles provide basic guidance on environmental and safety issues when applying for and establishing Physical Collocation arrangements:

1. Compliance with Applicable Law - The Company and the PEIS collocator agree to comply with applicable federal, state, and local environmental and safety laws and regulations including U.S. Environmental Protection Agency (USEPA) regulations issued under the Clean Air Act (CAA), Clean Water Act (CWA), Resource Conservation and Recovery Act (RCRA), Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), Superfund Amendments and Reauthorization Act (SARA), the Toxic Substances Control Act (TSCA), and OSHA regulations issued under the Occupational Safety and Health Act of 1970, as amended and NFPA and National Electrical Codes (NEC) and the NESC ("Applicable Laws"). Each Party shall notify the other if compliance inspections are conducted by regulatory agencies and/or citations are issued that relate to any aspect of this tariff.

2. Notice - The Company and the PEIS collocator shall provide notice to the other, including Material Safety Data Sheets (MSDSs), of known and recognized physical hazards or Hazardous Chemicals existing on site or brought on site. Each Party is required to provide specific notice for known potential Imminent Danger conditions. The PEIS collocator should contact 1-800-743-6737 for the Company MSDS sheets.

3. Practices/Procedures - The Company may make available additional environmental control procedures for the PEIS collocator to follow when working at a Company Premises (see E20.2.11.B., following). These practices/procedures will represent the regular work practices required to be followed by the employees and contractors of the Company for environmental protection. The PEIS collocator will require its contractors, agents and others accessing the Company Premises to comply with these practices. E20.2.11.B following lists the Environmental categories where the Company practices should be followed by the PEIS collocator when operating ***on*** the Company Premises. (C)

4. Environmental and Safety Inspections - The Company reserves the right to inspect the PEIS collocator space with proper notification. The Company reserves the right to stop any PEIS collocator work operation that imposes Imminent Danger to the environment, employees or other persons in the area or ***Company*** Premises. (C)

5. Hazardous Materials Brought On Site - Any hazardous materials brought into, used, stored or abandoned at the Company Premises by the PEIS collocator are owned by the PEIS collocator. The PEIS collocator will indemnify the Company for claims, lawsuits or damages to persons or property caused by these materials. Without prior written Company approval, no substantial new safety or environmental hazards can be created by the PEIS collocator or different hazardous materials used by the PEIS collocator at the Company Premises. The PEIS collocator must demonstrate adequate emergency response capabilities for its materials used or remaining at the Company Premises. (T)

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd) (N)

E20.2.11 Environmental and Safety Principles (Cont'd) (N)

A. (Cont'd) (N)

6. Spills and Releases - When contamination is discovered at a the Company Premises, the Party discovering the condition must notify the Company. All Spills or Releases of regulated materials will immediately be reported by the PEIS collocator to the Company. (N)

7. Coordinated Environmental Plans and Permits - The Company and the PEIS collocator will coordinate plans, permits or information required to be submitted to government agencies, such as emergency response plans, spill prevention control and countermeasures (SPCC) plans and community reporting. If charges are associated with filing, the Company and the PEIS collocator will develop a cost sharing procedure. If the Company's permit or EPA identification number must be used, the PEIS collocator must comply with all of the Company's permit conditions and environmental processes, including environmental "best management practices (BMP)" (see B. following) and/or selection of BST disposition vendors and disposal sites. (N)

8. Environmental and Safety Indemnification - The Company and the PEIS collocator shall indemnify, defend and hold harmless the other Party from and against any claims (including, without limitation, third-party claims for personal injury or death or real or personal property damage), judgments, damages, (including direct and indirect damages, and punitive damages), penalties, fines, forfeitures, costs, liabilities, interest and losses arising in connection with the violation or alleged violation of any Applicable Law or contractual obligation or the presence or alleged presence of contamination arising out of the acts or omissions of the indemnifying Party, its agents, contractors, or employees concerning its operations at the Premises. (N)

B. When performing functions that fall under the following Environmental categories on the Company's Premises, the PEIS collocator agrees to comply with the applicable sections of the current issue of the Company's Environmental and Safety Methods and Procedures (M&Ps), incorporated herein by this reference. The PEIS collocator further agrees to cooperate with the Company to ensure that the PEIS collocator's employees, agents, and/or subcontractors are knowledgeable of and satisfy those provisions of the Company's Environmental M&Ps which apply to the specific Environmental function being performed by the PEIS collocator, its employees, agents and/or subcontractors. The most current version of reference documentation must be requested from the Company (N)

Environmental Categories	Environmental Issues	Addressed by the Following Documentation
Disposal of hazardous material or other regulated material (e.g., batteries, fluorescent tubes, solvents & cleaning materials)	Compliance with all applicable local, state, & federal laws and regulations Pollution liability insurance EVET approval of contractor	• Std T&C 450 • Fact Sheet Series 17000 • Std T&C 660-3 • Approved Environmental Vendor List (Contact E/S Management)
Emergency response	Hazmat/waste release/spill firesafety emergency	• Fact Sheet Series 1700 • Building Emergency Operations Plan (EOP) (specific to and located on Premises)
Contract labor/outsourcing for services with environmental implications to be performed on the Company Premises (e.g., disposition of hazardous material/waste; maintenance of storage tanks)	Compliance with all applicable local, state, & federal laws and regulations Performance of services in accordance with BST's environmental M&Ps Insurance	• Std T&C 450 • Std T&C 450-B • (Contact E/S for copy of appropriate E/S M&Ps.) • Std T&C 660
Transportation of hazardous material	Compliance with all applicable local, state, & federal laws and regulations Pollution liability insurance EVET approval of contractor	• Std T&C 450 • Fact Sheet Series 17000 • Std T&C 660-3 • Approved Environmental Vendor List (Contact E/S Management)
Maintenance/operations work which may produce a waste Other maintenance work	Compliance with all application local, state, & federal laws and regulations Protection of BST employees and equipment	• Std T&C 450 • 29CFR 1910.147 (OSHA Standard) • 29CFR 1910 Subpart O (OSHA Standard)

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd) (N)

E20.2.11 Environmental and Safety Principles (Cont'd) (N)

B. (Cont'd) (N)

Environmental Categories	Environmental Issues	Addressed by the Following Documentation
Janitorial services	All waste removal and disposal must conform to all applicable federal, state and local regulations All Hazardous Material and Waste Asbestos notification and protection of employees and equipment	• P&SM Manager - Procurement • Fact Sheet Series 17000 • GU-BTEN-001BT, Chapter 3 • BSP 010-170-001BS (Hazcom)
Manhole cleaning	Compliance with all applicable local, state, & federal laws and regulations Pollution liability insurance EVET approval of contractor	• Std T&C 450 • Fact Sheet 14050 • BSP 620-145-011PR Issue A, August 1996 • Std T&C 660-3 • Approved Environmental Vendor List (Contact E/S Management)
Removing or disturbing building materials that may contain asbestos	Asbestos work practices	• GU-BTEN-001BT, Chapter 3

1. DEFINITIONS (N)

Generator (N)

Under RCRA, the person whose act produces a Hazardous Waste, as defined in 40 CFR 261, or whose act first causes a Hazardous Waste to become subject to regulation. The Generator is legally responsible for the proper management and disposal of Hazardous Wastes in accordance with regulations. (N)

Hazardous Chemical (N)

As defined in the U.S. Occupational Safety and Health (OSHA) hazard communication standard (29 CFR 1910.1200), any chemical which is a health hazard or physical hazard. (N)

Hazardous Waste (N)

As defined in section 1004 of RCRA (N)

Imminent Danger (N)

Any conditions or practices at a Premises which are such that a danger exists which could reasonably be expected to cause immediate death or serious harm to people or immediate significant damage to the environment or natural resources. (N)

Spill or Release (N)

As defined in Section 101 of CERCLA (N)

2. ACRONYMS (N)

E/S - Environmental/Safety (N)

EVET - Environmental Vendor Evaluation Team (N)

DEC/LDEC - Department Environmental Coordinator/Local Department Environmental Coordinator (N)

GU-BTEN-001BT - BellSouth Environmental Methods and Procedures (N)

NESC - National Electrical Safety Codes (N)

P&SM - Property & Services Management (N)

Std. T&C - Standard Terms & Conditions (N)

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.12 *Destruction of Collocation Space*

In the event a Collocation Space is wholly or partially damaged by fire, windstorm, tornado, flood or by similar causes to such an extent as to be rendered wholly unsuitable for the PEIS collocator's permitted use hereunder, then either Party may elect within ten (10) ***calendar*** days after such damage, to terminate its occupancy of the damaged Collocation Space, and if either Party shall so elect, by giving the other written notice of termination, both Parties shall stand released of and from further liability under the terms hereof. If the Collocation Space shall suffer only minor damage and shall not be rendered wholly unsuitable for the PEIS collocator's permitted use, or is damaged and the option to terminate is not exercised by either Party, the Company covenants and agrees to proceed promptly without expense to the PEIS collocator, except for improvements not the property of the Company, to repair the damage. The Company shall have a reasonable time within which to rebuild or make any repairs, and such rebuilding and repairing shall be subject to delays caused by storms, shortages of labor and materials, government regulations, strikes, walkouts, and causes beyond the control of the Company, which causes shall not be construed as limiting factors, but as exemplary only. The PEIS collocator may, at its own expense, accelerate the rebuild of its collocated space and equipment provided however that a Company Certified Contractor is used and the necessary space preparation has been completed. Rebuild of equipment must be performed by a Company Certified Vendor. If the PEIS collocator's acceleration of the project increases the cost of the project, then those additional charges will be incurred by the PEIS collocator. Where allowed and where practical, the PEIS collocator may erect a temporary facility while the Company rebuilds or makes repairs. In all cases where the Collocation Space shall be rebuilt or repaired, the PEIS collocator shall be entitled to an equitable abatement of rent and other charges, depending upon the unsuitability of the Collocation Space for the PEIS collocator's permitted use, until such Collocation Space is fully repaired and restored and the PEIS collocator's equipment installed therein (but in no event later than thirty (30) business days after the Collocation Space is fully repaired and restored). Where the PEIS collocator has placed an Adjacent Arrangement pursuant to E20.2.3.D, the PEIS collocator shall have the sole responsibility to repair or replace said Adjacent Arrangement provided herein. Pursuant to this section, the Company will restore the associated services to the Adjacent Arrangement. (C)

E20.2.13 Eminent Domain

If the whole of a Collocation Space or Adjacent Arrangement shall be taken by any public authority under the power of eminent domain, then the PEIS collocator's occupancy shall terminate with respect to such Collocation Space or Adjacent Arrangement as of the day possession shall be taken by such public authority and rent and other charges for the Collocation Space or Adjacent Arrangement shall be paid up to that day with proportionate refund by the Company of such rent and charges as may have been paid in advance for a period subsequent to the date of the taking. If any part of the Collocation Space or Adjacent Arrangement shall be taken under eminent domain, ***the*** Company and the PEIS collocator shall each have the right to terminate occupancy with respect to such Collocation Space or Adjacent Arrangement and declare the same null and void, by written notice of such intention to the other Party within ten (10) ***calendar*** days after such taking. (C)

E20.2.14 Notices

A. Except as otherwise provided herein, any notices or demands that are required by law or under the terms of this Tariff shall be given or made by the PEIS collocator in writing and shall be given by hand delivery, or by certified or registered mail, and addressed to the PEIS collocator's Company Account Team. (T)

B. The PEIS collocator shall provide to the PEIS collocator's Company Account Team a contact name and address for notices or demands pursuant to this section. Any notices or demands that are required by law or under the terms of this tariff by the Company to the PEIS collocator shall be given or made by the Company in writing and shall be given by hand delivery, or by certified or registered mail, and addressed to the name and address which the PEIS collocator has provided to their Company Account Team or, if not available, the name and address on the most recent Bona Fide Application. (T)

C. Such notices by either Party shall be deemed to have been given in the case of certified or registered mail when deposited in the United States mail with postage prepaid.

E20. EXPANDED INTERCONNECTION SERVICE (EIS) (N)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd) (N)

E20.2.15 Indemnification/Limitation of Liability (N)

A. The PEIS collocator shall be liable for any damage to property, equipment or facilities or injury to person caused by the activities of the PEIS collocator, its agents or employees pursuant to, or in furtherance of, rights granted under this Tariff. The PEIS collocator shall indemnify and hold the Company harmless from and against any judgments, charges, costs or other expenses resulting or claimed to result from such activities by the PEIS collocator, its agents or employees (N)

B. The Company shall not be liable to the PEIS collocator for any interruption of the PEIS collocator's service or for interference with the operation of the PEIS collocator's communications facilities, or for any special, indirect, incidental or consequential damages arising in any manner, including the Company's negligence, out of the use of the Collocation Space(s) and the PEIS collocator shall indemnify, defend and hold the Company harmless from and against any and all claims, demands, causes of action, costs and reasonable attorneys' fees with respect to such special, indirect, incidental or consequential damages, except to the extent caused by the sole negligence, gross negligence or willful misconduct of the Company. PEIS collocator agrees not to assert any claim for interruption, interference, or for any special, indirect, incidental or consequential damages against the Company. (N)

E20.2.16 Publicity (N)

The PEIS collocator shall submit to the Company all advertising, sales promotion, press releases, and other publicity matters relating to this Tariff or mentioning or implying the tradenames, logos, trademarks or service marks (hereinafter "Marks") of the Company Corporation and/or any of its affiliated companies or language from which the connection of said Marks therewith may be inferred or implied, or mentioning or implying the names of any personnel of the Company Corporation and/or any of its affiliated companies, and the PEIS collocator further agrees not to publish or use such advertising, sales promotions, press releases, or publicity matters without the Company's prior written consent. (N)

E20.2.17 Force Majeure (N)

Neither party shall be in default by reason of any failure in performance of this Tariff, in accordance with its terms and conditions, if such failure arises out of causes beyond the control of the nonperforming party including, but not restricted to, acts of God, acts of government, insurrections, fires, floods, accidents, epidemics, quarantines, restrictions, strikes, freight embargoes, inability to secure raw materials or transportation facilities, acts or omissions of carriers or any and all other causes beyond the party's control. (N)

E20.2.18 Year 2000 Compliance (N)

Each Party warrants that it has implemented a program the goal of which is to ensure that all collocated equipment, software, hardware and related materials (collectively called "Systems") delivered, connected with the Company or supplied in the furtherance of the terms and conditions specified in this Tariff: 1) will record, store, process and display calendar dates falling on or after January 1, 2000, in the same manner, and with the same functionality as such software records, stores, processes and calendar dates falling on or before December 31, 1999; and 2) shall include without limitation date data century recognition, calculations that accommodate same century and multicentury formulas and date values, and date data interface values that reflect the century. (N)

E20.2.19 Assignment (N)

The PEIS collocator acknowledges that this Tariff does not convey any right, title or interest in the Premises to the PEIS collocator. The PEIS collocator's rights or obligations are not assignable without the prior written consent of the Company, and any attempt to assign any of the rights, duties or obligations under this Tariff without such consent is void. Notwithstanding the foregoing, the PEIS collocator may assign any rights, duties or obligations under this Tariff to a parent, subsidiary or affiliate without the consent of the Company. The Company may assign its rights, duties or obligations under this Tariff without the prior consent of the PEIS collocator. (N)

E20.2.20 No Implied Waiver (N)

No consent or waiver by the Company to or of any breach of any covenant, term, condition, provision or duty of the PEIS collocator under this Tariff shall be construed as a consent to or waiver of any other breach of the same or any other covenant, term, condition, provision or duty. No such consent or waiver shall be valid unless in writing and signed by the Company. (N)

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.21 Rate Regulations

A. *Description of Rate Elements*

1. Application Fee – The Company requires the submission of an Application Fee. In conjunction with the submission of a Collocation Application, the Application Fee reimburses the Company for costs to determine the modifications to the Premises required to accommodate the change requested by the PEIS collocator. The Application is for the initial request for Collocation Space in a specific Premises.

2. Cable Installation Charges - The PEIS collocator shall remit payment of a Cable Installation Charge coincident with submission of a Bona Fide Firm Order. The Cable Installation Charges, assessed per entrance ***cable*** placed, shall be included in the Application Response. (C)

3. Subsequent Application Fee - The Company requires the submission of a Subsequent Application Fee for modifications to an existing arrangement pursuant to E20.2.7.A.2.

4. Space Preparation ***Charges - Space preparation charges include a nonrecurring charge for Firm Order Processing and monthly recurring charges for Central Office Modifications, assessed per arrangement, per square foot, and Common Systems Modifications, assessed per arrangement, per square foot for cageless and per cage for caged collocation. The recurring charges for Space Preparation apply beginning on the date on which the Company releases the Collocation Space for occupancy or on the date the PEIS collocator first occupies the Collocation Space, whichever occurs first. The charges recover the costs associated with preparing the Collocation Space,*** which ***includes the*** survey, engineering ***of the Collocation Space***, design and modification costs for network, building and support systems. ***Additional engineering charges may apply as described in Section E20.2.21.*** In the event the PEIS collocator opts for cageless space, the Space Preparation ***Charges*** will be assessed based on the total floor space dedicated to the PEIS collocator as ***described*** in E20.2.21.5.Space Enclosure Charge - The Space Enclosure Charge is a monthly recurring charge, assessed per enclosure, per location with a one-hundred (100) square foot minimum enclosure charge. It recovers costs associated with providing an optional equipment arrangement enclosure, which include architectural and engineering fees, materials, and installation costs. The cost for additional square feet is applicable only when ordered with the first 100 square feet and must be requested in fifty (50) square foot increments. Should a PEIS collocator request the Company to construct a space enclosure in a Premises located in a municipality that requires fire-rated enclosures, the Company will construct a fire-rated space enclosure on a Special Construction basis as specified in Section E5 of the Tariff. The PEIS collocator may, at its option, arrange with a Company Certified Contractor to construct the space enclosure in accordance with the Company's guidelines and specifications. In this event, the Company Certified Contractor shall directly bill the PEIS collocator for the space enclosure, and this charge shall not be applicable. (C)

6. Floor Space Charge - The Floor Space Charge ***includes reasonable charges for lighting, HVAC and other allocated expenses associated with maintenance of the Premises but does not recover any power-related costs incurred by the Company.*** When the Collocation Space is enclosed, the PEIS collocator shall pay floor space charges based upon the number of square feet so enclosed. When the Collocation Space is not enclosed, the PEIS collocator shall pay floor space charges based upon the following floor space calculation: [(depth of the equipment lineup in which the rack is placed) + (0.5 x maintenance aisle depth) + (0.5 x wiring aisle depth)] X (width of rack and spacers). For purposes of this calculation, the depth of the equipment lineup shall consider the footprint of equipment racks plus any equipment overhang. The Company will assign unenclosed Collocation Space in conventional equipment rack lineups where feasible. In the event the PEIS collocator's collocated equipment requires special cable racking, isolated grounding or other treatment which prevents placement within conventional equipment rack lineups, the PEIS collocator shall be required to request an amount of floor space sufficient to accommodate the total equipment arrangement. Floor space charges are due beginning with the date on which the Company releases the Collocation Space for occupancy or on the date the PEIS collocator first occupies the Collocation Space, whichever ***occurs first.*** (C)

7. Cable Support Structure – Charges for Cable Support Structure are based on per entrance cable.

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.21 Rate Regulations (Cont'd)

A. Description of Rate Elements (Cont'd)

8. Power - The Company shall make available –48 Volt (-48V) DC power for the PEIS collocator's Collocation Space at a Company Power Board or the Company ***Battery*** Distribution Fuse Bay ("BDFB") at the PEIS collocator's option within the Premises. (C)

a. Recurring charges for -48V DC power will be assessed per ampere per month based upon the Company Certified ***Vendor*** engineered and installed power feed fused ampere capacity. Rates include redundant feeder fuse positions (A&B) and common cable rack to the PEIS collocator's equipment or space enclosure. When obtaining power from a BDFB, fuses and power cables (A&B) must be engineered (sized), and installed by the PEIS collocator's Company Certified ***Vendor***. When obtaining power from a Company power board, power cables (A&B) must be engineered (sized), and installed by the PEIS collocator's Company Certified power ***Vendor***. The PEIS collocator is responsible for contracting with a Company Certified ***Vendor*** for power distribution feeder cable runs from a Company BDFB or power board to the PEIS collocator's equipment. Determination of the Company BDFB or Company power board as the power source will be made at the Company's sole, but reasonable, discretion. The Company Certified ***Vendor*** contracted by the PEIS collocator must provide the Company a copy of the engineering power specifications prior to the day on which the PEIS collocator's equipment becomes operational ("Commencement Date"). The Company will provide the common power feeder cable support structure between the Company BDFB or power board and the PEIS collocator's arrangement area. The PEIS collocator shall contract with a Company Certified ***Vendor*** who will be responsible for the following: dedicated power cable support structure within the PEIS collocator's arrangement; power cable feeds; terminations of cable. Any terminations at a Company power board must be performed by a Company Certified power ***Vendor*** . The PEIS collocator shall comply with all applicable National Electric Code (NEC), BellSouth TR-73503, Telcordia (BellCore) and ANSI Standards regarding power cabling. (C)

b. If the Company has not previously invested in power plant capacity for collocation at a specific site, the PEIS collocator has the option to add its own dedicated power plant; provided, however, that such work shall be performed by a Company Certified ***Vendor*** who shall comply with the Company's guidelines and specifications. Where the addition of the PEIS collocator's dedicated power plant results in construction of a new power plant room, upon termination of the PEIS collocator's right to occupy collocation space ***at such site***, the PEIS collocator shall have the right to remove its equipment from the power plant room, but shall otherwise leave the room intact. (C)

If the PEIS collocator does elect to install its own DC Power Plant, the Company shall provide AC power to feed the PEIS collocator's DC Power Plant. Charges for AC power will be assessed per breaker ampere per month. Rates include the provision of commercial and standby AC power. When obtaining power from a Company service panel, protection devices and power cables must be engineered (sized), and installed by the PEIS collocator's Company Certified ***Vendor*** except that the Company shall engineer and install protection devices and power cables for Adjacent Collocation. The PEIS collocator's Company Certified ***Vendor*** must also provide a copy of the engineering power specification prior to the Commencement Date. Charges for AC power shall be assessed pursuant to the rates specified in this Tariff. AC power voltage and phase ratings shall be determined on a per location basis. At the PEIS collocator's option, the PEIS collocator may arrange for AC power in an Adjacent Collocation arrangement from a retail provider of electrical power. (C)

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.21 Rate Regulations (Cont'd)

A. Description of Rate Elements (Cont'd)

9. Cross Connects - The charges for cross connects are on a per cross connect basis.

10. **DELETED** (D)

11. Security Access Charges - Security Access Charges are charged as applicable.

12. Space Availability Report - The PEIS collocator will be charged for a Space Availability Report per Premises requested.

13. Additional Engineering Fee - The Company's additional engineering and other labor costs associated with handling the PEIS ***collocator's initial Application***, requested modifications to requests in progress, or augmentations to existing arrangements shall be recovered as Additional Engineering charges under provisions in E13.1 and E13.2 preceding. Should Additional Engineering rates not be included, the PEIS collocator agrees not to make changes to collocation arrangement after a Bona Fide Firm Order is submitted. (C)

14. Security Escort - A security escort will be required whenever the PEIS collocator or its approved agent desires access to the entrance manhole or must have access to the Premises after the one accompanied site visit allowed pursuant to E20.2.7.D.2 prior to completing the Company's Security Training requirements and/or prior to Space Acceptance. Rates for a security escort are assessed according to the schedule in this Tariff. (C)

15. Other

a. Rates for a specific service or function not contained in this Tariff will be negotiated by the Parties upon request by either Party.

b. As noted throughout this Tariff, there are references to costs which the Company shall pass on to the PEIS collocator for various services provided by third Parties and/or the Company based upon the PEIS collocator's requests (e.g. E20.2.3.B.2., E20.2.6.B.3., E20.2.6.I., E20.2.7.K.).

B. Minimum Requirements

The PEIS collocator is required to pay a minimum of six (6) months of Space Preparation Charges and six (6) months of Floor Space Charges should the PEIS collocator terminate its rights of occupancy prior to six months of occupancy.

E20.2.22 Rates and Charges

A. Physical Expanded Interconnection Service (PEIS)

1. Application Fee

		Monthly Rate	Nonrecurring Charge	USOC	
(a)	Per Request	$-	$3,791.00	PE1BA	
2. Subsequent Application Fee					
(a)	Per Request[1]	NA	3,160.00	PE1CA	
3. Space Preparation[1]					
(a)	Firm Order Processing, per Firm Order	NA	1,211.00	PE1SJ	(C)
(b)	Central Office Modifications, Per sq. ft.	2.58	-	PE1SK	(C)
(c)	Common Systems Modifications-Cageless, Per sq. ft.	2.96	-	PE1SL	(C)
(d)	Common Systems Modifications-Caged, Per cage	100.66	-	PE1SM	(C)
4. Space Enclosure[1]					
(a)	Welded Wire Cage, Per First 100 sq. ft.	205.93	NA	PE1BW	
(b)	Welded Wire Cage, Per Additional 50 sq. ft.	20.20	NA	PE1CW	

Note 1: See E20.2.21.A.

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.22 Rates and Charges (Cont'd) (C)

A. Physical Expanded Interconnection Service (PEIS)

5. Floor Space

		Monthly Rate	Nonrecurring Charge	USOC	
(a)	Per sq. ft.	6.57	NA	PE1PJ	

6. Cable Installation

(a)	Per Cable	-	1,826.00	PE1BD	

7. Cable Support Structure

(a)	Per Entrance Cable	21.66	NA	PE1PM	

8. Power

(a)	Power, Per fused amp	8.86	NA	PE1PL	
(b)	120V AC Single Phase Standby, Per breaker amp	5.62	-	PE1FB	(C)
(c)	240V AC Single Phase Standby, Per breaker amp	11.26	-	PE1FD	(C)
(d)	120V AC Three Phase Standby, Per breaker amp	16.88	-	PE1FE	(C)
(e)	277V AC Three Phase Standby, Per breaker amp	38.98	-	PE1FG	(C)

9. Cross- Connect

		Monthly Rate	Nonrecurring Charge First	Nonrecurring Charge Additional	USOC	
(a)	2-wire, Per cross connect	$0.074	$34.53	$32.51	PE1P2	(C)
(b)	4-wire, Per cross connect	0.148	34.54	32.53	PE1P4	(C)
(c)	DS1, Per cross connect	1.29	54.15	40.94	PE1P1	(C)
(d)	DS3, Per cross connect	17.48	53.28	39.65	PE1P3	(C)
(e)	2-Fiber, Per cross connect	2.96	53.28	39.66	PE1F2	(C)
(f)	4-Fiber, Per cross connect	5.66	66.08	52.47	PE1F4	(C)

10. **(DELETED)** (D)

		Monthly Rate	Nonrecurring Charge	USOC	
11.	Security Access System				
(a)	Security System, Per central office premises, ***per square foot***	*0.0113*	-	PE1AX	(C)
(b)	New Access Card, Per card	.06	56.03	*PE1A1*	(C)
(c)	Access Card Administrative Change, Existing card, per card	-	15.71	PE1AA	
(d)	Access Card, Replace lost or stolen card, per card	-	45.93	PE1AR	
12.	Space Availability Report				
(a)	Per Premises requested	-	2,168.00	PE1SR	

Note 1: See E20.2.21.A. (C)

E20. EXPANDED INTERCONNECTION SERVICE (EIS)

E20.2 Physical Expanded Interconnection Service (PEIS) (Cont'd)

E20.2.22 Rates and Charges (Cont'd)

A. Physical Expanded Interconnection Service (PEIS) (Cont'd)

13. Additional Engineering Fee[1]
14. Security Escort

		Each One-Quarter Hour Or FractionThereof	USOC
(a)	Basic Time	$10.89	PE1BQ
(b)	Overtime	13.64	PE1OQ
(c)	Premium Time	16.40	PE1PQ

B. Physical Expanded Interconnection Service (PEIS) – Adjacent Collocation

1. Application Fee

		Monthly Rate	Nonrecurring Charge	USOC	
(a)	Per Request	$-	$2,677.00	PE1JA	(C)

2. Space

(a)	Per sq. ft.	0.182	-	PE1JB	(C)

3. Electrical Facility

(a)	Per linear ft.	6.07	-	PE1JC	(C)

4. Cross-Connect

		Monthly Rate	Nonrecurring Charge First	Nonrecurring Charge Additional	USOC	
(a)	2-wire, Per cross connect	$0.074	$34.53	$32.51	PE1P2	(C)
(b)	4-wire, Per cross connect	0.148	34.54	32.53	PE1P4	(C)
(c)	DS1, Per cross connect	1.29	54.15	40.94	PE1P1	(C)
(d)	DS3, Per cross connect	17.48	53.28	39.65	PE1P3	(C)
(e)	2-Fiber, Per cross connect	2.96	53.28	39.66	PE1F2	(C)
(f)	4-Fiber, Per cross connect	5.66	66.08	52.47	PE1F4	(C)

5. Power

		Monthly Rate	Nonrecurring Charge	USOC	
(a)	120V AC Single Phase Standby, Per breaker amp	$5.62	$-	PE1FB	(C)
(b)	240V AC Single Phase Standby, Per breaker amp	11.26	-	PE1FD	(C)
(c)	120V AC Three Phase Standby, Per breaker amp	16.88	-	PE1FE	(C)
(d)	277V AC Three Phase Standby, Per breaker amp	38.98	-	PE1FG	(C)

6. Cable Installation

(a)	Per Cable	-	1,826.00	PE1BD	(C)

7. Cable Support Structure

(a)	Per Entrance Cable	21.66	NA	PE1PM	(C)

Note 1: See applicable rates in E13.1 of this Tariff.

AWG-2

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NOS. 960757-TP/960833-TP/960846-TP
ORDER NO. PSC-98-0604-FOF-TP
ISSUED: APRIL 29, 1998

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Metropolitan Fiber Systems of Florida, Inc. for arbitration with BellSouth Telecommunications, Inc. concerning interconnection rates, terms, and conditions, pursuant to the Federal Telecommunications Act of 1996.	DOCKET NO. 960757-TP
In re: Petition by AT&T Communications of the Southern States, Inc. for arbitration of certain terms and conditions of a proposed agreement with BellSouth Telecommunications, Inc. concerning interconnection and resale under the Telecommunications Act of 1996.	DOCKET NO. 960833-TP
In re: Petition by MCI Telecommunications Corporation and MCI Metro Access Transmission Services, Inc. for arbitration of certain terms and conditions of a proposed agreement with BellSouth Telecommunications, Inc. concerning interconnection and resale under the Telecommunications Act of 1996.	DOCKET NO. 960846-TP ORDER NO. PSC-98-0604-FOF-TP ISSUED: April 29, 1998

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

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FINAL ORDER ON ARBITRATION

BY THE COMMISSION:

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ACRONYMS AND ABBREVIATIONS

ACAC	Access Customer Advocacy Center
Act	Communications Act of 1934 as amended by the Telecommunications Act of 1996, 47 U.S.C. §1 et seq.
ACSI	American Communications Services, Inc., American Communications Services of Jacksonville Inc.
ADSL	Asymmetrical Digital Subscriber Line
AIN	Advanced Intelligent Network
ACSI	American Communications Services, Inc./American Communications Services, Inc., of Jacksonville
AFIG	Assignment Facilities Inventory Group
AT&T	AT&T Communications of the Southern States, Inc.
ARMIS	Automated Report Management Information System
BDFB	Battery distribution fuse bay
BOC	Bell Operating Companies
BellSouth	BellSouth Telecommunications, Inc.
CABS	Carrier Access Billing System
CAM	Cost Allocation Manual
CAPM	Capital Asset Pricing Model
CBG	Census Block Group

CGI	Common Gateway Interface
CLEC	Competitive Local Exchange Carrier
CO	Central Office
CPG	Circuit Provisioning Group
COSMOS	Computer System for Mainframe Operations
DAML	Digital Additional Main Line
DCF	Discounted Cash Flow
DCS	Digital cross-connect system
DDM	Dividend Discount Models
DLR	Design Layout Record
DIP	Dedicated Inside Plant
DOP	Dedicated Outside Plant
DA	Directory Assistance
DLC	Digital Loop Carrier
DOE	Direct Order Entry
DSX	Digital signal cross-connect
Eighth Circuit	U.S. Court of Appeals, 8th Circuit
EDI	Electronic Data Interchange
EF&I	Engineered, Furnished and Installed (Cost)
EXACT	Exchange Access Control and Tracking System
FCC	Federal Communications Commission
FRN	Facility Record Number
FDI	Feeder Distribution Interface

FOC	Firm Order Confirmation
GNP	Gross National Product
HDSL	High-Bit Rate Digital Subscriber Line
HVAC	Heating, Ventilation, and Air Conditioning
IBES	Institutional Brokers' Estimate Service
ICB	Individual Case Basis
I&M	Installation & Maintenance
ICI	Intermedia Communications of Florida, Inc.
ILEC	Incumbent Local Exchange Carrier
ISDN	Integrated Services Digital Network
Intermedia	Intermedia Communications, Inc.
IXC	Interexchange Carrier
LCSC	Local Carrier Service Center
LENS	Local Exchange Navigation System
LEO	Local Exchange Ordering
LESOG	Local Exchange Service Order Generator
LFAC	Loop Facilities Assignment Center
LRIC	Long Run Incremental Cost
M/B	Market-to-Book
MCI	MCI Metro Access Transmission Services, Inc. & MCI

	Telecommunications Corporation
MDF	Main distribution frame
MFS	Metropolitan Fiber Systems of Florida, Inc.
NRCM	Non-recurring Cost Model
OSP	Outside Plant
OSS	Operations Support Systems
PE	Price-Earnings Ratio
PIC	Primary Interexchange Carrier Change
POT	Point of Termination
RCMAG	Recent Change Memory Administration Group
RBHC	Regional Bell Holding Company
RBOC	Regional Bell Operating Company
RNS	Regional Negotiation System
RRR	Residual Recovery Requirement
S&P	Standard & Poor's
SCIS	Switching Cost Information System
SSIM	Special Services Installation & Maintenance
SONET	Synchronous Optical Network
SONGS	Service Order Negotiation System
Sprint	Sprint Communications Company Limited Partnership/Sprint Metropolitan Network, Inc.
TAFI	Trouble Analysis Facilitation Interface

TCG	TCG of South Florida
Time Warner	Time Warner AxS of Florida, L.P.
TELRIC	Total Element Long Run Incremental Cost
Time Warner	Time Warner AxS of Florida, L.P./Time Warner Connect
TIRKS	Trunk Information Record Keeping System
TPI	Telephone Plant Index
TSLRIC	Total Service Long Run Incremental Cost
UNE	Unbundled Network Element
USOA	Uniform Systems of Accounts
xDSL	All types of Digital Subscriber Line loops, e.g., ADSL & HDSL
YTM	Yield-to-Maturity

I. BACKGROUND

On December 16, 1996, we issued Order No. PSC-96-1531-FOF-TP, in Docket No. 960757-TP. In that order, which involved Metropolitan Fiber Systems of Florida, Inc. (MFS) and BellSouth Telecommunications, Inc. (Bellsouth), we ordered BellSouth to file cost studies so that permanent rates could be established for specific unbundled network elements. On December 31, 1996, we issued Order No. PSC-96-1579-FOF-TP in Docket Nos. 960833-TP and 960846-TP. In that order, which involved BellSouth, AT&T Communications of the Southern States, Inc. (AT&T) and MCI Telecommunications, Inc. and MCImetro Access Transmission Services, Inc. (MCI), we again ordered BellSouth to file cost studies specifically on those elements for which we had established interim rates so that permanent rates could be established.

Section 252(g) of the Telecommunications Act of 1996 (Act) provides that a state commission may, to the extent practical, consolidate proceedings under sections 214(e), 251(f), 253 and 252 to reduce administrative burdens on telecommunications carriers, other parties to the proceedings, and the state commission in carrying out its responsibilities under the Act. Thus, Docket Nos. 960833-TP, 960846-TP, and 960757-TP were consolidated and set for hearing.

On October 3, 1997, MFS filed a request to include issues in this proceeding regarding geographically deaveraged loops. By Order No. PSC-97-1303-PCO-TP, issued October 21, 1997, MFS's request was denied.

By Order No. PSC-97-1399-PCO-TP, issued November 6, 1997, American Communications Services, Inc./American Communications Services, Inc., of Jacksonville (ACSI) was granted intervention in this proceeding. Following that order, Intermedia Communications, Inc., (Intermedia), Time Warner AxS of Florida, L.P. (Time Warner), and Sprint Communications Company Limited Partnership/Sprint Metropolitan Network, Inc. (Sprint), respectively, filed petitions to intervene. By Order No. PSC-98-0007-PCO-TP, issued January 2, 1998, the prehearing officer reversed Order No. PSC-97-1399-PCO-TP. On that same day, the prehearing officer issued Order No. PSC-98-0008-PCO-TP denying the respective intervention petitions of Intermedia, Time Warner and Sprint. ACSI, Sprint, Time Warner and Intermedia then filed petitions for reconsideration which were denied by the full Commission.

On January 26 through January 28, 1998, we conducted an evidentiary hearing for these consolidated dockets. Having considered the evidence presented at hearing, the posthearing briefs of the parties, and the recommendations of our staff, our arbitration decisions are set forth below.

II. INTRODUCTION

The objective in these proceedings was to establish recurring and non-recurring rates for certain unbundled network elements (UNEs). We determined that decisions on certain inputs (common matters) directly affect cost development for all the UNEs considered in these proceedings. Accordingly, we discuss in Part III first a number of common matters as follows:

A. Cost of Capital;
B. Depreciation;
C. Tax Factors;
D. Shared and Common Costs;
E. Residual Revenue Requirement;
F. Non-Recurring costs Disconnect Factor.

We then discuss in Part IV the specific UNEs in issue in these proceedings as follows:

A. Network Interface Device (NID);
B. 2-wire and 4-wire loop distribution;
C. 2-wire ADSL-compatible loop;
D. 2-wire and 4-wire HDSL-compatible loop;
E. Physical collocation;
F. Virtual collocation;
G. Directory Assistance and Dedicated Transport (non-recurring only); and
H. 4-wire analog port.

Pursuant to Order No. PSC-96-1579-FOF-TP, on November 13, 1997, BellSouth filed its Total Element Long-run Incremental Cost (TELRIC) Calculator, its model that determines the recurring and non-recurring economic costs associated with a particular unbundled network element. While the model has been named the TELRIC Calculator, it can also develop TSLRIC outputs based on the user's inputs because the model is flexible. The TELRIC Calculator can be used to produce TSLRIC studies by eliminating the shared and common costs from the calculation. Thus, the TELRIC economic costs equal the TSLRIC costs plus shared and common costs.

The TELRIC Calculator uses the outputs from several other models and price calculators as inputs in determining the cost associated with a UNE. The basic models used by BellSouth include: (1) the Capital Cost Calculator; (2) the Loop Model; (3) the Switching Cost Information System (SCIS) model; and (4) the Shared and Common Cost Model. The Capital Cost Calculator produces depreciation, cost of money, and income tax factors which are applied to investments to calculate the capital costs. The Loop Model is used to develop the material costs for narrowband loop and loop-related UNEs. The SCIS Model is used in this proceeding to produce switch-related costs associated with ports and features. The Shared and Common Cost Model determines the level of shared and common costs attributable to the UNEs.

BellSouth also used three price calculators in conjunction with the basic models listed above: (1) the Synchronous Optical Network (SONET) Price Calculator; (2) the Loop Multiplexer Price Calculator; and (3) the Digital Loop Carrier (DLC) Price calculator. These price calculators develop the material cost of specialized components that are used in the provision of various UNEs. AT&T proposed a non-recurring cost model and a collocation model to determine the cost of certain UNEs. Witness Caldwell sponsors the BellSouth cost studies. Witness Lynott sponsors AT&T/MCI's non-recurring cost studies and Witnesses Klick and Bissell sponsor its collocation cost studies. The models proposed by BellSouth and AT&T to determine the costs associated with a particular UNE are discussed in detail below.

Upon consideration, and based upon the evidence in the record for these proceedings, we hereby establish recurring rates for the network elements at issue as shown in Table I. We also establish non-recurring rates for those elements as shown in Table II. These rates cover BellSouth's Total System Long-run Incremental Costs (TSLRIC) and provide some contribution toward joint and common costs.

TABLE I
Approved Recurring UNE Rates

RECURRING RATES	NETWORK ELEMENTS
Network Interface Device	$1.08
2-wire Analog Loop Distribution	$8.57

RECURRING RATES	NETWORK ELEMENTS
4-wire Analog Loop Distribution	$11.29
2-wire ADSL Loop	$15.81
2-wire HDSL Loop	$12.12
4-wire HDSL Loop	$18.24
4-wire Analog Port	$9.14
Local Channel DS-1	$44.35
DS-1 Interoffice per Mile	$0.6013
DS-1 Facility Termination	$101.61
Physical Collocation	
Application Fee	$15.53
Space Preparation	not applicable
Space Construction-per 100 sq. ft. Wire Cage Gypsum Cage Fire Rated Cage	 $41.99 $84.10 $99.73
Space Construction-per additional 50 sq. ft. Wire Cage Gypsum Cage Fire Rated Cage	 $4.14 $9.35 $11.30
Floor Space - per sq. ft.	$4.25
Cable-Installation, per cable Cable Rack	$2.77 $22.94
Power, per Ampere	$6.95
Cross Connects, 2-wire, per 100 circuits 4-wire, per 100 circuits	 $5.24 $5.24 $226.39 $11.51

RECURRING RATES	NETWORK ELEMENTS
DS-1-DCS, per 28 circuits	$56.97
DS-1-DSX, per 28 circuits	$10.06
DS-3-DCS, per circuit	$6.46
DS-3-DSX, per circuit	
Optical circuits per connection	
Virtual Collocation	
Floor Space-per sq. ft.	$4.25
Cable-Installation, per cable	$12.45
Cable Rack Per 1/4 Rack	$2.24
Power, per Ampere	$6.95
Cross Connects,	
2-wire, per 100 circuits	$5.02
4-wire, per 100 circuits	$5.02
DS-1-DCS, per 28 circuits	$226.39
DS-1-DSX, per 28 circuits	$11.51
DS-3-DCS, per circuit	$56.97
DS-3-DSX, per circuit	$10.06
Optical circuits per connection	$6.71
Virtual to Virtual Connection	
Fiber per cable	$.19
DS-1/DS-3 per cable	$.17

TABLE II
Approved Non-recurring UNE Rates

NETWORK ELEMENT	NON-RECURRING RATES First	Additional
Installation of 2-wire/4-	$70.32	$54.35

NETWORK ELEMENT	NON-RECURRING RATES First	Additional
wire ALEC NID		
Cross Connect, 2-wire or 4-wire	$6.15	$6.15
2-wire Analog Loop Distribution	$78.29	$58.33
4-wire Analog Loop Distribution	$112.07	$92.11
2-wire ADSL Loop	$113.85	$99.61
2-wire HDSL Loop	$113.85	$99.61
4-wire HDSL Loop	$116.91	$101.71
4-wire Analog Port	$5.86	$5.86
DS-1 Facility Termination	$45.91	$44.18
Local Channel DS-1	$246.50	$230.49
Installation per trunk or signaling connection	$332.42	$8.82
Physical Collocation		
Application Fee	$3,248.00	
Space Preparation	ICB	
Cable -Installation, per cable	$1,056.00	
Cross Connects,		
2-wire, per 100 circuits	$1,157.00	
4-wire, per 100 circuits	$1,157.00	
DS-1-DCS, per 28 circuits	$1,950.00	
DS-1-DSX, per 28 circuits	$1,950.00	
DS-3-DCS, per circuit	$528.00	
DS-3-DSX, per circuit	$528.00	
Optical circuits, per connection	$2,431.00	
Security Escort		
Regular Time per 1/4 Hour	$10.89	
Overtime per 1/4 Hour	$13.64	
Premium Time per 1/4 Hour	$16.40	

NETWORK ELEMENT	NON-RECURRING RATES First	Additional
Cards - per 5 cards	$85.12	
Virtual Collocation		
Application Fee:		
Initial Request	$4,122.00	
Additional Cable Request	$1,249.00	
Cable-Installation, per cable	$965.00	
Cross Connects,		
2-wire, per 100 circuits	$1,157.00	
4-wire, per 100 circuits	$1,157.00	
DS-1-DCS, per 28 circuits	$1,950.00	
DS-1-DSX, per 28 circuits	$1,950.00	
DS-3-DCS, per circuit	$528.00	
DS-3-DSX, per circuit	$528.00	
Optical circuits per connection	$2,431.00	
Virtual to Virtual Connection		
Fiber per cable	$526.17	
DS-1/DS-3 per cable	$134.46	
Security Escort & Equipment Maintenance		
Regular Time per 1/4 Hour	$10.89	
Overtime per 1/4 Hour	$13.64	
Premium Time per 1/4 Hour	$16.40	

III. COMMON MATTERS

A. Cost of Capital

The Act requires all incumbent local exchange carriers (ILECs), including the Regional Bell Operating Companies (RBOCs) such as BellSouth, to provide interconnection and unbundled network elements to requesting competitive local exchange carriers (CLECs).

Section 251 of the Act requires that the provision of these services and elements must be rendered on rates, terms, and conditions that are just, reasonable, and non-discriminatory. With respect to the rates charged by ILECs to CLECs, Section 252 requires state commissions to determine the just and reasonable rates for interconnection and network elements on the basis of the cost of providing these services, determined without reference to a rate-of-return or other rate-based proceeding. 47 U.S.C. § 251(c)(2), §(c)(3), and § 252(d).

As the witnesses appearing in these proceedings have interpreted these provisions, the Act expressly prohibits the use of the traditional rate of return on rate base methodology as the cost standard for UNEs. This means that familiar costing concepts in public utility regulation, such as embedded costs and fully-allocated costs, cannot be applied in determining the just, reasonable, and non-discriminatory rates that CLECs should pay for the services and UNEs purchased from ILECs. Thus, in light of those prohibitions, the witnesses testify that the Act implicitly endorses the use of marginal or incremental costs as the pricing standard for setting, among other rates, the appropriate cost of capital in the pricing of UNEs.

Two witnesses filed testimony in these proceedings regarding the appropriate forward-looking economic cost of capital for BellSouth for the provisioning of UNEs. Witness Billingsley, appearing on behalf of BellSouth, does not recommend a specific cost of capital but instead testifies that BellSouth's use of an 11.25 per cent cost of capital in its cost study was reasonable and conservative. Witness Cornell, appearing on behalf of AT&T and MCI, testifies that the midpoint of the cost of capital range for BellSouth of 9.43 per cent was a conservative estimate of the cost of capital that should be used in these proceedings.

To determine the appropriate forward-looking cost of capital to be included in the prices for UNEs, we find that it is necessary to estimate the forward-looking cost of debt and equity for BellSouth. In addition, it is necessary to determine the appropriate mix of debt and equity in the capital structure. Combining these inputs produces the cost of capital estimates endorsed by the respective witnesses.

Capital Structure

In its cost study, BellSouth assumes a capital structure of 60 per cent equity and 40 per cent debt. Witness Billingsley relies upon this relative level of capitalization in his determination of the reasonableness of the overall cost of capital of 11.25 per cent used by BellSouth in its cost study.

AT&T/MCI witness Cornell considers the average capital structures of his index of comparable companies to determine the appropriate capital structure for BellSouth. His index includes the Regional Bell Holding Companies (RBHCs) and the larger independent telephone companies. On a book value basis, he finds the average capitalization for his index to be 44 per cent equity and 56 per cent debt. On a market value basis, he finds the average to be 76 per cent equity and 24 per cent debt. In employing both the book value and market value averages to establish his range for the weighted average cost of capital for BellSouth, witness Cornell implicitly assumes an average capital structure of 60 per cent equity and 40 per cent debt in arriving at his recommended overall cost of capital of 9.43 per cent.

The exhibits in the record show that over the last four years, the actual equity ratio for BellSouth has varied from a high of 59.9 per cent in 1994 to a low of 56.6 per cent in 1995. The most recent equity ratio available was 58.8 per cent for the period through the third quarter of 1997. We have strong reservations whether this level of equity capitalization is truly necessary given witness Cornell's testimony that the leasing of UNEs is one of the least risky businesses engaged in by the RBHCs. However, since both witnesses employ the same relative percentages of equity and debt in their analyses, we will recognize a capital structure of 60 per cent equity and 40 per cent debt in determining the appropriate weighted average cost of capital for purposes of these proceedings.

Cost of Debt

In its cost study, BellSouth assumes a cost of debt of 8.00 per cent. There is no evidence in this record to support this cost

rate. Witness Billingsley testifies that the forward-looking cost of debt for BellSouth is 7.25 per cent. He arrives at this rate by adding the average spread between the yields on AAA-rated public utility bonds and 30-year Treasury bonds from October 1987 through October 1997 of .79 per cent to the yield-to-maturity (YTM) on 30-year Treasury bonds for the period August 1997 to October 1997 of 6.47 per cent. Finally, BellSouth estimates that its marginal cost of debt is approximately 7.10 per cent. This estimate is based upon the three-month (September to November 1997) average yield on 30-year Treasury bonds of 6.31 per cent plus a risk premium of .80 per cent. The risk premium is the average spread between the yield on AAA-rated public utility bonds versus the 30-year Treasury bond from October 1987 through November 1997.

Witness Cornell assumes a cost of debt of 7.06 per cent. He arrives at this rate by calculating the YTM as of December 31, 1996, of all of BellSouth's outstanding debt issues, including the debt of the holding company and any subsidiaries. However, updating his analysis through December 31, 1997, he calculates the YTM for BellSouth of 6.65 per cent. He testifies that the YTM is a forward-looking cost of debt that measures the rate BellSouth would have to pay if the bonds were issued at the measurement date, and reflects investors' expectations regarding the future returns on these publicly-traded bonds.

The exhibits in the record show that BellSouth's embedded cost of debt through the third quarter of 1997 was 6.44 per cent. However, because there is a debate whether embedded costs can be used for setting prices in these proceedings, this rate is noted only as a point of reference. Using the methodology employed by BellSouth for estimating its marginal cost of debt, but updating the inputs through December 31, 1997, BellSouth's forward-looking cost of debt is 6.91 per cent. Using the methodology advocated by BellSouth, we determine this rate by adding the three month (October to December 1997) average yield on 30-year Treasury bonds of 6.12 per cent and a risk premium of .79 per cent to account for the average difference between the yields on AAA-rated public utility bonds and 30-year Treasury bonds (October 1987 to December 1997). The 6.91 per cent rate, however, only reflects the cost of long-term debt. Witness Cornell testifies that network assets have varied expected economic lives, not all of which are necessarily

long-term. Moreover, the network element leasing business, like any other business, would be financed with a variety of sources and maturities. Witness Billingsley concedes that BellSouth employs short-term debt in its capital structure and will continue to do so on a going forward basis. Through the third quarter of 1997, approximately 14 per cent of BellSouth's total debt was in the form of commercial paper. The exhibits in the record demonstrate that BellSouth's commercial paper program is projected not to exceed 17 per cent of total debt on a going forward basis. Through the third quarter of 1997, BellSouth's average cost rate for commercial paper is 5.50 per cent. We find that assuming a cost rate of 5.50 per cent for commercial paper is conservative since interest rates have come down since the end of the third quarter of 1997. Based on the evidence submitted, we assume a conservative mix of 85 per cent long-term debt at a cost rate of 6.91 per cent and 15 per cent short-term debt at a cost rate of 5.50 per cent. Therefore, we find that the forward-looking total cost of debt for BellSouth's provision of unbundled network elements is 6.70 per cent.

We believe that a 6.70 per cent cost of debt is a conservatively high estimate of BellSouth's true forward-looking cost of debt. This rate is very close to the current YTM as of December 31, 1997, for BellSouth's total debt issues calculated by witness Cornell of 6.68 per cent, excluding the two securities issued by BellSouth Capital Funding. This rate is above the current embedded total cost of debt for BellSouth of 6.44 per cent. The 6.70 per cent rate exceeds the average yield on 30-year Treasury bonds for December 1997 of 5.96 per cent by 74 basis points. Finally, the exhibits in the records show that while the average yield for the index of AAA-rated public utility bonds exceeded the yield on 30-year Treasury bonds on average by approximately 79 basis points over the last 10 years, over the last 4 years BellSouth's actual experience has been a spread of only 39 basis points on average over the yield on 30-year Treasury bonds. Based on this, one could argue that BellSouth's actual experience indicates its true forward-looking cost of long-term debt is only 6.51 per cent. To be conservative, we adopt the indicated 6.91 per cent cost rate for long-term debt in estimating BellSouth's total cost of debt. Upon consideration, we authorize a cost of debt of 6.70 per cent for purposes of determining BellSouth's forward-looking cost of capital in these proceedings.

Cost of Equity

BellSouth witness Billingsley uses three models to estimate the cost of equity of BellSouth. Since BellSouth is a subsidiary of BellSouth Corporation, it does not have equity traded in the market. Thus, there is no direct market information upon which to estimate BellSouth's cost of equity capital. Therefore, it is necessary for witness Billingsley to infer BellSouth's cost of equity by evaluating the available market data for publicly traded companies comparable in risk to BellSouth. In his first approach, witness Billingsley applies the DCF model to a group of firms he identifies as comparable in risk to BellSouth. In his second approach, he uses the CAPM. Finally, he conducts a risk premium analysis. From these analyses, he concludes that the current cost of equity capital for BellSouth is within the range of 14.72 per cent to 15.20 per cent.

Witness Billingsley uses the constant growth or single-stage form of the DCF model which assumes growth remains constant over an indefinite or infinite holding period. The growth rates he uses in this analysis are the five-year earnings growth rates forecasted by Institutional Brokers' Estimate Service (IBES) and Zacks Investment Research, Inc. His DCF model includes an adjustment of 5 per cent for the recovery of flotation costs and recognizes the quarterly compounding of dividends. He applies this form of the DCF model to an index of companies he identifies as comparable in risk to BellSouth. Witness Billingsley uses a cluster analysis to identify his index of 20 firms. Based upon his DCF analysis, he concludes that the cost of equity for BellSouth is in the range of 15.11 per cent to 15.20 per cent.

AT&T/MCI witness Cornell relies upon two models for estimating the cost of equity for BellSouth. For the same reasons witness Billingsley cites, witness Cornell has to rely on market data of publicly traded companies to estimate the cost of equity capital of BellSouth. In his first approach, witness Cornell applies the Discounted Cash Flow (DCF) model to a group of companies he identifies as comparable in risk to BellSouth. In his second approach, he uses the Capital Asset Pricing Model (CAPM). These two models produce a range of estimates of the cost of equity capital from 10.99 per cent to 11.05 per cent. He assumes the midpoint of this range of 11.02 per cent as the appropriate cost of equity for BellSouth.

Witness Cornell uses the variable growth or three stage form of the DCF model which distinguishes between short and long-term growth rate projections. He assumes the first stage lasts five years because that is the longest horizon over which analysts' forecasts of growth are available. For this period, he uses the five-year earnings growth rates forecasted by IBES. He assumes the second stage lasts 15 years during which the growth rate falls from the high level of the first five years to the growth rate of the U.S. economy by the end of year 20. From the twentieth year onward he sets the growth rate equal to the growth rate of the economy because he believes rates greater than that cannot be sustained into perpetuity. The long-term growth forecast used after year 20 was derived by averaging the long-term Gross National Product (GNP) growth forecasts obtained from the Wharton Econometric Forecasting

Associates and from Ibbotson Associates. Witness Cornell uses the annual form of the DCF model. His model does not include an adjustment for flotation costs. He applies this form of the DCF model to an index of companies he identified as comparable in risk to BellSouth. Witness Cornell selects the RBHCs and larger independent telephone companies from the telephone operating companies listed in S&P's Industry Survey. Based upon his DCF analysis, he concludes that the cost of equity for BellSouth is in the range of 10.74 per cent to 11.07 per cent.

In contrast, witness Cornell points out that the only support witness Billingsley cites for the application of the constant growth DCF model using short-term growth forecasts is that this method is often used in traditional rate regulation, with the telephone business highly regulated and stable. Moreover, he states that it appears far more reasonable that the true estimate of BellSouth's cost of equity is produced by a DCF analysis that assumes a growth rate of 8.7 per cent for the first five years and decreases in a linear manner to a long-run sustainable rate of 6.2 per cent by year 20, than the estimate produced by a DCF analysis that assumes the growth rate will remain constant at 13.0 per cent forever. This is particularly true in light of BellSouth's forecasted growth rate over the next five years of 8.4 per cent.

We recognize the results of both the quarterly and the annual form of the DCF model, preferred, respectively, by witness Billingsley and witness Cornell. For example, the estimates indicated by witness Billingsley's adjusted CAPM and risk premium analyses recognize the quarterly compounding of dividends and the estimates indicated by witness Cornell's adjusted DCF and CAPM analyses do not. Based upon witness Billingsley's testimony, however, the difference between the DCF estimates using the quarterly model versus the annual model is negligible.

Upon consideration, we find that the multi-stage DCF model employed by AT&T/MCI witness Cornell is superior to the single-stage DCF model used by BellSouth witness Billingsley for estimating the cost of equity capital of BellSouth. Witness Cornell testifies that the form of the DCF model he uses is well supported in the financial community. He notes that prominent economists familiar with cost of capital research have recognized

that the simple perpetual growth DCF model using short-term forecasts is inappropriate to use if a company's short-term growth rate is expected to exceed the long-term growth of the economy. We also find that an adjustment is appropriate to allow the recovery of flotation costs. Based upon witness Cornell's DCF analysis, the average of the difference between including and excluding a 5 per cent adjustment for flotation costs is approximately 24 basis points. Adding this adjustment to the estimate indicated by witness Cornell's DCF analysis results in a revised estimate of the cost of equity for BellSouth of 11.25 per cent.

We have strong reservations regarding witness Billingsley's testimony that his index is more comparable in risk to BellSouth than witness Cornell's index. Witness Cornell testifies that "if one were to accept the results of [witness Billingsley's] cluster analysis, then one would have to believe that the risk of the network leasing business was more similar to the risks faced by Coca Cola, McDonalds and Wal-Mart stores, as examples, than to the risks faced by BellSouth's parent company, BellSouth (which owns LECs and the underlying network elements)." Witness Cornell also testifies that by selecting a group of companies with growth rates that exceed a reasonable forecast of the aggregate economy and assuming that these growth rates will remain constant into perpetuity, witness Billingsley "systematically guarantees an inaccurately high cost of equity estimate inconsistent with investor expectations."

Although witness Billingsley claims he proves that his index is comparable in risk to BellSouth and that the index of RBHCs and selected independent telephone companies used by witness Cornell's is not, a detailed comparison of the two indices does not bear this out. We compare the averages of several key measures of investment risk for each index provided by each witness as of December 31, 1996. The first measure is the market-to-book (M/B) ratio for each index. The average M/B ratio for witness Billingsley's index is 6.0. The average M/B ratio for witness Cornell's index is 4.5. The average M/B ratio for BellSouth for the same period is 3.0. Witness Billingsley acknowledges that investment risk can be measured by the relative M/B ratio of the firm.

The second measure is the average price-earnings (PE) ratio. For witness Billingsley's index, it is 22.5. For witness Cornell's

index, it is 15.8. The PE ratio for BellSouth for the same period was 14.1. Witness Billingsley acknowledges that investment risk can be measured by the relative PE ratio of the firm.

The third measure is the average BARRA beta. The average BARRA beta for witness Billingsley's index is 0.90. The average BARRA beta for witness Cornell's index is 0.72. The BARRA beta for BellSouth for the same period was 0.72.

The fourth measure is the average of the Institutional Brokers' Estimate Service (IBES) five-year growth rate projections. For witness Billingsley's index, it is 13.02 per cent. For witness Cornell's index, it is 8.73 per cent. The five-year IBES growth rate projection for BellSouth for the same period was 8.41 per cent.

It is clear to us from these comparisons that, contrary to witness Billingsley's testimony, his index is not comparable in risk to BellSouth and therefore the results of his DCF analysis on this index are not reflective of the true cost of equity for BellSouth. Moreover, this comparison shows that the index of RBHCs and large independent telephone companies relied on by witness Cornell is comparable in risk to BellSouth and therefore the results of his DCF analysis on this index are reflective of the true cost of equity for BellSouth.

Witness Billingsley next employs the common form of the CAPM model. To use this model, he has to make assumptions regarding the appropriate beta, market return, and risk-free rate. He uses a prospective measure of beta supplied by BARRA. The beta coefficient measures the systematic risk of investing in a security. The systematic risk is the risk that cannot be eliminated through diversification. Generally speaking, the higher the beta, the greater the risk and vice versa. The average beta for witness Billingsley's index is 0.90. To estimate the market return, he applies the same form of the DCF model discussed earlier to the S&P 500 index of companies. Using market data for the month of October 1997, he estimates an expected return on the S&P 500 of between 15.61 per cent and 15.77 per cent. Finally, for the risk-free rate, he uses the average expected yield implied by the prices of 20-year Treasury bond futures contracts quoted during October 1997 of 6.73 per cent. Based upon his CAPM analysis, he concludes

that the cost of equity for BellSouth is in the range of 14.72 per cent to 14.87 per cent.

In his other analysis, witness Cornell uses the market risk premium form of the CAPM model. To employ this model, he has to make assumptions regarding the appropriate beta, market risk premium, and risk-free rate. He considers two measures of beta. The first measure, based on historical stock returns, was provided by Dow Jones Beta Analytics. The average beta for his index from this source is 0.77. To confirm the reasonableness of this approach, he also considers the prospective measure of beta supplied by BARRA. The beta for BellSouth for the same period is 0.72. He defines the market risk premium as the added expected return that investors require to hold a broad portfolio of common stocks instead of risk-free Treasury securities. Based on a DCF analysis of the S&P 500 using the same DCF model discussed earlier, he determines a market risk premium over one-month Treasury bills of 5.90 per cent and a market risk premium over 20-year Treasury bonds of 4.53 per cent. He also considers the historical spread between total stock returns and treasury returns as calculated by Ibbotson Associates. The arithmetic average spreads (indicated market risk premiums) over one-month Treasury bills range from 5.37 per cent to 9.03 per cent. The average spreads over long-term Treasury bonds range from 4.04 per cent to 8.00 per cent. Based on these analyses, he concludes that reasonable estimates of the market risk premium are 7.5 per cent over one-month Treasury bills and 5.5 per cent over 20 year Treasury bonds. Finally, for the risk-free rate, he uses the average yields on one-month Treasury bills and 20-year Treasury bonds. For one-month Treasury bills he uses a long-run average yield of 5.36 per cent and for 20-year Treasury bonds he uses the average yield for December 1996 of 6.73 per cent. Based upon his CAPM analysis, he concludes that the cost of equity for BellSouth is in the range of 10.97 per cent to 11.14 per cent.

Upon consideration, we find that witness Billingsley's CAPM analysis overstates the true cost of equity of BellSouth. We are persuaded by witness Cornell's testimony that had witness Billingsley properly taken into account the fact that the growth rates used in his analysis would eventually slow, he would have arrived at market risk premiums more consistent with what is

supported in the current financial literature. Witness Cornell notes several current articles which discuss the forward-looking market premium over Treasury bonds in the 2.0 per cent to 6.0 per cent range. In witness Billingsley's analysis, the difference between his indicated market return through December 1997 of 15.48 per cent and the YTM on 20-year Treasury bond futures contracts through December 1997 of 6.35 per cent indicates a market premium of 9.13 per cent, well in excess of the level supported by independent sources. The unrealistically high market risk premium aside, if one accepts the 15.48 per cent indicated market return and calculates the CAPM result using the updated YTM on 20-year Treasury bonds of 6.35 per cent and the forward-looking BARRA beta for BellSouth as of December 31, 1997, of .76, the CAPM estimate is 13.3 per cent. However, considering the testimony of witness Cornell that witness Billingsley's single-stage DCF analysis of the S&P 500 produces an upwardly biased estimate of the market return and that the derived market risk premium is well above the level discussed in current financial literature, we find that the 13.3 per cent indicated return is above the top of the range of reasonableness.

In discussing his CAPM analysis, witness Cornell concedes that for purposes of estimating the long-term cost of capital there is a preference for using the long-term interest rate. He also agrees that it would be reasonable to use the predicted BARRA beta instead of a historical measure of beta in the CAPM analysis. Using the same measure of beta and the risk-free rate assumed in the revision to witness Billingsley's CAPM analysis and the top of the range of forward-looking market risk premiums of 6.0 per cent from witness Cornell's analysis, the indicated CAPM estimate of BellSouth's cost of equity is 10.9 per cent.

In his final approach, witness Billingsley applies a market risk premium analysis. He defines the equity market risk premium as the difference between the return on a broad basket of equity securities (the market) and the return on a low-risk or riskless benchmark security. In this analysis, he calculates the risk premium as the difference between the expected return on the S&P 500 and the current market yields on public utility bonds from the period October 1987 through October 1997. To estimate the market return, he applies the same form of the DCF model discussed earlier

to the S&P 500 index of companies. Because BellSouth's debt is rated AAA, he uses the yield on AAA-rated public utility bonds. His analysis shows that the average risk premium from 1987 to 1997 was 6.80 per cent. Adding this premium to the three month (August-October 1997) average return on AAA-rated public utility bonds of 7.30 per cent produces a cost of equity for the S&P 500 of 14.10 per cent. However, he testifies that when interest rates decline, the equity risk premium widens and when interest rates rise, the equity risk premium narrows. He cites a study conducted by R.S. Harris and F.C. Marston to support this opinion. Based on this study, witness Billingsley testifies the risk premium must be increased. During the period of the Harris and Marston study, the average risk premium was 6.47 per cent and the average yield on long-term Treasury bonds was 9.84 per cent. Because the yield on 30-year Treasury bonds had decreased to 6.33 per cent (October 1997), witness Billingsley argues that the appropriate risk premium is 8.76 per cent instead of the 6.47 per cent risk premium indicated by the Harris and Marston study. Using this alternative approach, he concludes that his analysis indicates an expected return on the S&P 500 of 15.09 per cent, the current average level of 30-year Treasury bonds of 6.33 per cent plus the adjusted risk premium of 8.76 per cent.

Upon consideration, we find that BellSouth witness Billingsley's risk premium analysis overstates the true cost of equity of BellSouth. In reviewing witness Billingsley's market risk premium analysis, we note that the market premium is not constant but instead increases and decreases over time. The risk premium over the period covered by witness Billingsley's analysis varied from as little as 3.92 per cent to as great as 8.49 per cent. For this reason, it appears that the average risk premium calculated using this analysis already accounts for changes in the risk premium due to changes in the level of interest rates. We believe it would amount to double counting to include the additional 2.29 per cent premium (witness Billingsley risk premium of 8.76 per cent less Harris and Marston risk premium of 6.47 per cent) that witness Billingsley includes in his risk premium estimate of BellSouth's cost of equity. Removing this 2.29 per cent premium, the indicated return for the S&P 500 is 12.8 per cent, without accounting for the fact that the average yield on 30-year Treasury bonds continued to decline from October 1997 through

December 1997. Moreover, this number is conservatively high, because it reflects the cost of equity for the S&P 500. The S&P 500, with an assumed beta of 1.00, is generally considered more risky than individual companies with betas significantly less than 1.00, such as BellSouth with a beta of .76.

Based upon a detailed review of the cost of equity methodologies presented, we find, upon consideration, that the cost of equity for BellSouth falls within the range of 10.9 per cent to 12.8 per cent. Since a point estimate of the cost of equity must be used to establish the overall cost of capital, we are persuaded by the weight of the evidence that the cost of equity is more appropriately set at the higher end of the range. We shall, therefore, use 12.0 per cent for purposes of these proceedings.

Overall Cost of Capital

BellSouth witness Billingsley discusses at length his opinions of the risk being faced by companies in the telecommunications industry since the passage of the Act. However, in his discussion of risk he overlooks two fundamental points. First, we believe that witness Billingsley ignores the benefits that will accrue to BellSouth as a result of the passage of the Act. If investors are sophisticated enough to recognize the risks associated with increased competition as a result of the Act, then they are clearly sophisticated enough to recognize that BellSouth is well positioned to take advantage of all of the provisions of the Act. Although witness Billingsley's assessment of the level of competition may apply to some lines of business engaged in by a few of the companies in this industry, the May 1997 S&P Utility Credit Report for BellSouth supports the view that BellSouth is well positioned to take advantage of the new environment created by the passage of the Act. That report states that the adoption of price cap plans most of BellSouth's territory increases long-term earnings prospects, especially since the company has demonstrated an ability to control its costs. The report further states that expense management, among other things, will allow the company to maintain its profit levels even as competition emerges. In addition, the report notes that the company's market strength and financial stability should allow to maintain its competitive position in the future.

In addition, in BellSouth's debt rating reference manual prepared for S&P and Moody's Investor Services, BellSouth presented two schedules for the bond rating services entitled Summary of All Competitive Impacts (Assumed Losses to Revenue) and New Product Revenues. These reports were filed under protection of confidentiality and therefore we do not discuss the actual figures. However, it is clear in reviewing these two reports, which cover the years 1997 through 1999, that BellSouth has been and projects to be a net beneficiary of the changes brought about in the telecommunications industry as a result of deregulation. The implication of witness Billingsley's testimony that investors would only be concerned with the risks associated with competition in this industry ignores the fact that BellSouth is well positioned to grow and prosper in this new environment and that these views would also be factored into investors' perception of risk and expected return.

Second, we believe that witness Billingsley misstates the risk that is relevant to these proceedings. Witness Cornell testifies that the telecommunications industry is a very broad category which includes such businesses as BellSouth's wireless communications endeavors and its international operations. He points out, however, that the business for which the cost of capital is being estimated in these proceedings is the business of leasing local exchange telephone network elements to retail providers. Witness Cornell notes that in its August 8, 1996, First Order and Report, FCC 96-325, at ¶702, the Federal Communications Commission (FCC) explicitly defined the relevant risk in this type of proceeding as the risk incurred in the business of leasing unbundled network elements. Witness Billingsley acknowledges that for purposes of setting prices in these proceedings, we should only consider the forward-looking cost of capital associated with the provision of unbundled network elements. Witness Cornell testifies that the business of leasing network elements is of relatively low risk compared to many of the risky business endeavors being pursued by the telephone holding companies. He also notes that in FCC 96-325, supra, at ¶11 and ¶702, the FCC described the current competitive position of the ILEC's network element business as being natural or bottleneck monopolies which do not now face significant competition. For these reasons, we find that the discussion of

risk in witness Billingsley's testimony, to the extent it deals with the global state of the telecommunications industry rather than the actual business of leasing unbundled network elements in Florida, is irrelevant to the determination of the cost of capital in these proceedings.

For the reasons we discuss earlier, we believe that this overall cost of capital is a conservatively high estimate of BellSouth's true forward-looking cost of capital. AT&T/MCI witness Cornell testifies that BellSouth's use of an 11.25 per cent cost of capital "is far in excess of the forward-looking cost of capital for the provision of network elements or universal service, and is inconsistent with publicly available cost of capital estimates by parties outside the context of these proceedings." He notes that the FCC determined an 11.25 per cent cost of capital for BellSouth in September 1990. Since the time of that determination, 30-year Treasury bond rates have fallen over 300 basis points from an average of 8.99 per cent in September 1990 to an average of 5.96 per cent in December 1997. Witness Cornell also provides reports from Merrill Lynch and Salomon Brothers that document these companies' estimates of the cost of capital of the RBHCs. In a report dated January 1996, Salomon Brothers estimated the cost of capital for the RBHCs of approximately 8.6 per cent. In its proxy statement dated September 1996 regarding the merger of Bell Atlantic and NYNEX, Merrill Lynch performed a DCF analysis of the companies and assigned discount rates (implied costs of capital) of 8 per cent to 10 per cent for the telephone operations. Witness Cornell concludes that given the significant decline in capital costs as indicated by the drop in yields on 30-year Treasury bonds and "the real-world, investor-oriented evidence" discussed in his testimony, there is no evidence to support 11.25 per cent as the true cost of capital of BellSouth.

Based upon the evidence in the record, we find, upon consideration, that BellSouth's overall cost of capital is 9.90 per cent. This number falls out from the capital structure of 60 per cent equity and 40 per cent debt, a forward-looking cost of debt of 6.7 per cent and a cost of equity of 12.0 per cent, all of which we establish above.

B. Depreciation

Both of the cost models presented by the parties in these proceedings contain assumptions regarding depreciation rates and resulting expenses. Two witnesses testified on the appropriate depreciation lives and resultant rates to use in UNE calculations. AT&T/MCI witness Majoros presented direct and rebuttal testimony. BellSouth witness Cunningham also presented rebuttal testimony. While there is disagreement between the parties regarding the specific lives and salvage values to use in these proceedings, both witnesses agree that it is appropriate to use projection lives since, by definition, these lives represent newly placed plant and therefore comport with the FCC's requirement of using forward-looking costs. Both witnesses seem to agree that remaining lives are inappropriate since they relate to the life remaining of the embedded assets.

AT&T/MCI witness Majoros recommends that the lives and salvage values used in BellSouth's cost studies should be those projection lives and future net salvage values underlying the depreciation rates prescribed by the FCC for BellSouth in Florida in 1995. Based on his review of recent trends in the depreciation reserve and historical life indications and retirement patterns of the technologically affected accounts, witness Majoros asserts that the FCC's prescribed projection lives and future net salvage values represent forward-looking costs.

Witness Majoros points to the fact that BellSouth's reserve level has grown from 35.3 per cent in 1990 to 48.9 per cent in 1996. Its depreciation rates have averaged 7.3 per cent over the last seven years, while its retirement rates have averaged only 3.6 per cent. Witness Majoros explains that an increasing reserve is generally a sign that depreciation rates anticipate increasing retirement levels and the expected life of the plant is decreasing. Without indications of a decreasing life, witness Majoros asserts that an increasing reserve might be a sign that depreciation rates are too high.

Witness Majoros provided a comparison of BellSouth's historical lives and retirement patterns of the technologically affected accounts, i.e., digital switching, digital circuit, metallic cables, to the FCC's prescribed lives and retirement

patterns. This comparison shows that recent life indications for these accounts are longer than the projection lives prescribed by the FCC. Also, the comparison shows that the FCC's expected retirement pattens for these accounts reflect higher retirements than indicated by history. Witness Majoros therefore concludes that the FCC's 1995 prescribed lives and retirement patterns are forward-looking.

As further support for AT&T/MCI's position, witness Majoros points out that the FCC directed its staff over a decade ago to put less emphasis on historic data in estimating depreciation lives and more emphasis on company plans, technological developments, and other future-oriented analyses. Also, he explains that the FCC reaffirmed its forward-looking position in establishing ranges of projection lives to simplify the depreciation prescription process. The ranges were based on a review of recent retirement patterns, company planning, and the current technological developments and trends.

BellSouth witness Cunningham asserts that the FCC prescribed projection lives and future net salvage values are not forward-looking because they do not properly assess the impact of technological evolution and increasing competition. He proposes that the appropriate lives and salvage values to use in these proceedings are the results of the 1995 and 1996 nine-state regional BellSouth Depreciation Studies. These proposed values reflect a simple average of the proposed lives for the nine states. According to witness Cunningham, these studies contain a summary of most of the planning material and forecasting assumptions used in the development of BellSouth's proposed economic lives for each of the nine states and was augmented by additional information gathered through discovery in these proceedings. BellSouth asserts that these depreciation studies contain thousands of pages of data and analysis supporting its assessment of appropriate lives. Further, no party to these proceedings made a similar analysis of plant lives or derived an independent and current assessment of appropriate lives.

As further support for the reasonableness of BellSouth's recommended lives and salvage values, witness Cunningham asserts that these values are generally consistent with the depreciation

lives and salvage values BellSouth uses for public reporting purposes. Witness Cunningham also claims that BellSouth's proposed lives are comparable to the lives the FCC last prescribed for AT&T in 1994. Lastly, he states that BellSouth's proposed lives are similar to the projection lives used to determine the intrastate depreciation rates that BellSouth is currently booking in Florida.

In contrast, witness Cunningham testified that emphasis on historical retirement patterns is an indication that one expects the future not to vary significantly from the past. He asserts that retirements, particularly for the technology-sensitive accounts, lag well behind the decline in economic value of the assets. As an example, witness Cunningham refers to technologies of the past, such as Step-by-Step and Crossbar Switching, as evidence that the bulk of retirements are most often concentrated at the end of the life span of a technology and would not be captured simply by focusing on history. Further, witness Cunningham argues that the fact that BellSouth's reserve has grown over time is not an indication that the reserve is not at the appropriate level. He states that the issue is whether the reserve has increased enough to handle retirements caused by the shift that has occurred in the telecommunications industry.

Witness Cunningham testified that the lives BellSouth recommends for use in its cost studies are based on the economics of providing traditional telecommunications services, and would be appropriate even if the only services BellSouth ever provided in the future were narrowband, traditional telephone services. Regarding concerns raised in other jurisdictions as to the appropriateness of the lives used in BellSouth's cost studies for a narrowband network, witness Cunningham responded that the recommended lives do not consider broadband, entertainment, or some shift in existing competition. Witness Cunningham submits that replacement of today's network will occur due to normal mortality and technological obsolescence, i.e., when the current technology is not the most efficient means of providing narrowband service in the future.

AT&T/MCI witness Majoros asserts that lives specific to Florida should be used for UNE calculations since that data is available. He further asserts that the lives BellSouth uses for

financial accounting purposes are inappropriate for UNE calculations because those lives assume the replacement of telecommunications plant to provide non-regulated video services. However, BellSouth has indicated that it does not have plans to deploy a video network in Florida. Also, witness Majoros states that the FCC has ordered that the accelerated replacement of older facilities for the benefit of unregulated service offerings should be excluded from the regulated accounts.

Because the purpose of these proceedings is to establish prices for UNEs specific to Florida, we agree with AT&T/MCI witness Majoros that where Florida-specific information is available, it should be used. BellSouth's position regarding depreciation, however, is to use projection lives and future net salvage values that reflect the simple average of its depreciation studies for its nine-state region. When witness Cunningham was asked why he believed average regional lives should be used in the UNE calculations rather than Florida-specific lives, he simply stated that he was asked to submit regional lives by BellSouth's cost organization. Our decisions, shown in Tables III and IV are based on Florida-specific data and planning presented in this proceeding. The most controversial accounts, of course, are the technology driven accounts, digital switching and circuit, and metallic and fiber cables.

Witness Majoros asserts that the FCC's prescribed projection lives and retirement patterns reflect shorter lives and higher retirements than indicated by historical statistics. As such, we find that it is reasonable to assume that the depreciation rates developed by the FCC for its 1995 proceedings included consideration of an increasingly competitive telecommunications market.

The purpose of these proceedings is not to direct BellSouth to use specific depreciation rates for pricing its retail business, but instead to establish the appropriate cost methodologies to be incorporated in the cost models for pricing UNEs. In these proceedings, BellSouth does not seek regulatory approval of its depreciation rates. Rather, we are to determine the reasonableness of the competing assumptions regarding depreciation expenses to be included in the cost studies used for setting UNE rates.

Ideally, BellSouth would have conducted a study reflecting the lives and salvage values for the network it has included in its TSLRIC studies. However, BellSouth submitted instead nine depreciation studies it conducted in 1995 and 1996 for the FCC. These studies reflect analyses of embedded plant with a recognition of the future.

Lives

The projection life is a forecast projection of the future of the property. Historical indications may be useful in estimating a projection life. Trends in life or retirement can sometimes be expected to continue. The reason for making a historical life analysis is to develop a sufficient understanding of history in order to evaluate whether it is a reasonable predictor of the future. Technical and economic obsolescence are ongoing, and an historical life analysis will reflect these factors to the extent that they were present in the past. As discussed earlier, AT&T/MCI's depreciation proposals reflect what was prescribed by the FCC for BellSouth of Florida in 1995. A comparison of these lives with those proposed by BellSouth in its 1995 Florida-specific study indicates no difference in 12 accounts. We find that, therefore, the Florida-specific projection lives appear forward-looking, reasonable, and appropriate for use in these proceedings.

AT&T/MCI did not address projection lives for ten accounts: Aircraft, Special Purpose Vehicles, Analog Switching, Radio, Circuit-DDS, Circuit-Analog, Large PBX, Other Terminal Equipment, and Submarine cable-Metallic and Fiber. A review of the data provided in BellSouth's Florida-specific study and in response to discovery indicates that the resulting BellSouth projection life proposals for seven of these accounts appear reasonable. The exhibits show that the Aircraft account has no Florida investment; therefore we shall prescribe life for this account. The two remaining accounts are the Metallic and Fiber Submarine Cable accounts.

BellSouth's Florida-specific study states that submarine cable is flanked on either side of the splice by runs primarily of buried cable. The retirement of submarine cable is therefore expected to

occur concurrent with the retirement of the flanking metallic cable. We believe that it is reasonable for the projection life of submarine metallic cable to be the same as for metallic buried cable. We discuss metallic buried cable below as one of the technology-sensitive accounts.

We agree with BellSouth that with a new technology, such as fiber cable, enhancements and refinements to preexisting technology are still taking place due to such things as manufacturing defects and fiber clouding. While there is no reason to think future generations of fiber submarine cable will not live similarly to copper cable, we believe that the earlier generations of this technology cannot be expected to experience that type of life characteristic. Upon consideration, therefore, we find BellSouth's 20-year projection life from its Florida-specific study to be reasonable and appropriate to use in these proceedings.

Of the remaining ten accounts, five accounts, Digital Switching, Digital Circuit, and the three metallic cable accounts, are technology-sensitive, represent the majority of investment, and are the most controversial. BellSouth's proposed projection lives for these accounts are the result of using the technology substitution model, the purpose of which is to determine how fast a new technology is displacing an older technology. In this case, the model forecasts the rate at which fiber technology is substituting for copper technology. According to witness Cunningham, the substitution model was used to determine the average remaining life for each account and then a projection life or economic life was determined. The projection life was a derived figure depending on the remaining life and curve shape (retirement pattern) of the given account.

Regarding the technology substitution model BellSouth used to determine its projection lives, witness Majoros agreed that certain technological changes, like Asymmetrical Digital Subscriber Line (ADSL), could extend rather than shorten copper plant lives. We are skeptical that ADSL will extend the life of copper plant, but we do believe that the use of ADSL may permit the copper cable plant to fulfill its life expectancy rather than shorten or lengthen it. Witness Cunningham agreed that the substitution model only recognizes new technologies substituting for old technologies.

It does not recognize such complementary or demand-enhancing technologies as ADSL. We believe that this is a weakness in the substitution model.

Further, witness Cunningham agreed that the substitution model is based on several input assumptions that are under the control of the person performing the analysis. Different assumptions could therefore yield different results with the model. This, we believe, makes the outputs of the model very subjective.

We believe that BellSouth's studies are based on its desire to replace copper with fiber in the network. Regarding the deployment of fiber in the feeder portion of the network, BellSouth's Florida-specific study envisions 99 per cent substitution by 2005. Also, we note that witness Cunningham stated that the company will no longer tie a metallic cable to the main frame. BellSouth is not replacing existing copper feeder facilities with fiber. Fiber is simply the choice where no existing facilities exist. Certainly, with virtually limitless transport capacity of fiber cables, as more fiber feeder facilities are installed, there will come a time when the circuits transported over copper facilities will be switched over to the installed fiber facilities. The ultimate question is when will that occur.

In Practical Technology Forecasts, Technology Futures, Inc., 1994, at pages 89-90, regarding the accuracy of predictions resulting from the substitution model, the author, James R. Bright, submits that the accuracy of predictions based on the first five to ten percent of displacement data may be very poor, while forecasts based on 20 per cent to 25 per cent displacement data seem to be quite accurate. Witness Cunningham neither agreed nor disagreed with Bright's assessment of predictions based on the first 5 to 10 per cent displacement data, but stated that accuracy would depend upon other information, such as company planning, factored into the analyses.

Witness Cunningham was asked to provide the annual rate of displacement of copper with fiber in the feeder network for every year since BellSouth began installing fiber feeder. This information would have served as another check on the reasonableness of the substitution model's predictions of the

demise of copper facilities. Unfortunately, the material that witness Cunningham submitted did not relate to the annual rate of displacement of copper, but rather to the average substitution rate of copper.

As for installing fiber in the distribution portion of the network, BellSouth is actively pursuing the development of fiber in loop architectures, and anticipates 99 per cent fiber deployment by the year 2015. Further, BellSouth's depreciation study indicates that residential broadband will have a significant impact on the future distribution network. The study narrative states that services supported by a broadband network range from very low bit rate telemetry to conventional voice and high-fidelity audio, and will include various video formats.

BellSouth's cost model assumes an efficient cross-over point for fiber in the feeder loop. BellSouth has employed a 12,000 foot cross-over point for fiber deployment, indicating that this is the most efficient least-cost technology for telephone service. Consequently, all copper in the loop is presumed to be the most efficient least-cost technology for providing telephone service. These cost model assumptions are contrary to BellSouth's depreciation study assumptions for replacing copper with fiber as we have discussed above. Also, BellSouth's cost model assumes all distribution facilities to be copper, which also appears contrary to the depreciation studies based on BellSouth's apparent intention to replace copper with fiber in the distribution network.

Based on the evidence in the record, the lives we find appropriate for use in UNE calculations in these proceedings are shown in Table III below.

TABLE III
Projection Lives

Category	Commission Approved Projection Life (years)
Motor Vehicles	7.5
Aircraft	not applicable
Special Purpose Vehicles	7.0
Garage Work Equipment	12.0
Other Work Equipment	15.0
Buildings	45.0
Furniture	11.0
Office Support Equip.	10.5
Company Comm. Equip.	7.0
Computers	4.4
Analog Switching	4.2
Digital Switching	16.0
Operator Systems	10.0
Radio	7.0

Category	Commission Approved Projection Life (years)
Circuit-DDS	6.0
Circuit-Digital	10.5
Circuit-Analog	6.8
Large PBX	5.0
Public Telephone	7.0
Other Terminal Equip.	6.0
Poles	35.0
Aerial Cable-	18.0
Aerial Cable-Fiber	20.0
Undergrd. Cable-Metallic	23.0
Undergrd. Cable-Fiber	20.0
Buried Cable-Metallic	18.0
Buried Cable-Fiber	20.0
Submarine Cable-Metallic	18.0
Submarine	20.0

Category	Commission Approved Projection Life (years)
Cable-	
Intra-Building Cable-Met.	20.0
Intra-Building Cable-Fiber	20.0
Conduit	55.0

Here, we compare BellSouth's past forecasts of retirements and additions with its actual achievement as presented in the studies in Table V and Table VI.

TABLE V
1989 and 1992 BellSouth Retirement Forecast for Metallic Cable Accounts

	1989 Forecast ($000)	1992 Forecast ($000)	Actual 1992-1994 Retirements ($000)
Aerial	$ 63,700	$ 60,735	$ 59,845
Underground	52,100	160,341	44,651
Buried	161,900	231,855	68,931

TABLE VI
1989 and 1992 BellSouth Forecast for Metallic Cable Account Additions

	1989 Forecast	1992 Forecast	Actual 1992-1994 Additions

	($000)	($000)	($000)
Aerial	$ 84,300	$ 97,162	$125,901
Underground	69,600	33,552	38,189
Buried	214,800	282,951	314,412

These comparisons illustrate that BellSouth's retirement forecasts have been much more aggressive than the actual results, whereas forecasts of additions have been understated. In the studies BellSouth has presented in these proceedings, the proposed lives are the result of a forecast of how fast fiber technology will displace copper facilities. If history is a guide, it is probable that BellSouth's forecasts for this displacement will be overstated. Witness Majoros testified that the use of copper circuits has increased since BellSouth's last intrastate depreciation prescription, which indicates that the technology displacement is not taking place.

Based on the above discussions, we find that use of the life projections proposed by AT&T/MCI witness Majoros and prescribed by the FCC for BellSouth of Florida for the five technology-sensitive accounts is appropriate. There is enough conflict between the assumptions used in BellSouth's depreciation study and the assumptions used in its cost studies to question the appropriateness of the results of the depreciation study in these proceedings. Further, we have raised several concerns regarding the technology substitution model that BellSouth employed to determine the projection lives for these accounts. Also, as we have observed, BellSouth's previously submitted forecasts suggest that BellSouth's current forecasts may not be reliable.

For the three fiber cable accounts, we find upon consideration that use of BellSouth's projection lives of 20 years from its Florida-specific study is appropriate. As we discussed earlier for submarine fiber cable, we believe that earlier generations of this technology cannot be expected to experience the same type of life characteristic expected for future generations. We find that BellSouth's Florida-specific lives recognize that fiber technology is continuing to be enhanced and refined.

The two remaining accounts to be addressed are Motor Vehicles and Computers. BellSouth studied the Computers account by its three major categories of investment: mainframe, minicomputers, and personal computers. The study narrative states that the rapid advance of computer hardware has made it economical to retire computers at an increasing rate. We agree with BellSouth that the life span of personal computers is heavily influenced by technological advances and competition. BellSouth has projected a life of five years for the mainframe and minicomputer categories and a life of 3.5 years for the personal computer category. The five-year projection life for the mainframe category is certainly in line with the historical life span of 5.8 years. Life indications continued to decrease in the 1991-1996 period. Upon consideration, we find appropriate the use of BellSouth's Florida-specific projection life of 4.4 years for the Computers account.

For Motor Vehicles, BellSouth's Florida-specific projection life of 8 years represents a composite of 7.5 years for light motor vehicles and 10 years for other motor vehicles. These lives are in line with the account's experience and future plans of the company. Upon consideration, we find appropriate the use of BellSouth's proposed Florida-specific projection life of 8.0 years for motor vehicles.

Salvage Values

The salvage values BellSouth proposes reflect a simple average of the salvage values BellSouth proposed in its 1995 and 1996 regional depreciation studies. The salvage values AT&T/MCI recommends reflect those approved by the FCC in BellSouth's 1995 depreciation prescription for Florida. BellSouth's proposed salvage values specifically for Florida agree with those the FCC prescribed, and therefore with those recommended by AT&T/MCI, for all but eleven accounts (Special Purpose Vehicles, Analog Switching, Radio, Circuit DDS, Circuit Digital, Circuit Analog, Large PBX, Other Terminal Equipment, Aerial Cable-fiber, and Submarine Cable-Metallic and Fiber).

AT&T/MCI does not address nine accounts (Special Purpose Vehicles, Analog Switching, Radio, Circuit DDS, Analog Circuit,

Large PBX, Other Terminal Equipment, and Submarine Cable-Metallic and Fiber). For these accounts, we find appropriate the use of the future net salvage proposals found in the BellSouth Florida-specific study. These proposals are reasonable estimates of future expectations for these plant types and are supported by the study.

The remaining two accounts are Digital Circuit and Aerial Cable Fiber. There is no difference in the parties' positions for Digital Circuit and BellSouth's Florida-specific study suggests a future net salvage of 2 per cent. BellSouth points out that a major portion of the salvage currently being realized is due to reuse of channel banks and panel equipment. With the increase of digital technology, however, we believe the reuse potential for this equipment will be minimal. Any removal costs should offset the attendant salvage. Upon consideration, we find that a 0 per cent future net salvage proposal is reasonable and therefore appropriate.

There is a minor difference in the parties' positions regarding aerial cable-fiber. Witness Cunningham recommends use of a negative 15 per cent net salvage based on BellSouth's regional studies. BellSouth's Florida-specific proposal for this account is negative 12 per cent. Witness Majoros recommends use of a negative 11 per cent net salvage value, which the FCC prescribed for BellSouth Florida in 1995. The BellSouth depreciation studies provide no insight regarding BellSouth's Florida-specific future net salvage proposal of negative 12 per cent. The data presented in the studies, however, show limited history, with recent net salvage averaging negative 4 per cent. In any case, we find no reason to believe that future costs to remove aerial fiber cable should be any less than the costs to remove aerial copper cable. For this reason, we find it appropriate to accept AT&T/MCI's recommended negative 11 per cent net salvage. Based on the evidence in the record, the salvage values we find appropriate for use in UNE calculations in these proceedings are shown in Table IV below.

TABLE IV
Salvage Values

Category	Commission Approved Net Salvage (%)
Motor Vehicles	10.0
Aircraft	not applicable
Special Purpose Vehicles	0.0
Garage Work	0.0
Other Work Equipment	1.0
Buildings	4.0
Furniture	14.0
Office Support Equip.	10.0
Company Comm. Equip.	10.0
Computers	0.0
Analog Switching	0.0
Digital Switching	0.0
Operator Systems	0.0
Radio	(5.0)
Circuit-DDS	0.0
Circuit-Digital	0.0
Circuit-Analog	(10.0)
Large PBX	0.0
Public Telephone	10.0
Other Terminal Equip.	(4.0)
Poles	(75.0)
Aerial Cable-Metallic	(11.0)
Aerial Cable-Fiber	(11.0)

Category	Commission Approved Net Salvage (%)
Undergrd. Cable-Metallic	(7.0)
Undergrd. Cable-Fiber	(6.0)
Buried Cable-Metallic	(8.0)
Buried Cable-Fiber	0.0
Submarine Cable-Metallic	(5.0)
Submarine Cable-Fiber	(5.0)
Intra-Building Cable-Met.	(12.0)
Intra-Building Cable-Fiber	(12.0)
Conduit	(7.0)

C. Tax Factors

In Order No. PSC-96-1579-FOF-TP, we noted that BellSouth found fault with the Hatfield model because it did not use BellSouth or Florida-specific input data. In our decisions therein we did not rely on the Hatfield model. Yet, in these proceedings, BellSouth's cost model uses a non-Florida-specific income tax factor.

In these proceedings as well, the Hatfield model used by AT&T and MCI does not contain Florida-specific tax factors. AT&T/MCI witness Wood testified that the Hatfield model was run with BellSouth Florida-specific factors, that "99 per cent or so" of the other input values in the Hatfield model are not default values and are already specific to Florida, BellSouth's operating territory, or to smaller areas within BellSouth's operating territory. However, AT&T/MCI witness Klick testifies that the tax factors used were the default factors, meaning that they are the average factors for the nine state region including Florida. We note that neither

the Hatfield model nor documentation supporting the Hatfield model's inputs was submitted in these proceedings.

BellSouth witness Caldwell states that BellSouth used the regional income tax of 38.71 per cent in the models. Witness Caldwell also indicates that BellSouth used a Florida-specific ad valorem and other tax factor. She provides the information and instructions required to replace any of the default tax factors in the model with the Florida-specific tax factors.

In describing the process of developing the non-recurring costs for UNEs, witness Caldwell states that gross receipts taxes are considered. She states that BellSouth has properly recognized shared and common costs and tax factors.

Because the rates or prices set in these proceedings will be for UNEs offered in Florida and for physical and virtual collocation in Florida, we find that Florida-specific tax factors are to be applied when they are available. This record does contain Florida-specific tax factors. Accordingly, and upon consideration, we find appropriate the use of the following Florida-specific tax factors: a combined state and federal income tax factor of 38.57 per cent, a gross receipts factor of 1.53 per cent, and an ad valorem and other factor of 1.20 per cent.

D. Shared and Common Costs

Based on the evidence in this record, as we discuss below, we find appropriate the common cost factors shown in Table VI and the shared cost factors shown in Table VII.

TABLE VI
Common Cost Factors

	Commission Approved Calculation
Costs common to both wholesale and retail operations.	$722,245,481
Total costs	$16,646,114,512

	Commission Approved Calculation
Total costs excluding costs common to both wholesale and retail	$15,923,869,031
Directly assigned and directly attributed retail costs	$1,642,286,205
Retail portion of allocated common costs	$74,487,789
Total retail costs	$1,716,773,994
Wholesale portion of allocated common costs	$647,757,693
Directly assigned and attributed wholesale costs	$79,996,598
Total wholesale common costs	$727,754,291
Total directly assigned and directly attributed wholesale costs	$14,201,586,228

	Commission **Approved Calculation**
Wholesale common cost factor	5.12%

TABLE VII
Shared Cost Factors

Account	Description	Commission Approved Factor
2121	Land and Building	0.0000
2211	Analog Electronic	0.0654
2212	Digital Electronic	0.0376
2215	Electromechanical	0.0596
2220	Operator Systems	0.0606
2231	Radio Systems	0.0462
2232	Circuit Equipment	0.0492
2232	Circuit Equipment	0.0493
2232	Circuit Equipment	0.0372
2232	Circuit Equipment	0.0372
2232	Circuit Equipment	0.0768
2311	Station Apparatus	0.3486
2341	Large PBX	0.0700
2362	Other Terminal Equipment	0.0816
2411	Poles	0.0243
2421	Aerial Cable	0.0293
2421	Aerial Cable	0.0233
2422	Underground Cable	0.0246
2422	Underground Cable	0.0232
2423	Buried Cable	0.0278

Account	Description	Commission Approved Factor
2423	Buried Cable	0.0233
2424	Submarine Cable	0.0234
2424	Submarine Cable	0.0231
2426	Intrabuilding Network Cable	0.0229
2426	Intrabuilding Network Cable	0.0237
2441	Conduit Systems	0.0212

BellSouth's Proposal

BellSouth asserts that the TSLRIC methodology it uses in these proceedings is consistent with the guidelines we established in Order No. PSC-96-1579-FOF-TP. There, we stated at page 25 that:

> We find TSLRIC should be defined as the costs to the firm, both volume sensitive and volume insensitive, that will be avoided by discontinuing, or incurred by offering, an entire product or service, holding all other products or services offered by the firm constant.

In that order, we stated further at page 33 that:

> Upon consideration of the evidence in the record and based on the Act, we find it appropriate to set permanent rates based on BellSouth's TSLRIC cost studies. The rates are for the unbundled network elements we consider to be technically feasible. The rates cover BellSouth's TSLRIC cost and

provide some contribution toward joint and common costs.

While shared and common costs are not incremental to any one service that BellSouth provides, witness Varner contends that they are valid costs of doing business and must be recovered. Furthermore, BellSouth asserts that total revenues from all services must cover total incremental costs, in addition to providing sufficient contribution to cover all other costs, if the firm is to remain in business.

BellSouth witness Reid discusses the appropriate methodology for including a reasonable amount of forward-looking shared and common costs in BellSouth's UNE rate calculations. BellSouth's basic approach is to compute two types of factors, shared cost factors, and a common cost factor. Shared costs are split between wholesale and retail shared costs, with retail shared costs excluded from the wholesale factors that ultimately are applied to the UNEs at issue in these proceedings. The labor portion of the shared wholesale costs is used to derive shared labor factors, which BellSouth used in its non-recurring cost studies. The remaining shared wholesale costs are attributed to various investment accounts and subsequently applied in the recurring cost studies. The common cost factor, computed as the ratio of wholesale common costs to total wholesale direct costs, is applied both in the company's recurring and non-recurring cost analyses.

BellSouth's starting point for analysis is its regional regulated 1995 expenses and regulated mid-year 1995 investment. Witness Reid contends that the 1995 data provides the greatest amount of detail that was available, i.e., detail by cost pool and cost sub-pool, which are disaggregations of higher-level account data. BellSouth asserts that this data was not available for 1996. BellSouth states that the only use of the 1995 data in the study was to determine a breakdown of expenses by individual account and subcategories within that account.

The next step in BellSouth's methodology involves the use of historical data consisting of ten months of actual cost data from 1996 to develop a projection of average costs and investments for the period 1997 to 1999. Once the ten months of 1996 data is

annualized, the annual data is normalized to account for any unusual events. Witness Reid states that forecasted growth factors and productivity factors are then applied to the 1996 normalized costs to determine BellSouth's forward-looking costs. In addition, factors that reflect the relationship of current cost to original book cost are applied to the investment accounts. BellSouth claims that the use of these factors yields cost data that is representative of the forward-looking average costs for the period 1997 to 1999.

First, there are "direct wholesale costs." These are costs that are clearly and directly assignable to the wholesale function. For example, the costs of switches fit into this category. The direct wholesale costs are then divided between those costs related to recurring functions and those that are related to other wholesale transactions such as non-recurring or special transactions. Second, there is the portion of shared costs attributed to wholesale. Shared costs are incurred in the production of two or more products or services by the same production process that does not span all the activities of the business. Typical shared costs include costs for items of general support equipment, procurement, engineering expenses, and human resources. Third, there is a reasonable portion of common costs applicable to wholesale operations. Common costs are costs that usually span all of the activities of the business, and the products and services it produces. These costs are not directly assignable or attributable to one product or service, but are necessary for the operation of the business as a whole. Typical common costs are items such as accounting and finance costs and executive costs.

While witness Reid contends that all of the costs applicable to the wholesale function must be recovered by UNE rates, he states that all the costs applicable to the retail function should be excluded. We agree that the costs associated with the retail function should be excluded from the calculation of UNE costs. However, as stated by BellSouth, the analytical difficulty with this approach is in separating the shared costs and the common costs into the wholesale and retail functions, and attributing the wholesale shared costs to each network investment category.

BellSouth witness Reid states that since the Uniform System of Accounts (USOA) does not identify categories by separating the shared costs and common costs between wholesale and resale, a study was necessary to determine the appropriate amounts to include in each category. BellSouth contends that its Cost Allocation Manual (CAM) and the reporting procedures that the company follows to separate its costs on a cost-causative basis between regulated and non-regulated activities provide an appropriate model on which to base this study. Witness Reid states that BellSouth uses the basic cost attribution principles of its CAM and the underlying cost pools and sub-pools that it maintains for CAM cost attribution purposes as the methodology for determining a breakdown of wholesale costs by categories. He contends that the wholesale costs identified as a result of this process are the appropriate costs to apply to a cost methodology that defines the cost for UNEs.

After proper categorization of these costs, BellSouth develops three types of factors. The first factor is the wholesale common cost factor. It represents the relationship between wholesale common costs and the sum of wholesale direct and wholesale shared costs. BellSouth's proposed wholesale common cost factor in these proceedings is 5.30 per cent. A second set of factors is the shared cost factors. The shared cost factors proposed by the parties in these proceedings are shown on Table VII. The shared cost factors are derived by dividing the shared cost assigned to a particular category of investment by the projected average investment in that category. The third set of factors is the shared labor factors, which reflect the relationship between shared costs and labor costs. The shared labor factors are derived for each work force group by dividing the attributed shared costs by the related salaries and wages. The purpose of these factors is to allow the inclusion of shared costs in labor rates. BellSouth asserts that they are primarily used to compute non-recurring charges that have labor components.

AT&T/MCI's Proposal

AT&T/MCI proposes a uniform 10.4 per cent markup, as used in the Hatfield model, to estimate common overhead costs in its collocation model and non-recurring cost model. AT&T/MCI witness

Klick asserts that its proposed markup captures all of the relevant overhead costs, including any element-specific costs and a reasonable share of any common overhead costs. AT&T/MCI also proposes that the labor rates reflected in the AT&T/MCI Non-recurring Cost Model (NRCM) are the labor rates that we should approve.

BellSouth witness Reid asserts that AT&T/MCI's proposed markup is the value used in the Hatfield model, and is based more directly on historical data than BellSouth's model. In fact, witness Reid asserts that the 10.4 per cent factor is developed from AT&T/MCI's 1994 expense and revenue data as reported to the FCC in its ARMIS reports. Further, he states that some of the expense accounts that BellSouth treated as shared costs are treated as common costs in the Hatfield model's input value. Witness Reid then compares the level of the forward-looking factors that BellSouth proposed in these proceedings to factors which would have been produced if BellSouth had used historical data to calculate its factors. Witness Reid also compares AT&T/MCI's proposed 10.4 per cent common cost factor to BellSouth's proposed common cost factor.

Using first BellSouth's historic 1994 data and then BellSouth's projected data, witness Reid calculates common overhead factors in the same manner as AT&T/MCI does. Using BellSouth historical data for 1994, he obtains a 9.7 per cent factor, which is reasonably comparable to AT&T/MCI's proposed 10.4 per cent factor for that same time period. However, using BellSouth's projected data in the same formula, witness Reid's analysis yields a common cost factor of 6.4 per cent, considerably lower than AT&T/MCI's proposed 10.4 per cent but higher than BellSouth's proposed 5.30 per cent factor.

BellSouth witness Reid also contends that the company has taken various competitive effects into consideration in determining its shared and common costs. Witness Reid points out several ways that BellSouth has reflected productivity improvements in its cost study. He states that in the development of its inflation/growth factors, BellSouth includes a network operations productivity offset of 2.9 per cent per year. In addition, he states that BellSouth has had considerable reductions in its workforce, and has outsourced some of its activities. He asserts that BellSouth uses

its Telephone Plant Index (TPI) as the growth factor in various accounts, which has the effect of adjusting expenses for the impact of its force reductions. For example, he contends that in BellSouth's General Support account (6120) alone, BellSouth has reduced its expense projection by approximately $23 million. In addition, supported by BellSouth's 10-K report, he asserts that BellSouth has reduced its employees per 10,000 access lines from approximately 40 in 1992 to approximately 28 in 1996. Witness Reid contends that BellSouth's adjustments to its projected data reflect a continuation on BellSouth's part to complete its proposed 11,300 work force downsizing.

Witness Reid further testifies that the reductions related to additional re-engineering initiatives, organizational alignment initiatives, and unspecified productivity changes were provided by BellSouth's network organization for budget purposes, but were not used in its cost study. Instead, he states that BellSouth specifically applies the expense savings for the 11,300 work force reduction, which is known and which affects these other factors. In other words, BellSouth substituted a specific, known reduction in workforce for the other factors that were unspecified and budget driven.

Witness Reid also asserts that BellSouth's shared and common cost study projects what its investment would be on a going forward basis and develops a ratio of these types of costs to that future investment. BellSouth believes that its methodology creates a level of productivity by applying factors to the forward-looking least-cost investment based on projections of its current investment.

We note again, that while witness Reid's comparisons are insightful, neither the Hatfield model nor the documentation supporting the Hatfield model's numerous inputs was filed in these proceedings. Thus, we believe there is insufficient record evidence to evaluate the propriety of AT&T/MCI's proposed common cost factor. We also note again that we declined to rely upon the Hatfield model in our decisions in Order No. PSC-96-1579-TP. Upon consideration, we do not find appropriate the use of AT&T/MCI's proposed 10.4 per cent variable overhead in these proceedings.

While AT&T/MCI believes that we should accept its proposed overhead costs and labor rates based on its concerns with BellSouth's model, AT&T/MCI also proposes various adjustments to BellSouth's shared and common cost model. AT&T/MCI proposes an adjustment to BellSouth's expense development factors that included the removal of growth rates, a 50 per cent reduction in network operating expenses, and a 27 per cent reduction in general and administrative expenses. AT&T/MCI also proposes an adjustment to BellSouth's shared labor factors which has the effect of reducing the shared labor factors to zero and shifting recovery of those costs to the shared cost factors. Last, AT&T/MCI proposes excluding BellSouth's Local Carrier Service Center (LCSC) cost from the shared cost analysis, and revising the carrying costs that result when the cost of money and depreciation rates are adjusted. In addition, AT&T/MCI witness Lerma asserts that due to lack of available data, AT&T/MCI revisions to BellSouth's shared and common cost model reflect only those adjustments that could be quantified.

AT&T/MCI contends that we should not rely on BellSouth's shared and common cost model to calculate shared costs, common costs, or shared labor rates for use in developing UNE prices. Witness Lerma asserts that BellSouth's shared and common cost model is unreliable and unacceptable for calculating these costs because the model is not forward-looking; the outputs of the model cannot be confirmed; and the model contains many methodological errors.

AT&T/MCI asserts that BellSouth's shared and common cost model is deficient in determining the long-run shared and common costs of an efficient, forward-looking, least cost network. Witness Lerma contends that BellSouth's model does not derive the appropriate costs that would be incurred by BellSouth in a competitive environment since it does not reflect long-run productivity improvements. Witness Lerma contends that the pressures to reduce costs in a competitive environment are greater than in a monopoly environment. Instead, he asserts that BellSouth's shared and common cost model is based on embedded historical costs, and largely projects costs that would be incurred if BellSouth simply did "business as usual" in 1997, 1998, and 1999.

Witness Lerma does acknowledge that the use of historical data may be appropriate to estimate forward-looking shared and common costs. For example, he asserts that the use of historical data may be appropriate if a trend analysis is used to compare what is happening with various companies within the industry. In fact, witness Lerma states that he performed a trend analysis using the information provided in BellSouth's cost studies.

On the basis of his analysis, witness Lerma proposes revisions to BellSouth's expense and investment development factors, converting the historical data to forward-looking data. He proposes that BellSouth's projected inflation/growth rates for the years 1997 to 1999 be removed. He also proposes a 27 per cent reduction in BellSouth's general and administrative costs (Accounts 6710 and 6720), and a 50 per cent reduction in BellSouth's network operating expenses (Accounts 6512 and 6530 through 6535).

Witness Lerma offers two reasons that BellSouth's shared and common cost model is not forward-looking. First, he explains that BellSouth's estimate of expenses for the years 1997 to 1999 in Account Nos. 6110 (Network Support), 6120 (General Support), 6510 (Other Property, Plant and Equipment), 6540 (Access), 6610 (Marketing), 6620 (Services), and 67xx (General and Administrative, excluding 6727) do not account for any productivity improvements.

Witness Lerma states that BellSouth has estimated expenses in these accounts by taking the expenses incurred by BellSouth during the first ten months of 1996, and extrapolating the 1996 expenses from the 10 months of historical expenses. He asserts that BellSouth has supplied no data to justify its extrapolation of the full year 1996 costs from the ten months of data or to support the normalizing adjustments made to its annualized 1996 data. BellSouth witness Reid asserts, however, that actual full-year 1996 data has subsequently been obtained and it is not significantly different from the ten months data that were analyzed. He testifies that the 1996 annualized total expenses excluding depreciation were approximately $6.473 billion, whereas the actual 1996 ARMIS expenses were approximately $6.507 billion.

Witness Lerma also contends that BellSouth's assumption that its normalized and annualized 1996 expense levels will increase

with inflation is wrong. He asserts that other than the effects of Hurricane Fran, the impact of the Olympics, the effects of a projected 11,300 employee workforce reduction, and the effects of a compensated absences issue, BellSouth's model assumes it will incur the same expenses in 1997 to 1999 as it did in the first ten months of 1996, and that those expenses will increase with inflation at a rate of approximately 3.5 per cent per year. Although BellSouth uses inflation and normalization adjustments for these accounts, witness Lerma contends that BellSouth's study is not forward-looking since it is not representative of an efficient least-cost network based on current technology. He asserts that BellSouth must consider all expense levels and productivity improvements related to an industry subject to competition that would result from workforce reductions, outsourcing and re-engineering initiatives that BellSouth will undertake as it enters a competitive environment.

Second, witness Lerma explains that while BellSouth claims it considered certain productivity improvements in its model, it did not consider a number of cost reductions that should be expected in a competitive environment. This contention relates to BellSouth's estimate of expenses for the years 1997-1999 for accounts 62xx (Central Office), 6310 (Information Origination/Termination), 6410 (Cable and Wire Facilities), 6530 (Network Operations), and 6727 (Research and Development).

Witness Lerma contends that BellSouth did not account for all of the cost reduction initiatives in these accounts that BellSouth itself identified. BellSouth's model estimated expenses for 1997 to 1999 for these accounts as described in his first example, except that the growth rate used for each year considered the impact of changes in demand, service enhancements, and productivity changes, as well as the effects of inflation. For these accounts, BellSouth's shared and common cost model used growth rates of 5.1 per cent in 1997, 4.5 per cent in 1998, and 4.2 per cent in 1999.Witness Lerma asserts that BellSouth's own supporting documentation indicates that cost reductions related to additional re-engineering initiatives, organizational alignment initiatives, and productivity changes were not considered in the development of BellSouth's growth rates. He further asserts that if these cost

reductions were considered, BellSouth's growth rates would be .7 per cent in 1997, .2 per cent in 1998, and 1.4 per cent in 1999.

Conclusion

We note first that BellSouth's actual 1996 data is merely 0.5 per cent higher than the annualized total expenses, excluding depreciation, reflected in the study. Because BellSouth's actual 1996 data is not significantly different than its annualized 1996 data, we find that BellSouth's use of partial 1996 data annualized is reasonably representative of the actual 1996 costs incurred by the company, and is therefore appropriate.

We also find that BellSouth's use of inflation/growth factors that range from 3.4 per cent to 5.1 per cent is reasonable. It appears to us that BellSouth has incorporated reasonable productivity offsets in developing its inflation/growth factors. As AT&T/MCI acknowledge, in addition to normalizing for unusual events such as Hurricane Fran and the Olympics, BellSouth has taken into consideration a workforce reduction of 11,300 employees. BellSouth's inclusion of the workforce reduction in the cost study is appropriate in lieu of other factors such as re-engineering initiatives, organizational alignment initiatives, and unspecified productivity changes. We find that the expense savings related to the specific work force reduction of 11,300 employees is reasonable. Based on the evidence, it appears to us that a workforce reduction of that level would affect those other factors. BellSouth has also taken into account various unusual events. Hence, we find that BellSouth's normalization of its 1996 data for these events is also appropriate.

Furthermore, because BellSouth's shared and common factors are based on the relationship between projected expenses to projected investments, and applied against forward looking investments, we find that BellSouth's factors have some inherent productivity gains. We believe that the incorporation of productivity in a forward-looking cost model is essential. We also believe that it is reasonable to assume that some growth will occur over the period 1997 to 1999. Based on the evidence and argument in the record, we find that BellSouth's projections of growth and productivity for the period 1997 to 1999 are appropriate.

Specific Reductions in General and Administrative and Network Operating Expenses

We have discussed BellSouth's model in a broad sense, i.e., its use of forward-looking costs and productivity improvements. Now we turn to specific adjustments to particular expense accounts. Where there is a direct relationship between particular expense and investment accounts, BellSouth combines the expenses with the capital carrying costs of the related investment accounts. For example, Motor Vehicle Maintenance expense (Account 6112) was combined with the capital-related costs of Motor Vehicle (Account 2112) The shared cost factor is determined by dividing the shared cost assigned to a particular type of investment by the projected average investment.

Witness Lerma asserts that the Automated Report Management Information System (ARMIS) data for 1989 through 1996 for all of the RBOCs indicates that General & Administrative expenses per line trended downward, with the specific decline ranging from as little as 22 per cent to as much as 54 per cent. BellSouth's General & Administrative expenses per line had a downward trend for that time period of 22.4 per cent. Witness Lerma points out that AT&T/MCI's proposed General & Administrative reductions are also based on the railroad industry, which experienced a 27 per cent reduction in General & Administrative expenses when it was deregulated.

BellSouth witness Reid contends that BellSouth accounts for substantial reductions in its General & Administrative expenses, demonstrating that a considerable amount of productivity is expected to occur in these expenses. Specifically, he states that BellSouth proposes approximately $84 million in reductions in expenses for the 67xx accounts related to its 11,300 work force reductions. He further states that BellSouth also proposes approximately $1.145 billion as a reduction for the 67xx accounts related to its normal operations on a going-forward basis.

AT&T/MCI witness Lerma contends that BellSouth's network operating expenses will also be reduced by the deployment of current least cost technology throughout BellSouth's network. He further contends that the outdated equipment reflected in BellSouth's historical costs is more costly to operate. With

modern equipment, he believes that network surveillance can be executed from a central facility, which will provide substantial savings. In addition, he argues that competitors will perform some of the customer interface portion of repair activities that result from customer trouble reports and related plant administration work. He predicts BellSouth will experience a decrease in its network operating expenses of approximately 10 per cent because of this.

Witness Lerma also bases his proposed reduction in network operating expenses on a trend analysis of BellSouth's expenses per access line for accounts 6530 and 6512 for the period 1989 to 1996. He contends that over this period, BellSouth's expenses in these accounts decreased by approximately 47 per cent. Based on a combination of these indicators, he proposes that BellSouth's network operating expenses be reduced by 50 per cent.

BellSouth witness Reid agrees that BellSouth will reduce its network operating expenses in a competitive forward-looking environment. He states, however, that BellSouth has already accounted for such reductions in its cost study.

Conclusion

We agree with both AT&T/MCI and BellSouth that without question the use of forward-looking least cost technology will have the effect of reducing network expenses. We do not accept, however, either BellSouth's or AT&T/MCI's treatment of General & Administrative expenses and network operational expenses. Witness Lerma contends that the use of network surveillance equipment will reduce BellSouth's network operating expenses, but he concedes that he does not know whether BellSouth even has the appropriate equipment available to perform network surveillance from a central facility in Florida. In fact, he acknowledges that he relies on other witnesses' conclusions that reductions in expense levels will result from the introduction of new technologies in the future. Furthermore, he observes that these witnesses provide no specific information regarding the new technologies presumably to be introduced or to what degree expense levels would be reduced as a result. He further concedes that he does not know what equipment

exists today in BellSouth's network or the capabilities of BellSouth's existing network.

As noted, AT&T/MCI also argue that competitors will perform some of the customer interface activities. However, AT&T/MCI did not have Florida-specific information regarding customer interface costs. As a result, witness Lerma uses average data from South Carolina, Alabama, Louisiana, and Tennessee to derive an estimated decrease in network operating expense of 10 per cent. Nevertheless, we do see that competitors may in the future handle some of the customer interface activities.

Witness Lerma bases his proposed reduction in network operating expenses in part on a trend analysis of BellSouth's expenses per access line for accounts 6530 and 6512 for the period 1989 to 1996. As noted, he contends that over this period BellSouth's expenses in these accounts decreased by approximately 47 per cent. He contends that approximately 80 per cent of his proposed 50 per cent reductions in these accounts is based on this analysis. He asserts that the other 20 per cent is associated with the reduction of customer interface costs.

AT&T/MCI also base their proposed reductions of BellSouth's General & Administrative expenses on a trend analysis of BellSouth's expenses per access line for accounts 6710 and 6720. As we have noted, witness Lerma asserts that ARMIS data for 1989 through 1996 for the RBOCs indicate that decreases in General & Administrative expenses per line ranged from 22 per cent to approximately 54 per cent, while BellSouth experienced a decline of 22.4 per cent. This decrease in expenses per access line leads us to our conclusion that BellSouth will most likely reduce its network operational expenses and General & Administrative expenses on a going forward basis.

As we have also noted, witness Lerma relies in part on the experience of the post-deregulation railroad industry, which experienced large reductions in General & Administrative expenses in the period 1983 to 1995. We do not see in this record, however, how the deregulation effects in the railroad industry relative to these expenses can be reasonably related to similar effects in the telecommunications industry. Therefore, we do not accept witness Lerma's assertion that the deregulated railroad industry's

experience is somehow support for the contention that BellSouth will experience a reduction on the order of 27 per cent in General & Administrative expenses in a competitive environment.

The evidence in this record shows that BellSouth has experienced some reductions in both its network operations and General & Administrative expenses that we expect will be carried forward. BellSouth has accounted for some productivity savings based on a decrease from 40 to 28 in its number of employees per 10,000 access lines from 1992 through 1996, reflecting in part its efforts to carry out its planned 11,300 work force reduction. As we have noted, BellSouth proposes an approximately $84 million reduction in the 67xx accounts related to its work force reduction. We recognize that BellSouth has reduced its expense levels, but we are persuaded that reductions beyond those it has accomplished and those it plans can and should be made.

The assumptions of AT&T/MCI and BellSouth as they relate to shared and common costs support decidedly different views of what is achievable by an efficient forward-looking, least cost network. AT&T/MCI's model of an efficient forward-looking least cost network is represented by the Hatfield model, which uses a "bottom up," "scorched node" approach. Witness Lerma described a "bottom up" approach as one in which long-run incremental costs are built from the ground up. In other words, the approach envisions purely future costs. BellSouth's approach takes the network BellSouth has in place and modifies it to appropriately reflect least cost technology on a going forward basis, that is, it adjusts present costs. We note, moreover, that most of the UNEs at issue in these proceedings are monopoly elements that do not currently face significant competition. A CLEC has no choice other than to go to the ILEC to obtain them.

BellSouth and AT&T/MCI do agree that some shared and common costs are appropriate based on forward-looking, least cost principles. We do not find, however, that either reasonably identifies the level of overhead costs to be attributed to UNEs in these proceedings. Indeed, the level of shared costs proposed to be associated with the recurring UNE charges in these proceedings ranges from approximately 5 per cent to 25 per cent. Moreover, the level of shared costs associated with the non-recurring UNE charges ranges from approximately 30 per cent to 40 per cent. In light of

such cost-saving measures as BellSouth's continuing work force reduction and its reductions in network operating expenses and General & Administrative expenses, overhead costs for BellSouth ranging from 5 per cent to 40 per cent appear to us to be excessive, especially in a prospective environment where new entrants are competing vigorously for BellSouth's customers. Upon consideration, we conclude that neither the levels of overhead proposed by BellSouth nor the levels proposed by AT&T/MCI are appropriate for setting UNE rates in a competitive environment.

Our purpose in these proceedings is to establish the appropriate methodologies to be incorporated in the cost models to set UNE rates. We believe that only a reasonable amount of overhead costs should be reflected in the cost studies used to set UNE rates in these proceedings. The derivation of shared and common costs, moreover, should be based on an efficient forward-looking network. We recognize that with local competition, BellSouth will need to become more efficient. Thus, based on the reasons stated above and the evidence in this record, we require BellSouth in its shared and common cost model to reduce its network operating expenses in accounts 6531 to 6535 and 6512 by an additional 30 per cent, and its General & Administrative expenses in accounts 6711 to 6712 and 6721 to 6728 by an additional 15 per cent.

Recovery of LCSC

BellSouth includes the recovery of the cost associated with its LCSC in the development of its proposed shared and common cost factors. The LCSC was designed specifically for the CLECs' use to process the local service order for provisioning. According to AT&T witness Lynott, because the LCSC work group is dedicated to performing the ordering and provisioning processes for the CLECs, BellSouth claims that it should not have to absorb the costs for this center. AT&T/MCI contends that BellSouth includes $15,536,528 in new expenses, and arbitrarily assumes that 25 per cent are recurring and 75 per cent are non-recurring in nature. AT&T/MCI asserts that none of the expenses of this new center should be reflected in the UNE prices that are being established in these proceedings. We agree.

Conclusion

As we discuss in Part V, we granted a motion to strike all testimony and exhibits in these proceedings pertaining to the costs of manual and electronic Operations Support Services (OSS) functions. We therefore make no finding at this time concerning the propriety or reasonableness of these costs. BellSouth's LCSC costs are attributable to its OSSs and thus must be excluded from recovery at this time.

Shared Labor Factors

BellSouth's proposed shared labor factors reflect the relationship between shared costs and labor costs. Witness Reid explained that BellSouth develops these factors to calculate its loaded labor rates. BellSouth first calculates its direct labor rates by dividing total 1995 salaries, wages and benefits by total hours worked for each work force group that it analyzed. This results in a 1995 direct labor rate. BellSouth then inflates its direct labor rate by approximately 3 per cent to obtain the 1996 direct labor rate. To obtain 1997 to 1999 direct labor rates, BellSouth multiplies the 1996 direct labor rates by an inflation factor that ranges from 3.5 per cent to 4.1 per cent a year.

Next, according to witness Reid, BellSouth accumulates shared costs attributed to salaries and wages for each of the work force groups. BellSouth then develops a shared labor factor for each work force group by dividing the attributed shared costs, e.g., human resources, office equipment, land and building space, and motor vehicles, by the direct salaries and wages. The shared labor factor is then multiplied by the direct salary and wage portion of the incremental labor rate factor for each work force group. To determine the TELRIC labor rate, BellSouth adds the result to the incremental labor rate. BellSouth then uses the TELRIC labor rates so derived to determine the non-recurring costs related to UNEs.

AT&T/MCI witness Lerma argues that BellSouth's shared labor rates should be rejected since they treat recurring costs as non-recurring costs. He also believes that BellSouth is incorrect in assuming that recurring wholesale expenses in accounts and cost pools that are attributed based on salary and wages should be recovered through the shared labor rate factors, with the resulting labor rates subsequently used to determine the non-recurring rates. He asserts that these "TELRIC" labor rates are key in the development of BellSouth's non-recurring rates, and in some cases increase the labor rate by approximately 50 per cent. Furthermore, AT&T/MCI contends that the recovery of recurring costs in non-recurring rates creates barriers to entry for CLECs. Witness Lerma acknowledges that some of the costs in certain cost pools may include some increment of non-recurring costs, but he contends that BellSouth does not provide the information necessary to determine these increments.

For instance, witness Lerma states that in BellSouth's model, the wholesale expenses factor for all cost pools in Account 2112 (Motor Vehicles) is attributed based on salary and wages. This means that the amounts in Account 2112 are to be recovered in the shared labor rate factors that produce the shared labor cost portion of BellSouth's TELRIC labor rates. Subsequently, these labor rates are used to determine non-recurring costs. He contends that if the amounts in Account 2112 are recurring costs, then they should be recovered in recurring rates. Thus, each of the cost pools in Account 2112 should be attributed on some cost-causative basis other than salary and wages. While witness Lerma discusses

Account 2112 as an example, he believes there are numerous other accounts with cost pools that include recurring costs similar to Account 2112.

BellSouth witness Reid states that AT&T/MCI's concern regarding BellSouth's attribution approach is merely a difference of opinion between AT&T/MCI and BellSouth concerning what are recurring costs and what are non-recurring costs. Also using Account 2112 as an example, witness Reid explains that if a non-recurring task is performed and a motor vehicle is used in performing that task, then a portion of the motor vehicle cost should be attributed to that non-recurring task.

To reflect AT&T/MCI's concern with BellSouth's attribution process in its shared and common cost model, witness Lerma provides an adjustment to BellSouth's shared labor factors. His proposed adjustment provides alternative attribution bases for those cost pools that BellSouth attributed using salary and wages. The adjustment has the effect of reducing the shared labor factors to zero and shifts recovery of those costs to the shared cost factors. AT&T/MCI contends that its adjustment does not prevent BellSouth from recovering any of the costs for these cost pools. We note that AT&T/MCI proposes adjustments to BellSouth's proposed shared labor rates, but witness Lerma instead argues that the labor rates reflected in the AT&T/MCI Non-recurring Cost model are the appropriate labor rates.

BellSouth treats as shared labor costs all expenses that it attributes on the basis of salaries and wages. On this assumption, BellSouth assigns the costs in the associated accounts to the labor rates used to develop non-recurring costs. We believe that some portion of these costs should be attributed to labor based on salaries and wages. We are unable to verify, however, what portion of non-recurring cost should be included and whether all of the recurring expenses have been excluded. Upon consideration, we find that BellSouth does not provide the information we need to determine the amounts in these accounts that could be attributed to non-recurring functions.

We find that it is appropriate for the non-recurring costs directly associated with a UNE, for example, labor rates or travel

times, to be recovered in the non-recurring charges. We recognize that some portion of the shared expenses that BellSouth attributed on the basis of salaries and wages costs may be attributed to the labor associated with non-recurring events. We are, as we stated above, unable to verify what portion of non-recurring costs should be included and whether all of the recurring expenses are excluded. For purposes of these proceedings, we do not find it appropriate to permit overhead costs related to non-recurring activities to be recovered in non-recurring charges. Based on the evidence, it appears that such recovery through non-recurring charges could create a barrier to entry. We do, however, recognize that this may not always be the case. Nevertheless, we believe that CLECs who face high non-recurring charges that must be paid to attract each new customer may be reluctant to enter the telecommunications market in Florida for that reason.

Conclusion

For these reasons, we find it appropriate for shared costs to be reflected by means of the shared cost factors. These costs shall not be associated with labor rates. This does not prohibit BellSouth from recovering these costs. It merely shifts the recovery of these costs from non-recurring rates to recurring rates. We find further that the use of AT&T/MCI's proposed attribution adjustments for those cost pools using salary and wages is appropriate. This attribution basis shifts recovery from the shared labor rate factors to the shared cost factors.

E. Residual Recovery Requirement

BellSouth

In its rate proposal, BellSouth identifies three rate components, TSLRIC, shared and common costs, and historical costs. BellSouth refers to the historical component as its RRR. BellSouth defines RRR as the difference between TSLRIC plus shared and common costs, or the "theoretical costs," and the "actual cost" of providing a network element.

BellSouth bases its claim to include RRR in its rates on its interpretation of the Act. According to BellSouth witness Varner,

the Act states that BellSouth may include a reasonable profit in setting its rates. He asserts that BellSouth cannot make a "reasonable profit" unless its rates recover historical costs. Thus, he concludes that the Act anticipates that rates will recover, at a minimum, the actual costs of the firm.

BellSouth applies the RRR only to loops and ports in these proceedings. Witness Varner explains that loop and port plant investment represents the greatest discrepancy between actual and forward-looking costs. He states that approximately 70 per cent of BellSouth's plant investment is in loops and ports. Although BellSouth could calculate the RRR for elements other than loops and ports, witness Varner states that it has not done so only in order to simplify these proceedings.

Witness Varner insists that this treatment is not discriminatory because all CLECs ordering unbundled loops and ports will pay the same rate. Because the CLECs will be incurring the same costs that BellSouth itself incurs, he maintains a pricing structure including a RRR is not discriminatory. He testifies that BellSouth, no less than CLECs, would be unlikely to invest in new facilities because it would not be recovering the full amount of the new facility's cost without recovering a RRR.

AT&T/MCI

AT&T/MCI witness Selwyn testifies that recovery of historical costs is prohibited under the Act, because the RRR represents the costs that have been determined in a rate of return or other rate based proceeding, which in pricing UNEs is prohibited by Section §252(d)(1)(A)(i) of the Act.

AT&T/MCI witness Wood asserts that by including the RRR as part of its cost recovery, BellSouth concedes that it has an inefficient network or excessive overhead costs, or both. He maintains that BellSouth would see its competitors, even if they are more efficient, be saddled with BellSouth's excessive cost structure. Witness Wood further testifies that, in effect, BellSouth wants to be made whole, as if it were still a rate of return regulated carrier, while still maintaining the freedom of price regulation. He also argues that BellSouth's application of

the RRR only to loops and ports is discriminatory and in violation of Section §252(d)(1) of the Act.

WorldCom

WorldCom witness Porter testifies that BellSouth's RRR is a blatant attempt to recover its embedded costs. He cites two Commission orders that he maintains do not permit historical costs to be recovered. These orders, Order Nos. PSC-96-1531-FOF-TP and PSC-96-811-FOF-TP, he states, conclude that under TSLRIC methodology, BellSouth's cost studies are to consider the current architecture of the network and future replacement technology.

Conclusion

This is not the first time that BellSouth has argued that it must recover historical costs. In Docket No. 950696-TP, In Re: Determination of Funding for Universal Service and Carrier of Last Resort Responsibilities, BellSouth presented a similar argument. In that docket, in Order No. PSC-95-1592-FOF-TP, at pages 26 and 27, we found that:

> It also appears that SBT's attempt to recover its "past COLR investment" may be anticompetitive. By including this "past COLR" component in its proposed mechanisms, SBT has essentially requested that it be made whole in the face of impending competition. If SBT wishes to be assured of the opportunity to recover its "past COLR investment," it could have remained under rate of return regulation. [footnote omitted]

The FCC has not yet decided the question of recovery of historical costs. In its order on Access Charge Reform, FCC 97-158, the FCC did, however, defer a resolution of the historical cost issue, stating at ¶14 that:

> A separate order in this docket will also address "historical cost" recovery: whether and to what extent carriers should receive

> compensation for the recovery of the allocated costs of past investments if competitive market conditions prevent them from recovering such costs in their charges for interstate access services.

As of the date of our decision, the FCC had still not addressed historical cost recovery.

Upon consideration, we conclude that BellSouth's RRR scovhall not be permitted in these proceedings, because recovery of embedded costs is inappropriate in a forward-looking cost model. We agree with AT&T/MCI that by including the RRR in its proposed rates for loops and ports, BellSouth appears to desire to be made whole as if it were a rate of return regulated company, while enjoying the benefits of price regulation. Furthermore, as we have noted above, we earlier concluded that past COLR investment shall not be recovered in a universal service mechanism.

Takings

BellSouth argues that if it is unable to price loops and ports to recover the cost of its investment, then its property is being confiscated. BellSouth maintains that compelling it to provide UNEs and interconnection to CLECs is a taking of its property for which it is constitutionally guaranteed the right to fair compensation.

BellSouth argues that it enjoys the protections of the Fifth and Fourteenth Amendments of the U.S. Constitution and Article I, Section 9 and Article 10, Section 6 of the Florida Constitution against the taking of its property. BellSouth cites FCC v. Florida Power Corp., 480 U.S. 245, 107 S.Ct. 1107, 94 L.Ed. 2d 282,[1] in support of its claim that it has a constitutional right to fair compensation for providing UNEs and interconnection to CLECs.

[1]The holding in this case was based on Loretto v. Teleprompter Manhattan CATV Corp., 458 U.S. 419 (1982). There, the court held that a permanent physical occupation authorized by government is a taking without regard to the public interests that it may serve. Id. at 426. When that is the case, as it is here, what remains to be decided is the Fifth Amendment issue whether compensation is just.

BellSouth contends that it should have, at the very least, a reasonable opportunity to recover its actual costs.[2]

We note that this constitutional issue was raised by BellSouth for the first time in its brief of the evidence. Thus, no other parties had the opportunity to address it. Accordingly, we will make no finding regarding that matter. We do note the following for informational purposes only.

The U.S. Supreme Court has addressed utility claims of unconstitutional takings in the rate of return regulation environment on several occasions. See, e.g., Chicago, Minneapolis & St. Paul R.R. v. Minnesota, 134 U.S. 418, 10 S.Ct. 462, 33 L.Ed. 970; Willcox v. Consolidated Gas Co., 212 U.S. 19, 29 S.Ct. 192, 53 L.Ed. 382; Bluefield Co. v. Public Service Commission, 262 U.S. 679, 43 S.Ct. 675, 67 L.Ed. 1176; Board of Public Utility Commissioners v. New York Telephone Co., 271 U.S. 23, 46 S.Ct. 363, 70 L.Ed. 808. The Court has held in each of these cases that rates set so low as to deny an adequate rate of return are confiscatory.

In the present competitive era established by the Act, rate of return regulation has, of course, been supplanted by market dynamics. New entrants are required to reach interconnection agreements with incumbent local exchange companies, either through negotiation or arbitration, that include only nondiscriminatory rates based on forward-looking costs. In these proceedings, we establish permanent rates for a number of UNEs for which we earlier approved only interim rates. The permanent rates we establish are derived using a TSLRIC methodology. This methodology reflects efficient, forward-looking costs, including a reasonable amount of shared and common costs. We sanctioned the TSLRIC methodology in Order No. PSC-96-1579-FOF-TP as the appropriate methodology for

[2]BellSouth notes that when these same constitutional concerns were raised in the appeal of the FCC's First Report and Order, CC Docket No. 96-98, the U.S. Court of Appeals for the Eighth Circuit held that the claims were not ripe for review.

establishing rates for UNEs. It is a methodology fully consistent with the pricing standard for UNEs defined in Section 252(d)(1) of the Act. Section 252(d)(1) requires that rates be based on cost without reference to a rate of return or other rate-based proceeding.

In Iowa Utilities Bd., 120 F.3d 753, the court responded to the challenge of the ILEC's that the FCC's unbundling rules provided CLECs with such extensive access to and use of the ILEC's networks as to effect unconstitutional takings of the ILEC's property. The court stated that it was skeptical that the unbundling rules that it had not vacated would effect a taking. Since it had also vacated many of the FCC's pricing rules, the court held that it could not presently determine whether the ILECs are receiving or will receive just compensation for providing competing carriers with access to their networks. Id. at 818. The court ruled that an ILEC could raise a ripe takings claim only if it has submitted the issue of rates for unbundled access to a state commission in an arbitration proceeding. Id.

F. Disconnect Costs - Non-recurring Charges

BellSouth

BellSouth proposes to include the costs of disconnection (disconnect) in its non-recurring charges for installing UNEs. These costs thus would be recovered "up-front" at the time of installation of service. The customer would be billed in the present for work to be done in the future. Disconnect costs would be discounted to recognize the time value of money and would be based on the estimated location life of the UNE installed. In the TELRIC Calculator, the disconnect work time is multiplied by the applicable labor rate, and a discount factor is applied to account for the fact that the work is performed in the future. This disconnect cost is then added to the calculated costs for installation, and the sum is the non-recurring charge for the UNE.

According to BellSouth witness Caldwell, disconnect factors are translators used to determine the costs associated with disconnecting a service. The calculation of discount factors is based on the expected life of the service and the highest interest rate that BellSouth is required to pay its customers for customer deposits, in this case, eight percent. The disconnect factor inflates the labor cost to the period of the future disconnect and then discounts this cost to the present. Witness Caldwell states that BellSouth uses 1996 forecasted labor inflation rates in its calculations of discount factors. She further states that BellSouth determines the time period for discounting, or location life of the element, based on historical data for inward and outward movement. She states that she does not believe that the introduction of competition would affect the frequency of in and out movement.

BellSouth witness Landry states that in its cost studies BellSouth recognizes the price of DOP. For example, when a disconnect order comes through for a 2-wire loop to a customer's premises, the loop is not physically disconnected. Thus, there would be no travel or work time to dismantle the circuit. Witness Landry states further that more complex circuits would require such work activity to recover equipment located at the customer premises. He also states that, after 12 months, if the facility has not been placed in service, it would be processed for reuse.

AT&T/MCI

AT&T/MCI opposes recovery of disconnect costs "up-front," arguing that this can lead to over-recovery of costs. For example, in a loop migration scenario, AT&T/MCI notes that disconnect costs were already recovered from the ILEC end users at the time of installation. Moreover, it disagrees with BellSouth's estimate of location lives.

AT&T/MCI witness Lynott proposes instead that disconnect costs be modeled separately, and that the CLEC pay for them only at the time such activity is physically performed. For example, if a CLEC end-user moved out of the premises, the CLEC may elect to leave the circuit in place as Dedicated Inside Plant and Dedicated Outside Plant (DIP/DOP), retaining soft dial tone for the next customer.

In such situations, the CLEC would not have to pay to have the cross-connect in the central office disconnected or removed until the work is actually done.

Conclusion

Recovery of disconnect costs at the time of installation is standard practice in LEC end user local service tariffs. This is because it is commonly thought that end users understand and accept installation charges more readily than they do disconnection charges. We find, however, that this practice is unnecessary for CLECs. Disconnection of UNEs does not mean necessarily the end of a contractual relationship with the ILEC. Moreover, when a CLEC requests disconnection of a loop, BellSouth may not actually physically disconnect the line. Yet BellSouth has modeled the NRCs to include physical disconnect for every installation.

Based on the evidence in this record, we conclude that disconnect costs shall not be included in the non-recurring installation charges approved in these proceedings. Eliminating disconnect costs from up-front NRCs is a logical way to relieve some of the burden associated with high start-up costs. CLECs understand and accept that disconnect costs exist, and we believe it is more appropriate to assess those charges at the time the costs are in fact incurred. According to AT&T/MCI, this would also solve the problem of the dispute over location lives. Parties should have the opportunity to negotiate the method by which disconnect costs are calculated and recovered. Therefore, work times, labor rates, and discount factors that make up the calculations of disconnect costs shall be excluded from the calculation of installation costs that determine the non-recurring charges.

IV. SPECIFIC UNBUNDLED NETWORK ELEMENTS

A. Network Interface Device

Element Description

The FCC's rules define the NID as a cross-connect device used to connect loop facilities to inside wiring. 47 C.F.R. §51.319(b)(1)) Incumbent LECs are required to permit requesting telecommunications carriers to connect their own loops to the inside wiring of customer premises through the incumbent LEC's NID. If spare capacity exists, a CLEC can connect its own loop directly

to BellSouth's NID. According to BellSouth's witness Caldwell, where spare capacity does not exist, BellSouth can replace that NID with another NID with additional capacity or a second NID can be installed with a cross-connect wire tying the two together. The second NID would belong to the CLEC and could be installed by the CLEC itself, or the CLEC could request BellSouth to install the NID. Therefore, we will set rates for the following elements or functions:

- NID
- NID to NID cross connect
- BellSouth installation of a CLEC NID

Recurring Charges

AT&T/MCI uses BellSouth's Loop Model and the TELRIC calculator for their recurring and non-recurring cost development. Of these three elements or functions, only the NID requires a recurring charge. Only non-recurring charges apply to the NID to NID cross connect and to the installation (by BellSouth) of a CLEC NID.

AT&T/MCI proposes several corrections to BellSouth's cost inputs for the BellSouth NID recurring charge. First, AT&T/MCI claims that BellSouth has excessive Bridge and Station Protector investment amounts. AT&T witness Wells states that a station protector has capacity for two voltage protection devices, and the 2-wire NID has capacity for two station protectors. Witness Wells states that BellSouth modeled two station protectors for each customer, because of BellSouth's assumption that it serves more than one line, but less than two lines, per customer. Witness Wells asserts that BellSouth should eliminate the difference in station protector investment between the average number of lines that BellSouth models per customer (two lines) and the average number of lines BellSouth claims it serves per customer.

BellSouth witness Caldwell disagrees with witness Wells' logic. She states that if there is an average of one and a quarter lines per customer, then two protectors would have to be modeled.

Upon review, we have determined that witness Wells' calculation considers the protector investment necessary to serve the total number of lines that BellSouth claims it provides. His

calculation uses BellSouth's number of lines, customers and investment amounts. Only his application of these numbers in the calculation is different from BellSouth's analysis. We follow the logic in witness Wells' calculation of the protector investment and find it to be appropriate. His calculation is reasonable and better reflects the actual station protection per customer location than does BellSouth's calculation.

Second, witness Wells addresses estimated work and travel times associated with the BellSouth NID. It appears that BellSouth has capitalized the costs of travel and labor work to install the NID. We note that costs for materials are generally capitalized and recovered in recurring rates, while one-time costs to service an order are often recovered in a one-time, up-front charge. We also note that we are aware that a company could propose a new service with up-front costs for service installation so great as to be a deterrent to competitive entry. In such cases, to make the service more appealing, the company may propose a lower non-recurring charge, attempting to recover those costs in the monthly recurring rate. When a company makes this type of rate proposal, the company often requires a multi-year contract with a termination liability. In this way, it is possible to recover charges for non-recurring functions in the recurring charge. We believe that the recovery of the NID installation labor and travel costs in the recurring charge is unusual, but neither AT&T nor MCI opposed it. AT&T witness Wells only proposed reductions to the travel and work times, not the removal of these costs from the recurring charge and subsequent placement into the non-recurring charge.

It appears to us that the work and travel times proposed by BellSouth are those that BellSouth incurs when it originally installs its NID. Witness Wells asserts, however, that those work and travel times for the NID are excessive. He states that when BellSouth installs the NID, it also terminates the loop at the NID. Therefore, he argues that the travel time should be shared by the two functions.

We believe that witness Wells's analysis is correct, because when a CLEC orders BellSouth's NID, the CLEC is not using BellSouth's loop. This is because the NID is already included as an element in the loop. It does not make sense to us for a CLEC to

order a stand-alone NID if it is going to use a BellSouth loop. The full travel time is appropriate in the cost to install a NID only when BellSouth installs a new NID for a CLEC, which then becomes the CLEC's NID.

Witness Wells states that if no BellSouth NID exists at an end user's premises, then it is more likely that the CLEC would install a new NID itself rather than incur the cost to have BellSouth do it. Therefore, we find it appropriate to split the travel time between the NID installation and drop wire connection functions. Witness Wells proposes allocating 15 minutes of travel time to the NID. This is more than half of the time proposed by BellSouth for travel. We find that 15 minutes is appropriate for an existing BellSouth NID that is ordered on a stand-alone basis.

AT&T's proposed work times appear to reflect the "best case" scenario for the least time expended to perform the travel, set-up, connect and test, and tear-down functions. BellSouth proposes work times that it believes are appropriate to perform the same functions. These proposals represent spectrum boundaries. All of the work times were estimated by subject matter experts. Record evidence in these proceedings supports neither proposal. We conclude therefore that the appropriate work times must fall somewhere in this spectrum.

Upon consideration, we find it appropriate to reduce BellSouth's proposed work times by 25 per cent of the difference between BellSouth's and AT&T's proposed work times. We are persuaded to weight the work times in favor of BellSouth, because BellSouth's technicians actually perform these duties on a regular basis. Thus, BellSouth not only has the opinion of its subject matter experts regarding the work-times, but also the real-world experience of its technicians.

Non-recurring Charges

BellSouth NID

We understand that when a CLEC orders BellSouth's NID as an unbundled network element, the NID is not actually unbundled. The NID is in place and there is no need to disconnect and re-connect

anything. The NID is, essentially, two connections. One is the connection between the NID itself and the inside wire of the end user's premises. The other connection is between the NID and the drop wire, which is the last portion of the loop on the end user's end. A CLEC would only use BellSouth's NID on a stand-alone basis when the CLEC provides its own loop to the end user premises. The 2-wire NID has the capacity to terminate two loops. Not only does the NID provide a point of connection between the inside wire and the loop, but it also provides the point where the loop can be grounded.

The cost studies provided by BellSouth and AT&T/MCI both contain only one non-recurring job function, that is, Service Order Processing. We have, however, excluded all service order-related charges from these proceedings. There is no charge for any other function, because none are performed on a non-recurring basis. Therefore, we find that there is no non-recurring charge for the BellSouth NID.

NID to NID Cross Connect

BellSouth proposes a NID to NID cross connect non-recurring charge based on a connect and test time of 0.1667 hour, while AT&T/MCI proposes one based on 0.0333 hour. There is minimal evidence in the record to support either proposal. Hence, for consistency, we apply the same judgment as we applied to the work times relating to recurring charges associated with the NID. We reduce BellSouth's proposed work times by 25 per cent of the difference between BellSouth's and AT&T's proposed work times, arriving at 0.1334 hour as the NRC basis for this function.

Installation of CLEC NID

BellSouth proposes a CLEC NID installation non-recurring charge based on a connect and test time of 0.7500 hour and a travel time of 0.3667 hour, while AT&T/MCI proposes one based, respectively, on 0.4167 and 0.5000 hour. We accept BellSouth's proposed travel time. AT&T/MCI's proposed travel time is greater than BellSouth's, but we find that BellSouth's estimated travel time is the better number because BellSouth, having actual travel

time records, is likely to have better information than AT&T/MCI for this function.

There is also an inconsistency in AT&T's analysis of the costs associated with the installation of a CLEC NID. Witness Wells analyzes the costs associated with the BellSouth NID element, and AT&T witness Lynott analyzes the costs associated with the cross connect and the CLEC NID installation. The AT&T witnesses use different work times for the connect and test functions. BellSouth proposes 0.7500 hour to install and test the CLEC NID. Witness Lynott proposes 0.0708 hour, but witness Wells proposes that BellSouth should allocate no more than 0.4167 hour in the recurring charge analysis for NID installation. The time to install a BellSouth NID or a CLEC NID should be the same. We find that the work time proposed by witness Lynott is unreasonably low for the work required to install a NID and the work time proposed by BellSouth is unreasonably high. Therefore, we once again use the rationale we applied to the work times relating to recurring charges associated with the NID and shall reduce BellSouth's proposed work time by 25 per cent of the difference between its proposed work time and AT&T witness Well's proposed work time, arriving at a work time of 0.6667 hour as a basis for a connect and test NRC.

Conclusion

Based on the evidence in this record, we, upon consideration, find that for the BellSouth NID, a recurring rate of $1.08, for the first and each additional installation, is appropriate. BellSouth proposes a rate of $1.44 and AT&T/MCI, $0.62. Although BellSouth proposes a non-recurring charge of $5.59 and AT&T/MCI, $5.72, we find that a non-recurring rate for the BellSouth NID is not applicable.

We find further that for the NID to NID cross connect, a non-recurring charge of $6.15, first and each additional, is appropriate. BellSouth proposes $10.19 and AT&T/MCI, $0.78. We find that a recurring charge for this function is not applicable and none is proposed by the parties.

We find further that for the CLEC NID installation by BellSouth, a non-recurring first charge of $70.32 and each additional charge of $54.35 are appropriate. BellSouth proposes $116.68 and $72.71, respectively, and AT&T/MCI, $50.42 and $28.29, respectively. We find that a recurring charge for this function is also not applicable and none is proposed by the parties.

B. 2-wire and 4-wire Loop Distribution

Element Definition

BellSouth provides the following definition for 2-wire and 4-wire Loop Distribution:

> Unbundled 2-wire and unbundled 4-wire analog voice grade sub-loop distribution include all outside plant from the Serving Area Interface (SAI) to the end user customer's premises. Two-thirds of the SAI, 26 gauge copper cable to the customer's premises and the cable, up to and including the NID, are included.

Exhibit 13 Part 2 at 1.

The SAI is also known as the Feeder Distribution Interface (FDI) and as the crossbox. Twenty four gauge cable may also be required to meet transmission standards. The remaining one-third of the SAI is allocated to feeder cable.

Recurring Charges

Construction of the Loop Sample

BellSouth witness Caldwell states that BellSouth has constructed a statistically valid loop sample drawn from a 1995 universe consisting of residence and business access lines. AT&T/MCI witness Ellison and WorldCom witness Porter argue that BellSouth's sample incorrectly excluded shorter length, and thus lower cost loops, such as ESSX and business trunks. Witness Ellison asserts that BellSouth's loop study is "fatally flawed" because the "design of the loop cost model is defective." He further argues that BellSouth's study procedure served to increase BellSouth's loop costs because, among other things, the loop sample excluded the lowest cost loops, such as ESSX. He also argues that the sample itself is too small, and thus fails to capture the "wide range of values from loop to loop."

WorldCom witness Porter also objects to the exclusion of loops for ESSX and business trunks, "loops that would make their loop costs significantly lower than what they are proposing here." Nonetheless, he states that "we can live with that even though it's not right."

Witness Caldwell testifies that BellSouth excluded these types of lines because "they are typically purchased in bulk to a single location. Therefore, BellSouth assumed that the CLEC would choose the more economical method of serving those types of lines via a DS1, DS3 or other high capacity service rather than via multiple unbundled analog voice grade loops."

We can agree with AT&T/MCI that the inclusion of ESSX and business trunks would result in a sample of business lines with shorter loop lengths. We would have preferred that the universe used to draw these samples include all loops. However, we also agree with BellSouth that if a CLEC were to serve these types of

lines, it would likely use DS1s or DS3s to serve these customers because they are more economical. We find, therefore, that BellSouth's loop sample construction is appropriate.

Recasting the Loop Sample

Witness Caldwell states that after BellSouth developed its loop sample, it then examined each loop to see if it met its criteria for the most forward-looking, most efficient technology. She states that if a loop did not meet those criteria, the loop was "recast" so that it did. As an example of recasting, she states that "if a loop was 15,000 feet long, but was on copper, we recast the feeder part of the loop to put it on fiber, which is the medium of choice for a loop over 12,000 feet." Transcript at 322.

AT&T/MCI witness Wood argues that it is not possible to "transform embedded characteristics into forward-looking ones," because these attempts "ignore the fact that what BellSouth has done historically is simply not very useful as an indicator of what an efficient carrier should do going forward." (emphasis in original) He continues:

> In order to calculate forward-looking costs, therefore, it is necessary to use a true 'bottoms up' approach to costing: identify the relevant cost drivers (demographic and geographic characteristics) of the area being studied, and by applying accepted engineering prices design the forward-looking network needed to provide the cost object (UNEs or retail services, for example) being studied. It is extremely difficult (and maybe impossible) to begin this process by studying the embedded network without inappropriately carrying forward embedded characteristics.

Transcript at 1717-1718.

AT&T/MCI's foundation for a forward-looking, least cost network is the Hatfield model, which, as we have noted, we have not accepted. AT&T/MCI witness Wells agrees that at least four of AT&T/MCI's outside plant assumptions parallel those of the Hatfield model, i.e., fill factors for feeder and distribution, structure sharing, and bridged tap.

Witness Porter accepts BellSouth's loop design. He states, however, that it is not the loop standard WorldCom would propose.

We consider the CLECs' loop design criticisms further below.

Digital Loop Carrier

In its network design for the loop model, BellSouth witness Baeza states that BellSouth includes the use of universal Digital Loop Carrier(DLC) as forward-looking technology. AT&T/MCI witness Gillan argues that to the contrary integrated DLC represents forward-looking technology.

DLC is technology that permits a LEC to serve more customers than would otherwise be possible over the same number of copper pairs by multiplexing individual loops on to DS1s. In universal DLC systems, each loop is terminated individually at the main distribution frame. Integrated DLC systems terminate each DS1 directly into the switch.

BellSouth witness Caldwell states that BellSouth includes DLC only to calculate the RRR. We have found that the RRR is inappropriate in these proceedings. Hence, we decline to address the universal DLC - integrated DLC controversy.

Use of 26 Gauge Cable

According to witness Baeza, BellSouth's loop study models a network design that assumes the use of 26 gauge cable. AT&T/MCI witness Wells also uses that assumption. We find this assumption to be reasonable and we therefore approve it.

Structure Sharing

Structure sharing occurs when an ILEC shares outside plant structures, such as poles, conduit, and trenches, with other utilities, such as electric companies, cable television companies, or CLECs. Structure sharing means cost sharing. Therefore, the more structures an ILEC shares, the lower its overall structure cost is likely to be.

Witness Wells argues that "BellSouth's Cost Study does not incorporate a forward-looking view of structure sharing in a competitive environment where there will be greater opportunities

and incentive for telecommunications companies to share pole lines, trenches and conduit runs."

BellSouth witness Baeza states that because of the requirements of the Act, the "cost causer" must pay for any rearrangement. He asserts that even though joint pole use is the most common arrangement, it is not always possible. High voltage lines on electric company poles cause interference with telecommunications and, therefore, make sharing impossible. Further, he asserts that with trenching, timing is the critical issue. Many times, he states, power is needed first in a development, and therefore "it would be a poor economic decision to place investment that will not be used just to joint trench." He states that BellSouth, then, will not joint trench unless it can place investment that it will use. In terms of joint use of conduit, he states that BellSouth owns the "vast majority" of conduit it uses in its operations.

We are not persuaded by AT&T/MCI's argument that a competitive environment will encourage more structure sharing, at least in the foreseeable future. Therefore, we find it appropriate to accept BellSouth's structure sharing assumptions.

Fill Factor

A utilization or fill factor describes the per centage of the plant that is in use. BellSouth uses the terms "utilization factor" and "fill factor" interchangeably. BellSouth defines the utilization factor as the number of assigned cable pairs divided by the number of available cable pairs.

AT&T/MCI witness Wells defines utilization and fill factors differently. Witness Wells uses a fill factor definition from "bottom up cost models," such as the Hatfield model. In his definition, the fill factor is the percent of the lines served divided by the number of pairs required to serve those lines, allowing for a reasonable amount of spare capacity. He states that the fill factor used in "bottom up cost models" is used to divide the number of customer lines to determine the number of cable pairs required, which is then increased to the next larger available cable size, which becomes the number of pairs available. Witness Wells' definition of fill factor assumes that the network would be built with all customers in place at the same time. We do not agree with this assumption. A new efficient provider of service

will be faced with the same situation with which an incumbent is faced, that is, that customers arrive on the network at different times. Therefore, we do not find appropriate the use of witness Wells' definition of fill factor for these proceedings.

Witness Wells defines utilization factor as the number of lines served, divided by the number of pairs available. This definition of utilization factor seems nearly identical to BellSouth's definition of utilization (the number of pairs in use divided by the number of available pairs). The difference is that there is not necessarily a one-to-one relationship between a pair and a line. There may be more than one line provided over a copper pair. A copper pair is a physical piece of equipment, but there is technology in use, such as the Digital Additional Main Line (DAML), described below, that provides more than one line over a copper pair. Therefore, using witness Wells' definition of utilization factor, the number of lines served is likely to be greater than the number of pairs in use, resulting in an increase to the utilization factor even though the same number of pairs are in use. It appears that with increasing use of digital technology, witness Wells' definition of utilization factor may more accurately represent the network in use. We are not persuaded, however, that any accuracy that might be gained by using witness Wells' definition of utilization factor is compensation for the problems in changing definitions at this time. Therefore, upon consideration, we find it appropriate to accept BellSouth's definition of utilization or fill factor for use in these proceedings.

AT&T/MCI witness Wood discusses utilization or fill factors at great length. He argues that a correct fill factor would include some spare capacity for administrative functions; for example, maintenance and recognition of defective pairs. He also argues that a correct fill factor would include some spare capacity for "lumpy" investments, for example, meeting a need for 550 pairs with a 600 pair cable. He does not believe that spare capacity placed for future growth should be included in a forward-looking economic cost study.

Witness Wood also argues against including future growth capacity in the calculation of the fill factor, because future customers would be paying for facilities whose costs have already

been recovered since current customers would be paying for future capacity. This would constitute improper "double recovery."

BellSouth witness Caldwell disagrees that spare capacity for future growth should be excluded from the fill factor. She states that "we're looking at costs that will be used to establish rates, and, therefore, we identify all of the costs." She states that BellSouth uses "average fill" which equates to "projected actual fill of the entire usage of the network." She supports the use of projected actual fill with reference to Order FCC 96-325, where the FCC states at ¶682 that:

> [P]er unit costs shall be derived from total costs using reasonably accurate 'fill factors' (estimates of the proportion of a facility that will be 'filled' with network usage); that is, the per-unit costs associated with a particular element must be derived by dividing the total cost associated with the element by a reasonable projection of the actual total usage of the element.

We cannot agree with AT&T/MCI's contention that all spare capacity for future growth should be excluded from the calculation of fill factors. Each customer of BellSouth, whether a retail customer or a CLEC, benefits from when sufficient capacity is in place so that service may be provided without the construction of new facilities.

The FCC's phrase, "reasonable projection of the actual total usage," is somewhat ambiguous, because it is unclear for what time period the "reasonable projection" should take place. The closer to the present the time period is for which a projection is made, the more likely it will be accurate and thus more "reasonable." We find therefore that the utilization factor in these proceedings shall be based on actual usage that has been adjusted for any projected effects or, according to BellSouth, projected actual usage.

We believe that it is important to ensure that the appropriate fill factor be used, because it bears directly and significantly on

the cost of a loop. A fill factor of 40 per cent means, for example, that the cost of a one hundred pair cable is spread over 40 pairs of that cable. If the fill factor were increased to 70 per cent, then the cost of the one hundred pair cable would be spread over 70 pairs. Therefore, a lower fill factor results in a higher cost per loop, while a higher fill factor results in a lower cost per loop.

BellSouth calculated its actual fill factor distribution by dividing 5,760,416 assigned pairs by 14,856,450 available pairs, for a rate of 38.8 per cent. Witness Baeza states that BellSouth's projected fill factor is identical to its actual fill factor because BellSouth expects utilization in the future to be at or near current utilization. Witness Wells' proposed distribution utilization factor is based on an average of initial and planned maximum utilization, or 62.5 per cent.

There are many things that can affect the fill factor, and they represent areas of substantial disagreement between BellSouth and the CLECs. We discuss them in detail below.

Defective Pairs

Witness Baeza states that defective pairs are included in the fill factor equation as available, but they cannot be used without some corrective action by BellSouth. In the fill factor equation, defective pairs are included in the denominator.

Witness Wells argues that BellSouth's defective pair rate is too high; that is, it is higher than an efficient provider would have. Witness Baeza estimates that BellSouth's distribution defective pair rate is "roughly between 9.5 and 11 per cent." He notes that the feeder defective pair rate has been increasing since 1992. In 1992, it was 9.4 per cent and in 1996, it was 10.5 per cent. Witness Wells assumes that new cables should have no defective pairs, and that the defective pair rate for newly-installed cables should be less than 1 per cent. He relies on previous, but unidentified BellSouth filings and BellSouth's cost to clear a defective pair. He argues that a low utilization rate encourages high defective pair rates because it is often expedient

to simply "cut a change" and transfer the customer having trouble to a spare pair, thus leaving the initial pair defective.

We agree with AT&T/MCI that BellSouth's defective pair rates are higher than an efficient provider might encounter, and that a low utilization rate provides a disincentive to a company to clear its pairs. We understand, however, that defective pairs are a normal cost of doing business and that some portion of that cost must be shared by all customers. We find it appropriate that the distribution fill factor include the effect of a lower defective pairs rate than BellSouth's rate.

Minimum 25-Pair Cable Size

BellSouth's modeled network design includes cable sizes no smaller than 25 pairs. According to witness Baeza, BellSouth considers 25-pair cables to be the most economically efficient cable size to use in its network. He states that the savings provide BellSouth with the ability to gain economies of scale when negotiating with cable vendors. Also, he states that savings are accrued from reduced inventory and warehousing needs, as well as reduced training and administrative costs. He testifies that BellSouth has not installed 12-pair cable since 1995, nor does it plan to install any through 1999.

Witness Wells argues that BellSouth's operating price of 25-pair minimum size cable and 25-pair distribution cable administration are major contributors to BellSouth's rather low copper distribution cable utilization factor. In addition, he disagrees that there is a cost savings from reduced training. He proposes that 12-pair cables should be deployed on the side streets, which would substantially increase utilization.

We agree that use of 12-pair cable in network design may increase the fill factor. Upon consideration, however, we find BellSouth's arguments to model a minimum of 25-pair cable reasonable because of the economies of scale. Therefore, we find appropriate in these proceedings a modeled network design based on a minimum cable size of 25 pairs.

Standard Cable Sizes

Witness Wells argues that BellSouth, through fiber cable sizing, is "over sizing" its network. Fiber, however, is not used for any of the loops under consideration in these proceedings. Therefore, we do not find witness Wells argument relevant.

Digital Additional Main Line

DAML uses electronics at the central office and the customer's premise to provision two lines over one copper pair. AT&T/MCI witness Wells states that DAML should be used to reduce spare network capacity. BellSouth witness Baeza asserts that DAML is less expensive if demand is only temporary. He further asserts that if demand is permanent and ongoing, the correct solution is to size the distribution cable to provide for the projected demand.

DAML could be used as a way to increase the fill factor, since DAML is only placed when needed. We find, however, that DAML is a temporary solution and thus should not be included in a forward-looking network design.

Bridged Tap

According to witness Baeza, bridged tap occurs when a pair of wires exists in two locations, but can only be used in one location. According to witness Wells, there are two types of bridged tap. Pure bridged tap is bridged to the cable pair between the customer and the central office; end section tap is cable that extends past the customer.

Witness Baeza states that BellSouth's forward-looking design assumes that bridged tap is a maximum of 2,500 feet in feeder and distribution. He states that there are two reasons for the use of bridged tap. The first is so the pair can be reused by another customer. The second is that if a pair becomes defective, it is faster to restore service using a vacant pair, which may be a bridged tap pair.

Witness Wells argues that excessive bridged tap causes an unnecessary increase in BellSouth's loop investment. He proposes that BellSouth's loop model should contain no pure bridged tap and

minimal end section bridged tap. Witness Wells acknowledges that his bridged tap proposal is based on the Hatfield model.

We are not persuaded by AT&T/MCI's arguments on bridged tap, because those arguments presume a hypothetical network. Therefore, we find appropriate for use in these proceedings the bridged tap assumptions in BellSouth's loop model.

Second Line Growth

Witness Baeza testifies that fill factors would not change with growth in second lines. He explains:

> [T]he way your plant is built, you build for anticipated growth. In this case, in the neighborhood, and where the first house, for example, used one line, the second house could use two, the third could use none, the fourth house could use three; so all of these things are built into attempting to have capacity there when it's required.

Transcript at 1138-1139.

Witness Wells cites a BellSouth public statement on its growth in second lines:

> BellSouth is driving revenue and profit growth by aggressively marketing additional telephone lines to our customers. Additional lines are key to satisfying the expanding consumer demand for connections to the Internet, Home fax machines, children's phones, telecommuting tools and home office phones. With 1.3 million additional lines, BellSouth has the most of any telephone company in the U.S. Our additional lines increased by 21 percent in 1995, and accounted for nearly half of all new residential connections.

He argues that second line growth will increase the fill:

> BellSouth is experiencing a lot of second line growth, more than historical; and therefore it is entirely logical that the utilization rate in the future will rise because . . . all that spare capacity is already out there.

Exhibit 41 at 37-38.

We find AT&T/MCI's argument that second line growth will positively affect the fill factor to be persuasive. Therefore, upon consideration, we find it appropriate in these proceedings to include the effect of BellSouth's second line growth on its fill factors.

Effect on Competition

Witness Baeza asserts that competition would have minimal effect on the utilization rates. We find that with regard to the purchase of unbundled subloop distribution, competition alone is unlikely to affect utilization rates.

Conclusion

Based on the evidence in this record and all of the foregoing reasons, we find that BellSouth's distribution fill factor shall be increased by 10 per cent, from 38.8 per cent to 42.7 per cent.

1.5 Pair per House Default

According to witness Baeza, BellSouth's default practice is to place 1.5 pairs per housing unit. While witness Wells does not object to this practice, he expresses a concern about how it might affect the fill factor. On the basis of this record, we find no reason to determine that BellSouth's default is not reasonable. It is conservative. We therefore leave it in place.

5-Pair Drop

Witness Baeza describes a drop as the wire connecting the loop from the pedestal to the customer's premises. BellSouth witness Caldwell states that BellSouth assumes a drop size of five pairs in its model, and is in fact deploying that size across its region. Witness Baeza asserts that a five-pair drop is an economic minimal size that allows some flexibility if a pair, or even a couple of pairs, are damaged, or if a customer requests a separate line in the house. Witness Wells argues that a CLEC should not have to support the resulting average spare capacity. Witness Baeza states that, although he did not know the exact incremental cost difference between a two-pair and a five-pair drop, it would be "pennies" per foot. Witness Wells recommends a two-pair drop for residences.

We believe that the economy in having a five-pair drop in place more than likely outweighs any incremental cost, and we find it appropriate, therefore, to accept BellSouth's proposed five-pair drop.

Drop Lengths

Witness Baeza testifies that BellSouth assumes drop lengths of 250 feet for aerial cable and 200 feet for buried cable. He explains how these assumptions were made:

> The method used to acquire this information consisted of contacting the Installation and Maintenance Managers in the state for information based on their knowledge of the areas they serve. These managers are responsible for the installation of drop wire and would have the best working knowledge of average lengths without actually measuring individual drops. The subject matter experts averaged their responses and provided a state total. Additionally, for buried service wire, the BellSouth group that administers master contracts for burying the drop was consulted and provided footage information from those contracts as a cross check.

Transcript at 617.

Witness Wells argues that the Bellcore Survey of BOC Loops reports an average drop length of 73 feet. Witness Baeza discounts the use of a national survey of drop wire because of the potential for wide variation in the inputs. We agree that the potential for wide variation in inputs makes the Bellcore survey inappropriate for use in these proceedings.

Witness Wells states that in comparison to the other RBOCs, BellSouth in Florida has approximately 237 access lines per square mile, more than twice the national average of 119 for the RBOCs. This number includes BellSouth's more densely populated metropolitan service areas, such as Miami, where drop wire is likely not to be used as extensively as it would be in more rural areas. According to witness Baeza, apartment buildings, strip shopping centers, malls and office buildings do not have drop wire.

Witness Wells proposes that aerial and buried drops be the same length, i.e., 100 feet. He explains:

> My observation from having worked in OSP [outside plant] for BellSouth in Alabama for seven years, from having field surveyed OSP in ten CBGs [census block groups] all around the state of Georgia in preparing a response to a data request from the Georgia PSC Staff, from living in BellSouth's service areas in four states for most of my life, and from traveling extensively throughout BellSouth's nine state region, is that more than 80 per cent of BellSouth's residential and small business customers have either no drop or drops that are less than 150 feet in length. I therefore recommend adjusting BellSouth's average drop length for both aerial and buried drops to 100 feet.

Transcript at 1149.

We are not persuaded by witness Wells' observations. They are not the product of a methodical study.

Witness Baeza states that he does not know if the drop wire average is weighted, nor does he know how many drop wires were surveyed. He does, however, provide the drop wire averages in all of BellSouth's states.

Upon consideration, we do not find persuasive the AT&T/MCI arguments on drop wire length that urge the use of a national average, or the inclusion of metropolitan areas in a state-wide average of access lines per square mile, or the personal observations of witness Wells. However, we are troubled by BellSouth's lack of answers to some important questions about the drop wire survey. As discussed, AT&T/MCI proposes 100-foot drops for both aerial and buried wire. BellSouth proposes that the aerial drop wire be 250 feet and the buried drop wire be 200 feet, but does not account for the difference between its proposal and AT&T/MCI's proposal. We are not persuaded by the position of either. We do find it reasonable to approve the use in these proceedings of an average aerial drop wire of 200 feet and an average buried drop of 150 feet, because we believe that BellSouth's records of its plant inventory result in more reliable information.

Witness Wells disagrees with witness Baeza's testimony concerning the per centages of buried and aerial drop wire. He concedes, however, that he has no data that would indicate witness Baeza was incorrect. He provides only a proposal based on extensive personal observation. This is not evidence on which we can rely for the reason we stated above. Thus, we find it appropriate to accept the per centages of buried and aerial drop wire in BellSouth's inventory as proposed by BellSouth.

Deaveraged Loop Rates

AT&T/MCI witness Ellison proposes geographically deaveraged loop rates. He explains:

> State average loop prices advantage BellSouth in the competitive marketplace by providing the Company an artificial cost advantage in the more densely populated areas of the state.

> Averaged rates will thereby prevent the type of widespread competition envisioned by the Commission and the Act, which is antithetical to the Commission's goal of encouraging the type of widespread competition that benefits all consumers.

Transcript at 1301.

BellSouth witness Varner testifies that geographic deaveraging of unbundled loop prices cannot occur without a "dramatic rebalancing of retail prices as well." Transcript at 136. If geographic deaveraging of unbundled loop prices were to occur without retail rebalancing, he asserts that this would permit competitors to "unfairly siphon the support that allows residence [sic] rates to be as low as they are."

Again, AT&T/MCI bases its proposed geographically deaveraged loop rates in these proceedings on the Hatfield model. In Order No. PSC-96-1579-FOF-TP, at page 23, we found that the Act "can be interpreted to allow geographic deaveraging of unbundled elements, but we do not believe it can be interpreted to require geographic deaveraging." Furthermore, in Order No. PSC-97-1303-PCO-TP, at page 7, we disallowed WorldCom's proposal to include geographically deaveraged loop costs as an issue in these proceedings was denied.

Therefore, because such prices are not in issue in these proceedings, we will not address AT&T/MCI's proposed geographically deaveraged loop prices.

Material Costs

AT&T/MCI witness Wells asserts that a problem with BellSouth's model is that it has two incorrect cable costs in its cable material table. He also asserts that costs for certain building entrance and intrabuilding cables are incorrectly based on a cable code that includes the cost of strand, and that is not required in these cables. Witness Wells does not provide any evidence to support these assertions. Accordingly, we find it appropriate to accept the cable costs proposed by BellSouth.

Loading Factors

BellSouth witness Caldwell develops loadings based on accounting relationships between the investment or expenses needed to install or support material to the total installed investment. She acknowledges that these historical relationships are used to determine forward-looking costs. She explains that:

> These loadings reflect fundamental aspects of installation and supporting structures which will not be affected by technological or process innovation. For example, the cost of installing poles and conduit will be similar in the future as it is today. By applying the loadings, BellSouth has identified all of the capitalized cost associated with the UNE being examined.

Transcript at 333.

Witness Wells argues that BellSouth's outside plant loadings are not forward-looking and, instead, are used to recover the costs of BellSouth's past methods of operation. According to witness Wells, BellSouth develops its loading factors by calculating a ratio of certain expenses, e.g., engineering, labor, vendor engineering and installation, minor material and sales tax, to its major material investments. This ratio is then applied to the direct material costs of the hypothetical loop. He argues that this method of calculating cost is not least cost, most efficient, or forward-looking based on currently available technology. Yet, all that he offers is a statement that lacking the accounting details or expertise to challenge the specific expenses and investments underlying these material for ratios, his recommendation is that they be reduced significantly.

We do not believe the evidence shows that BellSouth is using loading factors to recover past costs of operations. We are cognizant, however, of the difficulty in defending a forward-looking cost based on data and relationships that are, by their very nature, historical. We find that using a historical relationship to determine loadings is far more likely to produce a reasonable result than any other mechanism supported by this record. Upon consideration, we find it appropriate to accept the loading relationships developed by BellSouth for use in the cost models in these proceedings.

Subscriber Line Testing

BellSouth's proposed rates include a charge for subscriber line testing that is not challenged by the CLECs. It is reasonable and thus we find it appropriate to allow this charge.

Computer Systems Cost

BellSouth's proposed TSLRIC rate includes a computer system cost, which cost is included in shared costs. This cost is not challenged by the CLECs. We consider shared costs in Part III.D above.

Conclusion

Based on the evidence in this record and on the foregoing reasons, we establish $8.57 as the recurring charge for 2-wire loop distribution. Likewise, we establish $11.29 as the recurring charge for 4-wire loop distribution.

Non-recurring Charges

Methodology

BellSouth's non-recurring rates are based on a methodology that is divided into five functions: Service Inquiry, Service Order, Engineering, Connect and Turn-Up Test, and Travel. We eliminate Service Inquiry and Service Order from consideration for the reasons set forth in Part IV below. For the same reasons, we also eliminate from consideration the Access Customer Advocacy Center (ACAC) component of Connect and Turn-Up Test.

In order to determine direct non-recurring costs for these functions, according to BellSouth witness Caldwell, BellSouth defined the work functions, established the work flows, determined the work times for each work flow, and developed directly assigned labor costs for each work function, multiplying labor rate by work times. It then added the direct costs for the work flows, added the gross receipts tax, and then applied the shared and common cost factors.

BellSouth witness Landry determined the overall work functions and work flows. BellSouth subject matter experts developed the work times. Witness Landry describes the process he used to determine the necessary work flows:

> My job was to try to develop an overall process, sort of looking at, based on my background and what I knew about the different processes, to try to start with an order flow from the front end, which groups would need to be involved, and to pull this group of network people together and to develop the methods to support the product, to develop the cost for

> the cost filing, and also to work with the area people in deploying those specific products so they could be provisioned locally.

Transcript at 515.
He testifies that the work times developed by the subject matter experts are reasonable:

> Based on the things that I know about the different processes, and based on the level of knowledge that the subject matter experts brought to the meeting, these are the people that have actually done that. These are the people that sat in meetings and talked to and fro about how one document or a service order comes from one person to the other, what do I have to do to be able to respond to that? How much of this falls out? What do I do with it when it falls out? I have been on the phone with a lot of the resolutions, particularly the AFIG, for the first several months of the process in trying to have some of these orders flow through, have been on the line with the network subject matter experts, with the center in the field in trying to make these orders flow and watching what had to be done to be administered. So, no, I cannot validate down to the minute each of the times that are in there, but I can attest to their reasonableness.

Transcript at 515-516.

AT&T/MCI sponsors the AT&T/MCI NRCM in these proceedings. AT&T/MCI witness Lynott describes how AT&T/MCI developed its non-recurring costs:

> The non-recurring cost model develops one-time non-recurring cost estimates for the tasks and activities that may be performed by an ILEC, such as BellSouth, when the CLEC, such as AT&T

> or MCI, requests wholesale services, or as the subject of these proceedings, interconnection or unbundled network elements.
>
> Utilizing a forward-looking cost methodology, the non-recurring cost model develops a bottoms-up estimate of non-recurring costs. To accomplish this, the non-recurring cost model reflects the individual tasks and activities that may be required to respond to a CLEC's request.

Transcript at 1249.

AT&T/MCI use inputs from the Hatfield model, as well as subject matter expert judgments, in developing its model.

AT&T/MCI witness Lynott asserts that the entire non-recurring process has changed and non-recurring costs have decreased as a result. He explains:

> Not so long ago, functions such as processing a service order were very labor intensive, requiring constant human intervention to update manual inventories and to physically complete each and every order. Today, however, the databases existing within an incumbent's OSS architecture (often referred to as 'Legacy' systems) have been automated and re-engineered to virtually eliminate the need for human intervention. . . . OSS evolution has had, and will continue to have, a very significant impact on non-recurring costs. Given that the major driver of high non-recurring costs had been incremental labor times and labor rates, the reduced reliance on human intervention due to advanced OSSs has significantly reduced the incremental non-recurring cost associated with functions such as pre-ordering, ordering, provisioning and maintenance. Significant cost savings can be

> achieved with existing OSS, if their capabilities are not undermined by polluted databases or inefficient configurations.

Transcript at 1211-1212.

BellSouth witness Caldwell testifies that the structure and approach of the AT&T/MCI model appear to be reasonable. She takes exception, however, to AT&T/MCI's assumption of a non-recurring process that occurs with almost no human intervention, calling it unrealistic. She states that non-recurring costs, which are forward-looking, must be based on technologies that exist today and that BellSouth expects to deploy, not on some hypothetical technology. She continues:

> Work order activities such as engineering requests for manual assistance and connect and test are required in order for BellSouth to provide a reliable product, on time, that meets the customer's needs regardless of whether the customer is an individual or a CLEC or whether the order was received manually or electronically.

Transcript at 356.

Witness Caldwell states that in BellSouth's view of non-recurring costs, there are provisioning activities that require technicians to perform physical tasks. MCI argues, however, that AT&T/MCI's non-recurring cost model assumes that pre-ordering, ordering, provisioning, repairs, maintenance, and billing processes are handled electronically through OSS in a highly automated, accurate and rapid manner with little to no human intervention.

Each of the parties develops non-recurring costs by means of a methodology for determining the necessary work functions and associated work times to provision loops. We find that methodology generally to be appropriate for use in these proceedings.

Migration

An integral assumption in AT&T/MCI's NRCM is migration. AT&T/MCI witness Lynott defines migration as occurring when a customer with existing service requests changes in its local service provider. Witness Lynott asserts that this contrasts with an installation, which is defined as the establishment of any new (or additional) service for a CLEC customer. He states that the model assumes that the only cost for a migration order is processing time because the model further assumes that the activities used to migrate a customer from an ILEC to a CLEC can be accomplished electronically through the electronic gateway that exists between a CLEC and BellSouth and BellSouth's OSSs that the CLEC is accessing.

Witness Caldwell disagrees with AT&T/MCI's assumptions concerning migration:

> Let me emphasize the migration of a customer from BellSouth to a new entrant is not just a record change. In an unbundled environment, the loop must be physically removed from our switch and then re-terminated on the CLEC's switch or recombined in the CLEC's space. This does not happen by magic, nor do improved OSS capabilities allow this to happen automatically.

Transcript at 358.

For the loops at issue in these proceedings, 2 and 4-wire loop distribution, 2-wire ADSL compatible loops, and 2 and 4-wire HDSL compatible loops, we can agree with BellSouth that there are tasks to be performed that are different from a simple customer change from BellSouth to a CLEC. With loop distribution, a connection must be made at the serving area interface to the CLEC's equipment. This requires a physical action at a location in the field. According to witness Caldwell, Digital Subscriber Line (xDSL) (Asymmetrical Digital Subscriber Line (ADSL) and High-bit Rate Digital Subscriber Line (HDSL)) loops, however, run from the NID to BellSouth's central office where they then must be connected to a CLEC's equipment. The xDSL loops must also meet certain design standards. We are persuaded by BellSouth's argument that simple

migration of a customer is not possible with the loops and loop distribution elements at issue in these proceedings.

Fallout

BellSouth witness Landry testifies that when BellSouth talks about fallout, it refers to errors on an initial service request from a CLEC that require that the service request be processed manually. In contrast, AT&T/MCI witness Lynott testifies that when AT&T/MCI talks about fallout, it refers to what happens when a service request does not flow through an OSS automatically. Any fallout during the pre-ordering and ordering processes is the responsibility of the ILEC, according to witness Lynott. As already mentioned, however, we do not consider fallout in the pre-ordering or ordering process in these proceedings.

According to witness Lynott, AT&T/MCI's "conservative" fallout assumption of 2 per cent is based on the judgment of our experts of a competitive industry, as well as fallout levels reported by ILECs, such as Southwestern Bell and US West. The fallout levels reported by US West refer to preferred interexchange carrier (PIC) changes. PIC changes occur when an ILEC customer changes long distance carriers. According to BellSouth witness Landry, PIC changes are a simple electronic translation change and are not reflective of the complexity of separating a loop facility from the switch and providing it as an unbundled element.

We can agree with BellSouth that PIC changes and the provisioning of UNEs are not similar functions. We are not persuaded by mention of low fallout rates for other ILECs. We believe that fallout responsibility is shared, starting with the service request submitted by a CLEC and continuing through the ILEC's provisioning process. Therefore, we find consideration of fallout appropriate in establishing work times for the provisioning process.

Use of Forward-Looking Technologies

MCI argues that BellSouth's non-recurring costs do not assume forward-looking technologies, specifically citing the absence of integrated DLC. MCI asserts that:

> [I]f BellSouth were to assume forward-looking technologies, such as integrated DLC with a GR-303 interface in its cost studies, the software based stored program technology would allow for flow-through provision and maintenance from upstream OSS systems right down to the network elements in a matter of seconds with little or no human intervention.

MCI Brief at 23.

Loop distribution, by definition, is provisioned over copper. WorldCom witness Porter agrees that ADSL loops cannot be served over integrated DLC. Although witness Porter does not specifically refer to HDSL loops, it is reasonable to conclude that the same is true for HDSL loops. Accordingly, we give no weight to MCI's assertion.

Direct Labor Rates

As we discuss in Section III.D of this Order, we approve BellSouth's direct labor rates for use in calculating direct costs.

Work Times

As we earlier observe, the assumptions of BellSouth and AT&T/MCI concerning work functions and work times represent the spectrum boundaries for task work times involved in provisioning the loops here in question. We characterize AT&T/MCI's view as representing the "best case" scenario, the most automated, least cost provisioning. We do not believe that AT&T/MCI's view, which is optimistic, captures all of the manual intervention that is actually required to provision UNES. For example, according to witness Lynott, AT&T/MCI assumes that the time required to make a cross connect at the crossbox, test the circuit with the central office at the premise and FDI, tag the circuit, and complete the order only takes just over 30 minutes for 2-wire loop distribution and only about 25 minutes for 4-wire HDSL compatible loops.

By the same token, BellSouth's view represents a "worst case" scenario. For example, witness Landry testifies that the time required for that same process takes about one hour and 35 minutes for 2-wire loop distribution and about 2 hours and 40 minutes for 4-wire HDSL compatible loops. In other examples, witness Landry testifies that BellSouth assumes 100 per cent dispatch to connect for all loops and that all xDSL loops are new.

We again find it appropriate to apply our judgment to reasonably resolve the disparities in the parties' positions. Thus, we shall reduce BellSouth's work time proposals by 25 per cent of the difference between them and AT&T/MCI's proposals. BellSouth has its technicians in the field every day actually installing, repairing and maintaining service, and presumably has, for that reason, the better information with respect to the associated work times. We find, however, that BellSouth's proposed incidental travel time is acceptable without adjustment.

Tables VIII and IX show the work times we approve, based on the foregoing discussion, for the installation of 2-wire and 4-wire loop distribution.

TABLE VIII
2-Wire Loop Distribution Installation Work Times

Function	Activity	Commission Approved Work Times (Hour)
Engineering	AFIG assigns cable pairs according to FRN and rules	.1510 .1510
Engineering	CPG design	not applicable not applicable
Connect & Turn-Up Test	I&M makes cross-connect @ box, tests circuit with CO @ premise & cross box, tags circuit & completes order	1.3418 1.2168
Travel	I&M incidental time not captured in NID/drop investment	.3333 .0000
Totals		1.8261 1.3678

Upper value shown is for the first installation; lower value, each additional installation.

TABLE IX
4-Wire Loop Distribution Installation Work Times

Function	Activity	Commission Approved Work Times (Hour)
Engineering	AFIG assigns cable pairs according to FRN and rules	.1510 .1510
Engineering	CPG design	not applicable not applicable
Connect & Turn-Up Test	I&M makes cross-connect @ box, tests circuit with CO @ premise & cross box, tags circuit & completes order	2.1177 1.9927
Travel	I&M incidental time not captured in NID/drop investment	.3333 .0000
Totals		2.6020 2.1437

Upper value shown is for the first installation; lower value, each additional installation.

Conclusion

Upon consideration, we approve non-recurring charges for 2-wire loop distribution installation of $78.29 for the first

installation and $58.33 for each additional installation. Further, we approve non-recurring charges for 4-wire loop distribution installation of $112.07 for the first installation and $92.11 for each additional installation.

C. 2-wire ADSL-Compatible Loops

Our discussion above of 2-wire and 4-wire loop distribution is generally applicable to 2-wire ADSL loop installation. Here, we discuss in detail only those issues that are specific to 2-wire ADSL loop installation.

Element Definition

BellSouth provides a definition for ADSL-compatible loops, as follows:

> The 2-wire ADSL-Compatible Loop ... [is a] physical transmission facilit[y] (or channel or group of channels on such facilit[y]) which extend[s] from the main distributing frame connection in the end office to a demarcation point at the customer premises (i.e., the network interface device or NID). The transmission facility does not enter the BellSouth switch as it is terminated on the main distributing frame. ADSL-compatible ... loops are non-loaded 26 gauge copper facilities with specific length limitations.

Exhibit 13 Part 2 at 2.

Recurring Charges

Utilization/Fill Factor-Feeder

ADSL-compatible loops must be provisioned over copper. BellSouth calculates its actual fill factor for these loops by dividing 4,169,515 assigned pairs by 6,349,457 available pairs, for a rate of 65.7 per cent. BellSouth witness Baeza states that BellSouth's projected fill factor is identical to its actual fill

factor because it expects utilization in the future to be at or near current utilization.

In support of BellSouth's fill factor, witness Baeza provides an exhibit that compares BellSouth's feeder fill to that of the other RBOCs. Pacific Telesis' fill factor is highest at 92.16 per cent. BellSouth's is next highest and Bell Atlantic's was the lowest at 41.54 per cent.

AT&T/MCI witness Wells argues that the 65.7 per cent fill factor is understated because it includes the effect of a high defective pair rate. We took note earlier that BellSouth's feeder defective pair rate increased from 9.4 per cent in 1992 to 10.5 per cent in 1996, and we agreed with AT&T/MCI that BellSouth's defective pairs rate is higher than an efficient provider would encounter. We conclude, nevertheless, that defective pairs are a normal cost of doing business, and that some portion of that cost should be shared by customers.

Witness Wells is critical of BellSouth's practice of measuring feeder fill at the Main Distribution Frame (MDF). He argues that measurement at the MDF understates fill because some engineers automatically oversize the feeder cable that enters the central office. He asserts that fill should be measured at various cable segments, with weighted averages of those segments equivalent to fill. Although measuring feeder fill at the MDF may result in somewhat of an understatement, we believe it would not be cost-effective to measure fill factor for each feeder cable at several points along the cable. Therefore, we find that an adjustment of the feeder fill factor measurement at the MDF is unnecessary.

Witness Wells asserts that BellSouth includes over-sizing of feeder cable based on optimistic forecasts of growth. This occurs, he says, primarily in low growth central offices. We conclude, however, that with an actual fill of 65.7 per cent, based on a defective pair rate of 10.5 per cent, the cable over-sizing claimed by witness Wells is not significant, because BellSouth's fill factor is relatively high.

For 2-wire ADSL-compatible loops, we find it appropriate to increase BellSouth's proposed fill factor by 5 per cent to 69.0 per

cent from 65.7 per cent to reflect a lower defective pair rate and increased second line growth.

Use of Single Feeder Distribution Interface

Witness Wells proposes that there should be only one FDI or crossbox per loop in a forward-looking loop design, although BellSouth has incorporated sample loops with multiple cross-connects into a single hypothetical loop. He does not, however, offer a way to calculate the effect that including multiple crossboxes might have on the cost of a loop.

We have approved BellSouth's recasting of its loops in these proceedings. AT&T/MCI does not justify its assertion concerning multiple crossboxes or an estimate of their impact. We do not, therefore, find it appropriate to modify loop design in these proceedings to exclude multiple crossboxes.

Main Distribution Frame Cost

BellSouth develops the MDF cost for 2-wire ADSL-compatible loops using Bellcore's Switching Cost Information System (SCIS) model. Neither AT&T/MCI nor WorldCom address this cost. We find the cost BellSouth proposes reasonable and thus we approve it.

Conclusion

Based on the evidence in this record and on the foregoing discussion, we establish $15.81 as the recurring charge for 2-wire ADSL-compatible loops.

Non-recurring Charges

We discuss BellSouth's and AT&T/MCI's proposals for NRCs above. Here, we discuss only WorldCom's proposal for NRCs for xDSL-compatible loops.

WorldCom witness Porter explains how WorldCom calculates its proposed non-recurring charges:

> Approximately 26 minutes of labor are associated with the average digital loop conversion for the first line, and 14.5 minutes for each additional line. BellSouth's labor rate is proprietary. For the sake of argument, however, if the loaded labor rate is somewhere between $30-$60 per hour, or $45 on average, then the non-recurring charge for the first order should be approximately $19.50, and for additional orders approximately $10.87.

Transcript at 948.

He testifies that there would, however, be almost no non-recurring cost because BellSouth would simply reassign a loop serving one of its former customers to WorldCom.

Witness Porter divides non-recurring functions into four groups: Service Order; Engineering; Connection and Testing; and Field. We do not address the Service Order function for reasons already stated. For Engineering, he agrees that xDSL loops may require conditioning so that they will meet standards. He estimates that 10 per cent of orders will require upgrades and that these upgrades will be done in groups of 25. He proposes a time of five minutes to upgrade these loops. He also estimates that 10 per cent of orders will require an additional 30 minutes of engineering, or an average of three minutes per order. He does not, however, provide field data in support of his estimates of the percent of xDSL loops that require conditioning and additional engineering.

For Connection and Testing, witness Porter estimates an average of five minutes for installation and maintenance, and three minutes for special services coordination and testing. For Field, he estimates that travel time is possible for 10 per cent of the orders. He assumes 15 minutes of travel time to a cross connect and 15 minutes of time to make the cross connect, that is, 30 minutes for 10 per cent of the orders, or an average of three minutes per order.

Witness Porter supports WorldCom's proposed NRCs with reference to BellSouth's tariffed NRCs:

> BellSouth charges residence customers $40 for the first line and $12 for each additional line. BellSouth charges business customers $56 for the first line and $12 for each additional line. For the sake of argument, if WorldCom's business customers desired high speed digital loops, WorldCom would pay nearly 10 times the non-recurring charges to connect the loop than BellSouth's own retail customers would if we adopted the Loop Study costs.

* * *

> [T]he non-recurring connection charge for basic exchange service can serve as an appropriate benchmark for Commission consideration because little installation is involved in making BellSouth loops ADSL and HDSL compatible, nor is much BellSouth engineering, testing, or travel required to convert a BellSouth customer to high speed digital service provided by WorldCom over BellSouth unbundled loops. In most cases, BellSouth's loops should be of sufficient quality that WorldCom can use them for high speed digital transmission without further conditioning.

Transcript at 942.

BellSouth witness Landry dismisses the apparent disparity between BellSouth's tariffed NRCs and those it proposes in this proceeding, arguing that the services are two entirely different things. We agree that the services are different and that different work functions might be necessary. We do not find that there is sufficient evidence in this record to support WorldCom's claim that tariffed rates can be used to support WorldCom's rate proposal.

Witness Porter also asserts that WorldCom's proposed NRCs are reasonable because in BellSouth's ADSL trial in Birmingham, Alabama, BellSouth does not assess non-recurring charges. He explains:

> I doubt that BellSouth would charge its customers $20 per month in its initial ADSL trial and then charge new customers a $600 set-up fee to initiate service. As I have opined, the recurring charge is more on the order of $19.50. I doubt that BellSouth is absorbing $600 per customer in its ADSL trial.

> This would be an extraordinary promotional offer even for BellSouth. Rather, I believe they are only absorbing $19.50 per customer.

Transcript at 964.

We only conclude from this that actual costs may very well exceed trial charges.

Testing

Witness Porter objects to BellSouth's inclusion of testing as part of the non-recurring functions. He testifies that, while BellSouth intends to provide testing for almost every loop that it provisions, for many loops WorldCom will perform the testing itself without the assistance of BellSouth. He asserts that BellSouth discriminates against loop purchasers in this way.

Witness Landry argues, however, that the xDSL loops have specific, specialized test requirements so that BellSouth can turn over the service to the CLEC with assurance that the service will function as ordered.

We conclude that in providing good customer service, an ILEC must test the loops it is selling to a CLEC before they are provided to the CLEC. If a CLEC is paying for a loop, it should receive a loop that does not need repair or further work. We believe that any customer would be dissatisfied if loops it purchases do not work, even if the customer has agreed to do the testing. Therefore, we find BellSouth's proposed testing costs reasonable and appropriate in these proceedings.

Work Time Comparisons

Table X shows the work times we approve, based on the foregoing discussion, for the installation of 2-wire ADSL-compatible loops.

TABLE X
2-Wire ADSL-Compatible Loop Installation Work times

Function	Activity	Commission Approved Work Times (Hour)
Engineering	AFIG assigns facilities	.0125 .0125
Engineering	CPG processes service request & generates DLR & word document to ALEC and field	.1002 .1000
Engineering		.0000 .0000
Connect & Turn-Up Test	CO I&M field work group connects facility at collocation point	.0437 .0437
Connect & Turn-Up Test	SSIM makes cross-connect @ cross-box, tests circuit with CO @ premise & cross box,	2.0460

Function	Activity	Commission Approved Work Times (Hour)
	tags circuit & completes order	2.0356
Connection & Testing		.0000 .0000
Travel	I&M incidental time not captured in NID/drop investment	.3000 .0000
Field		.0000 .0000
Totals		2.5025 2.1918

Upper value shown is for the first installation; lower value, each additional installation.

Conclusion

Upon consideration, we approve non-recurring charges for 2-wire ADSL-compatible loops of $113.85 for the first installation and $99.61 for each additional installation.

D. 2-wire and 4-wire HDSL-Compatible Loops

Our discussion above of 2-wire and 4-wire loop distribution and 2-wire ADSL-compatible loops is also applicable to 2-wire and 4-wire HDSL loops.

Element Definition

BellSouth provides the following definition for 2-wire and 4-wire HDSL-compatible loops:

> The 2-wire HDSL [High Bit Rate Digital Subscriber Line] Compatible Loop, and 4-Wire HDSL Compatible Loop are physical transmission facilities (or channel or group of channels on such facilities) which extend from the main distributing frame connection in the end office to a demarcation point at the customer premises (i.e., the network interface device or NID). The transmission facility does not enter the BellSouth switch as it is terminated on the main distributing frame. HDSL compatible loops are non-loaded 26 gauge copper facilities with specific length limitations.

Exhibit 13 Part 2 at 2.

Recurring Rates

Conclusion

Based on the evidence in this record and on the foregoing discussion, we establish $12.12 as the recurring charge for 2-wire HDSL-compatible loops and $18.24 as the recurring charge for 4-wire HDSL-compatible loops.

Non-recurring Rates

The parties propose the same function work times for 2-wire HDSL-compatible loops as they do for 2-wire-ADSL compatible loops, and upon the same considerations, we approve the same function work

times for 2-wire HDSL-compatible loops as we do for 2-wire ADSL compatible loops. These work times are shown in Table X.

Table XI shows the work times we approve, based on the foregoing discussion, for the installation of 4-wire HDSL-compatible loops.

TABLE XI
4-Wire HDSL-Compatible Loop Installation Work Times

Function	Activity	Commission Approved Work Times (Hour)
Engineering	AFIG assigns facilities	.0125 .0125
Engineering	CPG processes service request & generates DLR & word document to ALEC and field	.1002 .1000
Engineering		.0000 .0000
Connect & Turn-Up Test	CO I&M field work group connects facility at collocation point	.0437 .0437
Connect & Turn-Up Test	SSIM makes cross-connect @ cross-box, tests circuit with CO @	

Function	Activity	Commission Approved Work Times (Hour)
	premise & cross box, tags circuit & completes order	2.1127 2.0814
Connection & Testing		.0000 .0000
Travel	I&M incidental time not captured in NID/drop investment	.3000 0
Field		0 0
Totals		2.5691 2.2770

Upper value shown is for the first installation; lower value, each additional installation.

Conclusion

Upon consideration, we approve non-recurring charges for 2-wire HDSL-compatible loops of $113.85 for the first installation and $99.61 for each additional installation. Further, we approve non-recurring charges for 4-wire HDSL-compatible loops of $116.91

for the first installation and $101.71 for each additional installation.

E. Physical Collocation

Element Description

Physical collocation is an arrangement that allows a CLEC to locate its own telecommunications equipment in a segregated space within the ILEC's central office (CO). AT&T/MCI witness Bissell and BellSouth witness Varner both explain that the CLEC pays the ILEC for use of that space. The CLEC is then allowed to enter the CO to install, repair, and maintain its collocated equipment. According to BellSouth witness Caldwell, physical collocation involves the installation of collocator-owned equipment within leased floor space in BellSouth central offices and the CLEC purchase of cross connects to access BellSouth's network. The Point of Termination (POT) Bay is the official demarcation point. AT&T/MCI witness Bissell describes physical collocation similarly and further notes that it also requires fiber connections between the manhole outside the CO and the CLEC equipment inside. According to witness Bissell, collocation is a low technology aspect of a high technology industry in that it simply requires setting up metal cages to hold the CLEC equipment, installing the cable on the racks, and grounding the equipment.

Specifically, physical collocation involves the following elements, which AT&T/MCI and BellSouth identify and address: Planning and Engineering; Preparation of the general collocation area; Cage Construction; Land and Building or Floor Space; Entrance Fiber; Power (Delivery and Consumption); POT Bays; Connectivity (Voice Grade, DS-1, DS-3, Optical); and Security Access.

In making our determinations on the issue of physical collocation rates, we apply the pertinent sections of the Act. Sections 251(c)(2) and (3) of the Act require that incumbent LECs provide interconnection and access to UNEs at any technically feasible point at a level of quality equal to that which it provides itself, at rates, terms, and conditions that are just, reasonable, and non-discriminatory.

Regarding physical collocation, Section 251(c)(6) of the Act states that incumbent LECs have:

> The duty to provide, on rates, terms, and conditions that are just, reasonable, and nondiscriminatory, for physical collocation of equipment necessary for interconnection or access to unbundled network elements at the premises of the local exchange carrier, except that the carrier may provide for virtual collocation if the local exchange carrier demonstrates to the State commission that physical collocation is not practical for technical reasons or because of space limitations.

Section 252(d)(1) of the Act requires that we determine just and reasonable rates for interconnection and access to UNEs that are non-discriminatory and based on costs determined without reference to a rate of return or other rate-based proceeding. In addition, rates may include a reasonable profit.

BellSouth witness Varner states that the pricing standards specified in Section 252(d)(1) of the Act relate only to Sections 251(c)(2) and 251(c)(3) of the Act regarding interconnection and access to UNEs. He argues, therefore, that no standard is specified for the pricing of collocation. Witness Varner, however, also testified that collocation has been defined as a UNE, that it is really "access" to UNEs, and that the FCC rules have defined access to a UNE as a UNE itself.

From the testimony and evidence presented, it is apparent to us that collocation is a primary means of interconnection and access to UNEs. We believe, therefore, that collocation is subject to Section 252(d)(1) requirements. Thus, we apply the same requirements to the pricing of collocation apply as for other UNEs.

Methodologies

The parties in these proceedings advocate the use of differing methodologies in determining the rates for collocation. To a large

extent, the parties agree on what elements are needed for physical collocation, such as enclosures, cables, and cross connects. There is, however, significant disagreement as to how the costs for the various elements should be computed and recovered. We include a summary of each approach.

BellSouth's Collocation Cost Methodology

In support of its Physical Collocation proposals, BellSouth uses its TELRIC Calculator and its Physical Collocation Cost Estimating Spreadsheet. BellSouth witnesses Caldwell and Zarakas sponsor the TELRIC Calculator, which was used to develop TSLRIC and TELRIC estimates for the UNEs at issue in these proceedings. Although BellSouth develops specific models to determine the costs of some of the UNEs, such as the loop, switching and transport, witness Zarakas indicates that BellSouth uses a simple spreadsheet approach for physical and virtual collocation.

BellSouth witness Redmond, the only BellSouth collocation-specific witness, does not specifically address costs beyond vendor prices, and sponsors testimony only on BellSouth methods and procedures for the actual construction of the physical collocation space itself. No BellSouth witness addresses the costs of cabling or cross connects associated with physical collocation in detail.

Collocation costs are divided into recurring and non-recurring components in the BellSouth TELRIC Calculator. BellSouth witness Caldwell states that recurring costs reflect the capital costs and operating expenses associated with the investments required to provide an item of plant. Witness Caldwell asserts that capital costs include depreciation, cost of money and income taxes, while operating expenses include plant specific expenses, ad valorem taxes, and gross receipts taxes. Non-recurring costs include one-time expenses associated with provisioning, installing, and disconnecting the unbundled network element. She also asserts that the major non-recurring cost categories include service order processing, engineering, connect and test, and technician travel time. Witness Caldwell does not, however, address specific recurring and non-recurring costs associated with collocation except for the Application Fee and the Space Preparation charge, which were addressed in her rebuttal testimony.

BellSouth proposes an NRC for the Application Fee and cable installation. BellSouth suggests recurring charges for space construction, floor space, cable support structures, power, and POT bays, while it proposed both recurring and non-recurring charges for cross connects. BellSouth also proposes that charges for security escorts be assessed per occasion by the half hour. Finally, BellSouth proposes that space preparation costs be recovered via a non-recurring charge assessed on an Individual Case Basis (ICB).

BellSouth also provides a draft of its Property Management Physical Collocation Guidelines (Guidelines) that are in the process of being developed by BellSouth witness Redmond. These Guidelines address BellSouth's Property Management Department's activities in the collocation application process. We note that Property Management is one of several BellSouth departments involved in implementing collocation requests. Specifically, Property Management handles building modifications and contractor management. BellSouth demonstrates that other functions and departments involved in collocation include the BellSouth Collocation Center, which provides the Account Team Collocation Coordinator, the Interexchange Network Access Coordinator (INAC), Outside Plant Engineering (OSPE), Circuit Capacity Management (CCM), Common Systems Capacity Management (CSCM), and Central Office Operations.

According to BellSouth's Guidelines, the common physical collocation space in a CO should be laid out for the first request. The area should be selected in such a way that direct access can be provided without the collocator entering BellSouth space, even if extra construction is required to achieve this. The entire collocation space should be separated from BellSouth equipment by a barrier wall. The space should be designed to accommodate all prospective collocators, reserving, if possible, 3,000-5,000 square feet. According to the Guidelines, it is important to try to create a large common collocation space whenever possible rather than using existing small rooms, because even if the short term costs are greater, greater long term advantages are achieved.

BellSouth's approach also includes offering collocators the option of placing their equipment in either open lineups or within

walls constructed within the dedicated collocation area. The BellSouth design includes aisles to provide access to the equipment, and the Guidelines recommend that consideration be given for the possibility of "checker boarding," which means that space is left between the facilities of individual collocators to allow for growth. The Guidelines state that "checker boarding" is not required, however, and collocators are not guaranteed contiguous space within a CO. According to the Guidelines, each request for additional space requires a new application.

BellSouth witness Caldwell states that the costs we set for collocation should reflect forward-looking network architecture, engineering and materials, and equipment. BellSouth witness Varner argues against the adoption of AT&T/MCI's concept of a "hypothetical central office building." BellSouth witness Redmond also asserts that collocation, by definition, involves the rearrangement of existing central office facilities, not new buildings and, therefore, the Collocation Cost Model submitted by AT&T/MCI is inappropriate for estimating collocation costs.

AT&T/MCI's Collocation Cost Methodology

AT&T/MCI sponsored the Collocation Cost Model to determine the appropriate costs of collocation in Florida. According to witness Klick, MCI and AT&T retained technical subject matter experts to help develop efficient, forward-looking costs for physical and virtual collocation. Based upon a central office model layout and a collocation area model layout, the subject matter experts identified the investments that an efficient ILEC would need to make to provide collocation space to potential CLEC collocators, including the EF&I costs. Witness Klick asserts that the investments were used as inputs into the Collocation Model to estimate recurring and non-recurring costs.

AT&T/MCI's Model treats investments that are incurred for the benefit of a single collocator and that cannot be used by subsequent occupants of the collocation space as a non-recurring cost. Investments that are shared by more than one CLEC or can be used by subsequent occupants of the same collocation space are treated as recurring costs that would be paid for on a monthly basis by the collocators. In converting the monthly investments to

monthly costs, however, the Model incorporates a cost of capital that compensates the ILEC for both the time value of money and the business risk it incurs. In addition, witness Klick asserts that the Model includes a user-adjustable "occupancy adjustment factor" to explicitly recognize that each physical collocation space provided in the collocation area model layout may not be fully occupied over its economic life. Witness Klick further asserts that calculations for both monthly capital costs and the monthly operating expenses that would be incurred by the ILEC in efficiently providing collocation space on a recurring basis are developed using standard financial techniques. He adds that items such as taxes, general support investment, and common costs are reflected in the cost outputs of the Model.

The forward-looking CO model layout assumes a new urban CO designed for up to 150,000 lines, together with associated transport, power, multi-media, and miscellaneous equipment space. Such an office would need approximately 36,000 square feet of equipment space, or three equipment floors of about 12,000 square feet, plus a below-ground cable vault. The CO model layout also assumes an additional 3,000 square feet on each floor and an entire basement, except for the cable vault area, to provide a generous allowance for building support services such as main corridors, elevators, washrooms, lunch rooms, conference facilities, administrative areas, electrical rooms, and mechanical rooms. AT&T/MCI witness Bissell asserts that this results in an overall footprint of 15,000 square feet.

The Model area layout assumes a best-price planning strategy that permits more than one collocation area to be assigned in a CO based on available space in close proximity to ILEC cross-connects. Each collocation area is 550 square feet in order to take advantage of smaller areas that would be in relatively close proximity to ILEC cross-connects. Witness Bissell indicates that this assumption reflects an expectation by the model layout developers that, in terms of placement, the ILEC would employ the same best planning process that it would use when planning efficient equipment space allocations for its own equipment. Within the 550 square feet collocation area, the collocation area model layout assumes the construction of four 100 square feet equipment areas and a common space of 150 square feet. Witness

Bissell asserts that the Model anticipates that the cost of the entire common area would be shared by all CLECs, with no contribution from the ILEC, and that CLECs would request collocation space in increments of 100 square feet.

WorldCom's Collocation Cost Methodology

WorldCom does not sponsor any cost support of its own in these proceedings. WorldCom proposes that we permanently adopt the interim rates and elements contained in the BellSouth/MFS agreement. WorldCom argues that if we do not approve its interim collocation rates as permanent, then we should adopt the rates AT&T/MCI proposes.

Elements of Collocation

Application Fee/Cage Construction-Planning

BellSouth proposes a substantial one-time application fee of $7,186 to recover 87.5 hours of labor involving seven different BellSouth departments. BellSouth proposes to assess this fee at the initiation of each application process each time a CLEC requests new or additional space in a CO. Witness Caldwell asserts that BellSouth's proposed application fee would recover the costs of developing a firm estimate of the cost to build, provide, or add collocation space requested by a CLEC.

Witness Caldwell explains that the potential collocator first submits its initial application to the BellSouth Collocation Center. The Account Team Collocation Coordinator in that department acts as the customer interface and forwards the application to the INAC in the specific state who will be the area contact. The INAC distributes the application to the designated personnel in each BellSouth department involved in the process. These departments are Outside Plant Engineering, which handles cable entrance assessment; Circuit Capacity Management, which determines facility and equipment capacity and growth needs; Common Systems Capacity Management, which determines space planning equipment compatibility and handles cable support; Central Office Operations, which reviews facility, equipment, and space

operations; and Property Management, which handles building modifications and contractor management.

BellSouth demonstrates that Property Management receives the initial application from the INAC, logs it in and faxes it to its Facility Planner and Strategic Planner. The Facility Planner contacts the personnel in Network Operations and Capacity Management to review the central office for available space. According to BellSouth's Physical Collocation Guidelines, the Facility Planner is responsible for a high-level cost estimate responsive to the initial CLEC inquiries for collocation space. At that point in the inquiry process, a detailed design will not have been done; thus, the estimate would be made using the planner's "best guess" as to what the design will be. Property Management must respond to the INAC within 10 days, and the INAC must respond to the applicant within 15 days.

If the applicant then places a firm order, the routing process is essentially repeated. This time the Facility Planner contacts the various departments to prepare a space layout. A coordination meeting between the applicant and BellSouth personnel is scheduled to negotiate layout, intervals, and other requirements. BellSouth personnel are responsible for hiring any architects, engineers, consultants and contractors needed.

BellSouth's proposed application fee appears to cover only the man-hours associated with the initial application process leading up to the placement of a firm order. BellSouth witness Caldwell states in her testimony that the Application Fee covers the cost of a service inquiry function, which is performed to determine if a CLEC's request for physical collocation can be met. She analyzes the manpower requirements as follows:

INAC	40.0 hours
Marketing (Collocation Center)	27.5 hours
Property Management	3.5 hours
Outside Plant Engineering	0.5 hours
Common Systems Capacity Management	8.0 hours
Circuit Capacity Management	8.0 hours
	87.5 hours

After review of the breakdown provided for these manpower estimates, it appears that nine hours are spent reviewing the initial application and collocation agreement internally, as well as with the applicant, processing the application fee, and performing other initial administrative functions, such as identifying coordinators and updating data bases. Common Systems Management, Circuit Capacity Management, and Outside Plant engineering spend 16.5 hours determining high-level estimates of requirements and costs associated with their departments, and Property Management spens 3.5 hours developing a preliminary plan and high-level cost estimate. The INAC spends 40 hours conducting coordination activities, and providing the data and responses to the Account Team coordinator. Finally, Marketing spends another 18.5 hours coordinating, preparing and distributing the written response to the customer with the cost estimate.

Under BellSouth's plan, if the CLEC agrees and places a firm order, only then does design and construction of the collocation area and cage begin. BellSouth includes separate labor charges for design and engineering in its space construction and cable installation fees.

AT&T/MCI's model takes a different approach to the initial application and planning activities. It assumes that more total man-hours are spent developing the firm estimate of the costs of the project. It includes a different cost recovery approach. Specifically, it includes 52 hours of planning and design engineering specific to the individual collocator. In addition, it includes 66 hours of labor for planning and engineering that would apply not just to the first collocation request, but also to facilitate processing of subsequent requests in that same CO. Thus AT&T/MCI proposes a total of 118 manpower hours for initial planning. There are, however, several important distinctions.

The first distinction is that AT&T/MCI proposes that only the initial 52 hours be billed to the CLEC as an NRC in the amount of $3,325.43. According to AT&T/MCI witness Bissell, BellSouth incorporates the costs that AT&T/MCI identifies as specific to an individual CLEC, the non-recurring portion of its planning fee in Space Preparation (below) to be assessed as an ICB. As part of its proposed planning costs, AT&T/MCI includes a much smaller application fee to cover administrative costs such as those associated with setting up billing accounts.

Second, the next 66 hours of planning and design would be recovered through a recurring monthly charge to reflect the fact that subsequent collocators will also benefit from the initial planning activities. We note that AT&T/MCI includes more actual design and engineering in their proposed manpower requirements.

Unlike BellSouth, AT&T/MCI does not propose an initial Application Fee to recover all these costs up front. Instead, AT&T/MCI proposes a three-element Cage Construction charge, one portion of which is identified as "Planning." "Planning" consists of both the non-recurring and recurring charges we have described.

Specifically, AT&T/MCI witness Bissell expresses concern that BellSouth's proposed Application Fee does not address the reduced manpower required for subsequent collocation requests in the same CO. He notes that with physical collocation the manpower required for a second request would be much lower since the overall planning activities are completed with the first request. As an example, he states that when the first collocator is established, then the overall collocation area is in place, cable routes providing connectivity are installed, the entrance fiber route is established, and ILEC processes are in place. He proposes that, at a minimum, BellSouth should establish a separate, reduced application charge for subsequent collocation requests within the same CO. He states that, based on his experience, the subsequent charge should be reduced by 30 per cent.

WorldCom's witness Porter notes the difference between the $3,850 application fee in WorldCom's interim agreement and the substantially higher application fee that BellSouth now proposes. He states that most of the difference can be attributed to

"business marketing," which he says is not necessary for WorldCom to collocate in BellSouth's central offices. He concludes, therefore, that this marketing charge is unnecessary and excessive. BellSouth witness Caldwell explains that "marketing" expenses are those expenses associated with customer contact and administrative functions in connection with processing collocation requests, including meetings, clarifying terms and conditions, processing the application, preparing and distributing the response, and billing. WorldCom witness Porter does not dispute her explanation. He provides no further testimony or opinion on this element.

Conclusion

Upon consideration of the evidence and arguments presented, we find that BellSouth's manpower estimates for its initial Application Fee are excessive and do not adequately reflect that the effort associated with the first application for a given CO will not have to be repeated with subsequent requests or that the costs will be shared among all collocators within a CO. Based on the evidence in the record, we find that a two-part charge is appropriate, one recurring and one non-recurring, for recovery of planning and initial administrative costs associated with collocation construction. In so finding, we also determine that it is appropriate to incorporate more actual design and engineering work in this initial stage than that which BellSouth proposes. Essentially, we find that AT&T/MCI's proposed "bifurcated" planning charges are appropriate, with certain modifications. We note that AT&T, MCI, and WorldCom all object strongly to BellSouth's proposal that CLECs pay a high up-front charge before CLECs receive any information regarding whether and how much they will ultimately be assessed to prepare a space for collocation prior to construction of the collocation cage itself. We believe that the lower non-recurring charge and subsequent recurring charge will help alleviate some of that concern.

We do not, however, agree with AT&T/MCI's alternative proposal to charge a reduced Application Fee for subsequent collocation requests at the same CO. To the extent that there are one-time labor costs that benefit future collocators, those costs shall be recovered on a recurring basis from all collocators.

Space Preparation

For space preparation, BellSouth proposes an ICB rate. BellSouth demonstrates that the space preparation fee is a one-time fee per arrangement for each location. The fee covers the survey, engineering design, and building/support system modifications for the shared physical collocation area within a CO. It also covers additional "make ready work" specific to the collocator which is not included in the enclosure construction fee.

According to BellSouth witness Redmond, the ICB is necessary because BellSouth has no way to know what collocation will require from one central office to the next. Similarly, witness Varner states that space preparation should be ICB because the work that has to be done in each office has to be determined specifically for that office and for the collocator's needs. Furthermore, BellSouth witness Baeza states:

> Since there is such a variable range of what could be required to provide space for the CLECs, it must be determined on an individual case basis. There is no cookie cutter plan or template that would cover all. One set price for space preparation would have the potential to greatly undercharge one ALEC while greatly overcharging another. Therefore, space preparation must be considered on an Individual Case Basis.

Exhibit 20 at 94.

WorldCom's witness Porter advocates adopting the BellSouth/MFS interim rates. These interim rates include an ICB for space preparation. It therefore does not appear that WorldCom objects to ICB pricing for space preparation. WorldCom does, however, argue that if we do not adopt the interim rates it proposes, we should adopt the AT&T/MCI rate proposal, which does not include an ICB.

Also, AT&T/MCI does not propose a "space preparation" fee. AT&T/MCI does, however, include in its cage construction/planning fee some of the elements that BellSouth includes in its space

preparation fee, such as architecture, engineering, and building the physical collocation common area. In addition, the AT&T/MCI model assumes a 150 square feet common area that would be shared by four CLECs.

Furthermore, AT&T/MCI expresses three concerns with ICB pricing. First, AT&T/MCI witness Bissell states that AT&T/MCI does not believe that BellSouth should be allowed to recoup the cost for some of the elements they included in space preparation as an ICB. These items are asbestos removal, construction that is required to bring COs in compliance with Americans with Disabilities (ADA) standards, demolition costs, heating, ventilation, and air conditioning (HVAC), and 48 volt power plant expansion. AT&T/MCI argues that it is also concerned that it would not know the price for space preparation until after it pays the application fee. BellSouth's proposed application fee is $7,186. In addition, witness Bissell states that AT&T/MCI believes that BellSouth could manipulate the collocators' costs under an ICB by having complete discretion as to where the cage is placed.

As we note, AT&T/MCI believes that the costs for certain space preparation elements should not be recouped through an ICB, and that other elements included in BellSouth's space preparation fee should not be recouped at all. AT&T/MCI points out that the AT&T/MCI model assumes a completely new CO. Therefore, the new CO would not require asbestos removal, demolition, or modification to comply with ADA, for examples. According to witness Klick, the AT&T/MCI model includes the cost of constructing a brand new building that is compliant with all these requirements, even though BellSouth's COs in many cases are 20 or 30 years old. According to witness Bissell, the AT&T/MCI model layouts generate all investments necessary for the provision of collocation, but not for building modifications an ILEC would have to undertake just to bring space in the CO to the level needed to house equipment. Witness Bissell also states that the CLEC should not be required to bear the burden of space preparation costs associated with restoring space to its intended use or for costs required to make CO equipment space suitable for the purpose for which it is being rented. AT&T/MCI acknowledges that the ILEC could include the cost of asbestos removal in the CLEC's rent.

According to BellSouth witness Redmond, the costs of asbestos removal and ADA modifications should only be included when these costs are incurred because of "building out" collocation space. Furthermore, she asserts that if a large area requires modification or asbestos removal, the CLEC will only pay for its share of the space. In addition, she states:

> All construction is subject to the ... ADA. BellSouth performs all new construction in compliance with ADA. All of BellSouth's 'public access' facilities have been brought into compliance with the ADA. Compliance for all other facilities is done as a result of a handicapped employee reporting to that facility, or as rearrangements occur within a building. A percentage of all construction must go toward compliance.

Exhibit 22 at 74.

With regard to asbestos BellSouth only removes asbestos that is friable, which means that the asbestos is readily crumbling or brittle. Undisturbed asbestos is left in place and tagged. Abatement is then triggered by any construction that will disturb this asbestos.

As for demolition costs relating to collocation requests, witness Redmond states that such costs would be incurred infrequently. She explains that BellSouth does not demolish space as it is vacated because the space might be reused for equipment or personnel. She believes it would be "ludicrous" to spend funds on this effort until the space is needed. Furthermore, she testifies that if rearrangements or renovations are required as the space is reused for BellSouth entities, the department that is requesting the space provides the necessary funding. Witness Redmond argues that it should be no different in the case where a CLEC is the entity requesting space. We note that we have reviewed 19 cost estimating spreadsheets for actual collocation projects, and none have any asbestos removal or demolition costs included.

Finally, with regard to HVAC modifications, according to AT&T/MCI witness Bissell, BellSouth should be directed to develop a pre-determined cost for HVAC. He states:

> The design options for CO mechanical systems can vary between large building systems that are typically used to cool multiple areas of the CO and smaller stand-alone units to cool a specific area. However, according to a mechanical systems design consultant used during the development of the MCI/AT&T collocation cost model, the average 'installed' cost of providing HVAC in a telecommunications environment is $1,785.00 per ton of air conditioning, or $24.41 per DC ampere.

Transcript at 1050.

Witness Redmond states that she believes AT&T/MCI's HVAC assumption is not reasonable. She then states that she believes that there is no precise method to meet the HVAC needs of collocators. Furthermore, she states that BellSouth will always evaluate existing systems for capacity and for possible use for collocation.

Conclusion

Upon review of the evidence and arguments presented, it appears that an ICB charge is appropriate for most physical collocation space preparation elements when building support system modification, upgrades, asbestos removal, or demolition must be done to fulfill a CLEC's request for physical collocation. BellSouth states that it will pro-rate the common space preparation costs among all collocators based on the number of square feet requested. We note that while we agree that a forward-looking approach is appropriate, we do not agree with AT&T/MCI's "new CO" approach, because BellSouth will not be constructing a new CO to house collocators. Therefore, space preparation elements must be addressed.

Furthermore, we note that it is not possible to set specific rates for all conceivable space preparation elements. In order to do so, we would need to know the floor plan and mechanical arrangement of every BellSouth CO. We would also need to know where in that CO the collocator would locate, as well as the collocator's specific needs. Also, because AT&T/MCI argues that the CLEC should not be required to bear the burden of space preparation expenditures, there was little record support for any specific rates for space preparation. The information in the record regarding space preparation costs in BellSouth's cost estimating spreadsheets provides unit costs for asbestos removal, demolition, HVAC upgrades, common walls, and exterior doors. These unit costs appear to be based on contractor estimates. According to these estimates, upgrades for HVAC can cost as little as $800.00 for a relief air damper, and as much as $40,000 for a new CW fan unit.

Because the information regarding space preparation costs is limited, and because it would be almost impossible to anticipate each physical collocation scenario, we find that the most appropriate approach is to simply encourage the parties to work together during this phase of the physical collocation process. In situations where the CLEC disagrees with BellSouth's ICB space preparation charges, the CLEC may request that BellSouth obtain three additional independent estimates. If requested, BellSouth shall provide the additional estimates. We note that this does not

appear to be a significant issue at this time based on our review of the 19 cost estimating spreadsheets. As collocators continue to enter BellSouth COs and space becomes limited, however, additional modifications will become necessary. If disputes arise, the parties may bring disputes to us if they are unable to resolve them through negotiation.

Based on the evidence, the cost of the survey and engineering design for the shared physical collocation area within a CO are items that should not be an ICB. As we earlier indicate, the AT&T/MCI model includes manpower requirements associated with these items in its Space Preparation/Planning fee, and, as we also earlier discuss, we adopt the approach AT&T/MCI proposes for planning requirements.

The second area of concern for AT&T/MCI and WorldCom is that BellSouth would require the CLEC to pay an application fee in excess of $7,000 before the CLEC receives information regarding the cost for a complete collocation cage. WorldCom argues that BellSouth's most "offensive" charge in its physical collocation model is its application fee. AT&T/MCI argues that under BellSouth's plan, it must pay an "exorbitant" fee just to find out how much BellSouth will charge it to collocate in BellSouth's facilities. AT&T/MCI witness Bissell states that since the space preparation charge is on a case by case basis, it is very difficult for a CLEC to forecast its collocation costs or prepare a business case to enter BellSouth local markets. Furthermore, witness Bissell states that BellSouth's approach creates a barrier to entry and it discriminates against the first collocator in a BellSouth CO, who faces a large space preparation fee.

We believe that we address the CLECs' concerns in adopting AT&T/MCI's Cage Construction element, which includes both a recurring and non-recurring rate. This approach reduces the up-front costs associated with the initial application.

Finally, AT&T/MCI is concerned that BellSouth could manipulate the collocators' costs under an ICB by having complete discretion as to where the cage is placed. AT&T/MCI believes that BellSouth could require the CLEC to locate its cage at the farthest point from a cross connect, thereby increasing costs for cabling.

Also, AT&T/MCI asserts that if two spaces were available in a CO, BellSouth could choose the space that requires the most preparation in order to create a barrier to entry.

According to BellSouth witness Redmond, BellSouth and the collocators could negotiate location in a CO. Witness Redmond further states that BellSouth selects collocator locations, not only based on distance from cross-connects, but also on entries and exits, HVAC requirements and demolition requirements to keep costs down. Based upon these statements, it appears to us that BellSouth is willing to work with the collocator in determining cage location. We emphasize, however, that in negotiating location within a CO, all facets of physical collocation costs should be evaluated prior to choosing the collocation area(s). Location should not be determined based only on how close the CLEC is to the cross-connect.

Space Construction/Cage Preparation

As we discuss above, physical collocation requires the segregation of the CLEC's equipment from that of the ILEC; therefore, some type of enclosure or cage must be constructed. BellSouth proposes a space construction element that has recurring rates. Witness Redmond asserts that the recurring rates cover materials and installation of the equipment arrangement enclosure. The enclosure is constructed of gypsum board walls.

AT&T/MCI's proposal for cage preparation includes the cost of wire mesh and the ancillary equipment necessary for collocation within the cage area, including the cost of HVAC, but excluding racking and grounding, which are shown separately. AT&T/MCI also proposes a recurring rate.

WorldCom advocates adopting the interim rates in the MFS/BellSouth agreement. The rate for space construction in that agreement is a non-recurring rate. According to WorldCom witness Porter, this rate is for a wire enclosure.

While the parties agree that an enclosure is necessary, witness Redmond notes that there is considerable disagreement as to what type of material should be used to construct the enclosure.

Here, we address three types of enclosures: wire mesh; gypsum board; and fire rated.

AT&T/MCI and WorldCom advocate the use of wire mesh cages. AT&T/MCI witness Bissell states that AT&T/MCI believes that wire mesh is cleaner, easier to install, safe, and the most cost effective method of providing for collocation. Witness Bissell asserts that a wire cage provides a secure environment because you can see through it. In addition, he argues that it allows for better lighting and air circulation. BellSouth witness Redmond agrees that a wire mesh cage costs less to construct compared to a gypsum board enclosure as BellSouth advocates.

BellSouth advocates the use of gypsum board enclosures. Witness Redmond asserts that BellSouth believes that the wire mesh walls advocated by AT&T/MCI are unsafe because the use of wire mesh raises the possibility of introducing multiple isolated and integrated ground planes in close proximity to each other. Witness Redmond asserts that BellSouth's subject matter experts believe that the introduction of these various ground planes could cause electrocution. Witness Redmond further asserts that the danger of electrocution is present when items are grounded to two different ground planes close enough to each other that a person can touch them both. If there is any current on one of the grounds, the person becomes the connection for the two and could be electrocuted.

Although none of the parties specifically advocates the use of fire-rated walls to construct the cages, witness Redmond indicates that it may be a necessity in order to meet local codes in certain areas. BellSouth presents evidence that in some municipalities, local code officials classify physical collocation enclosures as a multi-tenant building, thereby requiring the enclosures to be constructed of one-hour, fire-rated walls. A fire-rated wall is a certain thickness of gypsum, with solid studs that must go all the way up to the deck of the floor above. A fire-rated wall prevents a fire from spreading. BellSouth also presents evidence that fire-rated walls are more expensive to construct and require more work to install HVAC and cable racking. BellSouth indicates that of the municipalities where BellSouth has received inquiries for physical

collocation, Hollywood and Miami are ones where physical collocation has been classified as a multi-tenant building.

In view of the evidence and arguments regarding all three types of enclosures, we find it appropriate to set rates for each type. We note that we were not persuaded by BellSouth's argument that wire cages are unsafe because of grounding issues. In addition, witness Bissell states that wire mesh walling, when properly grounded, is just as safe and as secure a method of division among equipment as gypsum walling. With regard to fire-rated walls, we acknowledge that BellSouth will have to build collocations to meet local fire codes. In addition, we encourage the parties to work together to determine which cage material best meets the parties' needs, as well as the requirements of the CO.

In setting its rates for the various cage enclosures, we use data provided by both AT&T/MCI and BellSouth. For its proposed rates for wire cages, AT&T/MCI obtains price quotes from various contracting sources. In addition, it collects price information provided by R.S. Means' Building Construction Cost Data and Electrical Cost Data publications for 1997. In most cases, the price quotes differ from the R.S. Means price by less than five percent, and in no cases by more than 20 percent, with the R.S. Means prices typically the higher prices. It therefore chose to use the R.S. Means rate wherever such data existed. AT&T/MCI compares actual estimates with R.S. Means data. BellSouth does not propose any costs for wire mesh construction.

BellSouth develops its cost for gypsum wall enclosures based on actual quotes received. According to witness Redmond, she attempts to estimate what it would cost to construct the individual collocator's enclosure. She develops a mean value for what the total linear feet of gypsum board wall for each arrangement would be. She includes costs for dust barriers, doors, as well as mechanical and electrical considerations. Finally, she assesses architectural and engineering fees at eight per cent of the construction cost. She indicates that these are basic components that are common to all enclosures. The cost study only incorporates these costs. It does not consider any extra items that may be necessary to complete the enclosure, such as floor tile, for example.

AT&T/MCI witness Bissell believes that BellSouth's cost for gypsum walls construction is excessive when compared to the cost in the R.S. Means guide. On review of the actual quotes provided by various contractors to BellSouth and presented as evidence in these proceedings, as well as other evidence, we do not find that BellSouth's estimates for gypsum walls are excessive.

Finally, AT&T/MCI witness Bissell states that BellSouth's proposed rate for a one-hour fire rated gypsum wall is high in comparison to a figure in R.S. Means. The figure in R.S. Means, $27.12 per linear foot, is for an eight-foot high, one and a half hour rated wall. Witness Bissell asserts that BellSouth's rate for a one-hour, fire-rated wall is $115.00 per linear foot. BellSouth witness Redmond explains that the difference is that the walls in BellSouth's COs have a minimum ceiling height of thirteen feet, six inches; not eight feet. In addition, she explains that gypsum board is sold in eight-foot sheets; therefore, there are additional costs, especially labor costs, when using eight-foot sheets for ceiling heights in excess of eight feet. AT&T\MCI witness Bissell agrees that CO walls are typically thirteen feet high.

Conclusion

Based on the arguments and evidence presented, we approve rates for the various types of cage enclosures. These rates are set forth in Table XIII at the end of our discussion of physical collocation. All rates are for 100 square feet. A separate rate has been set for each additional 50 square feet. The cost for each additional 50 square feet is applicable only when ordered with the first 100 square feet. The rate for wire cage enclosures includes: partitioning (posts, fabric, gates, & installation), floor tile, one padlock, electrical equipment, including a light fixture, motion type light switch, outlets, circuit, conduit, and exit light fixture, a phone jack and mesh grounding. The rate for gypsum cage enclosures includes; gypsum board (installed), dust barrier, floor tile, a door, electrical equipment, including a light fixture, motion type light switch, outlets, circuit, conduit, and exit light fixture, and a phone jack. The rate for the one-hour, fire-rated walls includes all the same items as the gypsum cage enclosures, except that the gypsum board is one-hour, fire-rated.

Finally, we find that a CLEC may construct its own cage using its own contractor. Contractors used by the CLECs must, however, meet the same standards as other contractors permitted to work in BellSouth's COs. BellSouth Property Management personnel shall be allowed to monitor and inspect the project in order to maintain the integrity of the CO, as well as the equipment of other collocators.

Floor Space/Land & Building

This element pertains to the rent associated with land and building use. Both BellSouth and AT&T/MCI propose a monthly recurring charge based on the floor space associated with the cage and also a portion of the required common area. According to AT&T/MCI witness Bissell, both proposals use R.S. Means as a source for the building investment as a starting point. Also, he asserts that BellSouth includes real estate costs in other rate elements by applying land and building cost factors to other non-real estate investments. AT&T/MCI uses a land investment amount of approximately $20 per 100 square feet.

Conclusion

After making adjustments to both proposals for cost of capital, depreciation, and other areas as we discuss in Part III, we determine that the parties' proposed rates for this charge are actually very similar. BellSouth proposes a rate per square foot, while AT&T/MCI proposes a rate per 100 square feet. AT&T/MCI's rate, however, includes the costs for a portion of the common area. Upon consideration of the evidence presented, we find that a per square foot rate is appropriate. This rate shall also be applied to the collocator's proportionate share of the common area. It is set forth in Table XIII.

Cable Installation/Entrance Fiber

BellSouth has proposed a non-recurring Cable Installation Fee per cable which includes 27.5 hours of labor associated with engineering, cross connect, and testing. The AT&T/MCI model proposes a non-recurring Cable Installation Fee-Entrance Fiber per cable, which includes 14 hours of labor for installation, splicing, and testing of the cable. Witness Bissell states that he includes six hours of engineering labor costs associated with cabling in the planning element. Witness Bissell also notes that the main difference in the charges is the engineering labor.

BellSouth also proposes a monthly recurring Cable Support Structure charge per entrance cable, which would cover the use and maintenance of the CO duct, riser, and overhead racking structure to the collocator's equipment. BellSouth assumes that no sharing of these facilities will occur. According to witness Bissell, BellSouth also assumes cable utilization of 50 per cent, 400 feet of cable, and cable rack capacity of 30 cables.

In addition, AT&T/MCI proposes a recurring fee per cable for Entrance Fiber that includes shared cable racks and use of the manhole. Costs would be recovered through an occupancy charge that would ensure that BellSouth costs are recovered, even if a collocation space is not used 100 per cent of the time. The AT&T/MCI model also includes labor for installation from the manhole to the collocation space, but assumes that materials would be provided by the CLEC. AT&T/MCI assumes 85 per cent cable rack utilization, 300 feet cable lengths, and a maximum 74 cables per

rack. AT&T/MCI also includes a state-specific Structure Charge for each foot of innerduct. Witness Bissell states that BellSouth includes this charge as part of the cable support structure charge.

Conclusion

When AT&T/MCI's utilization and sharing assumptions are incorporated into the BellSouth TELRIC Calculator, the cost estimates are substantially reduced, and are similar to those in the AT&T/MCI model. Based on the record, therefore, we incorporate AT&T/MCI's assumptions because we find that sharing facilities will be necessary in the large, urban COs where collocation has been requested to date. We believe that efficient design and BellSouth's plans to congregate collocators require maximum possible utilization and sharing of cable racks and cable holes.

Power

BellSouth proposes a recurring monthly charge per ampere that includes: 48 volt power equipment, redundant feeder fused positions, and emergency backup power. AT&T/MCI divides the power costs between two recurring charges: one for Direct Current (DC) Plant per ampere, and the other for Alternating Current (AC) usage per DC ampere. The AT&T/MCI DC Plant charge includes the same elements as BellSouth's charge, as well as cable and structure from the power plant to the Battery Distribution Fuse Bay (BDFB). The AC usage charge recovers the cost of electricity required to power the 48 volt DC plant.

AT&T/MCI also proposes non-recurring charges associated with power delivery. These consist of three separate non-recurring charges for various power delivery amperage options. AT&T/MCI presents evidence that the costs include the cables and racking from the BDFB to the collocation area. Witness Bissell states that this cost does not appear to be included in BellSouth's cost data. He surmises that BellSouth includes this cost as part of its space preparation charge as an ICB.

In its Guidelines, BellSouth states that any required changes or expansions to electrical infrastructure must be included as part of the ICB charge for space preparation. This could include an

outlet/lighting panelboard with a main breaker and individual circuit breakers, feeder breakers, minimum general lighting and electrical systems for general space requirements, and any necessary conduit and cabling.

AT&T/MCI witness Bissell expresses concern that BellSouth is proposing to double recover costs of power plant expansion in its proposed rates. He argues that BellSouth has included the cost of power plant expansion in the space preparation charge, and has also included a recurring charge that would recover these costs on an ongoing basis. Witness Bissell contends that BellSouth is entitled to recover the costs of power plant expansion, but should not be allowed to recover these costs by both methods, because BellSouth would receive a double recovery of its costs. BellSouth witness Baeza denies that BellSouth is double recovering for the cost of power plant expansions, stating that when the Guidelines refer to charges for power plant expansions, they only include any building construction necessary, and not the addition of batteries, rectifiers, or other plant items. Indeed, the Guidelines specifically state that:

> Should the customer elect to add/build DC power plant, the costs for construction of the power equipment enclosure will be included in the space preparation fee when BellSouth performs the construction. Such enclosure, whether constructed by BellSouth or a contracted vendor, will become the property of BellSouth.

Exhibit 5 at 506.

We note, however, that the Guidelines also state that:

> Additions and/or upgrades to the power plant in any central office should be considered part of the Space Preparation Charge determined at the time of application based on building and space modification requirements for shared space at the requested central office. Alteration of power plant is included

> in the category of extraordinary costs to BellSouth.
>
> Power Plant requirements should be determined (by BellSouth Capacity Management) during the initial survey/review of the central office. The collocator should be advised as soon as possible if power plant is a factor in the calculation of Space Preparation charges.

Exhibit 5 at 518.

This language indicates to us that BellSouth intends to charge a specific collocator for power plant expansion costs. We believe that this would be inappropriate if BellSouth also intends to assess a recurring charge for power that includes recovery of this investment. Power plant expansions are more appropriately recovered in recurring charges because they will benefit both BellSouth and future collocators. Therefore, power plant investment shall not be included in any space preparation charge assessed to a collocator. On this point, we encourage BellSouth to clarify its Guidelines in order to avoid any misinterpretation by either BellSouth personnel, regulators, or collocators in the future on this point.

Conclusion

When we incorporate the cost of capital and depreciation adjustments and do the calculations using the same per kilowatt hour rate, we find that the parties' proposed rates are not substantially different. Therefore, based on the evidence in the record, we approve BellSouth's proposed rate structure consisting of a single recurring charge per ampere.

POT Bays

According to BellSouth's Guidelines, collocated equipment will be cabled to a Point of Termination (POT) device which serves as a test point and a physical demarcation between BellSouth and the collocator's equipment. Both BellSouth and the collocator have access to the POT bay. The Guidelines also state that collocators

will have the option to provide their own POT bays, and that floor space designated for POT equipment will be controlled by BellSouth. A POT bay is a relay rack approximately seven feet high and less than two feet wide.

Conclusion

BellSouth proposes monthly recurring charges for each cross connect for four different types of POT bays. AT&T/MCI assumes that it will provide their own, and does not propose rates for POT bays. In view of AT&T/MCI's assumption that it will provide its own POT bays, we have not set rates for POT bays. Furthermore, we note that WorldCom asks that AT&T/MCI's proposals be adopted if WorldCom's interim rates are not approved. WorldCom does not provide information regarding rates for POT bays. We shall not set rates, therefore, for POT bays for WorldCom.

Cross Connects

"Cross connects" provide the connectivity between the CLEC's collocation area and the ILEC's facilities. BellSouth and AT&T/MCI both propose rates for cross connects at various transmission speeds. BellSouth proposes recurring charges per cross connect, and non-recurring charges per cross connect order, for 2-wire, 4-wire, DS-1, and DS-3 cross connects. BellSouth's proposed recurring charge per 4-wire cross connect is simply twice the rate for the 2-wire. AT&T/MCI witness Bissell asserts that BellSouth's non-recurring charges are for labor associated with customer order processing and that BellSouth includes some costs for repeaters for DS-1 and DS-3 cross connects.

AT&T/MCI presents evidence that its proposed non-recurring charge includes the cost of the cabling and terminal blocks used for interconnection. AT&T/MCI assumes that this element is not reusable and therefore treats it as a non-recurring charge. AT&T/MCI does not include separate charges for customer order processing for collocation cross connects. AT&T/MCI states that the labor charge is reflected in AT&T/MCI's Non-recurring Cost model. The evidence shows that AT&T/MCI's recurring charges include costs for shared cable racking and shared MDF, and assume the use of 100 pair cables. AT&T/MCI proposes the same recurring

charge for both types of voice grade circuits, 2-wire and 4-wire cross connects, on a per 100 circuit basis. AT&T/MCI also assumes that both Digital Cross Connect System (DCS) and Digital Signal Cross Connect (DSX) circuits are used.

BellSouth assumes that repeaters will be required for five to ten per cent of the cabling. AT&T/MCI disagrees, however, with BellSouth's use of repeaters for CO cabling. AT&T/MCI first notes that even the cable lengths that BellSouth assumes do not require the use of repeaters. AT&T/MCI witness Bissell argues that the FCC has required that repeaters not be included in ILEC cabling costs. Witness Bissell also argues that BellSouth does not include repeaters in its cost study for virtual collocation. He asserts that this indicates that BellSouth does not anticipate that the cable lengths in its own equipment areas would require repeaters. AT&T/MCI witness Bissell claims that including repeaters in physical collocation costs is discriminatory, especially because BellSouth has control over placement of the physical collocation areas.

Our review of the recurring rates for cable proposed by BellSouth and AT&T/MCI shows that the difference in the rates is substantial. BellSouth witness Caldwell sponsors the cable costs in the TELRIC Calculator. BellSouth's collocation witnesses do not, however, specifically address cabling costs in their testimony. Although witness Caldwell is aware that BellSouth disagrees with AT&T/MCI's assumptions for sharing and cable lengths needed to reach the POT bays, she is unable to explain the differences. She simply notes that, in BellSouth's cost study, the distance between BellSouth's equipment and the CLEC POT bay is an engineering estimate of the average distance. BellSouth also indicates that the estimate assumes a concentration of physical collocation in large, multi-floor metropolitan central office buildings.

With respect to the concerns expressed by AT&T/MCI witness Bissell regarding BellSouth's assumptions of average cable length, cable rack lengths, use of repeaters, cable utilization factors, the number of cables per rack, and sharing of racks by CLECs. witness Caldwell states that these were inputs from BellSouth network and engineering experts. Some of the differences, which

are substantial, are caused by the different planning assumptions in the two models with respect to location of collocation spaces relative to the cross connects. According to witness Caldwell, AT&T/MCI's model assumes the use of space close to the cross connects, while BellSouth's numbers reflect what BellSouth believes it can actually achieve, based on discussions with subject matter experts. BellSouth provides no other basis for its estimates and assumptions for cable related elements.

AT&T/MCI witnesses Bissell and Klick testify regarding their own assumptions with respect to cable lengths. They address some concerns of others that the application of the FCC's "first come, first served" criteria, set forth in FCC 96-325 at ¶585, might place newer CLECs at a disadvantage because the first CLECs to request collocation would be able to get available space close to cross connects, while subsequent CLECs would be required to take space farther away resulting in higher cable lengths and costs. Witnesses Bissell and Klick assert, however, that this would not occur under their model assumptions because they calculated cable lengths using "best case" and "worst case" scenarios in terms of cable lengths and distance from the cross connects. They propose that all CLECs pay for cable based on that average length. Under their proposal, no CLEC would be placed at a disadvantage relative to another regardless of their actual locations within the CO.

Another major cause for the difference between BellSouth and AT&T/MCI cable lengths, according to AT&T/MCI witness Bissell, is that BellSouth assumes only "worst case" scenarios with respect to its choice of COs from which to take measurements. Witness Bissell contends that BellSouth has selected only extremely large, urban COs, which contain, among other things, retired-in-place equipment and large empty spaces around and through which cable must be placed. Witness Bissell states that very large COs require longer cable lengths. Witness Bissell contends that only a few of BellSouth's COs actually match this description; therefore, the more appropriate approach would be to measure cable lengths based on an average of all the COs in BellSouth's territory. Witness Bissell states that the AT&T/MCI model incorporates a three-floor CO that is still likely to be twice the size of an average CO in BellSouth's territory.

BellSouth witness Redmond provides information regarding Florida COs and collocation requests. On review of that information, we note that of 20 COs reviewed for space availability pursuant to a CLEC inquiry, seven were in Miami, five in Orlando, four in Ft. Lauderdale, two in Hollywood, and one each in Perrine and Lake Mary. Of the seven in Miami, one inquiry was made for a downtown Miami CO. According to the data provided, ten firm orders were placed, and seven have been completed. Six of the ten are in Orlando COs, one in Miami, two in Hollywood, and one in Ft. Lauderdale. The collocation order in Miami was in the downtown CO.

Conclusion

The evidence supports our belief that most collocation requests will involve relatively urbanized areas, at least in the near future. We believe also that it is appropriate that cabling lengths reflect this assumption. Although we do not believe that cable lengths should necessarily reflect all the "worst case" scenarios in BellSouth's Florida COs, neither do we believe it is appropriate to give a great deal of weight to the rural COs where it appears unlikely that collocation space will be requested in the near future.

Our intent here is to balance the competing interests of the parties in a way that will allow CLECs the opportunity to enter the market and compete effectively, and still allow BellSouth to recover appropriate costs to provide these elements. We do this by developing average cable and cable rack lengths incorporating estimates provided by both parties. We do not include repeaters because we consider cable lengths that require repeaters to be excessively long. We assume there will be sharing of cable racks by CLECs.

We note that BellSouth estimates its own cable rack utilization is approximately 67 per cent, although it uses a lower factor for physical collocation. AT&T/MCI proposes that 85 per cent be used. Since BellSouth's goal is to establish a single common collocation area in its COs in order to concentrate collocators, we find that it is reasonable to assume that sharing of facilities to manage space and equipment efficiently will take place. We believe that such sharing of facilities may be more

difficult if collocators use small pockets of space, as the AT&T/MCI model advocates. We, therefore, determine that 85 per cent is a reasonable utilization factor for cable racks. Furthermore, we agree with and adopt the AT&T/MCI collocation model's assumption of 75 per cent occupancy to account for space that may not be in use all the time.

AT&T/MCI includes costs for optical circuits, while BellSouth does not. AT&T/MCI witness Lynott notes that BellSouth models only DSX cross connects and plug-ins in their studies. BellSouth does not model a forward-looking technology using DCS, which does not require a manual copper cross connect at the DSX-1. Instead, it models one that performs an electronic cross-connect automatically in two seconds from an upstream OSS/INE provisioning system in a mechanized flow-through manner. AT&T/MCI witness Bissell states that the majority of DS-1 and DS-3 circuits to which CLECs will want to interconnect are currently located on DSX panels. He asserts, however, that in some COs those higher bandwidth circuits may have been relocated to an electronic digital cross connect system. Based on the evidence, we find it appropriate to include DCS connectivity rates and optical circuits based on AT&T/MCI's proposal, and we require BellSouth to offer them, if available. If the parties have any difficulties they cannot resolve themselves, they may seek our assistance in resolving the dispute.

As we earlier note, BellSouth does not provide a specific witness for cross connects associated with collocation. Thus, it is difficult to compare the different approaches used by the parties in developing these rates. AT&T/MCI includes in its proposed non-recurring charges the costs of cabling and terminal blocks used for interconnection on the assumption that they are not reusable. BellSouth incorporates these costs in its recurring charges. AT&T/MCI witness Bissell assumes that these costs are made non-recurring because cabling and terminal blocks are not reusable.

Upon consideration of the evidence and arguments presented, we find it appropriate to approve recurring rates that are based on AT&T/MCI's proposed rate structure, including rates for DCS connectivity and optical circuits.

Security

AT&T/MCI, BellSouth, and WorldCom agree that there is a need for security in the physical collocation environment. There is, however, disagreement as to how security should be provided.

BellSouth proposes security escorts for all physical collocators that do not have a separate entrance. The minimum time to be billed for an escort is a half-hour, based on regular time, overtime, and premium time. The AT&T/MCI Physical Collocation Cost Model assumes no security escorts are required. The model does assume the cost of five security access cards and maintenance for a security card reader.

According to BellSouth witness Redmond, only 58 out of 197 COs in Florida have electronic security card systems. Witness Redmond clarifies that even though 58 COs have card readers, not every relevant door has a card reader. For example, a card reader may be placed on the front door of the CO, while the collocation project may be located by a back or side door that does not have a card reader. She states that the card access system BellSouth uses costs $10,000 per door. Therefore, it is installed in facilities only after BellSouth rationalizes commensurate risk factors.

The AT&T/MCI model includes the cost of the card reader as part of the cost per square foot. The AT&T/MCI Model assumes the cost of a completely new building that would have modern security access. Witness Bissell states that he does not believe there is any new building in the past five years without security access cards. According to witness Redmond, however, the newest BellSouth urban CO was built in 1975. BellSouth's witness Baeza states that in some cases the only space available for physical collocation may be in the middle of a restricted area, and, therefore, a card reader would not work.

Witness Caldwell believes that a card reader and access cards are reasonable security measures, but the cost of a card reader is significant. She believes not all collocators will want to pay for the necessary costs if they can simply use a lock and key.

BellSouth proposes to bill for the security escort in one-half hour increments. BellSouth states that it uses one-half increments

to be consistent with the billing structure for labor rates currently used in the virtual collocation tariff and in the state access tariff. Both BellSouth and MCI/AT&T believe the appropriate rate for a security escort is the labor rate of a frame technician.

Finally, AT&T/MCI witness Bissell proposes response times for both maintenance and security escorts. BellSouth does not dispute these response times. Table XII shows the response times AT&T/MCI proposes. We find that they are reasonable, and therefore we approve them. They are shown in the table below.

TABLE XII
Maintenance and Security Escort Response Times

CENTRAL OFFICE TYPE	COMMISSION APPROVED RESPONSE TIME
Staffed & Attended	1 Hour
Staffed & Unattended	4 Hours
Not Staffed & Normal Business Day	2 Hours
Not Staffed & Non-Normal Business Day	4 Hours

Note: Staffed: Technicians scheduled to work in the location.
Attended: Hours during which technicians required to be at CO.
Normal Business Day: Usually Monday-Friday, 0800 to 1700 hours.

Conclusion

Based on the evidence in the record and the arguments presented, we require the CLEC to pay for the access cards and maintenance in COs where card readers are in place and at the entrance the CLEC will use. Where card readers are not in place, we require CLECs to pay for a security escort. We do not believe one-half hour is required to escort a CLEC representative to the CLEC's collocation. BellSouth does not provide support for that length of time in this record. We find that it is reasonable that

security escort services should be billed in increments of one-quarter of an hour and, therefore, we find it appropriate to require that service to be billed on that basis.

Upon consideration, we hereby approve the rates and elements for physical collocation as shown in Table XIII.

TABLE XIII
Physical Collocation-Approved Rates and Elements

ELEMENT	COMMISSION APPROVED UNIT	COMMISSION APPROVED NON-RECURRING RATES	COMMISSION APPROVED RECURRING RATES
APPLICATION FEE/PLANNING FEE	Per Request	$3,248	$15.53
SPACE PREPARATION	Per Request	ICB	not applicable
CAGE CONSTRUCTION			
Wire Cage	Per first 100 sq. ft.	not applicable	$41.99
Gypsum Board Cage			$84.10
Fire Rated Cage			$99.73
Wire Cage	Per Additional 50 sq. ft.	not applicable	$4.14
Gypsum Board Cage			$9.35
Fire Rated Cage			$11.30
FLOOR SPACE/LAND AND BUILDING	Per sq. ft.	not applicable	$4.25
CABLE INSTALLATION	Per Cable	$1,056	$2.77
CABLE RACK		not applicable	$22.94
POWER	Per Amp	not applicable	$6.95
CROSS CONNECTS			
2-wire	Per 100 Circuits	$1,157	$5.24
4-wire	Per 100 Circuits	$1,157	$5.24
DS-1/DCS	Per 28 Circuits	$1,950	$226.39
DS-1/DSX		$1,950	$11.51
DS-3/DCS	Per 28	$528	$56.97

ELEMENT	COMMISSION APPROVED UNIT	COMMISSION APPROVED NON-RECURRING RATES	COMMISSION APPROVED RECURRING RATES
DS-3/DSX	Circuits	$528	$10.06
OPTICAL CIRCUITS	Per Circuit	$2,431	$6.46
SECURITY ESCORT Regular Time Overtime Premium Time	Per 1/4 Hour	 $10.89 $13.64 $16.40	not applicable
SECURITY ACCESS CARDS	Per Request (5 cards)	$85.12	not applicable

F. Virtual Collocation

Element Description

According to BellSouth witness Caldwell, virtual collocation provides for the installation of collocator-owned equipment and facilities in BellSouth's central offices in order to connect to BellSouth's network. She explains that virtual collocation arrangements are located in the BellSouth equipment line-up. Collocators place a private fiber entrance facility from outside the central office to an interconnection point designated by BellSouth. The wiring between the collocator's equipment and BellSouth equipment is completed by a certified vendor.

AT&T/MCI witness Bissell's description of virtual collocation is similar. He adds that typically the CLEC purchases the equipment it wants to use on the ILEC premises, and sells it to the ILEC for a nominal $1.00 sum. The equipment is then installed in vacant space. The ILEC handles maintenance and is reimbursed by

the CLEC. Witness Bissell states that when necessary, the CLEC may enter the premises with a security escort. In contrast to physical collocation requirements, he notes that a virtual collocation arrangement does not require construction of cages or investment in cabling for connections, power or grounding.

Rates

BellSouth witness Varner sponsors the BellSouth rates for virtual collocation. Although BellSouth has submitted TSLRIC studies pursuant to our order, as well as TELRIC estimates, witness Varner proposes that the current tariffed rates for virtual collocation be retained. He argues that prices must account for the cost of the element and also reflect the market, regulatory, and competitive conditions that exist for similar services. Since BellSouth currently has approved interstate and intrastate tariffs in place for virtual collocation, he argues that arbitrage would result if we were to set different prices in Florida. He notes that arbitrage opportunities arise when two different rates apply for the identical service.

Witness Varner believes that the current virtual collocation tariffs comply with the requirements of the Act, and that the tariffs were based on costs at the time they were filed in 1994. BellSouth does not, however, offer those costs in support of its virtual collocation proposal in these proceedings. We note that the TSLRIC and TELRIC estimates BellSouth submits for virtual collocation differ, in some cases substantially, from the rates in the tariff.

Floor Space, Power, Cable Support Structure, and Security Escort Charges

As witness Bissel notes, cages are not required for virtual collocation. The necessary elements are an application charge to cover planning and processing of the collocation request, floor space, cable installation, power, cross connect connectivity, and security escorts. In AT&T/MCI's approach, witness Bissell explains, virtual collocation includes the same investment assumptions for cable racks and building space as with physical collocation.

Both parties' proposals reflect lower manpower requirements associated with the application fee than those for physical collocation. BellSouth proposes 45 hours in its application fee, whereas AT&T/MCI proposes 66 hours. Both propose a one-time, non-recurring charge. AT&T/MCI also proposes that a separate application fee be developed for virtual collocation requests that involve provisioning of additional cable only. Witness Bissell suggests that 20 hours of planning and engineering should be sufficient to reflect this smaller type of installation. BellSouth witness Baeza states that the application fee covers only the cost to review the application to assess the work that needs to be accomplished. As with physical collocation, we agree with AT&T's manpower estimates for virtual collocation, which are greater than those which BellSouth proposes. AT&T's estimates do, however, include more labor associated with design engineering.

Conclusion

Based on the evidence in the record, we find that the manpower requirements to process an application for additional cable for an existing collocator will not be as great as those for an initial application. An initial application would involve planning and engineering for equipment and power, as well as cabling requirements, according to witness Bissell. Thus, we include a separate application fee for virtual collocation requests that involve placement of additional cable.

We develop rates for virtual collocation based on the cost data submitted by the parties in these proceedings. We determine that this is appropriate based on the requirements of the Act. To the extent that BellSouth believes that its intrastate and interstate tariffs must be identical, BellSouth may modify its Florida interstate tariffs. If BellSouth wishes to have region-wide rates for collocation, then it may attempt to accomplish that through negotiations with CLECs.

As for floor space, power, cable support structure, and security escort charges, our findings are the same as those for physical collocation. AT&T/MCI includes a tariffed "structure" charge per foot of innerduct, which it states BellSouth includes in

its cable support structure charge. We do not include it because it is already tariffed. Finally, AT&T/MCI includes rates for connections between collocators in the CO. BellSouth does not propose such rates or address those AT&T/MCI proposes. The Guidelines acknowledge, however, that such connections are permissible. On that basis, we hereby find it appropriate to approve AT&T/MCI's proposed rates, as adjusted, for virtual collocation as shown in Table XIV.

TABLE XIV
Virtual Collocation-Approved Rates

ELEMENT	COMMISSION APPROVED UNIT	COMMISSION APPROVED NON-RECURRING RATE	COMMISSION APPROVED RECURRING RATE
APPLICATION FEE/PLANNING FEE	Initial Request	$4,122	not applicable
	Add'l Cable Request	$1,249	not applicable
FLOOR SPACE/LAND AND BUILDING	Per sq. ft.	not applicable	$4.25
CABLE INSTALLATION	Per Cable	$965	$12.45
CABLE RACK	Per 1/4 Rack	not applicable	$2.24
POWER	Per Amp	not applicable	$6.95
CROSS CONNECTS			
2-wire	Per 100 Circuits	$1,157	$5.02
4-wire	Per 100 Circuits	$1,157	$5.02
DS-1-DCS	Per 28 Circuits	$1,950	$226.39

ELEMENT	COMMISSION APPROVED UNIT	COMMISSION APPROVED NON-RECURRING RATE	COMMISSION APPROVED RECURRING RATE
DS-1-DSX	Per 28 Circuits	$1,950	$11.51
DS-3-DCS	Per Circuit	$528	$56.97
DS-3-DSX	Per Circuit	$528	$10.06
OPTICAL CIRCUITS	Per Connection	$2431	$6.71
VIRTUAL to VIRTUAL CONNECTION			
FIBER	Per Cable	$526.17	$.19
DS-1/DS-3	Per Cable	$134.46	$.17
EQUIPMENT MAINTENANCE AND SECURITY ESCORT			
Regular Time	Per 1/4 Hour	$10.89	not applicable
Overtime		$13.64	
Premium Time		$16.40	

G. Directory Assistance and Dedicated Transport

Definitions

Operator Systems

In FCC 96-325 at ¶534, the FCC determined that incumbent LECs must provide access to operator services and directory assistance facilities where technically feasible. In FCC Rule 47 C.F.R. § 51.5, operator services and directory assistance are defined as follows:

> 'Operator services' are any automatic or live assistance to a consumer to arrange for

> billing or completion of a telephone call. Such services include, but are not limited to, busy line verification, emergency interrupt, and operator-assisted directory assistance services.
>
> 'Directory assistance service' includes, but is not limited to, making available to customers, upon request, information contained in directory listings.

In its order, the FCC explained:

> We conclude that incumbent LECs are under the same duty to permit competing carriers nondiscriminatory access to operator services and directory assistance facilities as all LECs are under section 251(b)(3). We further conclude that, if a carrier requests an incumbent LEC to unbundle the facilities and functionalities providing operator services and directory assistance as separate network elements, the incumbent LEC must provide the competing provider with nondiscriminatory access to such facilities and functionalities at any technically feasible point. We believe that these facilities and functionalities are important to facilitate competition in the local exchange market. Further, the 1996 Act imposes upon RBOCs, as a condition of entry into in-region interLATA services the duty to provide nondiscriminatory access to directory assistance services and operator call completion services. We therefore conclude that unbundling facilities and functionalities providing operator services and directory assistance is consistent with the intent of Congress.

Order 96-325, ¶ 534.

Dedicated Transport and Common Transport

Our review of the applicable FCC rules shows us that the FCC considers dedicated and common transport as interoffice transmission facilities. It defines these facilities as follows:

> (1) Interoffice transmission facilities are defined as incumbent LEC transmission facilities dedicated to a particular customer or carrier, or shared by more than one customer or carrier, that provide telecommunications between wire centers owned by incumbent LECs or requesting telecommunications carriers, or between switches owned by incumbent LECs or requesting telecommunications carriers.

47 C.F.R. § 51.319.

Pursuant to Order PSC-96-1579-FOF-TP, BellSouth is required to provide CLECs with access to Dedicated Transport and Directory Assistance Transport.

Rate Element Descriptions

The rate elements and respective descriptions for the Directory Transport UNEs are set forth below. Only non-recurring charges for Dedicated Transport DS1 Interoffice per Facility Termination will be set in these proceedings, because recurring rates for this element were previously set in Order No. PSC-96-1579-FOF-TP.

Local Channel DS1

This rate element provides the transmission path and associated electronics between switching locations that enable a call to be transported from one location to another. The evidence in this record demonstrates that these facilities are dedicated to a single network provider between BellSouth end offices and tandem offices and CLEC end offices. This segment includes dedicated or common transport from the Point of Presence (POP) or Point of

Interconnection (POI) to the Serving Wire Center (SWC) and to the Access Tandem, Local Channel (LC), and Interoffice Transport.

DS1 Interoffice per Mile, DS1 Interoffice per Facility Termination (Directory Transport and Dedicated Transport), and DS1 Interoffice per Trunk or Signaling Connection

Each of these rate elements provides a transmission path and the associated electronics between BellSouth's end offices so that a CLEC can transport DS1s from one location to another. These facilities are dedicated to a single network provider.

Recurring Rates

BellSouth uses its TELRIC Calculator to develop the recurring rates that it proposes for these UNEs. AT&T/MCI's proposed recurring rates for these UNEs are also developed using BellSouth's TELRIC Calculator, but with AT&T/MCI's proposed inputs and assumptions. All of the adjustments to the Local Channel DS1 and DS1 Interoffice Per Mile and Per Facility termination rate elements are adjustments for depreciation, cost of money, income tax factors, plant specific factors, ad valorem factors, and shared cost factors.

Conclusion

Based on the evidence in the record and applying our decisions above in Part III, we hereby approve the recurring rates for the rate elements of Directory Assistance Transport shown in Table XV.

TABLE XV
Approved Recurring Rates for Rate Elements for Directory Assistance Transport

Rate Element	Commission Approved Rate

Local Channel DS1	$43.64
DS1 Interoffice Per Mile	$0.6013
Per Facility Termination	$99.79

Non-recurring Rates

BellSouth uses its TELRIC Calculator to develop non-recurring costs. The process for developing the non-recurring costs for UNEs, which yields TELRIC costs, is described above in Part III.B.

AT&T/MCI uses its NRCM to develop the non-recurring costs for the DS1 Interoffice Per Facility Termination rate elements. Witness Ellison states that:

> the non-recurring cost model multiplies individual work activity times by the applicable rate per hour to determine the activity cost. After the total costs of provisioning the service type are calculated, the model sums the costs and applies an 'overhead factor' to arrive at the total cost of provisioning that service type.

AT&T/MCI's proposed nonrecurring rates for the remaining rate elements of these UNEs are developed using BellSouth's TELRIC Calculator and AT&T's proposed inputs and assumptions.

Forward-Looking Technology

ATT/MCI witness Lynott states that forward-looking network architectures are important because they are intelligent, processor-controlled network elements that can communicate over standard interfaces to the OSSs in such a manner that little or no manual intervention is required for provisioning or maintenance activities.

BellSouth witness Caldwell states that some of the interfaces AT&T advocates are available but not to the extent described by witness Lynott. Witness Caldwell contends that it is not presently possible to mechanize totally the connection from the CO to the customer's premises.

BellSouth witness Varner states that BellSouth proposes using the cost of equipment that is required to provide these elements in the future. Witness Varner asserts that the CLECs propose using the cost of hypothetical equipment that will not be used and in some cases is non-existent. Witness Lynott asserts, however, that BellCore specifications are currently available for electronic interfaces and he contends that this technology is available.

BellSouth witness Zarakas states that the cost study that BellSouth presents is based on an efficient and forward-looking technology. Although BellSouth asserts that its cost study reflects forward-looking technology, BellSouth witness Landry states that digital cross connects are not considered in the studies; instead, manual cross connects are used.

Conformance Testing

Witness Lynott states that AT&T/MCI's NRCM assumes certain levels of testing. Witness Lynott states as an example, that the model recognizes continuity-type testing to insure connectivity. The costs of conformance-type testing, which is necessary to insure that installed facilities deliver services meeting the required specifications, are captured, however, within the maintenance loading for recurring rates. This is because this testing is performed during the EF&I phase associated with plant placement. We note that BellSouth does agree with AT&T witness Ellison's allocation of costs to recurring and nonrecurring costs.

Conclusion

Upon consideration, we find that BellSouth may recover costs associated with conformance testing in the EF&I phase of the plant placement process in recurring charges. Therefore, we do not allow BellSouth's proposed non-recurring engineering costs.

Work Times

AT&T witness Hyde asserts that BellSouth's cost studies consistently include errors that result from incorrect application of BellSouth's own methodologies. Witness Hyde notes, as an example, that BellSouth's model does not recognize the currently available OSS systems that allow CLECs to interface with BellSouth electronically. AT&T/MCI witness Lynott asserts that AT&T/MCI's model contains the necessary work steps, activities, and work times required to order and provision the UNEs at issue. Following the model's costing guidelines, he states that AT&T/MCI makes adjustments to recognize electronic ordering, efficiently managed OSSs, and forward-looking network architecture benefits. AT&T/MCI only uses its model for the non-recurring costs for DS-1 Facility Termination.

AT&T/MCI witness Lynott states that his assumption of four activities per trip is based on load and work time record samples from the Work Force Administration (WFA) system, a system used by all of the RBOCs. BellSouth witness Landry states that the WFA system is an electronic system for coordinating the dispatch of technicians and monitoring the completion of service turn-ups, among other things. He also states that there are some limitations to the WFA system's capabilities. Witness Landry points out that the effect of the electronic capabilities of the WFA system is reflected in the work times, which are provided by the network subject matter experts. Witness Landry also states that witness Lynott uses substantially lower work times. He asserts that witness Lynott considers many functions that are in fact necessary to be unnecessary, causing the work times and associated costs AT&T/MCI proposes to be understated.

BellSouth proposes work times of 0.4167 hour for a first installation, and 0.4167 hour for each additional installation. AT&T/MCI proposes work times of 0.4867 hour for a first installation, and 0.4200 hour for each additional for the DCS Connect & Test function, which is one of the activities associated with establishing the DS-1 local channel.

BellSouth proposes one activity per trip for the installation of a digital cross-connect system, whereas AT&T/MCI proposes four activities per trip. BellSouth witness Caldwell agrees that the 20

minutes for travel time proposed by AT&T/MCI is in accord BellSouth's estimates.

Conclusion

We believe it is significant that, while AT&T/MCI uses data from the WFA system and network subject matter experts as the basis for the work times it advocates, BellSouth uses Florida-specific data from network subject matter experts as the basis for its work time proposals. Having reviewed the job function descriptions and the respective work times provided by the parties, we accord the greater weight to the work times BellSouth proposes because it has actual operations records for these functions, which make its proposed work times more reliable. Therefore, we find it appropriate to reduce BellSouth's proposed work times by 25 per cent of the difference of the respective work times proposed by BellSouth and AT&T/MCI.

We adjust AT&T/MCI's proposed work activities and times in order to determine the appropriate DCS installation work times. First, we remove the work times associated with ordering activities for the reasons set forth in Part V below. Next, we determine that BellSouth's assumption of one work activity per trip is not reasonable. We do not believe it is consistent with an efficient, forward-looking installation process. AT&T/MCI's assumption of four activities per trip, however, appears to us optimistic. We, therefore, find it reasonable to use a middle-range of two work activities per trip. Thus, the work time for DCS cross connect installation that we approve is 0.3550 hour. Tables XVI-XVIII show the installation work times we find appropriate to approve.

TABLE XVI
Ds-1 Local Channel-work Times Rate Element for Directory Assistance Transport

Function	Code	Commission Approved Installation Work Times, Hours	
		First	Additional
Engineering	32XX	2.2500	2.2500
Engineering	470X	0.3725	0.3725
Engineering	400X	0.0122	0.0116
Engineering	341X	0.0375	0.0000
Connect & Test	431X	0.3550	0.3550
Connect & Test	411X	1.6208	1.6042
Connect & Test	471X	0.0000	0.0000
Travel	411X	0.3000	0.0000

TABLE XVII
DS1 Level Facility Termination Rate Element for Directory Assistance Transport and Dedicated Transport

Function	Code	Commission Approved Installation Work Times, Hours	
		First	Additional
Engineering	341X	0.0250	0.0000
Engineering	31XX	0.0000	0.0000
Connect & Test	470X	0.3725	0.3725
Connect& Test	471X	0.0000	0.0000

Function	Code	Commission Approved Installation Work Times, Hours	
		First	Additional
Connect & Test	431X	0.6781	0.6640

TABLE XVIII
Installation per Trunk or Signaling Connection Rate Element for Directory Assistance Transport

Function	Code	Commission Approved Installation Work Times, Hours	
		First	Additional
Engineering	4N2X	2.2500	0.0500
Connect & Test	430X	2.0000	0.0000

Table XIX shows the nonrecurring rates that we approve for each of the UNEs associated with interoffice transport. The DS1 Facility Termination rate applies to both Directory Assistance and Dedicated Transport, while the other two rate elements apply only to Directory Assistance.

TABLE XIX
Nonrecurring Rates

Rate Element	Commission Approved Rate, Installation	
	First	Additional
Local Channel DS1	$242.45	$226.44
DS1 Facility Termination	$45.91	$44.18
Installation Per Trunk or Signaling Connection	$332.42	$8.82

H. 4-Wire Analog Port

Element Definition

We determined in Order No. PSC-96-1579-FOF-TP that incumbent LECs must provide local switching as an unbundled element. 47 C.F.R. §51.319(c)(1)(i) defines the local switching element to encompass:

> (A) line-side facilities, which include, but are not limited to, the connection between a loop termination at a main distribution frame and a switch line card;
>
> (B) trunk-side facilities which include, but are not limited to, the connection between trunk termination at a trunk-side cross-connect panel and a trunk card; and
>
> (C) all features, functions, and capabilities of the switch which include, but are not limited to:
>
> (1) the basic switching function of connecting lines to lines, lines to trunks, trunks to lines, trunks to trunks, as well as, the same basic capabilities made available to the incumbent LEC's customers, such as telephone number, white page listing, and dial tone; and
>
> (2) all other features that the switch is capable of providing, including but not limited to custom calling, custom local area signaling service features, and Centrex, as well as any technically feasible customized routing functions provided by the switch.

The local switching element consists of the actual switch functionalities and the port. According to BellSouth witness

Caldwell, the port is the facility used to connect a loop to an end office or local switch. Witness Caldwell also states that the port facility includes required signaling and transmission plug-ins, which are necessary to convert the 4-wire signaling to 2-wire signaling on incoming calls, and conversion from 2-wire to 4-wire signaling on outgoing calls. According to AT&T witness Ellison, the 4-wire port is identical to the 2-wire port already priced; i.e., the 4-wire port is simply a 2-wire port bundled with signaling and terminating equipment.

We also established usage charges for local switching and recurring and non-recurring rates for the 2-wire port in Order No. PSC-96-1579-FOF-TP. In these proceedings, we establish recurring and non-recurring rates for the 4-wire port.

Cost Models

The parties use two models in the development of costs for the 4-wire port. BellSouth uses BellCore's SCIS to develop switch-related costs. BellSouth witness Garfield states that SCIS is a PC-based software application that determines the switching investment required to provide end users with services and features. SCIS determines switching investment by taking engineering and pricing information obtained from switch manufacturers and combining that with a particular carrier's network configuration and demand characteristics to calculate the cost of switching functions and features. SCIS is a proprietary model. Although it has been provided for review in this proceeding, public disclosure of the model's internal design is prohibited. None of the parties contested the accuracy of the model.

BellSouth witness Garfield explains that there are two programs in the SCIS model that determine investment amounts for features and services provided by central office switching machines. First, the SCIS Model Office program (SCIS/MO) determines investment amounts for the functions that a switch performs. The other program is the SCIS Intelligent Network (SCIS/IN), which calculates the investment required to provide a given feature or service. AT&T witness Petzinger argues, however, that while BellSouth uses the SCIS/MO program to calculate the investments for the 4-wire port, it does not actually use the

SCIS/IN program to develop the investments for the features provided by the switch. We discuss the use of SCIS/IN and vertical features more extensively below.

BellSouth witness Caldwell states that SCIS uses Florida specific switch data, including: office characteristics and traffic patterns, parameters of the switch being studied, and vendor information, including technical descriptions and prices. BellSouth uses SCIS to calculate the investment amount attributable to the port. Witness Zarakas states that BellSouth then inserts the SCIS-generated port investment amount into the TELRIC Calculator to determine the recurring rate. AT&T/ MCI also relies on SCIS to develop the port investment amount and uses BellSouth's TELRIC Calculator to develop the rates for the 4-wire port. In addition, when determining the proposed rate for the port, BellSouth adds the RRR.

Recurring Rate

The cost analysis for the 4-wire analog port demonstrates that there are two material components: the port investment and the signaling and terminating equipment, which converts signals from 2-wire to 4-wire. AT&T/MCI does not dispute the material or investment amount BellSouth proposes for the signaling and terminating equipment. It does, however, disagree with the investment amount proposed by BellSouth for the switch that is applicable to the port.

SCIS: Average mode vs. Marginal mode

According to AT&T witness Petzinger, in the 1970's, SCIS was originally designed to determine average switching costs. She asserts that the assumption at the time was that all elements of the switch should be considered usage sensitive in order to determine the average cost of vertical features and services. Witness Petzinger explains further that in the late 1980's and early 1990's, incremental costing became more prevalent and the ability to calculate marginal costs was added to the model. Witness Petzinger states that the marginal mode in SCIS distinguishes between items that are fixed costs and those that are variable costs. If an investment is classified as a fixed cost by

the model, then that investment will not be recovered on a usage basis, as a variable cost would.

BellSouth witness Garfield agrees with witness Petzinger, stating that SCIS was originally developed using average costing methods only. Witness Garfield states that SCIS was enhanced to accommodate both average and marginal costing methods to keep up with the changing needs of local exchange carriers. Witness Garfield asserts that the choice to run SCIS in one mode over the other is not dependent on individual hardware components of a switching system, but is a choice made by BellSouth's subject matter experts.

BellSouth witness Garfield states that SCIS/MO, when run in the average mode, is designed to apportion switch investment over demand to assure total recovery of the switch. Witness Garfield also states that SCIS, when run in the marginal mode, determines the investment associated with the next unit of demand. He states that marginal cost results are typically less than average cost results, because fixed or shared investments are treated differently in each mode.

AT&T witness Petzinger states that it is incorrect for BellSouth to run SCIS in the average mode. She states that when SCIS is run in the average mode, the model automatically assigns the "Getting Started Investment" as a traffic sensitive investment. Witness Garfield further states that the "Getting Started Investment" consists of: the central processor and related equipment; maintenance and test equipment; spare components; miscellaneous equipment; and investment for under-utilized equipment. Witness Petzinger states that SCIS defines "Getting Started Investment" as that equipment that is required to get a switch up and running without respect to size and traffic.

Witness Petzinger states that SCIS, when run in the average mode, assigns the "Getting Started Investment" as traffic sensitive, because of an assumption that the switch will be replaced when the processor's capacity becomes depleted. Witness Petzinger states that BellSouth assumes that switch processor utilization at the time of replacement would be 28 per cent. Witness Petzinger states that switch capacity will not become

depleted. This is vindicated, she argues, by BellSouth's own input into the SCIS model, which indicates that BellSouth's switches in Florida are currently utilizing only 27 per cent of processing capacity. She concludes therefore that switch processor capacity would not become depleted during the life of the switch. Witness Petzinger asserts that the marginal mode of SCIS does not treat the processor investments as traffic sensitive if those investments are not expected to become depleted. She states that, instead, these investments are treated as fixed costs that are required to make the switch operational over its life.

BellSouth witness Caldwell disagrees with AT&T witness Petzinger's assertion that the "Getting Started Investment" should be allocated to the non-traffic sensitive portion of the port investment. Witness Caldwell states that BellSouth referred to the actual function in the switch that will use the "Getting Started Investment." Witness Caldwell argues that the cost should be assigned to the call processing millisecond, because that creates the need for the switch. BellSouth witness Garfield states that SCIS, when run in the average mode, will compute a "Getting Started Investment" per millisecond based on the switch's average processor utilization over the life of the switch, as opposed to current processor utilization only.

BellSouth witness Garfield also disagrees with AT&T witness Petzinger's proposal for allocation of the "Getting Started Investment." Witness Garfield states that the allocation of the "Getting Started Investment" over the total number of lines that exist today, and not the total number of lines expected to be served over the life of the switch, will result in an over-recovery of the "Getting Started Investment."

AT&T witness Petzinger counters by stating that, in addition to the processor, there are numerous other items in the "Getting Started Investment." Witness Petzinger states that BellSouth has treated all of the "Getting Started Investment" for every switch as traffic sensitive. Witness Petzinger asserts that this treatment of the "Getting Started Investment" violates the basic principle of reflecting costs based on causation, and, therefore, the non-traffic sensitive "Getting Started Investment" should be assigned to the non-traffic sensitive port element.

We note that BellSouth witness Caldwell, when asked to verify BellSouth's inputs into the SCIS model, including BellSouth's 27 per cent input for switch processor capacity utilization, responded that she was unfamiliar with the program and therefore could not verify any of the inputs used in the model.

Switch Contract Prices

AT&T witness Petzinger explains that the SCIS model contains current list prices from various switch vendors. The SCIS user then enters the contract discount as an input into the model. The model then calculates the appropriate switch unit investments. She states that BellSouth has, however, several types of switch contracts with various switch vendors. BellSouth has contracts with NorTel for DMS 100 switches, contracts with Lucent for the 5ESS switches and a contract with Siemens Stromberg-Carlson. Witness Petzinger asserts that these contracts fall under one of two types: contracts for new switches or contracts for adding growth capabilities to existing switches.

Witness Petzinger states that she reviewed the Nortel and Siemens switch contracts and three Lucent switch contracts. She states that BellSouth used the prices from the Nortel contract and from two of the three Lucent contracts. The two Lucent contracts consist of a general contract negotiated in 1992 and a newer growth contract. According to witness Petzinger, the manner in which BellSouth uses these contracts results in a per line price that is two and a half times the prices witness Petzinger reviewed in BellSouth switch contracts. Witness Petzinger asserts that BellSouth used the higher priced cost of a switch from the general contract and applied it to one small category known as the "Getting Started Investment." She further asserts that for all other equipment, and for every line ever installed in all of BellSouth's service territory, BellSouth applied the higher growth price contained in the older Lucent contract.

Witness Petzinger states that she does not use the switch price from the Nortel contract or any switch growth prices. She indicates that she uses only the replacement switch price from the 1996 Lucent contract in the SCIS model. Witness Petzinger asserts

that a replacement switch contract typically contains a lower per line price then does a growth contract. In other words, the cost per line to add equipment that will provide additional lines to an existing switch is typically higher than the per line cost of a new switch.

Witness Petzinger supports her position for the per line price that she uses by stating that it is an actual BellSouth contract price. Witness Petzinger demonstrates that it is neither the highest nor lowest BellSouth contract price. In addition, she asserts that it is unreasonable to believe that BellSouth would purchase switches out of its higher price contracts, when it has lower prices in other contracts. In addition, witness Petzinger explains that she takes into consideration higher growth prices. She further explains that a net present value analysis plays a significant part in switching investment, stating that:

> I did take into account the concept that a higher growth price exists. The reality is it isn't relevant, and the reason it's not relevant is because you have an option to buy today at a lower price and then you can pay a higher price tomorrow and next year and the year after that. At some point in the life cycle of that switch, it will be cheaper in today's dollars to buy at the higher growth price. The reality is, that insures that the maximum price you will ever actually pay is the new switch number. You're only going to go and buy out of the higher growth price number when it's actually cheaper to do so in today's dollars.

Transcript at 1638-1639.

Witness Petzinger states that the process used by BellSouth is performed outside SCIS. That is, the methodology for determining which BellSouth switches are priced at which contract price is not a part of the SCIS model. Witness Petzinger asserts that it is the result of the calculation that is used as an input into SCIS. BellSouth witness Garfield also states that the process involves taking the information in the contract and developing the

appropriate number that goes into the system. There is more to it than just matching a number in the contract to what is in the system. Witness Petzinger states that she cannot make out, in either the cost study papers or in the CD-ROM provided by BellSouth, the methodology used by BellSouth.

When asked to verify the per line prices she identifies in her testimony as those prices that BellSouth used as inputs to the SCIS model, witness Caldwell stated that she is unable to verify that those prices were input into the SCIS model. She provides some calculations in order to show how BellSouth derives its proposed per line price for both the Nortel and Lucent switches, which do not, however, show how many lines were associated with new switches, and how many lines were obtained under the growth contract. The calculation only shows the total cost for lines associated with Lucent switches and the total cost for lines associated with the Nortel switches. BellSouth then uses these numbers to calculate a melded per line switch cost.

In view of the limited evidence presented, we are unable to determine whether or not BellSouth applies the switch prices correctly to develop an appropriate melded rate. Therefore, we are unable to verify that the per line prices BellSouth proposes are accurate. AT&T witness Petzinger's analysis includes more contract information than BellSouth provides, and we find her analysis more persuasive.

Treatment of Vertical Features

BellSouth witness Caldwell states that switch features are incremental to the port and local switching. She also states that the feature components consist mainly of right-to-use (RTU) fees and processor usage over and above the processor usage to switch a call. The local switching usage rates that we set in Order No. PSC-96-1579-FOF-TP included processor usage for vertical features. We believe that this is consistent with the FCC's definition that all features, functions and capabilities of the switch are included with the switching element. See FCC 96-325, ¶423.

As we state above, the local switching usage rates that we set earlier were developed to recover costs associated with processor

usage for vertical features. The local usage rates that we set here apply regardless of which port is used. AT&T witness Ellison states that the 4-wire port is identical to the 2-wire port that we have already priced, except that the 4-wire port is simply a 2-wire port bundled with signaling and terminating equipment. Witness Ellison states further that adding this additional equipment to the 2-wire port should not cause the pricing structure to change, but should reflect only the cost of the added equipment. We note that individual rates for vertical features were neither proposed nor established in the original arbitration proceedings for these parties. The AT&T and MCI interconnection agreements with BellSouth reflect our decision that there shall be no additional charge for use of features, functions and capabilities of the switch.

Conclusion

The parties' respective port investment amounts represent for us the investment boundaries. BellSouth uses contract prices for all Lucent switches from its oldest, highest priced contract. The Lucent switches represent the majority of switches in use in BellSouth's network. AT&T/MCI proposes using one contract price as a surrogate for all of BellSouth's switch contract prices, including the Lucent and NorTel switch contracts. There is, however, insufficient evidence in the record to support either party's port investment amount. Therefore, having weighed the evidence presented, the investment amount we approve is the average of the investment amounts proposed by each. In view of the limited support provided by the parties, we believe that this is a reasonable and therefore appropriate solution.

The 4-wire port recurring rate we approve does not include any change to the portion of the investment attributable to the signaling and transmission equipment. AT&T/MCI does not dispute BellSouth's proposed investment amount attributable to the signaling and transmission equipment. Therefore, we believe that the recurring rate for the 4-wire port should be based on the average of the two investment estimates provided by the parties, which are amounts attributable to the port, and the agreed-upon investment amount for the signaling and transmission equipment. In addition, the rate shall reflect the adjustments to the cost of

capital, depreciation, and shared and common cost factors we determine above in Part III. Also, the rate we approve does not include the amount attributable to BellSouth's proposed RRR. Based on the evidence in the record, we hereby approve a recurring rate of $9.14 for 4-wire port.

Non-recurring Rate

The non-recurring charge for the port is developed in BellSouth's TELRIC Calculator. AT&T/MCI does not use its NRCM to develop its proposed non-recurring costs for the port. Instead, AT&T/MCI chooses to use the TELRIC Calculator with its own inputs. The non-recurring cost development, as proposed by BellSouth, includes five job functions: Customer Point of Contact; Network Services Clerical; Recent Change Line Translations (Recent Change Memory Administration Group (RCMAG)); Central Office Installation and Maintenance; and Account Customer Advocate Center (ACAC).

The parties differ in their proposed work times for each of the five job functions. BellSouth, AT&T and MCI all use the TELRIC Calculator to develop the non-recurring cost for the port. The combined analyses of AT&T and MCI reflect their own adjustments to BellSouth's cost study. On review, we note that the work times AT&T/MCI proposes represent the "best case" scenario for provisioning a 4-wire port. Based on the evidence presented, it appears to us that this scenario assumes a technologically efficient OSS such that manual intervention is negligible. BellSouth's proposal represents work times that are greater. We note that, in accordance with Order No. PSC-98-0123-PCO-TP, we remove the Customer Point of Contact and ACAC functions.

Witness Lynott explains that the difference between the work times in BellSouth's proposal and AT&T's proposal is due to BellSouth's position that RCMAG would perform the manual input for switch translations. We note that switch translations must be performed when a port is provided to a CLEC, and that the translations inform the switch as to which company the customer is assigned. This is similar to the PIC change that occurs when an end user changes long distance carriers.

Conclusion

Witness Lynott assumes that a line translation in the switch should flow through from the service order processor to the switch. Hence, no manual intervention would be incurred. He assumes, however, that the loop and port that are currently serving the end user will be provided "as-is" to the CLEC. "Migration" by means of UNEs is an issue that was severed from this proceeding to be addressed in Docket No. 971140-TP. Accordingly, we do not comment on that issue here. For purposes of these proceedings, we therefore assume that the local switching function is ordered as a single network element unbundled from other network elements. Under this assumption, the port provided by BellSouth may be connected to a loop provided by the CLEC. In that case, we believe that the evidence shows that the switch must be updated with new instructions to route the call accordingly. These instructions can only be entered manually by BellSouth. The work time of 0.0078 hour AT&T/MCI proposes, which is switch processor time only, does not reflect the time necessary for manual input of the switch translations. Therefore, we hereby approve the RCMAG work time BellSouth proposes.

The work time AT&T/MCI proposes for the Network Services Clerical function is very small. Witness Lynott does not explain this function. BellSouth provides persuasive support for the work time it proposes for this function. We find the work time BellSouth proposes reasonable, and we therefore approve it.

TABLE XX
WORK TIMES FOR 4-WIRE PORT

Function	Description	Commission Approved Installation Work Times, Hours	
		First	Additional
Connect & Test	Network Services Clerical	0.0104	0.0104
Connect & Test	Recent Change	0.0250	0.0250

Function	Description	Commission Approved Installation Work Times, Hours First	Additional
	Line Translation		
Connect & Test	Central Office Installation & Maintenance	0.1000	0.1000

Based on the evidence in the record and for the reasons stated above, we hereby approve a nonrecurring rate of $5.86 for a 4-wire port. The rate we approve is for both initial and additional orders.

V. OPERATIONAL SUPPORT SYSTEMS

In Order PSC-98-0123-PCO-TP, we granted in part and denied in part the Joint Motion to Strike Testimony and Exhibits regarding OSSs filed by AT&T, MCI, and WorldCom. We granted the Motion with respect to all testimony and exhibits pertaining to the costs of OSS functions developed specifically for the CLECs, both manual and electronic.

Although the FCC and the Eighth Circuit have indicated that OSSs are considered UNEs, OSSs were not identified in Order No. PSC-97-1303-PCO-TP, Order No. PSC-96-1579-FOF-TP, or Order No. PSC-96-1531-FOF-TP as UNEs for which permanent rates would be set in these proceedings. However, even though we will not set rates for OSSs or access to OSSs in these proceedings, BellSouth has a statutory obligation to negotiate or arbitrate this issue when requested to do so by a CLEC.

We denied the Motion with respect to testimony and exhibits addressing BellSouth's proposal to recover shared and common costs associated with its legacy systems (OSSs in place prior to competition) through the UNE rates proposed in these proceedings. We ordered each party to compile a list to be presented at the

hearing identifying its respective testimony and exhibits pertinent to establishing rates for OSSs (i.e., manual and electronic) to be stricken.

OSSs are the electronic, software driven computer programs and databases that BellSouth uses to manage its pre-ordering, ordering, provisioning, repair, maintenance and billing processes for both its retail and wholesale operations. We identify two types of OSSs in these proceedings. First, we identify BellSouth's legacy systems, such as Trunk Information Record Keeping System (TIRKS), Computer System for Mainframe Operations (COSMOS), Loop Facilities Assignment Center (LFAC), Assignment Facilities Inventory Group (AFIG), and Circuit Provisioning Group (CPG). Most of the costs associated with BellSouth's legacy systems are related to electronic, software driven computer programs and databases. Thus, these costs are presumably capitalized in BellSouth's investment accounts and recovered in its shared and common costs. Second, we identify OSSs that were developed specifically for the CLECs' use, such as Local Exchange Navigation System (LENS), Electronic Data Interchange (EDI), LCSC, and ACAC. In addition to a charge per electronic order, BellSouth proposes to recover the costs associated with these systems through its NRCs, manual and electronic.

WorldCom argues that BellSouth has not removed all of its costs related to the establishment of manual and electronic OSS rates. Specifically, it argues that BellSouth should exclude the LCSC costs. The LCSC was designed specifically for the CLECs' use to process the local service order for BellSouth to provision. Even though the LCSC work group in the ordering and provisioning processes is dedicated to the CLEC, BellSouth witness Varner argues that BellSouth should not have to incur the additional costs for this center. Therefore, it did not remove LCSC costs from its cost study. Instead, witness Varner maintains that BellSouth removed the $10.99 rate associated with the systems that a CLEC would use if it were to place an order electronically. In fact, witness Varner stated that all of the electronic interface costs such as LENS and EDI, were excluded from the non-recurring costs. He believes that this is consistent with Order PSC-98-0123-PCO-TP, as well as Order PSC-96-1579-FOF-TP, which provides that each party shall bear its own cost of developing and implementing electronic interface systems.

Despite our direction in Order PSC-96-1579-FOF-TP, at hearing it became apparent that the parties to the proceeding had differing views as to what costs should be excluded as well as what was to be considered an OSS function. Hence, we agreed to allow BellSouth's testimony that included costs for manual ordering to be introduced into evidence. We reasoned that in allowing this testimony, we would provide the parties the opportunity to cross-examine responsive witnesses and then to brief the issue as to what costs should be included related to legacy systems, and what costs should not be included, in these proceedings.

WorldCom argues that despite our order, BellSouth includes in its study costs associated with the LCSC order taking function. It further argues that the LCSC is a manual OSS function that is set up as an alternative to the electronic system. We agree. As witness Varner states, the LCSC is utilized by the CLECs for the purpose of ordering. The costs associated with the LCSC include the time spent on the phone with the CLEC taking down the information that the CLEC has requested, preparing an order and sending it downstream for processing. WorldCom states that the specific OSS costs to be removed have been identified by BellSouth witness Caldwell.

MCI argues that the LCSC activities are inappropriate in light of the FCC's requirement that electronic interfaces be available by January 1, 1997. As a result, MCI asserts that BellSouth should be required to exclude all unnecessary manual costs associated with service ordering, including the LCSC.

AT&T and BellSouth do not argue about what costs are to be associated with manual ordering. However, BellSouth witness Varner did assert at hearing that BellSouth proposes a non-recurring price that includes the cost of the LCSC if a CLEC places an order manually, and a different price if a CLEC places an order electronically. Only LCSC costs associated with fallout are included in BellSouth's proposed electronic ordering charge, according to witness Caldwell.

BellSouth's proposed prices for electronic ordering are lower than those for manual ordering. However, witness Varner asserts

that there is an additional element that is needed if an order is placed electronically. He contends that it is this additional element, $10.99, that was excluded from these proceedings, not the non-recurring electronic and manual ordering charges. Furthermore, witness Varner states that the LCSC is not an OSS function, but is a center with people in it who answer the telephone and take orders. Moreover, he maintains that the non-recurring charges associated with a UNE should include the cost of ordering the UNE, and, therefore, should be included in the non-recurring charge.

We recognize that OSS costs, manual and electronic, may be recoverable costs incurred by BellSouth. We did not, however, contemplate in Order PSC-96-1579-FOF-TP that BellSouth would file cost studies including OSS costs in these proceedings other than for its legacy systems. We stated in Order PSC-98-0123-PCO-TP that, as it pertains to OSSs, only testimony regarding BellSouth's proposal to recover costs associated with its legacy systems shall be retained in the record for these proceedings.

Upon consideration, we find that BellSouth's LCSC costs are a component of its OSSs and therefore they must be excluded from recovery in these proceedings. Indeed, all ordering charges, manual or electronic, shall be excluded from the non-recurring rates in these proceedings.

We are cognizant that if ordering costs are excluded from the UNE rates set in these proceedings, a CLEC may be stymied in placing UNE orders. Thus, we strongly encourage the parties to negotiate in good faith to establish rates for OSS functions. If, however, the companies are unable to reach agreement through such negotiations, they may of course seek our guidance.

V. CONCLUSION

We have conducted these proceedings pursuant to the directives and criteria of Sections 251 and 252 of the Act. We believe that our decisions are consistent with the terms of Section 251, the provisions of the FCC's implementing Rules that have not been vacated, and the applicable provisions of Chapter 364, Florida Statutes.

Based on the foregoing, it is therefore

ORDERED by the Florida Public Service Commission that the specific findings set forth in this Order are approved in every respect. It is further

ORDERED that the analyses and adjustments for cost of capital, depreciation, taxes, shared and common costs, the residual recovery requirement, and disconnect costs set forth in Part III of this Order are approved. It is further

ORDERED that the recurring and non-recurring charges for the network interface device, 2-wire and 4-wire loop distribution, 2 wire ADSL-compatible loop, 2-wire and 4-wire HDSL-compatible loop, physical collocation, virtual collocation, directory assistance, dedicated transport and 4-wire analog port are approved as set forth in Part IV of this Order. It is further

ORDERED that BellSouth Telecommunications, Inc.'s Local Carrier Service Center costs are excluded from recovery in this proceeding in accordance with Order No. PSC-98-0123-PCO-TP. It is further

ORDERED that the parties shall submit written agreements memorializing and implementing our decisions herein within thirty (30) days of the issuance of this Order. It is further

ORDERED that the agreements shall be submitted for approval in accordance with Section 252(e)(2)(b) of the Telecommunications Act of 1996. It is further

ORDERED that these dockets shall remain open pending approval of the agreements submitted in compliance with this Order.

By ORDER of the Florida Public Service Commission this 29th day of April, 1998.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

By: /s/ Kay Flynn
Kay Flynn, Chief
Bureau of Records

This is a facsimile copy. A signed copy of the order may be obtained by calling 1-850-413-6770.

(S E A L)

CJP/BK

DISSENT

Commissioner Deason dissents from the decision in this Order regarding the recovery of all shared and common costs through recurring charges.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of

this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review in Federal district court pursuant to the Federal Telecommunications Act of 1996, 47 U.S.C. § 252(e)(6).

AWG-3

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NOS. 981834-TP/990321-TP
ORDER NO. PSC-99-1744-PAA-TP
ISSUED: SEPTEMBER 7, 1999

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

VIA FAX - REG. RELATIONS
TALLAHASSEE, FL

In re: Petition of Competitive Carriers for Commission action to support local competition in BellSouth Telecommunications, Inc.'s service territory.	DOCKET NO. 981834-TP
In re: Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for generic investigation to ensure that BellSouth Telecommunications, Inc., Sprint-Florida, Incorporated, and GTE Florida Incorporated comply with obligation to provide alternative local exchange carriers with flexible, timely, and cost-efficient physical collocation.	DOCKET NO. 990321-TP ORDER NO. PSC-99-1744-PAA-TP ISSUED: September 7, 1999

The following Commissioners participated in the disposition of this matter:

JOE GARCIA, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.

NOTICE OF PROPOSED AGENCY ACTION
ORDER ON REQUEST FOR GENERIC COLLOCATION PROCEEDING, ESTABLISHING PROCEDURES, AND CONSOLIDATING DOCKETS NOS. 981834-TP AND 990321-TL FOR PURPOSES OF CONDUCTING GENERIC PROCEEDING

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On December 10, 1998, the Florida Competitive Carriers Association (FCCA), the Telecommunications Resellers, Inc. (TRA), AT&T Communications of the Southern States, Inc. (AT&T), MCImetro Access Transmission Services, LLC (MCImetro), Worldcom

HQ REGULATORY-ATLA
MIAMI LEGAL
FED

Technologies, Inc. (Worldcom), the Competitive Telecommunications Association (Comptel), MGC Communications, Inc. (MGC), and Intermedia Communications Inc. (Intermedia) (collectively, "Competitive Carriers") filed their Petition of Competitive Carriers for Commission Action to Support Local Competition in BellSouth's Service Territory. In the Petition, the Competitive Carriers requested the following relief:

(a) Establishment of a generic BellSouth Unbundled Network Element (UNE) pricing docket to address issues affecting local competition;

(b) Establishment of a Competitive Forum to address BellSouth operations issues;

(c) Establishment of third-party testing of BellSouth's Operations Support Systems (OSS);

(d) Initiation of a rulemaking proceeding to establish expedited dispute resolution procedures applicable to all local exchange carriers (LECs); and

(e) Provision of such other relief that the Commission deems just and proper.

On December 30, 1998, BellSouth Telecommunications, Inc. (BellSouth) filed a Motion to Dismiss the Competitive Carriers' Petition. On January 11, 1999, the Competitive Carriers filed their Response in Opposition to BellSouth's Motion to Dismiss.

At our March 30, 1999, Agenda Conference, we denied BellSouth's Motion to Dismiss. See Order No. PSC-99-0769-FOF-TP, issued April 21, 1999. Subsequently, by Order No. PSC-99-1078-PCO-TP, issued May 26, 1999, we indicated, among other things, that we would conduct a Section 120.57(1), Florida Statutes, formal administrative hearing to address collocation and access to loop issues as soon as possible following the UNE pricing and OSS operational proceedings.

On March 12, 1999, ACI Corp. d/b/a Accelerated Connections, Inc. (ACI) filed a Petition for Generic Investigation into Terms and Conditions of Physical Collocation. On April 6, 1999, GTEFL and BellSouth filed responses to ACI's Petition.

On April 7, 1999, Sprint filed its response to the Petition, along with a Motion to Accept Late-Filed Answer. Sprint acknowledged that its Answer was not timely under Rule 25-22.037,

Florida Administrative Code, and asked that we consider its response in rendering our decision on ACI's Petition. We note, however, that Rule 25-22.037, Florida Administrative Code is no longer in effect. The effective rule, Rule 28-106.203, Florida Administrative Code, simply states, "A respondent may file an answer to the petition." In accordance with Rule 28-106.203, Florida Administrative Code, Sprint's Answer is not late, and, therefore, it has been accepted.

Herein, we address ACI's Petition for a Generic Proceeding. We also address procedures and guidelines for collocation, as well as the process contemplated for this generic proceeding.

I. ACI'S PETITION FOR GENERIC COLLOCATION PROCEEDING

ACI

ACI asks that we initiate a generic proceeding to establish collocation policy applicable to Sprint-Florida, GTEFL, and BellSouth to ensure that these companies provide collocation in an appropriate and timely manner.

In support of its Petition, ACI states that it is very important to ensure that the ILECs provide physical collocation to all ALECs in order for the ALECs to be able to provide service to their Florida customers. ACI explains that space is scarce in certain ILEC central offices, and that it is very important to adopt procedures to deal with future waiver petitions in a fair and timely manner.

In addition, ACI specifically requests that we adopt the following rules and procedures:

1. ILECs should make physical collocation space available wherever possible, including all ILEC buildings and attached land.

2. The term "premises," as found in 47 U.S.C. §251(c)(6), as it pertains to where an ILEC must provide physical collocation, should be construed broadly.

3. ILECs should be required to allow adjacent collocation outside of the central office building.

4. A high threshold of proof for collocation waivers should be set.

5. A comprehensive procedure for processing waiver petitions should be set.

6. Strict procedural requirements for denying space to an ALEC and for seeking a waiver should be set, including:

   A. ILECs should be required to file a Notice of Intent to seek a waiver along with an office floorplan.
   B. ILECs should file a formal Petition for Waiver within 30 days of the Notice and include a more detailed floorplan.
   C. ILECs should be required to file comprehensive testimony, and include any plans for space rearrangement.
   D. Competitors should be allowed to inspect the central office premises within 30 days of ILEC's formal petition.
   E. ALECs should be allowed to file comments and testimony challenging the ILEC's petition.

7. ILECs should be required to allow alternative forms of collocation.

8. ILECs should be required to permit competitors to sublease and share physical collocation space.

9. Procedures should be established for the assignment of new space created in a central office either by reclamation or conversion of space, including:

   A. Notification to ALECs that have applied for entry into the office within the past five years.
   B. ALECs must respond to notification within three business days.
   C. ILEC subsidiaries should not be able to obtain space before ALEC applicants.

10. ILECs should be required to provision collocation space within 76 business days of receipt of application.

Incumbent LECs

In general, Sprint supports ACI's Petition for a generic proceeding, and suggests that ACI's petition be addressed within the proceeding established in Docket No. 981834-TP. Sprint does not, however, agree with the specific allegations of fact or law in ACI's petition.

GTEFL asserts that ACI's Petition has been rendered moot by our initiation of a generic collocation investigation in Docket No.

981834-TP. GTEFL states that there is no need for this separate proceeding.

BellSouth believes that ACI's Petition should be denied. BellSouth argues that many assertions in ACI's Petition are incorrect interpretations of the requirements in the Act. BellSouth also argues that ACI has proposed rules and procedures that are designed simply to make obtaining waivers as difficult as possible. In addition, BellSouth asserts that ACI is essentially asking us to go to rulemaking on these issues. BellSouth maintains that ACI cannot force us into rulemaking on these issues[1].

BellSouth further emphasizes that we have already established a procedure for handling a generic investigation of collocation issues and adds that it does not oppose a generic investigation of collocation issues. BellSouth states that it simply disagrees with many of the assertions in ACI's Petition and objects to a duplicative proceeding. Thus, BellSouth asks that ACI's Petition be denied or dismissed. BellSouth also suggests that ACI should be allowed to intervene in Docket No. 981834-TP.

DETERMINATION

To the extent that ACI's Petition seeks a generic investigation of collocation issues, ACI's Petition is, hereby, granted. A generic proceeding will identify better, more efficient ways of addressing collocation issues and of handling collocation disputes.

We shall not, however, proceed to rulemaking as suggested in ACI's petition, nor shall we adopt the specific rules and procedures set forth in ACI's petition. In view of the strict Administrative Procedures Act requirements for rulemaking, a rulemaking proceeding is not feasible at this time, because we have not had sufficient time to acquire the knowledge and experience reasonably necessary to commence formal rulemaking for collocation. The collocation issues presented in the ACI and FCCA petitions and in the FCC's recent order on collocation, FCC 99-48, are still relatively new to us and the telecommunications industry. See Section 120.54 (1)(a)(1), Florida Statutes.

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[1]Citing Florida League of Cities v. Administrative Commission, 586 So. 2d 397, 406 (Fla. 1st DCA 1991).

Instead, we shall consolidate Docket No. 990321-TL with Docket No. 981834-TP for purposes of investigating collocation issues on a generic basis in order to avoid duplicative proceedings. We shall proceed with our investigation as outlined in Order No. PSC-99-1078-PCO-TP, issued May 26, 1999, in Docket No. 981834-TP, and as further described in the following section of this Order. We are authorized to proceed in this manner pursuant to Section 120.80(13)(d), Florida Statutes, which states that we may employ procedures consistent with the Telecommunications Act of 1996. The procedures set forth herein are consistent with the Act and are of the type contemplated by Section 120.80(13)(d), Florida Statutes.

II. Procedures and Guidelines for Collocation

By Order No. PSC-99-1078-PCO-TP, issued May 26, 1999, in Docket No. 981834-TP, we stated that we would set the generic collocation proceeding for a 120.57, Florida Statutes, hearing after the UNE pricing proceeding and the OSS investigation are completed. By this Order, we take the first step in the generic collocation proceeding by adopting procedures and guidelines applicable to collocation. In doing so, it is our intent that the procedures and guidelines adopted herein will serve as guidance to the participants in the investigative proceeding. We also hope that issuance of these guidelines at the outset as proposed agency action will expedite discussion of the issues and may, ultimately, limit the areas that need to be addressed at hearing. We also believe it will enable us to better define the scope of the proceeding and will greatly assist in scheduling the appropriate amount of time for hearing.

We have based our procedures and guidelines in large part upon rules adopted by the California Public Utilities Commission (PUC) in December, 1998[2], and the suggestions to state commissions made by the FCC in its recent FCC Order 99-48. The procedures adopted herein will be used in conjunction with the FCC's collocation rules.

We are authorized to adopt these procedures and guidelines pursuant to Section 120.80(13)(d), Florida Statutes, and Sections 364.01(c), 364.01(g), and 364.01(h), Florida Statutes. Furthermore, the FCC has clearly indicated that it anticipates that state commissions will adopt collocation procedures in addition to those the FCC has already promulgated. See FCC Order 99-48, ¶¶ 23, 24, 54, and 55.

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[2]1998 Cal. PUC LEXIS 915 (December 17, 1998).

PROCEDURES FOR DEMONSTRATING SPACE DEPLETION IN COs

A. INITIAL RESPONSE TIME

The California PUC requires ILECs to respond to a carrier's completed application for collocation within 15 days. If the ILEC intends to deny an application, the ILEC should indicate a possible future relief date.

Pursuant to amended FCC Rule 47 C.F.R. §51.321(h), upon request, an ILEC must provide a report to the applicant carrier within 10 days of the request indicating the space available in a particular ILEC central office premises. Pursuant to this Rule, the ILEC must also post and update a notice on the ILEC's website that indicates which premises are full. The notice must be updated within 10 days of the premises becoming full.

ADOPTED REQUIREMENT

We find that the California model for initial response time is appropriate, and, therefore, it shall be adopted in Florida. We also believe that if a carrier that applies for collocation in an ILEC central office premises requests a report on the space in that particular ILEC premises, the FCC requirement is appropriate. We do, however, believe that additional notice must be sent to us. Therefore, we shall also adopt the following requirement for Florida:

> The ILEC shall respond to a complete and correct application for collocation within 15 calendar days. If the ILEC determines that the application is incomplete or defective, then the ILEC shall inform the applicant carrier as soon as possible, and shall identify with specificity the problem with the application.
>
> If the ILEC intends to deny collocation, the ILEC shall be required to submit a Notice of Intent to Seek Waiver of Physical Collocation Requirements to the Commission on the same date of its initial response to the applicant carrier. The Notice shall include a basic statement of the reason for its denial (technically infeasible or lack of space). If the denial is based upon lack of space, the ILEC shall also file detailed floor plans or diagrams of the premises with the Notice,

> which shall also be provided by the ILEC to the applicant carrier.
>
> If the applicant carrier requests a report in accordance with FCC Rule 51.321(h), the ILEC shall also file a copy of the report with the Commission.

B. APPLICATION FEES

The California PUC has required the ILEC to return any application charges collected by the ILEC to the applicant carrier within 15 days of application if the ILEC denies collocation to the applicant.

ADOPTED REQUIREMENT

On this point, we differ somewhat with the California model. In past arbitration Orders, we have found that costs are incurred during the application process itself and have advocated a two-part charge for the initial application for a central office. See Order No. PSC-98-0604-FOF-TP at p. 140-142, issued April 29, 1998, in Docket No. 960833-TP. We believe that the ILEC must be allowed to recover the costs incurred during its initial processing of the application and review of the central office. Therefore, we adopt the following requirement:

> If the ILEC informs the applicant carrier that it intends to deny collocation in an ILEC premises, the ILEC shall return to the applicant carrier within 15 calendar days any fees over and above those necessary to cover the initial administrative costs associated with processing the carrier's application for that premises.

C. TOUR OF THE CENTRAL OFFICE PREMISES

Pursuant to amended FCC Rule 47 C.F.R. §51.321(f), an ILEC that contends that there is no space available in a specific premise, must allow the applicant carrier to tour, without charge, the entire premises within 10 days of the carrier's receipt of the ILEC's denial of space.

ADOPTED REQUIREMENT

We agree with the requirements of FCC Rule 47 C.F.R. §51.321(f), but we believe that our staff must be allowed to participate in the tour of the ILEC premises. Thus, we adopt the following requirement:

> An ILEC that contends that there is no space available for physical collocation at its premises must allow the applicant carrier(s) and Commission staff to tour, without charge, the entire premises within 10 calendar days of the carrier's receipt of the ILEC's denial of space.

D. PETITION FOR WAIVER

The California PUC has required ILECs to submit the following information to the PUC in support of its denial of space to an ALEC:

1. Central Office Language Identifier, where applicable

2. Identity of the Requesting CLEC, including the amount of space sought.

3. Total amount of space at the premises.

4. Floor Plans, including measurements of the ILEC's premises showing:

   a. Space housing ILEC network equipment, nonregulated services space, or administrative offices;

   b. Space housing idle or underutilized equipment;

   c. Space which does not currently house ILEC equipment or administrative offices but is reserved by the ILEC for future use;

   d. Space occupied by collocators for the purpose of network interconnection or access to unbundled network elements;

   e. Space, if any, occupied by third parties for other purposes, including identification of the uses of such space;

   f. Remaining space, if any;

   g. Identification of switch turnaround plans and other equipment removal plans and timelines, if any;

   h. Central office rearrangement/expansion plans, if any; and

   i. Description of other plans, if any, that may relieve space exhaustion.

ADOPTED REQUIREMENT

On this point, we believe that the California model will be particularly helpful, because it requires most of the essential information necessary to review the request to be provided up front when the Petition is filed. Therefore, we adopt the following requirement:

> The ILEC shall file with the Commission a Petition for Waiver of the Collocation Requirements within 20 calendar days of filing its Notice Of Intent to request a waiver. The Petition shall include the following information:
>
> 1. Central Office Language Identifier, where applicable.
>
> 2. Identity of the Requesting ALEC(s), including the amount of space sought.
>
> 3. Total amount of space at the premises.
>
> 4. Floor Plans, including measurements of the ILEC's premises showing:
>
> a. Space housing ILEC network equipment nonregulated services space, or administrative offices;
>
> b. Space housing obsolete or retired equipment;
>
> c. Space that does not currently house ILEC equipment or administrative offices but is reserved by the ILEC for future use, including the intended purpose of each area and the forecasted year of use;
>
> d. Space occupied by collocators for the purpose of network interconnection or access to unbundled network elements;
>
> e. Space, if any, occupied by third parties for other purposes, including identification of the uses of such space;
>
> f. Remaining space, if any;

g. Identification of switch turnaround plans and other equipment removal plans and timelines, if any;

h. Central office rearrangement/expansion plans, if any; and

i. Description of other plans, if any, that may relieve space exhaustion.

5. Floor loading requirements

The ILEC may request confidential treatment of information submitted with the Petition, as necessary, in accordance with Rule 25-22.006, Florida Administrative Code.

E. POST-TOUR REPORTS

Under the California model, following the tour, if the applicant carrier believes there is no basis for denial of its application, the applicant shall promptly notify the ILEC. The California PUC requires that the applicant carrier and the ILEC shall file inspection reports following the tour of the central office premises. The reports shall be filed within 45 calendar days of the initial application.

ADOPTED REQUIREMENT

It appears that the post-tour report will further expedite review of the ILEC's Petition for Waiver. Therefore, we adopt the following requirement:

Following the tour of the central office premises, if the applicant carrier(s) believes there is no basis for denial of its application, it shall promptly notify the ILEC. Thereafter, within 20 calendar days of the tour, the applicant carrier(s) and the ILEC shall file in the docket established to address the ILEC's Petition for Waiver reports outlining their findings as a result of the tour.

F. DISPOSITION OF PETITION

Under the California model, the commission staff must prepare a formal resolution within 45 days of the post-tour report for the

Commission's consideration. The proposed resolution will either direct the ILEC to provide the requested collocation or deny the requested collocation. The California model references factors that may be considered in rendering a decision.

If the California Commission decides that there is not sufficient space for the applicant carrier(s), the ILEC will not have to justify subsequent denials of space to other applicant carriers. The ILEC shall, however, advise the applicant carrier(s) when there are material changes in the central office premises that would affect a collocation request.

ADOPTED REQUIREMENT

Upon review, it appears to us that the California model will greatly facilitate handling collocation waiver requests in situations where applicant carriers dispute the ILEC's claims that space is no longer available. In addition, using these procedures and guidelines, the ILEC and the applicant carrier(s) have the opportunity to participate in the decision-making process to the fullest extent, but the unnecessary delay of a full administrative hearing is avoided. We note that although the California model proposes certain factors for consideration in rendering a decision, we shall simply base our decision on the information presented in the Docket. Therefore, we adopt the following requirement:

> The Commission staff shall prepare a recommendation for consideration by the Commission at an Agenda Conference to be held within 45 calendar days of the post-tour report. The staff recommendation shall address whether the ILEC's Petition for Waiver should be granted based upon the information provided by the ILEC and the applicant carrier and information gathered by Commission staff on the tour of the central office premises.
>
> The Commission's decision on the ILEC's Petition shall be issued as a final agency action. If the Commission grants the Petition, the ILEC will not have to justify subsequent denials of space to other applicant carriers. The ILEC shall, however, advise the applicant carrier(s) and the Commission when there are material changes in the central office premises that could affect a collocation request.

G. EXTENSIONS OF TIME

ADOPTED REQUIREMENT

Upon consideration, we find it appropriate to provide a means for seeking extensions of the time requirements in Sections A through F. Therefore, we adopt the following requirement:

> If the ILEC believes it will be unable to meet the time frames applicable to any of the requirements identified in Sections A through F of this Order, the ILEC shall seek an extension of time from the Commission at least three business days prior to the expiration of the identified time frame. The applicant carrier shall have an opportunity to respond to the ILEC's request. The Commission will rule upon the request as a procedural matter at an Agenda Conference.

H. PROVISIONING OF COLLOCATION

In FCC Order 99-48, the FCC did not adopt provisioning intervals. The FCC indicated that it did not have sufficient experience with the new collocation arrangements to suggest time frames for provisioning and specifically retained authority to adopt time frames as necessary. The FCC did emphasize, however, that it was "confident that state commissions recognize the competitive harm that new entrants suffer when collocation arrangements are unnecessarily delayed." FCC Order 99-49 at ¶ 52-55.

ADOPTED INTERIM REQUIREMENT

Until the FCC adopts a specific time frame for provisioning physical collocation, we shall adopt an interim guideline to address this issue. In past arbitration Orders, we have considered 3 months to be a reasonable amount of time in which to provision physical collocation, and two months to be reasonable for virtual collocation. See Order No. PSC-96-1579-FOF-TP, issued December 31, 1996, in Docket No. 960833-TP, and Order No. PSC-99-0060-FOF-TP, issued January 6, 1999, in Docket No. 980800-TP. Therefore, we adopt the following interim requirement:

> Upon firm order by an applicant carrier, the ILEC shall provision physical collocation within 90 days or virtual collocation within 60 days. If the ILEC believes it will be unable to meet the applicable time frame and the parties are unable to agree to an extension, the ILEC shall seek an extension of

> time from the Commission within 45 calendar days of receipt of the firm order. The request shall be styled as a Motion for Extension of Time, instead of a waiver of this guideline. The ILEC shall explain, in detail, the reasons necessitating the extension and shall serve the applicant carrier with its request. The applicant carrier shall have an opportunity to respond to the ILEC's request for an extension of time. The Commission will rule upon the request as a procedural matter at an Agenda Conference.

I. CONCLUSION

As previously stated, in establishing these procedures and guidelines as proposed agency action, we believe that the handling of collocation waiver requests will be expedited and the number and/or scope of collocation disputes may be limited because we have clearly defined our expectations. We also believe that these procedures and guidelines will further the process of the generic collocation proceeding by helping to define and possibly limit other collocation issues that need to be addressed. Attached and incorporated in this Order as Attachment A is a timeline demonstrating the flow of this process.

In addition, we find that the time frames contained in these procedures and guidelines shall supersede time frames that may be contained in current collocation agreements in Florida, unless a person whose substantial interests are affected by the action herein taken timely files a protest of this Order. To the extent, however, that collocation agreements are renegotiated or new agreements are reached, the parties may agree to time frames that differ from those set forth in the requirements we have adopted in Sections A, B, C, and H.

Based on the foregoing, it is therefore

ORDERED by the Florida Public Service Commission that Sprint-Florida, Incorporated's answer to the Petition for Generic Investigation into Terms and Conditions of Physical Collocation is accepted. It is further

ORDERED that ACI Corp. d/b/a Accelerated Connections Inc.'s Petition for Generic Investigation into Terms and Conditions of Physical Collocation is granted to the extent set forth in the body of this Order. It is further

ORDERED that we hereby adopt the procedures and guidelines set forth in the body of this Order. It is further

ORDERED that Docket No. 990321-TL shall be consolidated with Docket No. 981834-TP for purposes of conducting a generic investigation into collocation issues. It is further

ORDERED that the provisions of this Order are issued as proposed agency action and shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, these Dockets shall remain open pending the outcome of the generic investigation into collocation issues.

By ORDER of the Florida Public Service Commission this 7th day of September, 1999.

/s/ Blanca S. Bayó

BLANCA S. BAYÓ, Director
Division of Records and Reporting

This is a facsimile copy. A signed copy of the order may be obtained by calling 1-850-413-6770.

(S E A L)

BK

Dissent

I respectfully dissent from the majority's decision to apply the guidelines and procedures adopted herein to the current agreements. I do not believe that these guidelines and procedures should supersede any existing terms found in the current collocation agreements.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on September 28, 1999.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in these dockets before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Attachment A

COLLOCATION WAIVER TIMELINE

DAY 1	DAY 15	DAY 25	DAY 35	DAY 45	DAY 90	DAY 110
CLEC files completed application	ILEC responds to application ——————— ILEC returns fees over and above admin. costs ——————— ILEC files Notice of Intent with FPSC	ALEC, ILEC, Commission Staff tour Central Office	ILEC files Petition for Waiver with FPSC	ALEC and ILEC file post-tour reports	Commission Agenda Conference	Final Order on Petition for Waiver is issued

AWG-4

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NOS. 981834-TP/990321-TP
ORDER NO. PSC-00-0941-FOF-TP
ISSUED: MAY 11, 2000

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Competitive Carriers for Commission action to support local competition in BellSouth Telecommunications, Inc.'s service territory.	DOCKET NO. 981834-TP
In re: Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for generic investigation to ensure that BellSouth Telecommunications, Inc., Sprint-Florida, Incorporated, and GTE Florida Incorporated comply with obligation to provide alternative local exchange carriers with flexible, timely, and cost-efficient physical collocation.	DOCKET NO. 990321-TP ORDER NO. PSC-00-0941-FOF-TP ISSUED: May 11, 2000

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON
SUSAN F. CLARK
E. LEON JACOBS, JR.

RECEIVED
MAY 12 2000
VIA FAX - REG. RELATIONS
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DOCUMENT NUMBER-DATE
05883 MAY 11 00
FPSC-RECORDS/REPORTING

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On behalf of the Commission Staff.

FINAL ORDER ON COLLOCATION GUIDELINES

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LIST OF ACRONYMS

ALEC	Alternative Local Exchange Carrier
AT&T	AT&T Communications of the Southern States, Inc.
CCA	Collocation Conversion Application
CDF	Conventional Distribution Frame
CEV	Controlled Environmental Vault
CFR	Code of Federal Regulations
CLEC	Competitive Local Exchange Carrier
CO	Central Office
DS*n*	Digital Signal n = level number (0-4)
DSX	Digital Signal Cross-Connect
DSL	Digital Subscriber Line
FCC	Federal Communications Commission
FCCA	Florida Competitive Carriers Association
FCTA	Florida Cable Telecommunications Association
GTEFL	GTE Florida, Inc.
HVAC	Heating Ventilation and Air Conditioning
ICB	Individual Case Basis
ILEC	Incumbent Local Exchange Carrier

MCI	MCI WorldCom, Inc.
MDF	Main Distribution Frame
NEBs	Network Equipment and Building Specifications
NECA	National Exchange Carriers Association
NRC	Non-Recurring Charge
POT	Point of Termination
SWBT	Southwestern Bell Telephone Company
UNE	Unbundled Network Element

I. CASE BACKGROUND

On December 10, 1998, the Florida Competitive Carriers Association (FCCA), the Telecommunications Resellers Association, Inc. (TRA), AT&T Communications of the Southern States, Inc. (AT&T), MCImetro Access Transmission Services, LLC (MCImetro), Worldcom Technologies, Inc. (Worldcom), the Competitive Telecommunications Association (Comptel), MGC Communications, Inc. (MGC), and Intermedia Communications Inc. (Intermedia) (collectively, "Competitive Carriers") filed their Petition of Competitive Carriers for Commission Action to Support Local Competition in BellSouth's Service Territory.

On December 30, 1998, BellSouth Telecommunications, Inc. (BellSouth) filed a Motion to Dismiss the Competitive Carriers' Petition. On January 11, 1999, the Competitive Carriers filed their Response in Opposition to BellSouth's Motion to Dismiss.

At the March 30, 1999, Agenda Conference, we denied BellSouth's Motion to Dismiss. See Order No. PSC-99-0769-FOF-TP, issued April 21, 1999. Subsequently, by Order No. PSC-99-1078-PCO-TP, issued May 26, 1999, we indicated, among other things, that we would conduct a Section 120.57(1), Florida Statutes, formal administrative hearing to address collocation and access to loop issues as soon as possible following the UNE pricing and OSS operational proceedings.

On March 12, 1999, ACI Corp. d/b/a Accelerated Connections Inc., now known as Rhythms Links Inc., (Rhythms) filed a Petition for Generic Investigation into Terms and Conditions of Physical Collocation. On April 6, 1999, GTEFL and BellSouth filed responses to ACI's Petition. On April 7, 1999, Sprint filed its response to the Petition, along with a Motion to Accept Late-Filed Answer.

By Proposed Agency Action Order No. PSC-99-1744-PAA-TP, issued September 7, 1999, we accepted Sprint's late-filed answer, consolidated Dockets Nos. 990321-TP and 981834-TP for purposes of conducting a generic proceeding on collocation issues, and adopted a set of procedures and guidelines for collocation, focused largely on those situations in which an ILEC believes there is no space for physical collocation. The guidelines addressed: A. initial response times to requests for collocation space; B. application fees; C. central office tours; D. petitions for waiver from the collocation requirements; E. post-tour reports; F. disposition of

the petitions for waiver; G. extensions of time; and H. collocation provisioning time frames.

On September 28, 1999, BellSouth filed Protest/Request for Clarification of Proposed Agency Action. That same day, Rhythms filed a Motion to Conform Order to Commission Decision or, in the Alternative, Petition on Proposed Agency Action. Our staff conducted a conference call on October 6, 1999, with all of the parties to discuss the motions filed by BellSouth and Rhythms, and to formulate additional issues for the generic proceeding to address the protested portions of Order No. PSC-99-1744-PAA-TP. As a result of that conference call, a number of stipulations were reached and our staff also was able to clarify which portions of our Order were not protested. By Order No. PSC-99-2393-FOF-TP, issued December 7, 1999, we approved the proposed stipulations and identified the portions of our Order that could go into effect by operation of law.

We note that the issues addressed herein go beyond the issues addressed in the approved collocation guidelines. An administrative hearing was conducted regarding these issues on January 12-13, 2000. Our decision is set forth below.

II. ILEC RESPONSE TO AN APPLICATION FOR COLLOCATION

In this section, we address the issue of the appropriate response interval for an ILEC following the receipt of a complete and correct application for collocation, and what information should be included in the response.

Covad witness Moscaritolo asserts that "[A]n ILEC should be required to respond to a complete and correct application within ten (10) calendar days of its receipt of the application." Witness Moscaritolo contends that this initial response should contain all necessary information for an ALEC to place a firm order for collocation, including a price quote for the collocation space. In support of his position, witness Moscaritolo refers to Paragraph 55 of the FCC's Advanced Services Order, issued March 31, 1999, FCC Order 99-48, which reads in pertinent part, "[W]e view ten days as a reasonable time period within which to inform a new entrant whether its collocation application is accepted or denied."

MGC witness Levy agrees that ILECs should respond to a complete and correct application for collocation within 10 business

days. Witness Levy further explains that this response should include space availability and price quotes for the type of collocation requested. Witness Levy argues that an ILEC should always provide enough information in its response to allow an ALEC to submit a firm order and to inform the ALEC of the applicable charges. Witness Levy also suggests that a more detailed breakdown of prices should be provided within an additional 10 business days, upon request by the ALEC.

Intermedia and Supra both support a 2-tier response interval. Intermedia witness Jackson states that the initial response interval should be 10 days, as prescribed by the FCC, which is the interval in which an ILEC must determine whether or not space is available in a particular central office. Witness Jackson also states that BellSouth's application response intervals of 30 business days for physical and 20 business days for virtual collocation are reasonable for providing the necessary detailed information, including but not limited to, cost estimates and target dates.

Similarly, Supra witness Nilson believes we should require an initial response advising whether space is available or not within 10 calendar days of an application. Witness Nilson explains that "[I]f the ten-day frame for a response is adopted by the Commission, all additional information necessary to submit a firm order should be provided by the ILEC within twenty calendar days of the ALEC's application."

AT&T witness Mills also contends that we should require ILECs to respond regarding space availability within 10 calendar days, followed by a complete response sufficient to enable the ALEC to place a firm order for collocation within 15 calendar days of a complete and correct application. Witness Mills explains that AT&T needs the following information in the ILEC's complete response: an architectural floor plan; exact location of collocation space; location of BellSouth network demarcation main distributing frame; relay rack information; joint implementation meeting dates; restatement of the central office address; date of application response sent to AT&T; estimated space ready due date; and the proposed point of demarcation.

Other parties to this proceeding suggest a later initial response time. MCI witness Martinez explains:

> Under the Advance Services Order, an ILEC is required to respond to an application for collocation within 10 days. MCI WorldCom is willing to accept the Commission's ruling in the PAA Order in this docket that the ILEC can provide the initial response within 15 calendar days from receipt of a complete and correct application, provided that the initial response includes the information necessary for the ALEC to place a firm order for collocation.

Witness Martinez further explains that the initial response should indicate whether space is available or not. If space is available, the witness contends that the initial 15-day response should include the following information: price quote; dimensions; obstructions; diversity; power considerations; hazards; engineering information; and due dates. Witness Martinez adds that "if furnishing the Engineering Information and Due Date information would delay the initial response, MCI WorldCom could agree to defer this information for a short time."

Rhythms witness Williams agrees that the ILECs should be required to respond to a complete and correct application within 15 calendar days. Witness Williams contends that this response should include all information the ILEC will require from an ALEC when submitting a firm order for collocation. Witness Williams explains that this response should include: amount of space available; estimated space preparation quotes; estimated provisioning interval; power requirements; and any other information required by the ILECs to be included in the firm order.

As a means of simplifying the application process and expediting responses to applications for collocation, several parties also suggest some form of standardized pricing for collocation. MGC witness Levy describes the benefits of tariffed collocation prices over Individual Case Basis (ICB) pricing and states that "[I]n states that have established pricing for collocation, the collocator knows before submitting the application exactly how much the space preparation will cost before the application is submitted." When the rates are established, the witness explains that the only information necessary for the response is whether space is available. Witness Levy further contends that the best way to shorten response intervals is by adopting a tariffed approach to pricing as opposed to ICB pricing.

FCCA witness Gillan agrees that "[A] standardized offering, known in advance, should simplify and accelerate these important intervals." Witness Gillan further argues:

> The reason that other processes and services have been standardized is that they become more efficient to offer in that manner. There is no reason that similar efficiencies are not possible here once collocation is made a standard product of the ILEC instead of a specialized arrangement.

Intermedia witness Jackson agrees that tariffed rates would simplify matters for the ILEC, as well as the ALEC. Supra witness Nilson also advocates detailed tariffs with prices that can be challenged before this Commission.

Witnesses for Covad and Rhythms offer an alternative form of standardization. Covad witness Moscaritolo states that flat-rate pricing is a must. He maintains that ILECs must not be allowed to take 30 days or more to provide an estimate that may be subject to true-up at a later date. Witness Moscaritolo advocates a procedure whereby parties would agree upon a flat rate to be charged initially for standard cageless collocation arrangements in certain increments. The witness further explains that when an ALEC wants collocation space in a central office, it would submit its application along with 50% of the flat-rate price. The ILEC would then begin provisioning immediately. During the provisioning interval the ILEC would develop a cost estimate and, upon delivery of the space, the prices would be subject to true-up. Covad witness Moscaritolo contends that "the flat-rate procedure eliminates the unnecessary delay associated with BellSouth's application interval."

Rhythms witness Williams agrees with Covad's proposed flat-rate procedure, stating that "Covad has proposed a viable and feasible alternative, which allows ILECs to completely respond to the application within 15 days." Witness Williams further states, "I recommend that the Commission fully adopt Covad's proposal of an estimated flat-rate price quote, subject to true-up."

Two ILECs, GTEFL and Sprint, also support establishing tariffs for collocation prices. GTEFL witness Ries believes that tariffing make the collocation process simpler, faster and better defined. Witness Ries further states that GTE intends to file a tariff reflecting an averaged flat rate for costs associated with site

modification, HVAC and power modification, and security and electrical requirements. Witness Ries asserts that this new tariff will enable GTE to respond to an ALEC's application within 15 calendar days with space availability and a price quote. Witness Ries states that ". . .[T]his eliminates the additional 15 days that was formerly necessary to finalize the price quote." Witness Ries adds that GTE's ability to provide space information and a price quote will allow ALECs to submit a firm order quickly.

Sprint also supports a tariff approach to pricing, but asserts that an ILEC should provide two responses to an application for collocation. Sprint witness Closz contends that the first response should inform the applicant whether space is available or not, while the second should provide a price quote and technical information. She explains that an ILEC should initially respond to an application for collocation within 10 calendar days with information regarding space availability. Witness Closz states that this response interval is consistent with the FCC's Advanced Services Order, FCC Order 99-48.

In addition, witness Closz presents two different intervals for the second response, depending on whether prices are tariffed or not. Ms. Closz explains that where collocation prices are tariffed or covered by the ALEC's interconnection agreement, the ILEC should provide price quotes within 15 calendar days. If collocation prices are quoted on an ICB basis, the ILEC should provide price quotes within 30 calendar days from receipt of a complete and correct collocation application.

BellSouth witness Hendrix states that BellSouth will inform an ALEC within 15 calendar days of receipt of an application whether its application for collocation is accepted or denied as a result of space availability. Witness Hendrix also states that BellSouth will provide a complete application response within 30 business days of the receipt of a completed application for physical collocation. In addition, witness Hendrix states that for virtual collocation requests, BellSouth's policy has been to provide an application response within 20 business days. He explains that "[T]he Application Response will include estimates of the Space Preparation Fees, the Cable Installation Fee (if applicable), and the estimated date the space will be available." Witness Hendrix contends that this information is sufficient for the ALEC to complete a firm order.

BellSouth witness Hendrix, responding to the position of other parties, asserts that the FCC did not establish a rule requiring ILECs to respond to applications within 10 days. Referring to Paragraph 55 of FCC Order 99-48, released March 31, 1999, in CC Docket No. 98-147 (FCC Order 99-48, or Advanced Services Order), witness Hendrix argues that "this was not stated as a requirement, but as a statement of what is a reasonable amount of time to accept or deny an application." Witness Hendrix further asserts:

> BellSouth will inform an ALEC within fifteen (15) calendar days of an application whether its application for collocation in Florida is accepted or denied as a result of space availability.

The witness notes that this is in compliance with this Commission's recent order which states in part, "The ILEC shall respond to a complete and correct application for collocation within 15 calendar days." Order No. PSC-99-1744-PAA-TP, Section IIA.

The witness also explains that BellSouth is not in favor of tariffing collocation prices, but, instead, supports the development of standard rates for all physical collocation elements to be included in a standard collocation agreement. Witness Hendrix argues that BellSouth is required by Section 252 of the Telecommunications Act of 1996 (the Act) to negotiate collocation agreements. He maintains that if BellSouth were to file a tariff, the company would likely still negotiate agreements for the majority of ALEC requests. Witness Hendrix believes that the best approach is to develop standard rates for all physical collocation elements within a standard collocation agreement. Witness Hendrix states, however, that BellSouth would file a tariff if it were required to, but the witness believes it would be a waste of time. In addition, witness Hendrix asserts that BellSouth is moving toward standardized rates to be included in a standard agreement for collocation, which the witness believes will produce the same efficiencies sought by those favoring tariffs.

BellSouth and GTEFL have also suggested response intervals for situations in which multiple applications are submitted by a single ALEC within a certain time frame. BellSouth witness Hendrix explains that when multiple applications are received within a 15 business day window, BellSouth responds no later than the following: within 20 business days for 1-5 applications; within 26 business days for 6-10 applications; within 32 business days for 10-15 applications. Response intervals for more than 15

applications must be negotiated. GTEFL witness Ries states that "when the ALEC submits 10 or more applications within a 10-day period the 15-day response period will increase by 10 days for every additional 10 applications or fraction thereof."

ANALYSIS AND DETERMINATION

In support of their suggested intervals, parties have referenced Paragraph 55 of the FCC's Advanced Services Order, which reads in part:

> We view ten days as a reasonable time period within which to inform a new entrant whether its collocation application is accepted or denied. Even with a timely response to their applications, however, new entrants cannot compete effectively unless they have timely access to provisioned collocation space. We urge the states to ensure that collocation space is available in a timely and pro-competitive manner that gives new entrants a full and fair opportunity to compete.

FCC Order 99-48 at Paragraph 55.

We note that several ALECs argue that this paragraph requires ILECs to respond to an application within 10 days. We do not agree. Instead, we agree with BellSouth witness Hendrix's assertion that it appears the FCC intended this statement to serve as a guideline as to what constitutes a reasonable amount of time for an ILEC to accept or deny an application for collocation. The FCC did not define this as a requirement.

The FCC does, however, urge the states to ensure that collocation space is available in a timely and pro-competitive manner. It appears that the first step in this process is to establish reasonable intervals for application responses, which will enable the requesting party to place a firm order and allow the provisioning process to begin in a timely manner.

Upon consideration, we are persuaded by the testimony of MGC witness Levy that the initial response to an application for collocation should contain sufficient information for the ALEC to place a firm order. We are also persuaded by Supra witness Nilson's suggestion that price quotes must be included in the response because they are essential to placing a firm order.

We have also considered the evidence regarding the intervals in which such information should be provided to the ALEC. While BellSouth argues that it will only provide acceptance or denial due to space availability within the 15 calendar day interval, two other ILECs have provided testimony in this proceeding that supports that price quotes can also be provided within an interval of 15 calendar days. Sprint witness Closz states that "[T]o the extent that collocation price elements are tariffed or covered by the ALEC's interconnection agreement, the ILEC should provide price quotes to requesting collocators within fifteen (15) calendar days of receipt of a complete and correct collocation application." GTEFL witness Ries agrees. Upon consideration, we find that 15 calendar days is an appropriate interval to provide the information needed to place a firm order, i.e., information regarding space availability and a price quote.

While the intervals offered by BellSouth and GTEFL are not unreasonable, we believe a single set of intervals would best present uniform standards for ILECs in responding to multiple applications. Therefore, based on the evidence presented, we find that intervals similar to those proposed by GTEFL for responding to multiple applications would be more consistent with the interval of 15 calendar days we find appropriate for individual applications. Under GTEFL's proposal as explained by witness Ries, the 15-day response period will increase by 10 days for every additional 10 applications or fraction thereof when the ALEC submits 10 or more applications within a 10-day period. These intervals appear to be appropriate and reasonable; therefore, they are hereby approved.

In conclusion, we hereby require ILECs to respond to a complete and correct application for collocation within 15 calendar days. This response shall provide sufficient information to enable an ALEC to place a firm order, including information on space availability and price quotes. When an ALEC submits ten or more applications within ten calendar days, the initial 15-day response period will increase by 10 days for every additional 10 applications or fraction thereof when the ALEC submits 10 or more applications within a 10-day period.

III. APPLICABILITY OF THE TERM "PREMISES"

Another issue we have been asked to consider is to determine what areas are included in the term "premises," as set forth in Section 251(c)(6) of the Act regarding physical collocation. A broad definition of the term allows competing carriers physical

collocation at various locations under the ILEC's control. We note that although the term "premises" was not defined in the FCC's Advanced Services Order, the FCC's Order did enable ALECs to collocate in certain adjacent ILEC facilities when space is legitimately exhausted inside the ILEC's network facility. Thus, the FCC's recent expansion of the areas in which an ALEC may collocate has raised this issue of the applicability of the term "premises" to various areas. To the extent that we believe that certain areas are not included within the term "premises," we have addressed the related issue of "off-premises" physical collocation in the subsequent section of this Order.

BellSouth witness Milner argues that the term "premises" is clearly defined by the FCC, citing the FCC Local Competition Order, FCC 96-325, issued in CC Docket No 96-98, which states:

> . . . . We [FCC] therefore interpret the term "premises" broadly to include LEC central offices, serving wire centers and tandem offices, as well as all buildings or similar structures owned or leased by the incumbent LEC that house LEC network facilities. We [FCC] also treat as incumbent LEC premises any structures that house LEC network facilities on public rights-of-way, such as vaults containing loop concentrators or similar structures.

FCC Order at Paragraph 573.

Witness Milner believes that if the FCC intended to broaden the definition of "premises," the FCC could have redefined the term in its most recent Order. He emphasizes, however, that the FCC did not expand the definition.

GTEFL witness Reis agrees with the position of BellSouth witness Milner and further clarifies the locations that GTEFL considers "premises." He states that GTEFL believes the term refers to any GTE location identified in the NECA (National Exchange Carrier Association) #4 tariff, which lists GTE sites nationwide.

Sprint witness Hunsucker counters, however, that GTEFL's NECA #4 tariff does not incorporate the complete definition of "premises." He states that the FCC's definition included "vaults

containing loop concentrators or similar structures." Further, he states:

> Typically, ILECs do not load these locations in NECA #4. Thus, applying GTE's definition would preclude collocation at these points in the ILEC network which is inconsistent with the FCC's definition.

Further, Sprint witness Hunsucker asserts that paragraph 44 of the First Advanced Services Order, FCC 99-48, broadens the definition of "premises." He believes the FCC's introduction of adjacent collocation redefines "premises" to include structures adjacent to a central office or wire center, if owned or leased by the ILEC. Witness Hunsucker states that ILECs are also required to allow ALECs to construct or obtain access through adjacent structures on an ILEC's property. He explains:

> . . . Upon legitimate exhaust, then the adjacent collocation could be the building on contiguous property, and I don't think we look at separation by a street or an alley as necessarily breaking that contiguous property.

On this point, BellSouth witness Milner agrees that upon legitimate space exhaustion, ALECs are allowed to construct or procure adjacent structures. However, witness Milner notes that in no case should ILECs be required to permit collocators' controlled environmental vaults (CEVs) or similar structures on any ILEC property that does not house network facilities. Witness Milner further emphasizes that adjacent structures are not "premises." He argues:

> The FCC's definition of adjacent CEVs and similar structures is inconsistent with its own definition of "premises" and the Act's requirement for collocation within BellSouth's premises. This is because the resulting structure, whether constructed by the collocator or otherwise procured, would not be owned by BellSouth and thus would not fit the definition of being any one of the types of structures named in the FCC's definition.

Supra witness Nilson counters that while the FCC's own definition might be considered inconsistent with its requirement to allow collocation in adjacent CEVs, interpreting the FCC's definition of "premises" narrowly is inconsistent with goal of the Act and the FCC's Order, which is to promote competition.

MCI witness Martinez contends that Paragraphs 39 and 45 of the Advanced Services Order further broaden the definition of "premises" as it applies to collocation. Witness Martinez cites an excerpt from the Texas Commission's findings contained in the Supplemental Collocation Tariffs Matrix, Project No. 16251, regarding the definition of "premises":

> The Commission also finds that, to the extent space in an Eligible Structure is "legitimately exhausted" and the SWBT property also has within close proximity an "administrative office" where network facilities could be housed, that space should be looked at as a possible adjacent on-site collocation.

Further, witness Martinez believes that the broad nature of the FCC's definition gives state commissions the latitude to include other collocation concepts while maintaining consistency with the FCC's Advanced Services Order. He also cites the Advanced Service Order, FCC 99-48 at Paragraph 8, which states that a collocation method used by one ILEC or mandated by a state commission is presumptively technically feasible for any other incumbent LEC.

AT&T witness Mills agrees and asserts the FCC's Expanded Interconnection collocation rules do not limit collocation to an ILEC's central office, but expand it to the premises of the ILEC. He further explains that "premises" is defined in the dictionary as "A piece of real estate; house or building and its land." Witness Mills clarifies that the use of the Webster definition in his interpretation of "premises" is to illustrate the FCC's intent to broadly define "premises" and to allow Commissions to give more concise interpretations in matters where they have specific rules and orders.

ANALYSIS AND DETERMINATION

First, we state that we agree with Sprint that the NECA #4 tariff relied upon by GTEFL does not include all the areas that should be included in the definition of "premises." We do not agree with BellSouth witness Milner's assertion that the FCC's definition of "premises," and the Telecommunication Act's requirement for collocation at the ILEC's "premises," are technically in conflict with adjacent collocation. We note that the FCC's First Advanced Services Order requirement for adjacent collocation did not specify whether the adjacent structure on an ILEC's property would be considered ILEC "premises." The Order does, however, state, ". . . The incumbent must provide power and physical collocation services and facilities, subject to the same nondiscriminatory requirements as traditional collocation." FCC Order 99-48 at Paragraph 44.

We also note that while we have the ability to interpret more precisely FCC rules as they apply in Florida, we do not have the authority to extend or broaden FCC rules and orders, or to make a contradictory interpretation.

As for the expanded definition of "premises" contained in the Texas Matrix, based on our review of the Matrix and the testimony presented addressing it, we do not believe the definition of adjacent on-site and off-site collocation used in that Matrix was intended, or should, expand the definition of the term "premises" as it applies to physical collocation. To the extent that the term "premises" is used within the definition of adjacent on-site and off-site collocation included in that Matrix, we believe it is used only to clarify the distinction between adjacent on-site and off-site collocation.

In considering the arguments of the parties, it appears to us that may of the ALECs seek to expand the definition of the term "premises" much too broadly out of apparent concern that if certain areas are not identified as "premises," ALECs would be precluded from obtaining physical collocation in those areas. Evidence was also presented on the issue of how adjacent facilities, which house administrative personnel, should now be considered "premises" because of the FCC's adoption of adjacent collocation as an accepted method of collocation. We are not, however, persuaded that the FCC's authorization of adjacent collocation expanded the definition of "premises" to include structures that do not house network facilities, although it did expand the ILEC's obligation to

provide physical collocation. Specifically, it expands that obligation such that, ". . . The incumbent must provide power and physical collocation services and facilities, subject to the same nondiscriminatory requirements as traditional collocation." FCC Order 99-48 at Paragraph 44. We agree with BellSouth witness Milner that an adjacent structure, whether procured from a third party or constructed on an ILEC's property by the collocator, would not be considered the ILEC's "premises," because the ILEC would not own, lease, or control the structure. It appears to us that the FCC intentionally limited the definition of "premises" to "structures that house network facilities."

Upon consideration, we find that the term "premises" should only apply to ILEC-owned or leased central offices, serving wire centers, buildings or similar structures that house network facilities, including but not limited to ILEC network facilities on public rights-of-way or in controlled environmental vaults (CEVs). When space at the existing ILEC "premises" legitimately exhausts, ILECs shall be required to permit collocation on an ILEC's property in adjacent buildings, controlled environmental vaults, or similar structures where technically feasible. However, adjacent buildings or similar structures are not a part of the ILEC's "premises."

IV. ILEC OBLIGATIONS REGARDING "OFF-PREMISES" COLLOCATION

As explained in the previous section, the FCC Advanced Services Order, expanded the ALECs' ability to collocate in controlled environmental vaults or adjacent structures when space is legitimately exhausted inside the ILEC's central office. In this section, we consider the extent to which an ILEC is obligated to interconnect with an ALEC's equipment located "off-premises," and what type of entrance cabling should be used.

Sprint witness Hunsucker believes "off-premises" collocation should not be included in this issue. He believes that ALEC equipment located in an area that is not owned or leased by the ILEC does not meet the definition of collocation at all. Witness Hunsucker does, however, believe the term "premises" should be defined more broadly than discussed above. He states that upon legitimate exhaust, adjacent collocation could be in a building or other contiguous property. He adds that he does not believe that Sprint would consider separation by a street or an alley a problem. Sprint witness Hunsucker believes that under his definition of "premises," ILECs are obligated to interconnect with ALEC's

equipment, but if the equipment is located "off-premises," it does not constitute collocation, but rather interconnection. He defines interconnection as the physical linking of networks between the ILEC's facilities and the ALEC's facilities for the mutual exchange of traffic. The evidence shows that all the carriers in this proceeding agree with witness Hunsucker that interconnection is required under the Act.

Sprint witness Hunsucker believes an ILEC does not have any obligation to provide physical collocation services for an ALEC's equipment located "off-site" since the ILEC would not own or control the site. Moreover, he believes ILECs are only required to interconnect with ALECs located at structures that are not on an ILEC's property.

BellSouth witness Milner asserts:

> I believe "off-premises" physical collocation is a reference to space an ALEC may rent or own that is in proximity to a BellSouth central office. The ALEC's equipment in such a situation would be interconnected to BellSouth's network in the same ways as if the ALEC's equipment were housed within the ALEC's central office.

Intermedia witness Jackson responds, however, that ILECs are not only required to interconnect with ALECs located "off-premises," but they are obligated to provide physical collocation services. He states:

> As a result of the FCC's collocation Order, it is clearly the obligation of the ILEC to provide collocation. The FCC adopted rule 51.323(k)(3) requiring the ILEC to provide "off-premises" or "adjacent collocation" where space is legitimately exhausted in a particular ILEC central office and where technically feasible.

BellSouth witness Milner argues that Intermedia witness Jackson implies that "adjacent collocation" and "off-premises collocation" are synonymous terms. He disagrees, stating:

> BellSouth provides "adjacent collocation" by allowing collocators to construct or otherwise procure CEVs and similar structures on BellSouth's property in cases where space is legitimately exhausted. I believe "off-premises" physical collocation is a reference to a space a collocator may rent or own in close proximity to a BellSouth central office.

MCI witness Martinez contends that if space for physical collocation is legitimately exhausted, we should follow the lead of the Texas Commission and require the ILEC to offer both adjacent on-site collocation and adjacent off-site collocation.

As for the type of entrance cabling that should be used in "adjacent collocation," little evidence was presented addressing this aspect of the issue.

Rhythms witness Williams argues that:

> We are a DSL provider, and as such we typically cannot provide service without contiguous copper connection from our equipment, called a DSLAM, to our customers' premises. If we cannot collocate our equipment and get access to unbundled copper loops, we are shut out of providing service.

BellSouth witness Milner counters that there is fiber optic equipment that would accommodate DSL over fiber. He believes this provides ALECs with a viable alternative to copper connectivity. Witness Milner asserts that BellSouth provides copper connectivity to ALECs collocating on BellSouth's property. He does not, however, believe BellSouth has an obligation to provide that form of interconnection to an ALEC located off BellSouth's property, citing Paragraph 69 of the FCC's Second Report and Order, In the Matter of Expanded Interconnection with Local Telephone Company Facilities in CC Docket 91-141:

> LECs are not required to provide expanded interconnection for switched transport for non-fiber optic cable facilities (e.g., coaxial cable). In the Special Access Order, we[FCC] concluded that given the potential adverse effects of interconnection on the

> availability of conduit or riser space, interconnection should be permitted only upon Common Carrier Bureau approval of a showing that such interconnection would serve the public interest in a particular case. We adopt this approach for switched transport expanded interconnection.

He also argues that accommodating ALECs' requests to use BellSouth entrance facilities to bring new copper cables into BellSouth central offices would accelerate the exhaust of entrance facilities at its central offices. He further emphasizes that, "The trend in the telecommunications industry is for cables and equipment to be reduced in size, not increased in size." [emphasis in original]

AT&T witness Mills believes that restricting entrance cabling to fiber places unreasonable requirements on the ALEC. He believes we should require ILECs to permit interconnection of copper or coaxial cable.

Rhythms witness Williams argues that although copper in conduit is larger than fiber, it will not choke off entrance facilities. He states that prior to leasing a third party structure, Rhythms inquires about conduit entrance space availability.

ANALYSIS AND DETERMINATION

Our definition of the term "premises" in the previous section of this Order does not include ILEC-owned or leased property that is contiguous to what we consider the ILEC's "premises." As previously discussed, according to the FCC Advanced Services Order, ILECs are, however, required to permit collocation in adjacent buildings, controlled environmental vaults, or similar structures where technically feasible when space at the existing ILEC "premises" legitimately exhausts. Thus, applying both our definition of "premises" and the FCC's additional requirements under the FCC Advanced Services Order, we consider the terms "off-premises", "adjacent," or "on-site" collocation to be interchangeable.

As for references made to the Texas Commission's use of the term "adjacent off-site collocation" as a type of collocation arrangement, it appears that this incorporates ALEC-owned or leased

structures in proximity to an ILEC's central office or eligible structure when space legitimately exhausts for an "on-site collocation" arrangement. MCI witness Martinez notes that proximity generally refers to the area within one city block of a central office. The Texas Commission's definition of "off-site collocation," appears to include the requirement of the ILEC to perform cabling from the ILEC's premises to the ALEC's facilities for tariff purposes. ILECs are apparently not, however, required to provide power or traditional physical collocation services.

Upon consideration, we agree with Sprint witness Hunsucker's assertion that "adjacent off-site collocation," as defined by the Texas Commission, meets the FCC's definition of interconnection, and not collocation. We are persuaded by the evidence that ILECs shall only obligated to interconnect with an ALEC's facility located beyond the contiguous property of an ILEC's "premises" for the purposes of transmission and mutual exchange of traffic. Property separated by an alley or public passage way will still be considered contiguous property.

In addition, we will require that when space legitimately exhausts within an ILEC's premises, ILECs shall be obligated to provide physical collocation services to an ALEC who collocates in a CEV or adjacent structure located on the ILEC's property to the extent technically feasible, based on the FCC's Advanced Services Order.

As for the provision of DSL over fiber, the evidence supports that this is technically feasible, and that there is equipment available which accommodates DSL over fiber. An ALEC would, however, be required to obtain additional equipment to utilize this technology. Requiring an ALEC to purchase such equipment could significantly increase the ALEC's collocation costs. Therefore, we believe that requiring fiber optic entrance facilities could be a competitive obstacle for certain ALECs requesting collocation facilities and are persuaded that ALECs shall be allowed to use copper entrance cabling.

We have considered the fact that entrance facilities have a certain capacity per central office and that allowing copper cabling could accelerate the entrance facility exhaust interval. Therefore, ILECs shall be allowed to require an ALEC to use fiber entrance cabling after providing the ALEC with an opportunity to review evidence that demonstrates entrance capacity is near exhaustion at a particular central office. The evidence of record

is insufficient to determine what percentage of entrance facility should be in use before requiring fiber optic cabling; however, factors for consideration should include, but not be limited to, subscriber growth, "off-site collocation" growth and cabling request, and cabling requirements of the ILEC.

V. CONVERSION OF VIRTUAL TO PHYSICAL COLLOCATION

In this section, we address the terms and conditions that should apply for converting a virtual collocation arrangement to a physical collocation arrangement. While this issue, on its face, appears to be very broad, there are only a few items that the parties address. The disputed items are what charges should apply when an ALEC converts from virtual to physical collocation, and whether an ALEC's equipment must be relocated during the process.

In a physical collocation arrangement, the collocating carrier must submit a physical collocation application to the ILEC and pay an application fee so that the ILEC can perform the engineering and administrative assessments necessary to evaluate the application. These activities may include, but are not limited to, an evaluation of engineering drawings, HVAC, power, feeder and distribution, grounding, cable racking, and engineering and billing record updates. In a physical collocation arrangement, the collocating carrier has direct access to its equipment at all times. BellSouth witness Hendrix states that after an application has been filed, the ILEC incurs costs; therefore, an application fee is required.

In a virtual collocation arrangement, the collocating carrier must submit a virtual collocation application to the ILEC and pay an application fee for certain engineering and administrative activities that the ILEC performs. The competitor designates the equipment to be placed at the ILEC's premises. The competing provider, however, does not have physical access to the incumbent's premises, i.e., access is restricted to limited inspection visits. Instead, the equipment is under the physical control of the ILEC. In addition, the ILEC is responsible for installing, maintaining, and repairing the competing provider's equipment. FCC Order 99-48 at Paragraph 19.

Once the ALEC has established a collocation arrangement, physical or virtual, at a central office, the ALEC may decide to remove or upgrade the current equipment. Such changes to the

existing collocation configuration are considered to be a "conversion" or "rearrangement."

Sprint witness Closz states that the ALEC should submit a collocation application when the ALEC wants to convert from virtual to caged or cageless physical collocation based on the ILEC's standard provisioning terms and conditions, because in either case space and engineering work will be required. Although Sprint witness Closz states that conversions in place require changes in administrative, billing, and engineering record updates, the witness also indicates that a conversion in place constitutes no changes.

MCI witness Martinez states that there should be minimal interruption to the ALEC's services during a conversion or rearrangement. AT&T witness Mills adds that when a collocation conversion is requested by an ALEC, the ownership and maintenance responsibilities should be changed. Similarly, FCCA witness Gillan agrees that "terms for converting virtual collocation space should require no more than reversing the 'ownership' of the virtually collocated equipment."

Sprint witness Closz states that the ALEC's request to convert a virtual collocation arrangement to a cageless physical collocation arrangement requires an additional review process in which the ILEC must assess the changes requested and their potential impact on the current collocation arrangement. Witness Closz further clarifies that the collocator's equipment may need to be moved in order to satisfy the ALEC's request for conversion. In the case of conversions from virtual to caged collocation, Sprint witness Closz states that additional space and construction considerations must be taken into account.

Intermedia witness Jackson believes that the ILECs have to convert virtual arrangements to cageless arrangements at no charge. He further explains that there should not be any substantial administrative costs because the ILEC only has to update its systems to indicate that it does not own the equipment.

Rhythms witness Williams simply refers to the FCC's Advanced Services Order in Paragraph 39, in which the FCC stated:

> Moreover, we noted in the *Advanced Services Order and NPRM*, and the record reflects, that more cost-effective collocation solutions may encourage the deployment of

> advanced services to less densely populated areas by reducing the cost of collocation for competitive LECs.

In response, GTEFL witness Ries claims that GTEFL treats conversion requests the same as a new application request, since the same site surveys and engineering analysis need to be conducted. Similarly, BellSouth witness Hendrix claims that BellSouth must review its ability to provide physical collocation and assess the support components which are necessary for a particular arrangement. Witness Hendrix gives examples of the types of work that BellSouth has to perform, such as review of engineering drawings, HVAC, power feeder and distribution, grounding, and cable racking. Witness Hendrix also indicates that due to such work, the ILEC incurs costs. The BellSouth and GTEFL witnesses also contend that an ALEC's request to convert a virtual collocation arrangement to cageless physical collocation should be subject to the ILEC's standard application fees.

With respect to the relocation of equipment, BellSouth witness Hendrix states:

> The conversion of an existing virtual collocation arrangement to a physical collocation arrangement usually necessitates either the relocation of the virtual collocation equipment to the space designated for the new physical collocation arrangement or the placement of new equipment in the physical collocation space and the decommissioning of the old virtual collocation arrangement.

Witness Hendrix further states that such a conversion process allows BellSouth to manage its space in the most effective way.

Regarding the manner in which BellSouth handles conversion requests, BellSouth witness Hendrix states that conversion requests are evaluated so that a decision is made to convert the old arrangement to a caged or a cageless physical collocation arrangement. Cageless physical collocation arrangements will not require the relocation of the equipment, but caged physical collocation arrangements will. In either case, BellSouth's witness believes that conversion requests to physical collocation arrangements, whether for caged or cageless collocation, must be treated as a new application for physical collocation. Similarly, GTEFL witness Ries states that conversion requests may involve relocation of the equipment. Witness Ries further states that the

ILECs may take reasonable security measures to protect their equipment since it may be necessary to move the ALEC's equipment to properly separate it.

Rhythms witness Williams contends that the ILECs cannot require that all physical collocation arrangements be located in a segregated collocation area. He further states that the ILECs must utilize any unused space for physical collocation. Witness Williams also states that under federal regulations, it is unnecessary to relocate the equipment when a cageless collocation arrangement is requested by the ALEC. Witness Williams further argues that moving the equipment is not a reasonable security measure because such relocation causes service outages and unnecessary expenses.

Covad witness Moscaritolo states that conversions should not require the relocation of the equipment even if the ALEC's equipment is in the same line-up as the ILEC's equipment. He further states that such relocation measures delay the conversion and increase the costs associated with conversion. Witness Moscaritolo refers to the New York Public Service Commission's statement that "[S]pending time and effort to move a virtual arrangement from one area of a central office to another would be an unnecessary and time-consuming burden." Witness Moscaritolo also notes that Bell Atlantic is implementing this policy.

MGC witness Levy states that it is not possible to convert a virtual collocation arrangement to a physical collocation arrangement because a cage must be built around the existing virtual collocation arrangement. In addition, other equipment around the virtual collocation arrangement must be moved to free up some space. He states that it is, however, possible for an ALEC to get similar arrangements associated with physical collocation rather than obtaining self-contained floor space. Witness Levy indicates that in Las Vegas, Sprint permits MGC technicians to access its collocated equipment arrangement on a 24 hours/7 days a week basis even though all of its collocation arrangements are regarded as virtual collocation arrangements. He states that such arrangements are located in the same line-up as the ILEC's transmission or switching equipment.

Intermedia witness Jackson states that the ILECs should be able to perform the conversion of a virtual collocation arrangement upon request to a cageless physical collocation arrangement. In addition, he alleges that based on the FCC's Orders and Rules, the

ALECs must remain commingled with the ILEC's equipment, but under a physical cageless collocation arrangement.

ANALYSIS AND DETERMINATION

We agree with AT&T and MCI's witnesses that there should be minimal interruption to the ALEC's services during a conversion and that the ownership and maintenance responsibilities should be changed when a collocation conversion is requested by an ALEC, because in a virtual collocation arrangement, the ALEC has no access to the ILEC's premises, unlike a physical collocation arrangement. Therefore, the ILEC would transfer its ownership and responsibilities of the collocation arrangement to the ALEC.

We agree with Sprint witness Closz's statement that the terms and conditions for converting virtual collocation to either physical caged or physical cageless collocation should be differentiated because of the differences associated with these two types of physical collocation. We also agree, in part, with BellSouth witness Hendrix that "[T]hese conversions will be evaluated as to whether there are extenuating circumstances or technical reasons that would cause the arrangement to become a safety hazard within the premises or otherwise conflict with the terms and conditions of the collocator's collocation agreement." The evidence demonstrates that depending upon the type of physical collocation, technical or safety issues may have to be taken into consideration by the ILEC.

While we do not believe that a new physical collocation application needs to be submitted for conversion requests, we do, however, believe that a collocation "conversion" or "rearrangement" application (CCA) should be submitted in order to keep a record of what has been requested by the ALEC, and the acceptance or denial response by the ILEC. A CCA is appropriate, because a CCA will include all necessary information related to the type of work to be performed by the ILEC. We believe this is necessary because the record reflects that the terms and conditions that should apply for converting a virtual collocation arrangement to a physical collocation arrangement are complex in nature and may vary depending on the type of conversion being requested.

We find Sprint witness Closz's statements regarding the changes associated with conversions in place were very confusing and contradictory because we believe that changes such as

administrative, billing, and engineering record updates are necessary changes that are required to effectuate the conversion from virtual to physical collocation, be it a change in place or otherwise.

We do, however, agree with the testimony of Sprint witness Closz, and in part with Intermedia witness Jackson, that if there are no physical changes required by the ILEC to the collocation arrangement, the only charges that should apply are for the administrative, billing, and engineering record updates. We also agree with Sprint witness Closz that when converting from virtual to caged collocation, additional space and construction considerations must be taken into account. We shall refrain from imposing any terms and conditions related to matters involving administrative costs, since the record demonstrates that these costs vary depending on the type of request and need. Therefore, these costs should be negotiated in an interconnection agreement.

In addition, if there are changes to the collocation configuration being requested, we find that an application fee is appropriate. Whether or not there are changes, however, the ILEC must inform a requesting ALEC within 15 calendar days of its request whether its collocation conversion application is accepted or denied, and provide sufficient information for the ALEC to place a firm order.

As for placing and relocating equipment, we note Rhythms witness Williams's arguments that the ILECs cannot require that all physical collocation arrangements be located in a segregated collocation area. This appears to be reasonable. Also, the ILECs shall be required to utilize any unused space for physical collocation. Furthermore, regarding relocation of equipment, the record supports that the ALEC's equipment may remain in place even if it is in the ILEC's equipment line-up when converting from virtual to cageless physical collocation. It appears that to require relocation of equipment under these circumstances would be unduly burdensome and costly to the ALEC without any benefit. Second, when converting from virtual to cageless physical collocation and the ALEC is asking to place additional equipment, acquire additional space, or the ILEC must perform work on the equipment to effectuate the conversion, these situations should be handled on a case-by-case basis to be negotiated by the parties. There may be instances where additional equipment is requested to be placed or additional space is requested which cannot be

accommodated in the existing space, and the collocation arrangement would need to be relocated.

Finally, when converting from virtual to caged physical collocation, we find that the ALEC equipment should be relocated because construction of a cage will require additional space. Since virtual collocation equipment is typically in the same line-up as ILEC equipment, the record demonstrates that this space would be more efficiently re-used for another virtual collocation arrangement, a cageless physical collocation arrangement or for ILEC equipment.

VI. RESPONSE AND IMPLEMENTATION INTERVALS FOR CHANGES TO EXISTING SPACE

In this section, we consider when an ILEC should be required to respond to an ALEC's request for changes to existing collocation space and the implementation interval for these changes. Herein, we refer specifically to changes to an ALEC's existing physical collocation space.

BellSouth witness Hendrix states that the response interval for a request for a change to an existing space should not exceed 30 days. He also states that the implementation interval for a request for changes to an ALEC's existing collocation space should not exceed 60 calendar days, under normal circumstances. Witness Hendrix describes normal conditions as "conditions where none of the following exist: material equipment ordering required, HVAC or power upgrades or additions, addition to floor space, racks, or bays." He states that for conditions other than normal, the implementation interval should be the same as a new request, 90 calendar days.

GTEFL witness Ries states that the response and implementation intervals depend upon the type of change requested; however, he maintains that, in general, the response and implementation intervals are the same for changes to existing collocation space as they are for new collocation requests. Witness Ries explains:

> . . . GTE distinguishes between major and minor augments. At the time it originally submits its collocation application, the ALEC indicates the amount of power it will need and the amount of heat (in BTUs) that its

> equipment will generate. The ALEC may then place equipment that does not exceed the capacity of the engineered space. As long as any changes the ALEC wishes to make are within the ALEC's original specifications, the change is considered to be a minor augment.

He further explains:

> If the requested augment would exceed the power and BTU's originally specified, or if it would require additional space, it is considered a major augment. Major augments will be treated like new collocation applications. In these cases, the ILEC will need to assess potential impacts of requested changes on power, HVAC, cabling and space requirements. While it will not take 90 days to provision every such change, it would be impossible to define some uniform, shorter interval, because change requests can vary widely in the amount of work they require.

Sprint witness Closz states that collocation space changes will likely involve the addition of equipment to the collocation arrangement and/or changing the existing equipment. Witness Closz explains that equipment additions or changes to the existing configuration are typically referred to as "augmentations" to existing collocation arrangements. Given the varied nature of change requests, she proposes the following response and implementation intervals:

> When the change requested requires no physical work on the part of the ILEC other than record updates, ALECs should only be required to advise the ILEC of the changes that will be made. . . . This response should be provided within fifteen (15) calendar days of receipt of the ALEC's change notification.
>
> Provisioning intervals when changes are required should be reflective of the actual work involved, but should not exceed 30 calendar days from receipt of the ALEC's request for a change. Longer intervals are

> warranted only in cases where ILEC infrastructure improvements and/or upgrades requiring additional time are required but in these cases the interval should not exceed 90 calendar days from receipt of the change request.

MCI witness Martinez believes that most changes made by an ALEC within its collocation space do not warrant either implementation intervals or additional applications or application fees. Witness Martinez explains that when an ALEC submits its initial request for collocation it provides the ILEC with information about the ultimate power requirements and equipment configuration for the collocation space. He states that as long as the changes to the collocation space do not exceed the initial forecast, there should be no obligation to obtain the ILEC's permission. At most, the witness believes that the ALEC should be required to make an information notification to the ILEC to enable the ILEC to update its records regarding the types of equipment actually installed. He further states that in situations where an ALEC legitimately requires the space to be modified with respect to space, power or HVAC, then the standard intervals for collocation should apply.

MGC witness Levy maintains that changes to existing collocation arrangements can take many forms and the appropriate response and implementation intervals vary depending on the form of the change. He states that after receiving a request for a change, the ILEC should be required to respond to the ALEC within ten business days and this response should include all costs associated with the request. He also states that once a firm order has been placed, the interval for provisioning this request should be no more than 30 calendar days.

Supra witness Nilson states that a 10 day, or less, response interval is appropriate. He believes that:

> [S]ince the Commission has already determined that physical collocation should be performed within ninety days, a modification to an existing collocation space should take even less time, certainly not more.

Intermedia witness Jackson states that as a general rule, response and implementation intervals will be shorter when making

changes to existing collocation arrangements because the collocation arrangement is already established, and in most of the augmentations, the ALEC is simply installing additional equipment. Addressing response intervals, witness Jackson states that for changes to existing collocation arrangements requiring no additional space, ILECs should be required to respond within five calendar days. For changes to existing collocation arrangements that require additional space, he contends that the ILEC should respond within the 10-day interval prescribed by the FCC in its Collocation Order.

Witness Jackson proposes three different implementation intervals for changes to existing collocation space. First, if the augmentation of the collocation arrangement requires no work by the ILEC, then ALECs should be able to begin work on the arrangement as soon as the application is accepted. Second, when work is required by the ILEC on the collocation arrangement, such as the addition of facilities or engineering additional power to the collocation arrangement, the ILECs should implement such changes within 45 calendar days. Third, when the ALEC submits an application for changing existing collocation space that requires additional space, the ILECs should be required to implement such changes within 60 calendar days.

ANALYSIS AND DETERMINATION

Based on the evidence presented, it appears that there are many different modifications to existing collocation arrangements that an ALEC may request. These requests may require the ILEC to make changes ranging from administrative or record changes, to provisioning more space for the ALEC. This variety of options appears to have contributed to the multitude of varying responses and implementation intervals proposed by the parties in this case.

Upon consideration, we find that ILECs shall be required to respond to an ALEC request for change to its existing collocation arrangement within 15 calendar days, as required for responses to initial collocation applications. The evidence that the response interval for changes to existing collocation space should be different from a response to an initial collocation application was not persuasive. The evidence shows that in many cases, the ILEC will have to perform the same analyses to evaluate the change request that it would perform for an initial request. Also, consistent with our decision on responses to initial applications,

we find that the ILEC's response to an ALEC shall contain all information necessary for the ALEC to place a firm order if the changes to the collocation space will require work on the part of the ILEC.

Regarding implementation intervals, we recognize that implementation intervals can also vary widely depending on the specific change. The evidence of record is not, however, sufficient to prescribe different provisioning intervals relating to all of the different changes that an ALEC may request. The parties propose provisioning intervals ranging from immediately after the application is accepted, to up to 90 calendar days. In Orders Nos. PSC-99-1744-PAA-TP and PSC-99-2393-FOF-TP, we ordered a provisioning interval of 90 calendar days for physical collocation after receipt of a firm order by an applicant carrier. The evidence in this case does, however, demonstrate that provisioning changes to existing collocation arrangements usually should require less time than provisioning a new collocation arrangement. Therefore, we shall require a provisioning interval of 45 calendar days. The evidence shows that most changes to existing collocation space can be provisioned in this time frame. However, if the ILEC believes it will be unable to meet this time frame and the parties are unable to agree to an extension, the ILEC shall seek an extension of time from this Commission within 30 calendar days of receipt of the firm order.

VII. DIVISION OF RESPONSIBILITIES BETWEEN ILECS AND COLLOCATORS FOR:

A. Sharing and Subleasing Space Between Collocators

In this section and subsection, we address the responsibilities of ILECs and collocators relating to shared and subleased collocation space. In most existing central office collocation arrangements, the designated physical collocation spaces of several competitive entrants are located close together within the ILEC premises. Because of the conveniences and efficiencies associated with this proximity, competitive entrants seeking to interconnect with each other may find connecting between their respective collocation spaces on the ILEC premises the most efficient means of interconnecting with each other. Under a shared collocation arrangement, a single collocation node is shared by two or more ALECs.

In the FCC's Advanced Services Order in Paragraph 8, the FCC set forth the following steps with regard to shared cage collocation:

> 1) Incumbent LECs must make available to requesting competitive LECs shared cage and cageless collocation arrangements. Moreover, when collocation is exhausted at a particular LEC location, incumbent LECs must permit collocation in adjacent controlled environmental vaults or similar structures to the extent technically feasible.
>
> 2) Incumbent LECs must permit competitors to collocate all equipment used for interconnection and/or access to unbundled network elements (UNEs), even if it includes a "switching" or enhanced services function, and incumbent LECs cannot require that the switching or enhanced services functionality of equipment be disengaged.

Sprint witness Hunsucker addresses this issue by referring to the FCC's Rule 51.321(k)(1). Therein, the FCC outlined the responsibilities of the ILEC and collocators when a collocator shares space with, or subleases space to, another collocator. The rule states:

> (k) An incumbent LEC's physical collocation offering must include the following:
>
> (1) Shared collocation cages. A shared collocation cage is a caged collocation space shared by two or more competitive LECs pursuant to terms and conditions agreed to by the competitive LECs. In making shared cage arrangements available, an incumbent LEC may not increase the cost of site preparation or nonrecurring charges above the cost for provisioning such a cage of similar dimensions and material to a single collocating party. In addition, the incumbent must prorate the charge for site conditioning and preparation undertaken by the incumbent to construct the shared collocation cage or condition the space for collocation use, regardless of how many carriers actually collocate in that cage, by determining the total charge for site preparation and allocating that charge to a collocating carrier based on the percentage of the total space utilized by that carrier. An incumbent LEC must make shared collocation space available in single-bay increments or their equivalent, *i.e.*, a

> competing carrier can purchase space in increments small enough to collocate a single rack, or bay, of equipment.

In addition, in Paragraph 41 of FCC Order 99-48, the FCC further concluded:

> . . . a carrier should be charged only for those costs directly attributable to that carrier. The incumbent may not place unreasonable restrictions on a new entrant's use of a collocation cage, such as limiting the new entrant's ability to contract with other competitive carriers to share the new entrant's collocation cage in a sublease-type arrangement. In addition, if two or more competitive LECs who have interconnection agreements with an incumbent LEC utilize a shared collocation arrangement, the incumbent LEC must permit each competitive LEC to order UNEs to and provision service from that shared collocation space, regardless of which competitive LEC was the original collocator.

Rhythms witness Williams contends that billing each ALEC separately is not needed for services like power, HVAC, and other similar services. In addition, Rhythms witness Williams acknowledges, the ILEC must track all the changes in the collocation arrangement to make sure that it is billing the correct entity and allocating shares correctly.

In response, however, BellSouth witness Hendrix argues that separate billing causes more work and expense resulting in possible administrative and billing errors. He further emphasizes that BellSouth provides shared collocation in every central office provided that: a) local building codes allow such an arrangement; and b) BellSouth's central office premises are not located within a leased space. Witness Hendrix also indicates that a host-guest relationship occurs when an ALEC chooses to share its space with other ALECs.

Intermedia witness Jackson states that when a collocator shares space with another collocator, the ALECs should be responsible for setting terms and conditions for the shared space. The witness also states that each collocator must be permitted by the ILEC to order UNEs and provision service from the shared space. The witness further states that ILECs should not restrict the types of equipment collocated by ALECs as long as they are used for interconnection or access to UNEs. Witness Jackson's arguments

appear to correlate with those set forth in FCC Order 99-48 as Paragraph 8.

ANALYSIS AND DETERMINATION

Upon consideration, we find that the FCC has provided sufficient guidance in its rules and orders, specifically FCC Order 99-48, FCC Order 96-325, FCC Order 96-333, FCC Order 97-208, and FCC Rule 47 C.F.R. §51.321(k)(1), regarding ILEC and ALEC responsibilities in shared and subleased collocation space. Therefore, ILECs and ALECs in Florida shall be required to follow those rules and orders regarding shared and subleased collocation space set forth by the FCC.

In addition, we acknowledge that FCC Order 99-48 clearly states that the ILEC must permit each ALEC to order UNEs to and provision service from the shared collocation space, regardless of who the original collocator is and state our disagreement with BellSouth witness Hendrix's assertion that the host ALEC should be the responsible party to submit applications for initial and additional equipment placements of its guests because the ILEC may not impose unnecessary requirements on how or what the ALECs might need for their own network infrastructure according to the FCC's Order. Therefore, ALECs shall not be required to designate a host ALEC and shall be able to order directly from the ILEC any addition to its network. Instead, each ALEC shall be allowed to submit its own requests to the ILEC for equipment placement, unbundled network elements and other services, regardless of which ALEC was the original collocator.

We also acknowledge that FCC Rule 47 C.F.R. §51.321(k)(1) requires an ILEC to prorate its costs based on the number of collocators and space used by each collocator; therefore, ILECs are encouraged to bill each collocator separately, but we shall not require them to do so.

As for the sharing arrangement between collocating ALECs, we emphasize that the ALEC host makes the determination that other ALECs, the guests, will be allowed to share space within its cage under the terms and conditions governing the sharing arrangement agreed to between the ALECs. Therefore, we shall not require that the ILEC be a part of any such negotiations between ALECs.

B. Cross-Connects Between Collocators

In this subsection, we consider the responsibilities of ILECs and collocators when a collocator cross-connects with another collocator. The FCC outlined the responsibilities of the ILEC and collocators when a collocator cross-connects with another collocator in FCC Rule 47 C.F.R. §51.323(h). The Rule states:

> (h) An incumbent LEC shall permit a collocating telecommunications carrier to interconnect its network with that of another collocating telecommunications carrier at the incumbent LEC's premises and to connect its collocated equipment to the collocated equipment of another telecommunications carrier within the same premises provided that the collocated equipment is also used for interconnection with the incumbent LEC or for access to the incumbent LEC's unbundled network elements.

The FCC also requires the ILEC to permit the new entrant to construct its own cross-connect facilities, using either copper or optical facilities, subject only to the same reasonable safety requirements that the incumbent places on its own similar facilities. FCC Order 99-48 at Paragraph 33. Therefore, the FCC also concluded that ILECs may require that all equipment that a new entrant places on its premises meet safety requirements to avoid endangering other equipment and the ILECs' networks.

The FCC further prohibits ILECs from requiring competitors to purchase any equipment or cross-connect capabilities solely from the incumbent at tariffed rates. FCC Order 99-48 at Paragraph 33. For this reason, an ILEC may not refuse to permit collocation of equipment on the grounds that the Bellcore Network Equipment and Building Specifications (NEBS) are not met. Id.

MCI witness Martinez indicates that BellSouth's position has always been that if an ALEC wants to cross-connect with another ALEC, the ALEC must submit a subsequent application and any applicable fees. He states that the application fee is generally $1,600 or more in some instances. He believes that this is not a cost-effective process, because such fees will eliminate and disrupt the "self-construction" alternative for the ALEC community. He further states that the ILEC should not require any application or any fees, because the ALEC has the right to perform its own cabling.

MCI witness Martinez further states that the ALEC should be able to construct, run its cables, and interconnect its equipment with another ALEC. In return, the ALEC will inform BellSouth what type of work will be done. MCI witness Martinez also indicates that since the ILEC is not providing service and additional facilities, the ILEC should not require any application fee or charges related to cross-connection.

In response, BellSouth witness Hendrix states that for co-carrier cross-connects, there needs to be an application fee based on the expenses associated with cable racking or other problems that may occur when changes are made to the existing collocation space. BellSouth witness Hendrix also contends that in circumstances where the ALEC constructs, runs its cables, and interconnects its equipment with another ALEC, such work may cause potential problems.

ANALYSIS AND DETERMINATION

Upon consideration, we find that the FCC has provided sufficient guidance in its rules and orders, specifically FCC Order 99-48, FCC Order 96-325, FCC Order 96-333, FCC Order 97-208, and FCC Rule 47 C.F.R. §51.321(k)(1), regarding ILEC and ALEC responsibilities in collocator cross-connects. Therefore, ILECs and ALECs in Florida shall be required to follow those rules and orders regarding collocator cross-connects set forth by the FCC.

We note that FCC Rule 47 C.F.R. §51.323(h)(2) reads:

> An incumbent LEC shall permit collocating telecommunications carriers to place their own connecting transmission facilities within their the incumbent LEC's premises outside of the actual physical collocation space, subject only to reasonable safety limitations.

We find the phrase "subject only to reasonable safety limitations" somewhat vague and of little specific guidance on this matter. The record in this case does, however, demonstrate that in establishing cross-connects in non-contiguous collocation spaces, work must be done in common areas. Work done in these common areas appears to be of particular concern, because it could potentially affect not only the cross-connecting carriers, but the ILEC and all other ALECs collocated in the central office. Thus, this appears

to be a legitimate safety concern. As such, and consistent with our other decisions set forth herein, all work in common areas must be performed by the ILEC. Because the ILEC will, ultimately, be required to perform some work regarding these types of requests, ALECs shall be required to submit an application to the ILEC for the ILEC to perform the work for ALEC cross-connects in non-contiguous collocation spaces.

We also find that the record supports that when ALECs cross-connect with each other in contiguous collocation spaces, no application fees are necessary, because the ALECs can establish their own cabling, but the ALECs must inform the ILEC of the type of work to be performed and the duration of such work. The ALECs must also use an ILEC-certified vendor to perform this work or submit an application to the ILEC to perform this task to ensure that the work is done safely.

VIII. PROVISIONING INTERVAL FOR CAGELESS COLLOCATION

Herein, we have also considered the provisioning interval for cageless physical collocation. The FCC has declined to adopt specific provisioning intervals, but it has encouraged "state commissions to ensure that incumbent LECs are given specific time intervals within which they must respond to collocation requests," because of the importance of ensuring timely collocation space. FCC Order 99-48 at Paragraph 54. This Commission has already established guidelines for provisioning of physical and virtual collocation in Order No. PSC-99-1744-PAA-TP, in which we stated:

> Upon firm order by an applicant carrier, the ILEC shall provision physical collocation within 90 days or virtual collocation within 60 days.

PSC-99-1744-PAA-TP at p.17.

We later clarified this Order in Order No. PSC-99-2393-FOF-TP to reflect that these time frames are calendar days. In this section, we address whether a different provisioning interval should apply to cageless physical collocation, as opposed to the 90 calendar days that applies to traditional caged physical collocation pursuant to our prior Orders.

BellSouth witness Hendrix states that BellSouth has found that its provisioning interval is not controlled by the time required to construct an arrangement enclosure. He maintains that:

> The controlling factors in the overall provisioning interval actually include the time required to complete the space conditioning, add to or upgrade the heating, ventilation, and air conditioning system for that area, add to or upgrade the power plant capacity and power distribution mechanism, and build out network infrastructure components such as the number of cross-connects requested. When the construction of an arrangement enclosure is not required or is not performed by BellSouth, all other collocation area and network infrastructure must still take place.

Witness Hendrix also argues that approximately 85 steps take place in the ordering process, as well as the other processes that BellSouth must follow to get collocation space to the customer in a timely manner. He emphasizes that with cageless collocation, only one step in that process is avoided, which is building the cage.

BellSouth witness Hendrix argues that virtual collocation and physical collocation, cageless or otherwise, are two different services, provisioned in two different ways. He states:

> With virtual collocation, the ALEC does not have direct access to its collocated equipment. BellSouth leases the ALEC's equipment and assumes the responsibility to maintain it. Since BellSouth technicians work on virtual collocation equipment, it is typically placed within BellSouth's lineup to provide more efficient access to the equipment. With physical collocation, however, the ALEC performs its own maintenance activities and therefore [sic] requires access to its equipment. Since the Advanced Services Order states that, "The incumbent LEC may take reasonable steps to protect its own equipment, such as enclosing the equipment in its own

> cage," (Paragraph 42) BellSouth typically places physical collocation arrangements outside its lineup, in unused space. This unused space often requires space preparation and infrastructure construction activities before equipment may be placed within it. Therefore, the provisioning activities for virtual and physical collocation are not the same, . . .

Similarly, GTEFL witness Ries states that the ALECs believe a much shorter interval for cageless collocation is appropriate because they believe it is similar to virtual collocation. He contends, however, that this comparison is unjustified because cageless is a physical collocation offering. The witness explains that except for cage construction, cageless collocation requires the ILEC to perform the same kinds of tasks to prepare the space. He adds that GTEFL has not found that the provisioning intervals for caged and cageless construction are a significant factor in determining provisioning intervals, and, therefore, reducing provisioning time frames by the amounts recommended by the ALECs would not be justified.

GTEFL witness Ries also states:

> The appropriate provisioning interval for cageless physical collocation is the same as for caged physical collocation. The only difference between caged and cageless physical collocation is construction of the cage itself. Extending power and providing overhead support and cable racking are typically the most time consuming aspects of the provisioning process. These tasks, which generally dictate the provisioning interval, are required whether cageless or caged physical collocation is being provisioned.

In response, Sprint witness Closz contends that a reduced interval appropriately reflects that the time required to construct cages is not needed for the provisioning of cageless arrangements. She further explains that:

> Sprint believes that the appropriate provisioning interval for cageless physical

> collocation is sixty (60) calendar days. Sprint's ILEC work processes for provisioning cageless physical collocation are essentially the same as its internal work processes for provisioning virtual collocation and accordingly, Sprint believes that the provisioning intervals for virtual collocation and cageless physical collocation should be the same.

Similarly, other ALEC witnesses, including witnesses for Intermedia, Supra, and Rhythms, maintain that cageless physical collocation mirrors virtual collocation; therefore, not constructing a cage should allow for a shorter provisioning interval than 90 calendar days.

Covad witness Moscaritolo contends:

> When space and power are readily available, an ILEC should provision cageless collocation space within 45 calendar days. When space and power is not readily available, an ILEC should provision cageless collocation space within 90 calendar days. US West presently provides these provisioning intervals to Covad under its interconnection agreement. (EX. A.) Because US West provides these intervals, such intervals are presumptively feasible in the regions of other ILECs, including BellSouth and GTE Florida.

He further contends that Southwestern Bell Telephone Company (SWBT) provides cageless collocation in active collocation space in 55 calendar days if an ALEC installs its own racking, and in 70 calendar days if the ILEC installs the racking. Witness Moscaritolo adds that if active collocation space is not readily available, SWBT provides cageless collocation in 140 calendar days. In addition, he disagrees with GTEFL witness Ries and BellSouth witness Hendrix regarding the impact of cage construction on the provisioning process. He argues that the construction of a cage is the interval-limiting task in the provisioning of caged collocation.

MGC witness Levy states that upon receipt of a firm order, cageless collocation should be provisioned within 30 calendar days.

He notes that in Las Vegas, all MGC collocations are cageless, and the space is consistently available within 30 days.

ANALYSIS AND DETERMINATION

As mentioned previously, this Commission has established the requirement that an ILEC shall provision physical collocation within 90 calendar days and virtual collocation within 60 calendar days after the receipt of a firm order from an applicant carrier. Most of the ALEC parties in this proceeding argue that cageless physical collocation mirrors virtual collocation and that without having to construct a cage, the provisioning interval should be less than caged physical collocation. Indeed, FCCA, AT&T, Covad, FCTA, Intermedia, MCI, MGC, MediaOne, Rhythms and Supra in their joint position statement contend that the ILECs should provision cageless collocation within 45 calendar days of receiving a request if space and power are readily available and 60 days if not readily available. These parties have, however, presented very little persuasive, substantive evidence to support this position.

As for BellSouth's and GTEFL's arguments that cageless collocation should have the same interval as caged collocation because it is a type of physical collocation, we do not find these arguments entirely persuasive. BellSouth and GTEFL's arguments do, however, suggest that there are differences between virtual and physical collocation, whether caged or not, that could cause the provisioning intervals to differ. We note that the FCC stated:

> Under virtual collocation, interconnectors are allowed to designate central office transmission equipment dedicated to their use, as well as to monitor and control their circuits terminating in the LEC central office. Interconnectors, however, do not pay for the incumbent's floor space under virtual collocation arrangements and have no right to enter the LEC central office. Under our virtual collocation requirements, LECs must install, maintain, and repair interconnector-designated equipment under the same intervals and with the same or better failure rates for the performance of similar functions for comparable LEC equipment. FCC Order 96-325 at Paragraph 559.

In physical collocation, other types of equipment may be installed besides transmission equipment, including equipment that may have switching functionality. These differences in equipment do bring about different technical aspects of provisioning the collocation space, such as grounding differentials, power and heat differentials, and different equipment footprint sizes. AT&T witness Mills agrees that these differences exist between equipment typically placed in a virtual collocation arrangement versus a physical collocation arrangement. Based on the evidence, we are persuaded that these differences between virtual and physical collocation may cause the provisioning intervals to differ.

The other argument presented by the ALECs was that construction of a cage increases the provisioning interval for caged physical collocation. While the evidence demonstrates that there is some time involved with construction of a cage, we are not persuaded that this time is substantial or the limiting factor in provisioning caged physical collocation. As pointed out in the hearing, construction of a cage may be done concurrently with the other work necessary to provision the collocation space. Therefore, we are not persuaded that construction of a cage significantly increases the time required for caged physical collocation and do not believe that the provisioning interval for cageless physical collocation should be reduced based on this argument.

Based on the foregoing, we, therefore, find that the provisioning interval for cageless physical collocation shall be 90 calendar days after an applicant carrier has submitted a firm order to the ILEC, which is the same as the provisioning interval for caged physical collocation. The evidence of record shows that there are differences between virtual and cageless physical collocation. It does not show that the provisioning interval for caged physical collocation is significantly impacted by the construction of a cage.

IX. DEMARCATION POINT BETWEEN ILEC AND ALEC FACILITIES

In this section, we consider the appropriate demarcation point between the ALEC and ILEC equipment in situations where the ALEC's equipment is connected directly to the ILEC's network, without an intermediate point of interconnection.

Prior to the issuance of the FCC Advanced Services Order, typically the ILEC required an ALEC to interconnect at a Point of Termination (POT) bay. However, Rhythms witness Williams states that the Advanced Services Order prohibits ILECs from requiring POT bays, because such arrangements increase an ALEC's costs of interconnection. As a result of removing this intermediate point, there is disagreement about the new location of the demarcation point.

MGC witness Levy explains:

> Without a point of termination ("POT") bay between the ALEC and ILEC, it is difficult to identify a demarcation point. In such case, each cable becomes a type of meet-point since the ALEC is not permitted to reach the ILEC end and the ILEC is not permitted to reach the ALEC end.

He further states:

> However, if there is no POT bay, establishing a demarcation point would be less important if the ALEC were permitted to do all of its wiring between its equipment and the ILEC termination destination: the MDF for DS0s; and DSX1 and DSX3 ports for the DS1 and DS3. . . .

GTEFL witness Reis argues, however, that the ALECs should not have access to the ILEC's main distribution frame [MDF] to perform end-to-end wiring, because the MDF is a cross-connect point for wiring or jumping numerous pieces of central office equipment. If ALECs could access the ILEC's MDF, witness Reis believes ILECs would not be able to keep accurate records of connections, which would affect network reliability. Also, he believes network security would be a concern.

BellSouth witness Milner proposes that an ILEC should be able to determine the demarcation point. He states:

> BellSouth will designate the point(s) of interconnection between the ALEC's equipment and/or network and BellSouth's network. Each party will be responsible for maintenance and

> operation of all equipment/facilities on its side of the demarcation point.

Witness Milner believes the point of interconnection should be the common block on an ILEC's conventional distribution frame (CDF), which is an intermediate frame located in the common area between the ILEC's main distribution frame and an ALEC's collocation space.

BellSouth witness Hendrix also asserts that any area located outside the ALEC's collocation space is common space. He adds that:

> It is BellSouth's responsibility to maintain and to make whatever changes are needed to equipment that are in the -- equipment or elements that are in the office that is outside of the space designated for a given ALEC customer.

However, BellSouth witness Milner states:

> The ALEC or its agent must perform all required maintenance to equipment/facilities on its side of the demarcation point and may self-provision cross-connects that may be required within the collocation space to activate service requests.

BellSouth witness Milner and witness Hendrix have presented conflicting positions, which would preclude ALECs from performing their own facility maintenance on their side of the demarcation point. BellSouth witness Milner is advocating that an ALEC or its agent would perform maintenance up to the CDF; however, BellSouth witness Hendrix apparently believes that the area outside of the ALEC's collocation space is common space, and only ILECs should maintain that area, including the resident cabling.

In response, however, Rhythms witness Williams argues that requiring ALECs to connect to the CDF does not provide any particular benefit to BellSouth and simply increases the ALECs' costs. Moreover, witness Williams states that BellSouth is requiring Rhythms to accept contract amendments, which designate the CDF as the point of interconnection. Witness Williams contends that BellSouth insists that Rhythms waive rights provided by the Advanced Services Order in order to obtain cageless collocation.

Sprint witness Closz contends that when a demarcation point is designated at an intermediate frame located at a distance from the collocation space, additional ALEC cabling would be required. Therefore, Sprint witness Closz proposes that an ALEC collocation site would be the appropriate demarcation point, because the ALEC's collocation site serves as a meet point for which maintenance and provisioning responsibilities are split, with each party assuming accountability on its side of the demarcation point. Witness Closz further asserts:

> The FCC has determined that under Sections 251(c)(2) and 251(c)(3), the requesting carrier may choose any method of interconnection or access to unbundled elements that is technically feasible at a particular point. (96-325 local Competition Order P. 549) Thus the ALEC, not BellSouth, is permitted to designate the point of interconnection.

However, BellSouth Witness Milner counters:

> . . . the ALEC collocation site is not "the" appropriate demarcation point, but "one" appropriate demarcation point. Second, Ms. Closz fails to indicate specifically where such a demarcation would be made, or upon what device the demarcation point would reside.

ANALYSIS AND DETERMINATION

Upon consideration of the arguments and the evidence presented, we are persuaded that an ILEC should not be obligated to offer access to its MDF. The MDF connects directly to the switch and provides an area for technicians to modify switch connection without actually altering the connections at the switch, which the evidence shows is very difficult due to the extremely large number of connections at any point at the switch. We agree with BellSouth and GTEFL that labeling and maintaining terminations is critical and should be performed by one party, the ILEC. Moreover, we are concerned that security and network accountability would be jeopardized by requiring ILECs to provide access to the MDF.

As for the CDF, there are two reasons why we shall not order that the CDF be the required demarcation point. First, the record demonstrates that the common area is not an appropriate demarcation point because, as we further explain in this Order, we believe only ILECs should perform work in common areas. Second, we agree with Sprint witness Closz that additional ALEC cabling would be required if the CDF were the demarcation point.

We are persuaded that the ALEC's collocation site is the appropriate demarcation point. The demarcation point is the point at which each carrier is responsible for all activities on its side. The evidence of record clearly shows that, currently, ALECs are not allowed to manage or control the area outside of their collocation space. Moreover, establishing a demarcation point outside of an ALEC's collocation space could prohibit ALECs from managing or maintaining their cabling on their side of the demarcation point without a BellSouth Certified Contractor. Therefore, we find that the ALEC's collocation space is the appropriate demarcation point.

Furthermore, we agree that because the ILECs manage the cabling and cable racking in the common area, the ILEC should designate the location of such a point at the perimeter of an ALEC's space; however, ILECs shall not be required to terminate the cabling onto any ALEC device or equipment because we agree with witness Levy that the ILEC may not reach the ALEC end. The ALEC shall be responsible for terminating the cable to its own equipment and notifying the ILEC when completed. Also, ILECs shall be required to provide an ALEC-specified cable extension from the demarcation point at the same costs at which ILECs provide cable to itself.

We have considered the fact that there are ALECs that prefer to use POT bays and other intermediate points as demarcation points. Based on the record, it appears that no ILEC was opposed to an ALEC's use of POT bays in an ALEC's space, or other intermediate points in an ILEC's space up to the CDF. We note that GTEFL witness Reis states that:

> GTE would allow Covad to put a POT Bay in their collocation space. What GTE would not be in favor of is GTE performing the wiring on equipment that is in the Covad space, that we would provide to the cable. . . .

Although the FCC prohibits ILECs from requiring POT bays or other intermediate points of interconnection, ALECs are not prohibited from choosing to use them. Therefore, ILECs and ALECs may negotiate other demarcation points up to the CDF. However, if terms cannot be reached between the carriers, the ALEC's collocation site shall be the default demarcation point.

X. PARAMETERS FOR RESERVING SPACE FOR FUTURE USE

Herein, we consider the appropriate length of time collocation space can be reserved once collocation space has been granted by an ILEC to a requesting party. While the positions of the parties varied as to the length of time collocation space should be allowed to be reserved, all but one party agreed that a provider should be allowed to reserve collocation space.

Several ALECs emphasize the need to have the ability to reserve space under the same terms and conditions as the ILECs. The FCC has addressed space reservation, to an extent, in FCC Rule 51.323(f)(4), which states:

> An incumbent LEC may retain a limited amount of floor space for its own specific future uses, provided, however, that the incumbent LEC may not reserve space for future use on terms more favorable than those that apply to other communications carriers seeking to reserve collocation space for their own use.

Supra witness Nilson states that parameters for reserving collocation space should be applied equally to ALECs and ILECs, and neither party should be allowed to reserve space for a greater amount of time than the other.

MCI witness Martinez agrees that there should be parity among parties when reserving central office space. Witness Martinez contends that the maximum time for space reservation should be two years, and emphasizes that "[B]ased on industry practice, I believe that space reservation for all parties should be based on a planning horizon for the current year plus one."

Intermedia witness Jackson proposes that ILECs should be required to have a minimum amount of collocation space available in every central office. Intermedia witness Jackson further argues that "[I]f the space falls below this threshold, the ILEC should

have to begin to create plans for expansion of the central office space." While witness Jackson did not know how much collocation space should be required in each central office, he believes there should be enough space for two collocators at any given time. If space for two collocators is unavailable, the ILEC should relinquish its reserved space and make it available to requesting ALECs.

Covad is concerned about future growth and disclosure of the ILECs' future growth plans. Covad witness Moscaritolo asserts that if ILECs' plans for future growth lessen the amount of collocation space available in a central office, the ILEC should notify the ALECs waiting to collocate in that central office. He notes that no mechanism exists for ALECs to verify ILECs' future use of their reserved collocation space. Witness Moscaritolo suggests that the ILECs should be required to disclose this information on their websites or in a filing with the Commission. Witness Moscaritolo stated that the decision on this issue should result in parity among companies.

GTEFL witness Ries asserts that collocation space should be allowed to be reserved for an indefinite amount of time, as long as a documented, funded business plan accompanied the request for collocation space, because different types of equipment have different implementation and planning intervals. He indicates that GTEFL believes that limiting the time collocation space can be reserved would result in an inefficient and costly approach to accommodate network additions.

In defining what a documented, funded business plan is, the witness explains that GTEFL reviews and updates its forecasted future requirements on a quarterly basis to determine when a switch would require an addition. He further explains that the funded, documented business plan can delineate where future switch additions may be needed to accommodate growth two or three years into the future.

In addition, witness Ries clarifies that if space were available in the central office to accommodate new requests, then a documented, funded business plan would not be necessary. Witness Ries further contends that, "[I]f GTE were only able to reserve space on a one-year increment, for example, then it would be forced to plan and implement switch additions on a year-by-year basis." GTEFL witness Ries also asserts that once floor space is granted to an ALEC, the ALEC should be required to pay for items such as

utilities, maintenance, and taxes on the space, and should be required to install their cage or bay at the time of reservation.

Sprint witness Hunsucker believes that FCC Rules 47 C.F.R. §§ 51.323(f)(4)-(6) serve as guidelines for the reservation of collocation space, but that the state commissions are responsible for taking the next step to ensure collocation occurs in a timely manner. The witness believes that ILECs and ALECs should be able to reserve collocation space for up to 12 months. Witness Hunsucker further states that an ILEC should be required to provide justification to the requesting party when denying collocation due to lack of space. This justification would come from the ILEC demand and facility charts, which should include three to five years' historical data and forecasted growth.

Witness Hunsucker also maintains that given the nature of the local telecommunications market and the deployment of advanced services, it is difficult to forecast space requirements beyond 12 months. He believes that a planning period longer than 12 months is just that, for planning, and the further plans are into the future, the more subject they are to change. He believes a 12-month reservation period should be adopted over the other alternatives presented because, " . . . we have got to ensure that there is a certainty that space is going to be used when we allow space to be reserved." While Sprint develops plans for periods of two years, three years, or four years into the future, " . . . those plans do not become funded and they are subject to change at any time." Witness Hunsucker adds that upon remittal of the collocation charges from the ALEC to the ILEC, the ALEC should be required to occupy the collocation space within six months. Failure to occupy the collocation space within six months would allow the ILEC to reclaim the collocation space and satisfy other collocation requests with the reclaimed space.

MGC witness Levy testified there should be no reservation of space in a central office by either an ILEC or an ALEC. The witness believes space reservation creates inefficiencies and adds delays and complications. Witness Levy does, however, state that " . . . if there must be a reservation policy, it should not in any way favor the ILEC or any affiliated companies or subsidiaries of the ILEC." Thus, witness Levy concludes that if MGC foresees future needs for collocation space, perhaps ten months in the future, MGC would immediately reserve it. The witness further indicates that MGC would be willing to pay for the space upon submitting the application, including submitting the application

for collocation, the application fee, and all required capital outlay to have the space prepared for their intended use.

BellSouth witness Milner argues that BellSouth currently applies the same standards to an ALEC it applies to itself, and, as such, it allows an ALEC to reserve space for a two-year period. Witness Milner contends that BellSouth's retail division does not acquire space in a central office, but its network organization does plan future space usage. Witness Milner disagrees with Sprint witness Hunsucker's recommendation of a 12-month reservation policy, reaffirming his position that either BellSouth or an ALEC should be able to reserve space for up to two years.

Further, witness Milner contends that Intermedia's proposal to require ILECs to have space available for two collocators at any given time would put BellSouth at a disadvantage relative to the ALECs. First, he asserts that BellSouth would be disadvantaged if ALECs could reserve space without the possibility of being required to relinquish reserved space, while requiring BellSouth to surrender its reserved space to accommodate future collocators. Second, BellSouth witness Milner contends that BellSouth is not required to construct additional space to lease.

ANALYSIS AND DETERMINATION

The positions presented include not allowing collocation space to be reserved under any circumstance, allowing collocation space to be reserved for an indefinite amount of time, and allowing collocation space to be reserved for a period of time ranging from 12 to 24 months. Several parties also emphasize the need for nondiscriminatory treatment with respect to reserving collocation space. The FCC's Rule 51.323(f)(4)addresses this issue:

> An incumbent LEC may retain a limited amount of floor space for its own specific future uses, provided, however, that the incumbent LEC may not reserve space for future use on terms more favorable than those that apply to other communications carriers seeking to reserve collocation space for their own use.

In order to comply with Rule 51.323(f)(4), we believe that the length of time an ILEC or a requesting carrier can reserve collocation space must be the same. Moreover, we are persuaded

that an ILEC or a requesting carrier must be allowed to reserve collocation space subject to the same terms and conditions.

Although MGC Communications witness Levy has proposed there not be a time period in which collocation space can be reserved, we do not find this proposal reasonable. Given the costs incurred for preparing collocation space, this method could deter competitive entrants that do not have sufficient capital for short-term outlays, and impede competitive carriers from expanding into new markets. This approach would create a guessing game as to when and how long collocation space would be available in a central office and hinder future central office expansion plans.

We also do not agree with GTEFL's proposal that the existence of a funded, documented business plan warrants reserving collocation space for an indefinite amount of time. While GTEFL contends the reservation of collocation space varies by central office, this method provides little incentive for companies to install equipment and utilize collocation space in a timely manner. This proposal could accelerate space exhaustion and hinder the ability of other competitive carriers to obtain collocation space. Further, this proposal could create a situation where one ALEC could control all available collocation space in a particular central office simply by developing a well-documented business plan. This would lead to other ALECs having to accept the terms and conditions of the host ALEC. GTEFL should be able to sustain adequate forecasting and future growth planning while restricting the allowed period for space reservation.

While BellSouth and Sprint agree that both ALECs and ILECs should be able to reserve space under equal terms and conditions, they differ as to the length of time a requesting collocator is allowed to have space reserved. BellSouth proposes a 24 month period, while Sprint proposes a 12 month-period.

BellSouth witness Milner contends that a two-year planning horizon gives adequate notice to the parties as to their expected needs for space reservation. Witness Varner states that BellSouth currently reserves and allows ALECs to reserve space on a two-year basis. Although BellSouth reserves space on a two-year basis, we believe that this time period may be overstated somewhat, because we agree with witness Hunsucker that planning for the distant future is difficult due to the nature of the telecommunications industry.

As for Sprint, Sprint witness Hunsucker proposed 12 months as a sufficient period for the reservation of space. As stated above, witness Hunsucker contends that because of the nature of the telecommunications industry and the deployment of advanced services, it is difficult to forecast beyond 12 months. He also believes planning beyond twelve months is just that, planning.

Upon consideration, we find that an 18-month reservation period is appropriate for reserving space. This 18-month reservation period shall apply to all providers alike, ILECs and ALECs. The evidence is clear that space within a central office is a limited resource, and that limiting the length of time space is allowed to be reserved will promote efficient use of central office space and allow current and future collocators the ability to reserve space and enter new markets, thereby stimulating competition. We believe that this 18-month reservation policy will also allow requesting collocators to more accurately forecast and adjust space requirements. This requirement shall be implemented on a non-discriminatory basis such that ALECs and ILECs must be allowed to reserve space under the same terms and conditions.

We note that two other peripheral topics were raised by certain parties within the context of this issue. First, GTEFL witness Ries believes ALECs should begin paying for collocation space once the ALEC is granted collocation space by the ILEC. Second, Sprint witness Hunsucker believes the ILEC in a particular franchise area should have the ability to reclaim unused collocation space after a period of time has elapsed. While we agree that these appear to be legitimate issues, we believe there is insufficient evidence presented in this docket to address these concerns. Furthermore, these points are beyond the scope of the issue presented for our decision.

XI. GENERIC PARAMETERS FOR THE USE OF ADMINISTRATIVE SPACE

In this section, we address whether guidelines should be established to define when administrative space should be converted into physical collocation space if available collocation space has been exhausted. Suggested generic guidelines for converting administrative space into collocation space include relocating administrative personnel away from central offices, limiting the amount of space used in a central office for training purposes, and limiting the size of employee amenities, including break rooms and bathrooms. From all the testimony, two distinct opinions arose.

GTEFL witness Ries and BellSouth witness Milner both agreed that generic parameters cannot be established. GTEFL witness Ries states, "[T]rying to define such parameters would be futile. Each ILEC premise has its own, unique set of circumstances." He also contends that even if certain parameters were met, the ALECs would still dispute the availability of collocation space.

BellSouth witness Milner first defines administrative space as " . . . any space not directly supporting the installation or repair of both telephone equipment and customer service." He explains that examples of administrative space include storerooms, break rooms, training areas, and space used by workgroups performing functions not related to telecommunications equipment. BellSouth witness Milner indicates that generic parameters cannot be established for this space because of the differences between central offices. He maintains that these differences include variations in equipment requirements with respect to space and power needs, building codes that affect remodeling and building additions, and other unique characteristics. The witness contends that these unique characteristics also influence the number and types of people necessary to ensure the daily operations of the central office, the design and size of the facility, and differences among computer systems controlling each central office. Therefore, witness Milner further argues that we should affirm BellSouth's use of administrative space as a practical use of the available space within the central office.

Several other parties, however, believe that generic guidelines can and should be established with respect to when administrative space should be converted into physical collocation space. Sprint witness Hunsucker believes that establishing guidelines pertaining to space availability would promote competition. The witness states that Sprint is being denied

physical collocation space in other ILEC facilities when space is being occupied by administrative personnel not essential to the daily functions of a central office.

We note that Sprint witness Hunsucker's definition of administrative personnel is slightly different from BellSouth's definition. Witness Hunsucker defines administrative personnel as those employees whose work is not directly related to the central office switching function that is provided in that location. The witness also believes ALECs should have the ability to locate their switching/transmission equipment in the same location the ILECs locate their comparable equipment. Sprint witness Hunsucker also believes ILECs should be required to relocate administrative personnel before denying physical collocation requests. Sprint believes the cost of relocating administrative personnel should be recoverable, and that recovery of a portion of the relocation cost should be based on the percentage of the requesting collocator's square footage to the total square footage of relocated administrative personnel. Furthermore, while witness Hunsucker does not contest the need for training areas or employee bathrooms in a central office, he does express concern over the size of such areas and believes that training rooms and bathrooms that are much larger than needed should be reduced in size.

In response, BellSouth witness Milner disagrees with Sprint witness Hunsucker and explains the necessity for certain types of administrative space, such as training areas. He stresses the need for training and quiet areas to facilitate the learning process. He also believes relocating training space would reduce the efficiency of the training process and impact the quality of service.

MGC witness Levy asserts that, " . . . there is no more economically efficient use of space within an ILEC central office than use for the purpose of housing telecommunications equipment." MGC witness Levy believes that all space in a central office should be used for this purpose with the exception of a minimal amount of space used for employee bathrooms and space needed by technicians. Witness Levy testifies that ILECs leave unused and old equipment sitting in central offices in an effort to absorb space.

MCI witness Martinez contends that there is no need for generic parameters to be established when collocation space exists in a central office. The witness believes parameters should be established to apply in instances when collocation requests are

denied. Specifically, witness Martinez believes that guidelines are needed to address instances when collocation requests are denied on the basis of space exhaustion even when administrative personnel are housed in the same facility. Witness Martinez recommends that this Commission require " . . . that minimum office force, work area, and floor space guidelines should be identified for each class of wire center."

Likewise, Intermedia witness Jackson recommends that we act as a space administrator and assign collocation space in ILECs' central offices. Witness Jackson contends that whether collocation space is deemed available through creation, conversion, or reclamation of space, including administrative space, the Commission should be the administrator of such space. Intermedia also suggests that we require all ILECs to retain applications for physical collocation for a period not to exceed five years.

ANALYSIS AND DETERMINATION

While there have been various proposals, including limiting the size of employee bathrooms, break rooms, and training areas, no detailed guidelines for implementation were presented. Thus, based on the record and the lack of definitive, proposed guidelines, we do not believe that generic standards can be established for converting administrative space into physical collocation space due to the uniqueness of each central office. We also disagree with Intermedia witness Jackson's suggestion that we act as the administrator of physical collocation space within a central office. Building engineers and network managers have greater expertise than this Commission to manage central office facilities.

Therefore, upon consideration of the record, we agree with BellSouth and GTEFL that adequate generic parameters cannot be established. The record shows that each central office has a set of unique circumstances that factor into how much administrative space is essential to the daily operations of that office. The amount of administrative space necessary per central office varies by the types of equipment in use, building limitations and design, and the expertise and number of people necessary to ensure proper operation of the central office.

Notwithstanding our conclusion herein, we emphasize that we have already established procedures in Orders Nos. PSC-99-1744-PAA-TP and PSC-99-2393-FOF-TP to address situations in which ILECs

believe collocation space has been exhausted and to determine whether a waiver of the physical collocation requirements should be granted. Therefore, when an ILEC believes that no space exists for physical collocation, we will continue to follow the procedures outlined in our prior Orders to determine whether a waiver of the physical collocation requirements is warranted.

XII. EQUIPMENT OBLIGATIONS

We have also been asked to determine the types of equipment that an ILEC is obligated to allow an ALEC to place in a physical collocation arrangement. We emphasize that the FCC has addressed this issue on numerous occasions, including in FCC Rules 47 C.F.R. §§51.323(b)-(c), the First Report and Order, FCC Order 96-325, issued on August 8, 1996, and most recently in its First Advanced Services Order, FCC Order 99-48, issued on March 31, 1999.

BellSouth witness Milner cites Paragraph 28 of the Advanced Services Order which requires the collocation of Digital Subscriber Line Access Multiplexers (DSLAMs), routers, Asynchronous Transfer Mode (ATM) multiplexers, and Remote Switching Modules (RSMs). He states that BellSouth has allowed collocation of these types of equipment, plus "stand-alone" switching equipment. Witness Milner contends that because the FCC Advanced Services Order does not require collocation of equipment used solely for enhanced services, BellSouth believes that it is already in compliance with the FCC's requirements.

GTEFL witness Ries believes that the FCC has answered this issue and has provided enough direction for this Commission to determine ILECs' obligations in this area. In support of this, he cites Paragraphs 28 and 30 of the Advanced Services Order in which the FCC addressed this issue. Witness Ries also argues:

> Indeed, it would not be possible or desirable to draw up an exhaustive list of particular pieces of equipment that could be collocated, as the ALECs might advocate. Such a list would, no doubt, be obsolete as soon as it was established, and there would inevitably be ALEC requests to collocate equipment not on the list. If there are disputes about interpretation of the FCC rule as applied to a particular piece of equipment, the only

> practical approach is for the Commission to address them on a case-by-case basis.

Sprint witnesses Hunsucker and Closz both refer to FCC Rule 47 C.F.R. §51.323(b) and state that this rule requires an ILEC to permit collocation of any type of equipment used for interconnection or access to unbundled network elements. Witness Hunsucker states that the only limitation contained in the FCC Rules is that ILECs are not required to permit collocation of equipment used solely for switching or solely to provide enhanced services. He further contends:

> Additionally, if the ALEC places mixed use equipment, i.e., equipment used for interconnection or access to unbundled network elements that also provide switching or enhanced services functionality, the ILEC cannot place any limitations on the ability of the ALEC to use all the features, functions, and capabilities of the equipment, including, but not limited to switching, routing features and functions and enhanced services capabilities.

Sprint witness Closz contends that the FCC rules, which require ILECs to permit a broad range of telecommunications equipment deployment within collocation arrangements, provide flexibility to ALECs seeking to provide advanced telecommunications services.

MCI witness Martinez, Covad witness Moscaritolo, MGC witness Levy and Supra witness Nilson all cite to Paragraph 28 of the FCC's Advanced Services Order in addressing the equipment allowed in a physical collocation arrangement. MCI witness Martinez states that FCC Rules 47 C.F.R. §§51.323(b)-(c) require that an ILEC permit any equipment that is "used or useful" for either interconnection or access to unbundled network elements, regardless of the other functionalities inherent in such equipment. He also contends that the ILEC cannot impose safety or engineering standards that are more stringent than the standards that the ILEC applies to its own equipment located on the premises in question. MGC witness Levy believes that the ALEC should be permitted to install any equipment that meets the BellCore Network Equipment and Building Specifications (NEBs) Level 1 compliance, regardless of its functionality.

Intermedia witness Jackson adds:

> The FCC concluded in its Collocation Order that ILECs should not be permitted to impede competing carriers from offering advanced services by imposing unnecessary restrictions on the type of equipment that competing carriers may collocate . . . As a result, ILECs can no longer prohibit the types of equipment collocated by ALECs as long as it is used for interconnection or access to unbundled network elements.

ANALYSIS AND DETERMINATION

There appears to be very little disagreement among the parties on this issue. In fact, the parties do little more than cite relevant FCC orders. Section 251(c)(6) of the Act addresses the collocation obligation of collocation of ILECs:

> (6) Collocation.-The duty to provide, on rates, terms, and conditions that are just, reasonable, and nondiscriminatory, for physical collocation of equipment necessary for interconnection or access to unbundled network elements at the premises of the local exchange carrier, . . .

The FCC later clarified that "necessary does not mean 'indispensable' but rather 'used' or 'useful.'" FCC Order 96-325 at Paragraph 579.

The FCC also addressed equipment placement in FCC Rules 47 C.F.R. §§51.323(b)-(c), which require:

> (b) An incumbent LEC shall permit the collocation of any type of equipment used for interconnection or access to unbundled network elements . . . Equipment used for interconnection and access to unbundled network elements includes, but is not limited to:

> (1) Transmission equipment including, but not limited to, optical terminating equipment and multiplexers; and
>
> (2) Equipment being collocated to terminate basic transmission facilities pursuant to §§64.1401 and 64.1402 of this chapter as of August 1, 1996.
>
> (c) Nothing in this section requires an incumbent LEC to permit collocation of switching equipment or equipment used to provide enhanced services.

Further, the FCC clarified its positions on collocation equipment in its Advanced Services Order, when it stated:

> We agree with commenters that our existing rules, correctly read, require incumbent LECs to permit collocation of all equipment that is necessary for interconnection or access to unbundled network elements, regardless of whether such equipment includes a switching functionality, provides enhanced services capabilities, or offers other functionalities. Our rules obligate incumbent LECs to "permit the collocation of any type of equipment used for interconnection or access to unbundled network elements." Stated differently, an incumbent LEC may not refuse to permit collocation of any equipment that is "used or useful" for either interconnection or access to unbundled network elements, regardless of other functionalities inherent in such equipment . . . We further agree with commenters that this rule requires incumbent LECs to permit competitors to collocate such equipment as DSLAMs, routers, ATM multiplexers, and remote switching modules. Nor may incumbent LECs place any limitations on the ability of competitors to use all features, functions, and capabilities of collocated equipment, including, but not limited to, switching and routing features and functions.

FCC Order 99-48 at Paragraph 28.

While MGC witness Levy states that the ALEC should be permitted to install any equipment that meets the BellCore Network Equipment and Building Specifications (NEBs) level 1 compliance, regardless of its functionality, the FCC has clearly stated that it continues to decline "to require incumbent LECs to permit the collocation of equipment that is not necessary for either access to UNEs or for interconnection, such as equipment used exclusively for switching or for enhanced services." FCC Order 99-48 at Paragraph 30. Therefore, we disagree with MGC's argument.

We do, however, agree with GTEFL witness Ries that it would not be possible, or desirable, to draw up an exhaustive list of equipment that could be collocated. Due to rapidly changing technology, such a list would be obsolete in very short order.

The only real point of contention seems to be who should bear the responsibility of proving to the state commission whether a particular piece of equipment should be collocated. Sprint witness Hunsucker and Intermedia witness Jackson believe that the burden of proof should be on the ILEC to prove that the equipment will not be used for interconnection or access to unbundled network elements. However, BellSouth witness Milner counters that it should be the ALEC's responsibility, because it would be the ALEC's equipment, which would make it difficult for the ILEC to try to prove a negative. He believes that ILECs could be faced with employing extensive technical resources to evaluate equipment not used for telecommunications purposes.

The FCC has also addressed this situation, stating:

> . . . Whenever an incumbent LEC objects to collocation of equipment by a requesting telecommunications carrier for purposes within the scope of section 251(c)(6) of the Act, the incumbent LEC shall prove to the state commission that the equipment will not be actually used by the telecommunications carrier for the purpose of obtaining interconnection or access to unbundled network elements . . . .

47 C.F.R. §51.323(b).

It upheld this position in its Advanced Services Order. FCC Order 99-48 at Paragraph 28.

We are not persuaded by with witness Milner's logic. If the ILEC has denied collocation of a particular piece of equipment, presumably it has done whatever is necessary to determine that the equipment will not be used for interconnection or access to unbundled network elements. Therefore, all it needs to do is present this information to the state commission. Thus, we believe that this responsibility should belong to the ILEC. However, the ALECs shall be required to provide to the ILEC, upon request, any manufacturer specifications regarding the equipment in dispute.

Based on the foregoing, we conclude that the FCC has provided sufficient direction in determining the equipment that may be physically collocated. The FCC's rules require incumbent LECs to permit collocation of all equipment that is necessary for interconnection or access to unbundled network elements, regardless of whether such equipment includes a switching functionality, provides enhanced services capabilities, or offers other functionalities. The FCC has also stated that an incumbent LEC may not place any limitations on the ability of competitors to use all the features of its collocated equipment. Therefore, we shall require ILECs to allow the types of equipment in a physical collocation arrangement that are consistent with FCC rules and orders. We note, however, that the FCC has, thus far, declined to require the collocation of equipment that is used exclusively for switching or enhanced services. Also, the FCC has stated that it is the responsibility of the ILEC to prove to the state commission that equipment will not be used for interconnection or access to unbundled network elements.

XIII. PRICE QUOTES - TIMING AND DETAIL

In this Order, we have required ILECs to respond to a complete and accurate application for collocation with all information necessary for an ALEC to place a firm order, including information on space availability and a price quote, within 15 calendar days from the date the ILEC receives the collocation application. In this section, we simply address the timing and level of cost detail which should be included in the price quote.

Although there appears to be some agreement that the ILEC should be required to provide price quotes to an ALEC before

receiving a firm order for collocation space, the appropriate response interval for the ILEC to provide such price quotes is a matter of some dispute, as well as whether or not the ILEC price quote for collocation space should provide detailed costs.

FCC Order 99-48 provides some guidance, but not a definitive ruling, on a reasonable response interval. In FCC Order 99-48, the FCC concluded that responses for collocation requests should be addressed in a ". . . timely and pro-competitive manner" and that 10 days for a response was "reasonable." The Advanced Services Order, however, gave state commissions the latitude to impose additional requirements. Id. at Paragraph 23.

The parties offer a range of answers regarding the appropriate response interval for collocation requests. Witness Williams, for Rhythms, contends that the ILEC should respond within 15 calendar days with all the information necessary for an ALEC to submit a firm order, including space availability and a price quote. Supra witness Nilson offers that a detailed response within 30 calendar days is reasonable.

The ILECs drew a distinction between the interval for the space availability response and the price quote response. Witness Closz, for Sprint, contends that the space availability response interval should be due within 10 calendar days. The witness contends that the price quote should be provided " . . . within 15 calendar days if the rates are established by tariff or the ALEC's interconnection agreement, or 30 days if individual case basis (ICB) rates need to be developed." BellSouth witness Hendrix states that the space availability response interval should be 15 calendar days and the price quote response interval should be 30 calendar days. GTEFL witness Reis contends that within 15 calendar days, the company will provide both space availability information and a price quote.

BellSouth witness Hendrix states that the interval for providing an ALEC price quote should be 30 business days, because each request submitted is very different, and as such, BellSouth treats each request as an ICB for price development. Witness Hendrix states that BellSouth provides an estimate that details the collocation construction charges for two broad categories: Space Preparation and Cable Installation. The witness acknowledged that these estimates are subject to "true up" with the ALEC, once actual prices are available. GTEFL and BellSouth witnesses assert that an

order is made "firm" upon the ALEC's submission of 50 percent of the price estimate.

In addition, witness Hendrix was somewhat noncommittal as to whether BellSouth could provide a detailed quote summary sheet similar to the very detailed, 180-line item quote summary sheet used by Southwestern Bell. In contrast, GTEFL witness Reis contends that detailed information is not necessary, since pricing for collocation arrangements will be set by reference to a tariff most of the time.

Supra witness Nilson disputes the adequacy of BellSouth's price estimates, stating that he doubts that BellSouth actually provides an accurate estimate in response to a collocation application, which results in the ALEC having to deal with cost overruns. He states that BellSouth's price quote, which consists of a three-line document, is often erroneous, and that BellSouth has only offered to share detailed information with Supra during the "true up" process, and not up front, as his company would prefer.

Rhythms, Supra, and Intermedia agree that the more detailed the price quote is, the better. Witness Nilson explains that the detail is needed to review the elements that were compiled by the ILEC to render a collocation price quote. MGC witness Levy contends that " . . . the key is to get away from ICB pricing and make all such elements tariffed." FCCA witness Gillan agrees, stating that in a tariffed framework, an ALEC could simply order collocation with full information about availability, terms, conditions, and prices known in advance. Sprint, GTEFL, Supra, and the FCCA, whose members are mainly ALECs, all advocate the tariffing process as a vast improvement to BellSouth's ICB framework currently in place. FCCA witness Gillan states that tariffing, as opposed to ICB pricing, introduces a degree of certainty and accountability to the process for the competitive entrants. Witness Gillan believes that the detailed information would be in the tariff, and not in the traditional, outdated price quote.

ANALYSIS AND DETERMINATION

The record demonstrates that, as a general matter, the parties agree that the ILEC should be required to provide a price quote to the ALEC before receiving a firm order for collocation space. The

record also demonstrates that a price quote is necessary before an ALEC can submit a firm order, because the order cannot be considered "firm" by the ILEC until the ALEC submits a 50 percent payment of the price estimate. The price quote should provide sufficient detail for the ALEC to submit a firm order, but we shall refrain at this time from specifying the quantity of detail which should be included in the price quote. We do, however, note the level of detail provided by Southwestern Bell in its the 180-line price quote summary. This leads us to believe that an ILEC, including BellSouth, should be capable of providing more detail than three line items in the price quote for collocation space.

Therefore, upon consideration, we find that the ILEC shall be required to respond to a complete and accurate application with all information necessary for an ALEC to place a firm order, including information on space availability and a price quote, within 15 calendar days from the date the ILEC receives the collocation application. Additionally, we emphasize that the collocation response interval begins on the date when the ILEC receives the complete and accurate application.

Furthermore, the price quotation from the ILEC shall contain detailed costs and sufficient detail for the ALEC to submit a firm order. We do not, however, specify the level of detail that should be included, because there is insufficient evidence in the record to support a specific level of detail. Nevertheless, we emphasize that we believe that an ILEC, including BellSouth, should be capable of providing more detail than three line items in the price quote for collocation space.

As for the arguments presented regarding standardization of the price development process, such as a tariffing platform, we agree that there are valid arguments supporting this position. However, we shall not determine whether or not a specific platform or process is appropriate at this time, because these arguments appear to address issues beyond the scope of this proceeding and to reach pricing issues which will be addressed in a subsequent phase of this proceeding.

XIV. ALEC PARTICIPATION IN PRICE QUOTE DEVELOPMENT

Herein, we have also addressed whether the ALEC should be allowed to participate in the development of the ILEC's price quote

for collocation, as well as the appropriate time frame for any such participation.

BellSouth witness Hendrix argues that the price quote is an estimate for the cost of the work that will be done by the ILEC and that the ALEC's involvement would be inappropriate and inefficient. The witness explains that BellSouth prepares a unique, ICB price quote for all collocation applications. If required to develop price quotes with the ALEC's participation, witness Hendrix asserts that, from BellSouth's perspective, the application response process could take longer than it otherwise would take. Witness Hendrix states that it would only be reasonable for an ALEC to participate to the extent that it provide detailed and accurate information, including racking information, bay information, power and cable requirements, equipment layout and other specifics.

GTEFL and Sprint witnesses, Reis and Closz, respectively, reach a similar conclusion, albeit from a somewhat different perspective. Witnesses Reis and Closz support tariffing collocation prices, which would impact the development of the ILEC/ALEC price quote. Witness Reis states that if collocation prices were tariffed and the ALEC submitted its application with accurate information, there would be no need for involvement by the ALEC.

Sprint witness Closz argues that ALECs seem interested in participating in the price quote because:

> . . . the total cost to provision the space is perceived to be higher than appropriate. Sprint's assumption would be that the ALEC may believe that they could provide suggestions or alternatives that would serve to reduce the provisioning costs.

The witness states that Sprint supports a limited role for the ALEC in the ILEC/ALEC price quote development procedure, primarily for clarification, or perhaps a recalculation of a price quote. The ALEC's participation should be only to the extent of providing specific requests or development parameters. The witness cautions that further involvement by the ALECs would be ". . . cumbersome and would seriously impede the ILEC's ability to provide timely price quote responses." Witness Closz concludes by offering Sprint's support for ILEC tariffing by asserting that tariffing would expedite the price quote process and give ALECs a more defined level of certainty of the anticipated collocation costs.

Covad, MGC, and Supra advocate ALEC participation in the development of a price quote. MGC, Supra, and the FCCA also promote the tariffing of collocation rates. MGC witness Levy agrees with the Sprint and GTEFL witnesses that ". . . if all collocation elements were tariffed, there would be no need to develop price quotes."

Covad witness Moscaritolo and Supra witness Nilson each believe the ALEC should have an option to participate in the development of an ILEC's price quote, as a means to determine whether the amounts charged by the ILEC are reasonable. Witness Moscaritolo argues that the ILEC should be required to deliver to the ALEC copies of all invoices associated with a collocation request.

Supra witness Nilson further contends that ALEC participation in developing the price quote would lead to mutual agreement between the ILEC and the ALEC, and would serve to reduce the provisioning costs, the need for construction that requires permits, and the overall time to collocate. He states that the resulting ILEC/ALEC meetings and site visits could enable the ALEC to explain any misunderstandings or design errors before the ILEC commences work activities. The witness believes that this cooperation would decrease the ALEC's time to market.

In addition, witness Nilson submits contrasting examples of collocation provisioning experiences with BellSouth and Sprint. He states that Supra's experience with Sprint has been far more favorable in terms of site visits, engineering meetings, and vendor activities held during the application response process, when the price quote is being developed. On the other hand, he states that BellSouth has declined to allow Supra any involvement in developing its price quote. The witness contends that BellSouth holds no meetings and does not allow site visits until an order is firm, which occurs when " . . . the ALEC accepts a non-detailed three line item quotation of collocation costs and then pays fifty percent (50%) of those funds up front."

ANALYSIS AND DETERMINATION

Based on the foregoing, it appears to us that the development of the price quote for collocation space is primarily a function that the ILEC should perform. We recognize that ALEC participation may inhibit the price quote process, rather than improve it. We

believe that the ALEC will be best served by providing a complete and accurate application to the ILEC when seeking a price quote for collocation, and the ILEC should seek clarification in a timely manner, if needed. Therefore, ILECs shall not be required to include ALECs in the development of the price quote. We note, however, that our decision on this point does not reach the issue of the reasonableness of the ILEC's price quote. Pricing issues will be addressed in another phase of this proceeding.

The record demonstrates that cooperative efforts can be beneficial, as indicated by Supra witness Nilson's references to Supra's experiences with Sprint. We encourage such cooperative efforts. Nevertheless, we shall not require ALEC participation in the price quote process, because the evidence demonstrates that participation by the ALEC may impede the process to the detriment of both parties.

XV. USE OF ILEC-CERTIFIED CONTRACTORS BY ALEC

In this section, we consider whether an ALEC should be permitted to use ILEC-certified individuals to perform construction activities associated with physical collocation. Title 47, Part 51 of the FCC's Code of Federal Regulations (C.F.R.) details certain interconnection obligations to which the ILECs are bound, and Section 323(j) addresses the ILEC certification issue. FCC Rule 47 C.F.R. §51.323(j) states:

> An incumbent ILEC shall permit a collocating telecommunications carrier to subcontract the construction of physical collocation arrangements with contractors approved by the incumbent ILEC, provided, however, that the incumbent ILEC shall not unreasonably withhold approval of contractors. Approval by an incumbent ILEC shall be based on the same criteria it uses in approving contractors for its own purposes.

BellSouth witness Hendrix believes the ILEC/ALEC relationship is analogous to that of a landlord and a tenant in a multi-tenant environment. As such, he describes BellSouth's role as owner or steward of the central office, stating that an ALEC should be allowed to use ILEC-certified contractors to perform work within their own collocation space, but not outside of that space.

Witness Hendrix asserts that work activities of "tenants," or ALECs, should be limited to their own space, where they would be

> . . . allowed to build walls inside their space, add lighting and receptacles and install equipment, but they are not allowed to do major mechanical or electrical work that serves or runs through other tenant space . . . The landlord/BellSouth, however, performs all site readiness work that is outside of the tenant/ALEC's space and that could potentially affect the landlord/ILEC's and other tenants'/ALECs' working equipment. Such work includes, but is not limited to, space preparation . . . power work, cable and racking, and other code required common improvements.

Witness Hendrix cites three main justifications for BellSouth's position of not allowing ALECs to work on "common elements," or work outside of an ALEC's space: 1) BellSouth's concern that allowing multiple carriers to perform common area work would increase costs and create chaos in the central office; 2) BellSouth's commitment to protect against network outages; and 3) BellSouth's concern for safety. He emphasizes that BellSouth is responsible for assuring the operating environment of its own network, the public switched network, and that of other collocators. In order to do this, witness Hendrix states that BellSouth requires the use of ILEC-certified contractors for the engineering and installation of equipment and facilities in its central offices. This provides BellSouth the assurance that technical, safety, and quality standards are achieved and the work is done so that problems are not created for BellSouth, the ALEC, or other neighboring ALECs. Witness Hendrix concludes by declaring that BellSouth's vendor certification process is the appropriate mechanism for maintaining high standards and that it is in the public interest.

GTEFL witness Reis asserts that ALECs should not be permitted to hire ILEC-certified contractors to perform space preparation, racking, cabling, and power work, stating that GTEFL should maintain control of and responsibility for the contractor doing this work. He cites safety and efficiency concerns as support for GTEFL's centralized control, and believes that noncentralized, or ALEC-directed control could result in scheduling conflicts, liability issues, or longer installation intervals.

Sprint witness Closz argues that ALECs should be permitted to hire ILEC-certified contractors to perform space preparation, racking, cabling, and power work, but conditioned her approval on the ILEC's certification process being the same process the ILEC uses for its own purposes, as detailed in FCC Rule 47 C.F.R § 51.323(j). However, witness Closz asserts that in specific instances where a work activity could affect the entire building, the ILEC can and should be the party to perform such activities. The witness concludes that the ILEC is, after all, the overall steward of its central office buildings.

The ALECs, by and large, are in favor of being allowed to hire ILEC-certified contractors to perform space preparation, racking, cabling, and power work. Intermedia witness Jackson states that the ILECs should not be allowed to require the use of their own certified vendors, and that the present guidelines ALECs must follow are inadequate and monopolistic. The witness asserts that Intermedia and other ALECs should be permitted - although not required - to hire ILEC-certified contractors, but

> . . . that the activities of space preparation, racking, cabling, and power should be performed by the ILEC. All of these types of functions are the ultimate responsibility of the ILECs. ALECs should not have to assume the responsibility for performing these functions.

He concludes by declaring that Intermedia should be able to install and work on its own equipment.

MCG witness Levy and Supra witness Nilson state that an ALEC should have the option to do any installation work currently being done by ILEC personnel or ILEC-certified vendors. Witness Nilson argues that Supra should have the right to have an ILEC-certified contractor perform any and all collocation work. He cites FCC Rule 47 C.F.R. §51.323(j) as support for his argument.

MGC witness Levy testifies that it is immaterial whether the certified contractor performing the space preparation, racking, cabling, and power work is acting on behalf of the ILEC or ALEC. He states, however, that the ILEC should have the right to review any plans in advance of the actual construction work, and may be paid a nominal fee for its engineering review, if the ALEC manages the process rather than the ILEC.

MCI witness Martinez states that the ALEC should be given the option to have any work, whether inside or outside of the designated collocation space, performed by ILEC-certified contractors or by certified ALEC employees. The witness proposes the idea of self-certification as a component of MCI's own training for employees. He contends that the ILEC's certification material could be offered in combination with the ALEC's customary training, and states that the ALEC would maintain the appropriate documentation to support the employees' attendance. He acknowledges, though, that the certification procedure would differ from the ILEC's own certification.

ANALYSIS AND DETERMINATION

Upon consideration of the evidence presented, we find that the contractor certification process shall be no different for the ALEC's contractors or employees than for the ILEC's contractors or employees. This view is consistent with FCC Rule 47 C.F.R. §51.323(j), which provides that the ILEC should approve ALEC contractors based upon the same criteria it uses for its own purposes. An equal certification process gives the ILEC assurances that the individuals working in its central office buildings have obtained an identical degree of training, and because the same certification applies for non-ILEC individuals [i.e., contractors and/or ALEC employees], the ALEC should be permitted to hire them or use them to perform space preparation, racking, cabling, power work and all other collocation work activities, but only within their collocation space. We do, however, interpret that the "same criteria" passage applies to the certification process, not just the materials. Thus, we disagree with the MCI proposal to use just the ILEC's materials. We believe that the ILEC should be entitled to administer its own certification, and that it should be administered in an equal manner between ILEC and non-ILEC individuals.

We acknowledge that the uniform certification process gives the ILEC assurances that the individuals working in ILEC central offices - whether ILEC or ALEC employees or contractors - have the same degree of instruction on, among other things, network and personal safety. The certification does not, however, affect the ILEC's overall responsibility for operating the entire facility, which it owns. The record demonstrates that the ILEC has a responsibility to provide an environment to meet its own needs and the needs of ALEC tenants, particularly for major mechanical

systems. The record also shows that work activities that involve major or common mechanical systems may be necessary, and that these types of functions are likely to be outside of a collocator's space. We believe those tasks should be coordinated and performed by the ILEC. As such, we agree with BellSouth witness Hendrix's assertions that the ALEC's work activities in the ILEC's central office facilities should be limited to their designated collocation space.

The ILECs contend that they are, and should continue to be, the overall stewards of their central office buildings. We agree, and believe that the ILECs have an obligation to oversee and maintain the entire facility. Allowing multiple ALECs to perform work activities outside of their designated collocation spaces could result in chaos, redundancy, or even compromise the integrity of the entire central office or network.

In addition, we are persuaded and so find that because the identical certification is obtained by the ILEC and non-ILEC contractors, the ALEC should be permitted to hire them or use them to perform space preparation, racking, cabling, power work for the construction of physical collocation arrangements, but they should be allowed to do so only within their collocation space. We believe, however, the distinction between work activities within and outside of a collocator's respective space is crucial.

XVI. AUTOMATIC EXTENSION OF PROVISIONING INTERVALS

In this section, we address whether there are any reasons that the provisioning intervals for virtual and physical collocation established by this Commission should be extended without the need for an agreement by the applicant ALEC or a filing by the ILEC of a request for an extension of time. In Order No. PSC-99-1744-PAA-TP, we stated:

> Upon firm order by an applicant carrier, the ILEC shall provision physical collocation within 90 days or virtual collocation within 60 days. If the ILEC believes that it will be unable to meet the applicable time frame and the parties are unable to agree to an extension, the ILEC shall seek an extension of time from the Commission within 45 calendar days of receipt of the firm order . . . The ILEC shall explain, in detail, the reasons

> necessitating the extension and shall serve the applicant carrier with its request. The applicant carrier shall have an opportunity to respond to the ILEC's request for an extension of time. The Commission will rule upon the request as a procedural matter at an Agenda Conference.

Order at p. 17.

BellSouth witness Milner states that BellSouth does not have total control over collocation provisioning intervals because there are several factors, such as the permitting interval, local building code interpretation, and unique construction requirements, that are outside of BellSouth's control. He contends:

> There are three (3) situations where provisioning intervals should be extended. They are: 1) provisioning of collocation arrangements encountering extraordinary conditions; 2) provisioning of collocation arrangements encountering unusual delays in the permitting process, and; 3) provisioning collocation arrangements associated with central office building additions.

Witness Milner further states that "[E]xtraordinary conditions include, but are not limited to, major BellSouth equipment rearrangements or additions; power plant additions or upgrades; major mechanical additions or upgrades; major upgrades for ADA compliance; environmental hazards or hazardous materials abatement."

Witness Milner also contends that much of the work required to provision collocation arrangements requires building permits before construction can commence, and that the time required to receive building permits is beyond BellSouth's control. He states that BellSouth has experienced permitting intervals that range from 15 days to in excess of 60 days. Witness Milner cites several examples of conflicts that BellSouth has had with local officials regarding obtaining permits.

GTEFL witness Ries states:

> If major system upgrades, such as those involving HVAC or power, are required in conjunction with a physical or virtual collocation request, provisioning may take longer than usual. In these instances, parties should be able to negotiate a date for completion of the collocation arrangement (based upon the extent of the required modifications, contractor availability, and the like) without the need to request a waiver.

Witness Ries, like BellSouth witness Milner, contends that issuance of building permits is out of the ILEC's control. However, he states that "[W]hen it is not possible to obtain building permits in a timely manner, an extended due date should be negotiated between GTE and the ALEC, based on the schedule of the permitting agency."

Concerning virtual collocation, witness Ries states that an ILEC should not be required to request a waiver in case of equipment delivery delays. He argues that "if the ALEC doesn't order its equipment early enough in the process, the 60-day interval may come and go before GTE even receives delivery of the ALEC's equipment."

Witness Ries concludes:

> Finally, there should be no need to seek a waiver when GTE and the ALEC agree to an extension for any reason; when the ALEC makes modifications to its application that will cause material changes in provisioning the collocation arrangement; or when the ALEC fails to complete work items for which it is responsible in the designated time frame.

Sprint witness Closz states:

> Sprint's perspective is that there are no reasons that should provide the ILEC with an opportunity to unilaterally extend collocation provisioning intervals. Rather, Sprint believes that an open dialogue regarding collocation provisioning scenarios will in

> most cases lead to mutual agreement between the parties regarding the appropriate provisioning interval. In such instances where the ILEC and the requesting collocator are unable to reach agreement, the ILEC may seek an extension from the Commission.

However, witness Closz does believe that major infrastructure upgrades and other factors beyond the control of the ILEC are appropriate reasons for the ILEC to seek an extension of the provisioning intervals from either the requesting collocator or this Commission.

All of the ALECs in this proceeding argue that an ILEC should not be able to unilaterally extend the provisioning intervals for permitting or any other reason. They state that if the ALEC and the ILEC cannot agree on extensions of time for provisioning intervals, the ILEC should be required to file for an extension with the Commission. Supra witness Nilson states that "[O]ther than acts of God, I cannot foresee a reason that would warrant an extension of time."

ANALYSIS AND DETERMINATION

Upon consideration, we are not persuaded that there are any reasons that the provisioning intervals established by this Commission should be extended without agreement by the ALEC or filing of a request for an extension of time by the ILEC. In Order No. PSC-99-1744-PAA-TP, we required that if an ILEC believes it will be unable to meet the applicable time frame, and the parties are unable to agree to an extension, the ILEC shall seek an extension of time from us within 45 calendar days of receipt of the firm order. We believe that these requirements provide enough guidance if extensions of time are truly required.

We accept the arguments of BellSouth witness Milner and GTEFL witness Ries that major system upgrades such as HVAC or power upgrades are extraordinary circumstances that may extend the provisioning intervals. They also argue that the permitting process is out of their control. It is clear to us that there may be times when major system upgrades are required to provision collocation. We are also persuaded that the actual approval of building permits is out of the ILEC's control and that there may be instances when ILECs have experienced extraordinarily long waits in

receiving some building permits. However, the record suggests that these instances are exceptions rather than the rule. We believe that, under normal circumstances, the provisioning intervals established in Order No. PSC-99-1744-PAA-TP are adequate.

We also believe that we provided sufficient guidance in Order No. PSC-99-1744-PAA-TP to address situations in which an extension of time is required. We note that the Order also requires that the ILEC and ALEC attempt to discuss and agree to an extension of time before making a formal request to the Commission.

Regarding the permitting interval, BellSouth witness Milner states that:

> BellSouth has been increasingly successful in working with the various governmental agencies in reducing the permit approval interval. Further, BellSouth is communicating with the ALECs so that they have a good understanding of the issues faced in processing a collocation request.

Witness Milner also indicated that the negotiation process is working.

Likewise, GTEFL witness Ries agreed that the process we have previously established is working well.

Similarly, Sprint witness Closz indicated that the ILECs should simply follow the procedure this Commission has already established. Although Sprint is acting as both an ILEC and ALEC in this proceeding, it appears that all three ILECs seem to agree that the current procedures regarding extensions of provisioning intervals established by this Commission are workable. There is no evidence to suggest otherwise. Therefore, we do not believe any changes are necessary.

XVII. ALLOCATION OF COSTS BETWEEN MULTIPLE CARRIERS

In this section, we consider how various costs associated with the provisioning of collocation space should be allocated among multiple carriers. We note that the FCC addressed this issue in its First Report and Order and Further Notice of Proposed Rulemaking in CC Docket No. 98-147:

> We conclude, based on the record, that incumbent LECs must allocate space preparation, security measures, and other collocation charges on a pro-rated basis so the first collocator in a particular incumbent premises will not be responsible for the entire cost of site preparation.

FCC Order at Paragraph 51.

GTEFL witness Ries does not agree with allocating the costs addressed in this issue over multiple carriers, and GTEFL has appealed this matter to the United States Court of Appeals for the District of Columbia. Witness Ries believes that such a cost allocation will prevent them from recovering their actual costs. GTEFL witness Ries further contends that many fixed costs associated with collocation space preparation do not depend on the number of competitors that wish to collocate, or the amount of space used by each.

GTEFL witness Ries supports a tariff approach and believes this will satisfy the FCC's requirements established in CC Docket 98-147. The witness contends that the tariff rates would be determined based on past collocation activity. Witness Ries further asserts that the relevant costs over a period of time would be totalled, then divided by the number of collocators (fill factor) over that same time period. The rates determined from this process would be applied to all collocation requests in the future.

We also note that GTEFL filed a collocation tariff with us on December 30, 1999. GTEFL witness Ries believes the tariff is consistent with the FCC's First Order in CC Docket 98-147. The witness testified that the costs identified in the Florida tariff for site preparation " . . .are based on GTE[FL]'s work on previous projects and coming up with some averages for what the site preparation would cost."

Contrary to GTEFL witness Ries, MCI witness Martinez believes that the cost of existing security arrangements should be included in the existing charges for collocation, and any additional security measures the ILEC takes to protect its own equipment should be absorbed by the ILEC. He also believes that in the rare instances when ALECs are required to pay security costs, these costs should have been included in a forward-looking cost model used when setting collocation rates. Witness Martinez also suggests that this Commission follow the Texas Commission and place

the burden on the ILEC to justify when additional security measures are needed and recoverable from ALECs. MCI witness Martinez further argues that the entire cost of removing obsolete equipment should be borne by the ILEC. He believes that by allowing obsolete equipment to remain in place, the ILECs are able to recover their costs of removing obsolete equipment from the ALECs when requesting collocation space.

In response, GTEFL witness Ries disagrees with witness Martinez and contends that the FCC allows the ILEC to install security cameras and monitoring systems. The witness further asserts that state commissions can allow ILECs to recover these costs in a reasonable manner. Witness Ries believes the need for additional security costs are caused by the ALECs; therefore, cost recovery should be permitted.

BellSouth witness Hendrix believes that the costs addressed in this issue should be absorbed by the number of collocators in a central office. The witness contends that the ALECs, as the cost-causers, should absorb the costs of security and reporting. BellSouth proposes filing a cost study with the Commission for security access systems, site preparation and collocation space reports in an effort to limit the number of elements priced on an Individual Case Basis (ICB). Witness Hendrix further explains that this cost study will also include what he believes to be several new space preparation elements. The witness defines the various rate elements associated with security access including security systems, new access card activation, administrative changes to existing access cards, and replacement costs for lost or stolen cards. Witness Hendrix maintains that a definitive discussion of the rate elements and cost methodology associated with new site preparation and collocation space report elements would be premature at this time.

Witness Hendrix further asserts that standardized prices can be developed from the cost study and included in future interconnection agreements, rather than being filed as a tariff. He believes his customers would prefer to discuss the details of an interconnection agreement in person rather than work with a tariff. The witness further explains that BellSouth currently recovers these costs on an individual case basis (ICB) by pro-rating the cost of space preparation on a square footage basis, and charging the ALEC based on the number of square feet used. Currently, the pro-rated cost per square foot assessed to the ALECs varies among

central offices based on the different costs of site preparation in each central office.

AT&T's witness Mills agrees in part with BellSouth's methodology but believes actual cost studies must be examined to determine the appropriateness of the final rates. He further believes the costs of site preparation should be recovered based on each ALEC's square footage divided by the total central office square footage, including BellSouth occupied space.

Supra witness Nilson agrees with AT&T witness Mills and says:

> I believe the costs for collocation should be allocated based on the amount of space occupied by the ALEC and a portion should be shared by all ILECs since they also benefit from the upgrades, and profit from the ALEC's business expansion.

Supra witness Nilson also recommends that we determine the proper pricing methodology to ensure the ILECs do not impose unreasonable and unnecessary costs on the ALECs, and suggests this Commission may want to adopt the approach taken by Bell Atlantic that allows ALECs to pay collocation costs on an installment basis.

Sprint witness Hunsucker's position is consistent with AT&T witness Mills' methodology. He also believes costs should be recovered from collocating carriers in a reasonable manner and shared by the ALECs, as well as the ILEC, in a particular central office. Witness Hunsucker believes the costs of implementing security measures should be based on the relative square footage, which he believes is an appropriate basis for estimating the value of the equipment being protected. He further contends that the appropriate cost recovery method for space preparation and other collocation costs is on the basis of square footage occupied. Witness Hunsucker explains:

> For example, if an ILEC decides to make a general building modification (complete change out of the heating and cooling system), then the ALECs would be charged on the basis of their respective square footage to the total square footage associated with the building modification. If, however, the ILEC only prepares space sufficient to handle the specific ALEC request, then the ALEC would be responsible for 100% of the charges.

Furthermore, witness Hunsucker believes the cost of collocation space reports should be recoverable by the ILEC. Because ALECs can request this type of report at any time, he believes these costs should be recovered via a non-recurring charge to be assessed by the ILEC at the time of the ALEC request. He believes this charge should be independent of the collocation application fee.

Witness Hunsucker believes that a methodology based on the relative square footage used by a provider is fair to all collocating carriers. He also believes that GTEFL's allocation methodology is not consistent with the historical cost methods approved by state commissions relating to unbundled network elements. Sprint witness Hunsucker argues that GTEFL witness Ries' proposed cost allocation method is unfair. Witness Hunsucker explains that witness Ries' proposed method is based upon 100% utilization of the inputs, which places an unfair burden on collocators when 100% utilization is not achieved. He concludes his analysis by noting that GTEFL's proposal of using the number of collocators or actual users of the facility produces a totally different result and places an inappropriate burden on ALECs. He argues that this is not only unfair, but anticompetitive. Furthermore, while he agrees that it is appropriate to allocate a fair share of the costs to the ALECs, witness Hunsucker maintains that the ILEC should pay an appropriate percentage of the costs if benefits are also received by the ILEC.

Witness Hunsucker also believes that BellSouth witness Hendrix's methodology is inappropriate because it too will place an inappropriate burden on the ALECs. Witness Hunsucker is not in favor of any method that allocates cost only among the number of collocators in a central office.

Intermedia witness Jackson disagrees with GTEFL witness Ries' methodology that uses a statewide average of collocators to determine costs in a given central office. He believes that

> . . . collocators in one central office could end up paying more than their fair share of collocation costs because the costs are spread across all collocators as opposed to being divided amongst the collocators in a particular CO.

In contrast to any other options presented, MGC witness Levy believes all costs addressed in this issue should be paid for by the ILEC because the ILEC can generate revenues from wholesale customers. He believes other companies should not pay for the ILECs' business opportunities and that these costs should be absorbed by the ILEC as a cost of doing business.

Rhythms witness Williams agrees in part with MGC witness Levy that if the ILEC decides to install additional security measures, it should do so at its own expense. While he acknowledges the FCC's opinion granting the ILEC the right to protect its own equipment, he believes the ILEC should bear all the costs of additional security measures to protect its equipment if the ILEC chooses to do so.

FCCA witness Gillan believes this Commission should not reach a decision on this issue but should instead focus on establishing the ILECs' general obligations towards providing collocation. He does not agree with the positions presented by GTEFL witness Ries that collocation rates should be based upon a fill factor, nor does he agree with BellSouth witness Hendrix's suggested method of basing costs on the number of collocators in a central office. Witness Gillan observes that "It is useful to note the ILECs seem willing to adopt such a perspective when it comes to cost recovery, but not provisioning." He continues:

> It is not useful here to debate in the abstract the appropriateness of either specific suggestion (BellSouth and GTEFL positions). The larger point is that it makes little sense to embrace standardized pricing, while remaining committed to a world of customized provisioning.

Witness Gillan believes that the best way to handle such costs is through the development of a statewide collocation rate. He also believes "a statewide collocation rate, or tariff, would benefit the ALECs in two ways: first, a tariff would introduce certainty into the process as to costs and the length of time required for preparing collocation space; second, it would provide ALECs with the ability to evaluate the terms, conditions, and prices for collocation space.

In addition, witness Gillan contends that the controversy over developing a statewide tariff is minimal. He notes that Sprint supports a statewide tariff, while GTEFL has filed a tariff in Florida. He believes that BellSouth is not willing to take this step, because BellSouth apparently believes the ALECs do not want a tariff. He emphasizes that every ALEC that is a party to this case supports a collocation tariff, which BellSouth should acknowledge. The witness further indicated that a collocation tariff need only be statewide, not at some lower level of aggregation. Even if a tariff were put in place, however, witness Gillan believes ALECs should retain the right to negotiate collocation rates. He explains that ALECs fall into two categories: those that are big enough and have the resources to enter into negotiations, and generally everybody else.

ANALYSIS AND DETERMINATION

We note that while our decision on this issue will not result in setting rates at this time, we do believe that it will dictate, to some extent, how certain rates are to be derived in future proceedings. Specifically, the recovery method dealt with in this issue must cover the cost of security arrangements, collocation space reports, and other costs associated with the provisioning of collocation space. The objective is to arrive at a method that neither favors nor discriminates against any carrier.

As a general matter, we agree with the FCC's decisions in CC Docket No. 98-147 at Paragraph 51, and believe that certain costs associated with collocation should be recovered on a pro-rated basis, so that the first collocator in a central office is not responsible for the entire cost of site preparation if it will benefit future collocators. We also acknowledge that the FCC stated that it expects state commissions to determine the proper pricing methodology to ensure that incumbent LECs properly allocate site preparation costs among new entrants. Thus, it appears to us that MGC witness Levy's proposal, that all costs associated with collocation should be absorbed by the ILEC, is in complete opposition to the FCC's statements on this issue.

While many parties presented arguments in support of standardized pricing or the creation of a statewide tariff, we

emphasize that few parties suggested how the rates should be determined. We further emphasize that the issue presented for our determination only pertains to how certain costs should be allocated among multiple carriers consistent with previous FCC and Florida Commission orders.

A. Cost of Security Arrangements, Site Preparation, and Other Costs Necessary to the Provisioning of Collocation Space

At Paragraph 51 of the FCC's Advanced Services Order, the FCC provides general guidance as to how costs of these components should be "allocated" or, equivalently, how cost recovery should be structured:

> We conclude, based on the record, that incumbent LECs must allocate space preparation, security measures, and other collocation charges on a pro-rated basis so the first collocator in a particular incumbent premises will not be responsible for the entire cost of site preparation.

At the outset, we note that the above paragraph does not specifically refer to allocation of costs to multiple carriers. Second, we emphasize that it appears that this passage does not necessarily require that all costs referred to in therein must be allocated to more than one provider. Rather, the language appears to address only costs to prevent the first collocator in a particular incumbent premises from being held responsible for the entire cost. Accordingly, we infer that certain costs associated with space preparation, security measures, and other items may need to be allocated among multiple providers; what needs to be determined is which costs require this specific treatment. Key factors we have considered are cost causation and beneficiaries, as addressed by witnesses Hendrix and Hunsucker.

Upon consideration, we believe that the following scenarios best demonstrate how the costs of security arrangements, site preparation, and other costs of collocation should be handled:

1. Cost of security arrangements, site preparation, and other costs necessary to the provisioning of

collocation space incurred by the ILEC that benefit only one collocating party.

2. Cost of security arrangements, site preparation, and other costs necessary to the provisioning of collocation space incurred by the ILEC that benefit all current and future collocating parties.

3. Cost of security arrangements, site preparation, and other costs necessary to the provisioning of collocation space incurred by the ILEC that benefit all collocating parties and the ILEC.

Based on the evidence presented, we believe that determining how to allocate costs for each of these three scenarios among multiple carriers will ensure non-discriminatory treatment among carriers. We believe our following determinations achieve this goal.

First, we are persuaded and so find that the costs of security arrangements, site preparation, and other costs necessary to the provisioning of collocation space incurred by the ILEC that benefit only a single collocating party in a central office should be paid for by that collocating party. As argued by witnesses Hunsucker and Ries, recovering costs only from the party that benefits will eliminate the burden on ILECs and other collocators of paying for costs of collocation they did not cause to be incurred.

Second, we find it appropriate that the costs of security arrangements, site preparation, and other costs necessary to the provisioning of collocation space incurred by the ILEC that benefit both current and future collocating parties shall be recoverable by the ILEC from current and future collocating parties. In this case, these costs shall be allocated based on the amount of floor space occupied by a collocating party, relative to the total collocation space for which site preparation was performed.

Third, we find that the costs of security arrangements, site preparation, and other costs necessary to the provisioning of collocation space incurred by the ILEC that benefit current or future collocating parties and the ILEC shall be recoverable by the ILEC from current and future collocating parties, and a portion shall be attributed to the

ILEC itself. We note that the ALECs addressed their concerns over security issues that not only benefit collocating parties, but also benefit the ILEC. Acknowledging those concerns, we shall require that when multiple collocators and the ILEC benefit from modifications or enhancements, the cost of such benefits or enhancements shall be allocated based on the amount of square feet used by the collocator or the ILEC, relative to the total useable square footage in the central office.

B. Costs of Collocation Space Reports

GTEFL and BellSouth did not specifically address the cost of collocation space reports separately. It appears, however, from the testimony presented, that these parties would prefer to recover the costs of collocation space reports in the same manner they advocate for all other costs addressed in this issue. Sprint witness Hunsucker believes, however, that this cost should be recoverable by the ILEC through a non-recurring charge assessed upon the collocating party requesting the report.

Given the nature and the prescribed use of a collocation space report, we agree with witness Hunsucker that a non-recurring charge is the appropriate way to recover the costs of collocation space reports. A collocation space report must be made available to any requesting party, and the evidence demonstrates that it is typically used by the ALECs to assess whether collocation space is available in a particular ILEC facility. Further, a collocation space report is made available to ALECs before an application is submitted for collocation, and in many cases an actual application for collocation may not be forthcoming. As such, we agree with witness Hunsucker and find that a one-time non-recurring charge is the most reasonable means for an ILEC to recover the costs of producing these reports.

XVIII. PROVISION OF INFORMATION REGARDING LIMITED SPACE AVAILABILITY

While the parties all appear to agree that the ILEC should notify a requesting ALEC of the amount of collocation space available in a given CO when the collocation space is insufficient to meet the request, the parties disagree on the

time frame for such notification. Thus, in this section, we consider the appropriate time frame for an ILEC to notify an ALEC of the amount of available space for collocation when the space is insufficient to meet the request. Limited or insufficient space is referred to herein as "partial collocation space."

BellSouth witness Hendrix asserts that BellSouth is not opposed to notifying the ALEC of what space is available, when there is insufficient space to fill the original request. Witness Hendrix states:

> The ALEC can then choose to either accept the space that is available; accept the space available and place the remaining amount of space it requested on the waiting list BellSouth maintains for that central office; choose not to accept the space and place its entire request on the waiting list; or simply choose not to accept the space.

Witness Hendrix further contends that BellSouth will not proceed to provision the available space without a firm order from the ALEC. He adds that there is no application fee or new application interval associated with the ALEC's acceptance of any partial collocation space. Witness Hendrix states that the ALEC will be given time to reassess its application and appropriately modify it to conform with the available space. Witness Hendrix also states that upon notification of the availability of partial collocation space, the ALEC can submit a firm order for the partial collocation space. At this same time, the witness explains, the ALEC would be required to pay for the accepted partial available space. BellSouth witness Hendrix contends that an ALEC on a waiting list will be afforded the same opportunity to accept or reject any partial collocation space, as its turn comes on the list. He further contends that if an ALEC is notified that there is no collocation space in a central office (CO) when the ALEC places a request for collocation space, the ALEC has ten days from the date of notification to request a physical tour of the CO.

GTEFL witness Reis states that GTEFL advises the ALEC of what space is available for collocation when there is

insufficient space to meet the ALEC's request. He testifies that an ALEC can tour the CO when it is denied collocation space in that CO, but argues that a CO tour for an ALEC that has been granted partial collocation space is unnecessary. Witness Reis contends that such tours were not contemplated by the FCC or the Act. In cases where only partial space is available, witness Reis further argues that this Commission should not require space exhaustion verification tours, since such an expansive proposal is subject to ALEC abuse. Witness Reis argues:

> It is GTE's policy that we will grant a tour when we deny a request for collocation, not just - if we deny a request that says, "You do not have 400 feet; we can only give you 300 feet," it is GTE's policy that we would not provide a tour at that time, only when we totally deny the request.

Witness Reis further argues that such a proposal would potentially tie-up needed resources that could go toward implementing collocation requests. Witness Reis further explains that if the company were required to constantly conduct tours, the engineering installer technical representative would rarely be available to doing their work, including provisioning collocation space.

Sprint witness Closz asserts that if an ILEC can only provision a portion of the ALEC's requested collocation space, the ALEC and the ILEC must discuss options that are relevant to the particular ALEC's request. The witness argues that this discussion should be conducted within the FCC's established time frame for the ILEC's response to the collocation application.

Witness Closz further argues that in a case of insufficient or partial collocation space, the ALEC is entitled to a tour of the ILEC's premises, and asserts that prior to such a tour, the ILEC should be required to provide the ALEC with detailed engineering floor plans of the premises, showing detailed information that will enable the ALEC to review and make its determination of the available collocation space. Witness Closz argues that all of these

provisions comport with FCC Rule 47 C.F.R. § 51.321 (h), which states in part:

> Upon request, an incumbent LEC must submit to the requesting carrier within ten days of the submission of the request a report indicating the incumbent LEC's available collocation space in a particular LEC premises. This report must specify the amount of collocation space available at each requested premises, the number of collocators, and any modifications in the use of the space since the last report. This report must also include measures that the incumbent LEC is taking to make additional space available for collocation. The incumbent LEC must maintain a publicly available document, posted for viewing on the incumbent LEC's publicly available Internet site, indicating all premises that are full, and must update such document within ten days of the date at which a premises runs out of physical collocation space.

MCI witness Martinez argues that in addition to the ILEC informing the ALEC of the availability of partial collocation space, the ALEC should be given the opportunity to modify its request consistent with the amount of available space, without penalty.

Rhythms witness Williams argues that the ILEC should be required to notify the ALEC of the amount of space actually available at a CO when such collocation space is insufficient to satisfy the ALEC's initial request. Witness Williams argues that such notification may allow the ALEC to modify its plans for collocation at a particular CO, and contends that an ALEC cannot make such a determination unless the ILEC informs the ALEC of the availability of this partial collocation space at the particular CO. He asserts that website posting of CO availability is an important mechanism for ALECs to use in planning where to collocate.

Covad witness Moscaritolo believes that the ILEC should notify the ALEC if only a portion of the requested collocation space is available, and argues that the ILEC should proceed to provision such partial collocation space without delay, with no additional application fee, or new application interval. Witness Moscaritolo contends that once an ALEC has decided to collocate in a particular CO, it is the ALEC's ultimate desire to serve customers out of that CO; hence, the ability for the ALEC to collocate in lesser space than originally requested is acceptable. Witness Moscaritolo further argues that to prevent ILECs from abusing the partial space provision, any partial filling of any collocation request should trigger the space verification procedures of the FCC and this Commission.

MCG witness Levy states that the ILEC should advise the ALEC of any amount of partial collocation space, when the available space is insufficient to fill the submitted collocation request. Witness Levy argues that the process should be streamlined, whereby the ALEC can submit one application with three different choices of the ALEC's preferred mode of collocation, instead of revising the application based on rejections.

Supra witness Nilson argues that the ILEC should inform the ALEC of the amount of space available when there is insufficient space to fill the original space request, and further contends that the ILEC should then be required to demonstrate that sufficient space to fill the entire request has been depleted. Witness Nilson also argues that notification of insufficient space to meet a collocation request in any given CO should trigger a walk-through visit of the CO by Commission staff, the affected ALEC and the ILEC.

Intermedia witness Jackson similarly asserts that when there is insufficient space to fill the ALEC's initial collocation request, the ALEC should not be required to submit another application for the partial available collocation space; instead the original application should suffice. Witness Jackson argues that BellSouth's 10-day window for touring a CO seems to suggest that after the 10-day window, the ALEC loses the opportunity to tour the CO. Witness Jackson further argues that such an interpretation of the FCC's rules is not reasonable and maintains that:

> . . . specifically, the ten-day window requirement is for the protection of the ALECs. In other words, if the ALEC requests a tour of the facility within the ten-day window, the ILEC is obligated to allow the ALEC to tour the facilities within ten days of the denial of space. However, nothing in the FCC's rules precludes an ALEC from requesting a tour date beyond the ten-day window or, for that matter, from requesting a tour after the ten-day window has ended. Any other interpretation would punish those ALECs who may not have the flexibility of immediately rearranging their schedules to accommodate a tour.

ANALYSIS AND DETERMINATION

As previously stated, all parties appear to agree that the ILEC should notify the ALEC of the amount of space available for collocation when the space is insufficient to meet the request. However, most of the parties are silent with respect to what time frame is appropriate for the ILECs to notify the ALECs of any partial available space in a CO. Since the ILECs will, in this instance, be responding to a collocation request as they would if sufficient space were available to fill the entire request, we find that the evidence supports the 15-calendar day response period we have required for all initial requests as being appropriate as well as consistent with our prior decisions. We believe that the 15-calendar day response period will allow the ILEC to provide the ALEC with a more complete response to the ALEC's request for collocation. We agree with BellSouth witness Hendrix that "[U]pon notification of the availability of partial collocation space, the ALEC can submit a firm order for the partial collocation space." We also find that in order for an ALEC to submit a firm order for partial collocation space, the ILEC's response must be sufficiently detailed to enable the ALEC to proceed with a decision to accept the space and consequently submit a firm order.

We also note that BellSouth witness Hendrix proposes a ten-day ALEC response interval. No other parties commented on

this subject, nor was any other evidence presented to support this proposal. Neither the FCC nor this Commission has contemplated any ALEC response interval; therefore, we shall not now require one.

We are also not persuaded that an ALEC should be allowed to tour a CO if it is offered partial collocation space because of insufficient collocation space in a CO. We do not believe that the FCC order suggests that the ILECs should allow tours when partial collocation is provisioned; instead, an argument can be made that the FCC only anticipated CO tours in cases where collocation requests are denied. It appears that the ALECs' proposed CO tours for partial collocation space are inconsistent with provisions of FCC Order 99-48, which reads in part:

> Specifically, we require the incumbent LEC to permit representatives of a requesting telecommunications carrier that has been denied collocation due to space constraints to tour the entire premises in question, ...

FCC Order 99-48 at Paragraph 57.

While we are not requiring an ILEC to conduct a tour when only partially filling a request for space, we do emphasize that a tour must still be conducted by the ILEC as part of the process of seeking a waiver of the collocation requirements, and in situations where an ILEC can only partially fill a request for space, it is expected that the ILEC will need to request a waiver due to lack of space in the CO. Therefore, the ALEC will have an opportunity to participate in a tour as a part of our previously defined waiver process.

XIX. PROVISION OF INFORMATION REGARDING POST-WAIVER SPACE AVAILABILITY

In this section, we are not addressing whether the ILEC should inform us and the ALEC community when collocation space becomes available in a central office (CO) for which the ILEC was previously granted a waiver of the physical collocation requirements due to space exhaustion. Instead, we consider herein the appropriate time frame in which the ILEC shall

inform us, as well as the ALEC community, when space becomes available in a CO for which the ILEC was previously granted a waiver of the physical collocation requirements due to space exhaustion.

BellSouth witness Hendrix states that BellSouth will maintain a waiting list of all ALECs that have applied for physical collocation in a CO that does not have space available for physical collocation. Witness Hendrix states that an ALEC can get on the waiting list by sending a letter of intent or by sending in an application for physical collocation at the specific CO. He contends that as space becomes available in the given CO, BellSouth will offer the available space to the first ALEC on the waiting list, and the ALEC has a time certain to respond to the offered space. However, witness Hendrix was not definite as to whether the ALEC has 30 or 60 days to respond to the offer on the available collocation space. Witness Hendrix further explains:

> When space becomes available for physical collocation in a previously exhausted central office, BellSouth will notify the ALECs that can be accommodated in the newly available space, based on the square footage each customer has requested. BellSouth will notify these ALECs a maximum of 60 days prior to the space availability date.

Witness Hendrix argues that BellSouth cannot commit to providing 90 days' notification prior to space availability, and contends that it is not reasonable to require ILECs to estimate what space will become available by modifications three months in the future, with the degree of accuracy necessary to support collocation requests. Witness Hendrix further explains that even if the company knew 90 days in advance that space might become available in an office, BellSouth would not notify the ALECs until there were only 60 days before the space would be available, because BellSouth wants to be sure it gives the ALEC an answer that will hold true. Witness Hendrix states that on the space availability date, BellSouth will inform this Commission that space has become available for physical collocation and also file to terminate the waiver in the specific CO.

GTEFL witness Reis states that GTEFL will post any changes regarding the exempt status of a CO at its exempt central office website within 10 business days of the status change. Witness Reis explains that:

> Within ten days of when the space becomes available, we put it on our website. And it is clearly marked that this office used to be exempt from having available space and now the space is available. And at that time the first party that comes forth with an application and with the 50 percent deposit for the nonrecurring charges would then have first-come, first-served for that available space.

Witness Reis further testifies that GTEFL would not maintain a waiting list while the CO waiver is active, because the waiting period would typically be very long. He contends that maintaining a waiting list would require GTEFL to check with every ALEC on the waiting list to see if each of the ALECs still has need for collocation in the CO in question.

Sprint witness Hunsucker argues that at the time a decision is made to increase available collocation space through any modifications, the ILEC should inform both the Commission and the ALEC community. Witness Hunsucker asserts:

> . . . the ILEC should provide a project plan and expected timeline of when the space will be available and should provide progress reports every thirty days as to the current status/activities. This information can be sent directly to each ALEC who has a request for collocation space pending or placed on an Internet web site.

Witness Hunsucker also states that it would be appropriate to notify ALECs of expected space availability further in advance than 60 days.

MCI witness Martinez states that ILECs should inform the Commission and all ALECs of space availability as soon as the

ILEC knows the approximate date which this space will become available. Witness Martinez argues that as part of obtaining a waiver, the ILEC would have shown what its plans are for relieving the space problem in the central office. Thus, the witness believes that the ILEC will have established a timetable for removing obsolete unused equipment, constructing additional space, etc. Witness Martinez contends that this type of relief work will need to start in advance; therefore, the ILEC should be able to estimate the space availability dates well before the date the space actually becomes available.

Witness Martinez further asserts that the ILECs should provide notification by letter to this Commission and to all ALECs that have filed requests for collocation in the CO. He argues that this information should also be posted on the ILEC's website as called for by the FCC. Witness Martinez contends that the new space should be offered on a first-come, first-served basis to ALECs who have previously been denied physical collocation space in the office.

Rhythms witness Williams argues that as collocation space becomes available at COs where ALECs were previously denied collocation, the ILEC should notify the ALECs that had previously requested space for collocation at the CO. Witness Williams asserts that the website posting of CO space availability is an important mechanism competitors utilize in planning where to collocate in a given market.

MGC witness Levy testifies that the ILEC should notify the Commission and any collocators who had previously been denied collocation, even if the collocator had proceeded with virtual collocation as an alternative. Witness Levy contends that the ILEC should be required to inform us and the ALECs of the pending availability at least three months before the additional space is ready for ALEC occupancy. Witness Levy argues that the advance notice will enable an ALEC to re-assess its interest in collocating in the specific CO and determine if the interest still remains.

Supra witness Nilson argues that if there is a physical collocation waiver in effect, as space becomes available in the CO, the ILEC should notify the Commission and any requesting carriers of the availability of space in the central office.

Intermedia witness Jackson argues that as space becomes available because of modifications in a CO, occupancy priority should be given to ALECs based on the order in which the ALECs originally applied for collocation in that CO. Witness Jackson argues that BellSouth's process of notifying ALECs on the waiting list that there is newly available space is unclear, defective and discriminatory.

AT&T witness Mills argues that BellSouth's proposal for notifying ALECs and the Commission when space becomes available in a CO that was under a waiver is unclear. Witness Mills contends that a simple letter to the ILEC should suffice for the ALEC to get on a waiting list, instead of the onerous process of filing an application along with the application fees. AT&T witness Mills further argues that BellSouth's proposal to notify the ALECs that can be accommodated based upon the square footage requested, suggests that the new space would be awarded based on the nature of the space requested and not on when the space was requested. Witness Mills contends that we should require the ILEC to provide a minimum 60-days' notice on new space availability, and argues that the minimum 60 days will allow ALECs sufficient time to evaluate their space needs.

ANALYSIS AND DETERMINATION

Based on the foregoing, it appears that most of the parties agree that the ILECs should inform us, as well as the ALECs, when space becomes available in a CO because of modifications, and that the newly available space should be assigned on a first-come, first-served basis.

While BellSouth and AT&T propose a 60-day notification period prior to the space becoming available, others suggest that an ILEC should inform the Commission and the collocators as soon as the ILEC becomes aware of the changed circumstance. We agree with BellSouth's witness Hendrix that there is merit in ensuring that the space is truly available before informing the ALECs and the Commission. We do, however, believe that notification should begin when the ILEC knows for certain that space will become available, because when an ILEC experiences a changed circumstance that may make space available, various factors could affect this potential space availability. There is greater benefit to be derived from earlier notification of

the pending available space. Based on the evidence, we find that a 60-day notification period will allow the ALECs enough time to assess their collocation needs in relation to the particular CO.

With respect to the method of notification, it appears there is consensus for the FCC-prescribed website postings. However, there are differing opinions as to when an ILEC should post any updates on its public website. With the website postings, it is also unclear as to how this Commission will be made aware of any changed circumstances. Some parties have suggested notification by mail. We agree that this is a desirable notification requirement; therefore, in addition to the website postings, notification by mail shall be required.

In the event the ILEC's determination that space will be available does not allow for 60 calendar days' notice, the ILEC shall notify this Commission and requesting ALECs within two business days of the determination that space is available. Based on witness Martinez's testimony, we agree that in situations in which 60 calendar days' notice is not possible, this Commission and the requesting ALECs must be notified as soon as possible after the ILEC determines the approximate date that space will become available. Based on the evidence, we find that a maximum of two business days to make this notification is a reasonable approximation of "as soon as possible."

XX. FORECASTING REQUIREMENTS FOR CO EXPANSIONS AND ADDITIONS

In this section, we consider whether ILECs need to utilize a specific process to factor in ALECs' collocation space needs in CO forecasting.

BellSouth witness Milner argues that BellSouth factors in ALEC collocation space when planning CO additions or expansions. Witness Milner states that BellSouth factors in collocation space based on forecasts derived from:

> . . . space currently allocated for collocation, the amount of space requested in either current applications or collocators on a waiting list for that central office,

> and the amount of collocation space in central offices in the surrounding area.

Witness Milner also states that ALECs are encouraged to provide forecasts periodically for a planning horizon of two years, and explains that BellSouth uses these forecasts as an input when planning for CO additions, expansions, or replacements.

Witness Milner further asserts that forecasting collocation demand for CO addition or expansion is very different from forecasting network growth in the past, where network growth directly correlated with interoffice trunk and access line growth. He emphasizes that in the past, network planning relied on forecasts of line growth and interexchange carrier access growth. He maintains that this process has changed to account for increased demand on the telecommunications network, the introduction of ALEC's networks, and wireless communications interconnecting with the landline network. As a result, the witness asserts that the demand on the network is no longer stable or predictable. As such, witness Milner contends that BellSouth has been forced to rely heavily on trended demand to determine capacity exhaust and equipment relief timing. Witness Milner further explains that each central office has its own unique growth dynamics, which are generally driven by factors such as location, market, and historic growth rate.

GTEFL witness Reis states that GTEFL factors in requests received within a particular metropolitan area and other information about potential collocation demand when it forecasts collocation demand for a CO addition or expansion. Witness Reis further testifies that its current practice comports with the FCC's requirements. According to witness Reis, the FCC stated that:

> . . . incumbent LECs should be required to take collocator demand into account when renovating existing facilities and constructing or leasing new facilities, just as they consider demand for other services when undertaking such projects.

Witness Reis maintains that GTEFL does not oppose factoring in ALECs' collocation forecasts as one element in its planning process, along with all other available market and historical

information, including applications on file. Witness Reis further asserts that GTEFL would, however, oppose any requirements for ILECS to expand or add space based on ALEC forecasts. He explains that ALECs do not have a financial commitment to such forecasts, therefore, they are unreliable.

GTEFL witness Reis further observes that any approach that relies heavily on ALECs' forecasts could underestimate the need for CC additions or expansions, and he argues:

> GTE believes ALECs would consider collocation forecasts to be competitively sensitive information. In GTE's experience, ALECs are reluctant to share this kind of information.

Sprint witness Hunsucker states that ILECs can reasonably anticipate ALECs' future demands for collocation space by either contacting the ALECs to request a forecast of future space requirements or by making an independent decision on the amount of space to be requested by ALECs. Witness Hunsucker contends that the ALECs should be required to provide the ILECs with annual 3-year forecasts for collocation space requirements by central office, and that the ILECs should be required to make a reasonable estimate of additional collocation space for those ALECs that are not covered by the ALECs' provided forecasts. He testifies that Sprint is not opposed to a shorter forecast period for ALECs.

Covad witness Moscaritolo argues that the ILEC should provide the ALECs with all information that will affect the ALECs' ability to collocate in a given CO, and conversely, the ALECs should provide the ILEC with future growth plans that will potentially affect the amount of available collocation space in a particular CO.

MGC witness Levy argues that forecasting ALECs' future space demand can be accomplished by requiring the ALECs to provide three to five year forecasts when collocation applications are submitted. Witness Levy further argues that this is being practiced by other ILECs. He contends that this should only be one of the inputs in the ILEC's planning as there are other factors that need to be considered.

Supra witness Nilson states that as the ILEC begins planning for a CO expansion, the ILEC should poll the ALECs to

determine ". . . the level of interest in, and amount of, collocation space, . . ." for any particular central office. Witness Nilson further argues that with this information from the ALECS, the ILEC can better project the amount of additional space that is needed for each CO.

FCCA witness Gillan states that it is reasonable to get some forecast information from the ALECs, and contends that this is information that the ILEC can develop from its own in-house information based on historical data on existing collocation needs and the individual CO's characteristics. Witness Gillan argues that conditioned CO space is a commodity, and the largest purchaser of that collocation space in any central office is the ILEC itself. Witness Gillan further argues that since the ILEC is the largest purchaser of collocation space in any given CO, the ILEC's space demand and growth will determine most of the change in space requirements in that CO. Knowing the ILEC's space demand, witness Gillan argues that the ALECs' future demand for collocation space can simply be overlaid on the ILEC's own future space needs as an incremental effect. Witness Gillan further contends that the ILEC should have inventory space, ". . . because you should have space available and waiting for customers, just like you do for any other product."

ANALYSIS AND DETERMINATION

The evidence demonstrates that all the parties agree, to a degree, that an ILEC should factor in the ALECs' collocation needs when planning a CO addition or expansion. This comports with the FCC's requirement that ILECs take collocator demand into account as they plan for CO additions or expansions. FCC Order 96-325 at Paragraphs 585 and 605. Considering all of the evidence, we are persuaded by the arguments presented by BellSouth and Sprint. Therefore, we find that the ALECs shall provide the ILECs with two-year forecasts, on an annual basis, to assist the ILECs in CO planning.

While we agree with the ILECs that warehousing space is not what the FCC intended, we do, however, agree with FCCA witness Gillan that one can construe collocation space to be similar to any other product that the ILECs provide their customers and thus, the ILEC should carry an inventory. As such, another method of accounting for ALEC collocation space

demand would be to use the ILEC's historical data to project the needed collocation space in the particular CO. By historical data we mean currently allocated collocation space.

We also agree with BellSouth that each CO is unique. Thus, we believe that the following factors can be useful in assisting the ILECs to accurately factor in ALECs' collocation space demands:

1. the location of the central office (rural, suburban, or urban);

2. the market service area (residential, office, industrial, etc);

3. the historic growth rate (stable, expanding, declining);

4. trending data (demand for wireline and wireless interconnection, increased network capacity to accommodate increasing internet demands); and

5. general technology effects (obsolescence and shrinking network equipment sizes).

We strongly encourage the ILECs to take these factors into consideration in planning CO expansion. The weighting of these factors in demand planning will, however, differ from CO to CO, just as it will differ from ILEC to ILEC.

Further, based on the evidence in this proceeding, the ILECs appear to be incorporating the ALECs' future space needs in planning for CO additions or expansions, as required by the FCC. Thus, we shall not establish a specific process for ILEC forecasting of collocation demand for CO additions or expansions. While the ILEC's forecasts of collocation demand must be based on historical collocation data, CO characteristics, and ALEC forecasts of collocation space needs, the process of weighing these factors is inherently subjective; therefore, we shall not prescribe a particular process.

XXI. APPLICATION OF THE FCC'S "FIRST-COME, FIRST-SERVED" RULE UPON DENIAL OF WAIVER OR MODIFICATIONS

In this final section, we consider who should be given priority for new collocation space, when such space becomes available in a central office due to modifications or a denied waiver. With few exceptions, the arguments presented by the parties were consistent on this point.

AT&T witness Mills contends that where an ILEC has denied a request for physical collocation within the preceding three years, and space is made available due to a modification to the central office, then the newly available space should be offered first to the carriers whose requests for physical collocation were denied. This should be done beginning with the first ALEC to be denied space.

Similarly, MCI witness Martinez contends:

> The ILEC should maintain a priority waiting list in any office where an ALEC is denied physical collocation. The ALEC's place on the list should be determined by the date of its firm order for space, or the date on which its application for space was rejected, if that date is earlier.

Witness Martinez asserts that the first-come, first-served rule should apply based on the date the ALEC's initial order was received. He also contends that accepting virtual collocation after being denied physical, should not affect an ALEC's priority when space for physical collocation becomes available.

Supra witness Nilson similarly states that "the ILEC should offer the available space to the first carrier that requested space." Witness Nilson states that the ILEC should be required to maintain a list of all carriers who have requested space in the order their requests were received.

Intermedia witness Jackson agrees, stating that "[P]riority should be given to the ALEC based on the order in which the ALECs originally applied for collocation in that specific central office - first come, first-served."

MGC witness Levy states that the company that submitted the first collocation request to be denied should be first in line and have first opportunity to submit a firm order for the

new space. Witness Levy suggests that this process should continue with the next ALEC on the waiting list, until firm orders have been submitted for all the space that has become available. Once all formerly rejected applicants have had a chance to submit firm orders for space, then the remaining space should be published for any new collocators who are not on the waiting list.

BellSouth witness Hendrix states that "BellSouth maintains a waiting list that contains the ALECs and the amount of space each requested, in the order of BellSouth's receipt of each collocation application." Witness Hendrix further explains that when space for physical collocation becomes available in a central office, space is offered on a "first-come, first-right of refusal" manner. The witness maintains that ALECs that can be accommodated in the newly available space, based on square footage originally requested, are then notified and asked to contact BellSouth if still interested in the space. The newly available space is then distributed to these companies in the order they appear on the waiting list. BellSouth witness Hendrix also states that BellSouth does not require an ALEC to "re-up" its place on the waiting list. Once an ALEC is on the list, it remains there until space has been offered and subsequently turned down or accepted.

Sprint witness Hunsucker agrees that ILECs should maintain a waiting list of denied applicants based on date of application. He states that when space becomes available, the ILEC is supposed to make space available to ALECs on the wait list based upon the date of application until all space is exhausted. Witness Hunsucker disagrees, however, with BellSouth, contending that ALECs should be required to reaffirm their collocation request every 180 days. He argues that reaffirmation of an application should be required in order "to ensure that market plans have not changed and space is no longer required." He further asserts that if the request is not reaffirmed within 180 days the request date changes to the reaffirmation date, subsequently changing the applicant's order on the waiting list.

In contrast to the majority of testimony in the record, GTEFL witness Ries asserts that "[P]riority will be given to ALECs in the order in which they submit checks for 50% of the NRCs associated with their collocation requests." Witness Ries further explains that GTEFL does not keep a waiting list

of ALECs that have been denied space. Instead, GTEFL posts information regarding newly available space on their websight, and the first party that submits an application with the 50 percent deposit for the nonrecurring charges, would then have first priority for the space.

Intermedia witness Jackson responds that GTEFL should be required to maintain a waiting list of collocators, and once space becomes available GTEFL should contact them immediately. He further argues that:

> priority should be given to the collocator with the oldest collocation request, followed by the next oldest, and so on. Priority should not be decided based on who gets to the bank first.

ANALYSIS AND DETERMINATION

Upon consideration, we agree with Intermedia's witness, as well as other parties, that all ILECs should be required to maintain a waiting list of ALECs that have been denied physical collocation in a particular central office.

We also believe that the process suggested by MGC witness Levy is appropriate. Therefore, we find that the first collocator request for physical collocation that was rejected shall be first in line and must be given first opportunity to submit a FOC for physical collocation in the new space. Furthermore, the evidence supports that the waiting list of denied ALECs must be kept in order of application denial date, with the first application to be denied being first on the list.

We also agree with MCI witness Martinez, who argues that: "the fact that the ALEC accepted virtual collocation should not affect its priority when space for physical collocation becomes available." Therefore, we shall require that an ALEC shall maintain its place on the waiting list, even if it has accepted virtual collocation after being denied physical.

We note Sprint witness Hunsucker's contention that ALECs should be required to reaffirm their application for collocation every 180 days, in order to maintain their place on the waiting list. We are, however, persuaded by BellSouth

witness Hendrix's suggestion that once an ALEC is on the waiting list, it should remain until such time as collocation space is offered to that ALEC. Therefore, we find that once an ALEC is on the waiting list, it shall remain until such time as collocation space is offered to that ALEC

We also agree with BellSouth witness Hendrix's proposal that an ALEC should be placed on an existing waiting list by submitting a letter of intent, without having to file an actual application. This process appears to be reasonable. Therefore, we find that an ALEC shall be placed on an existing waiting list by submitting a letter of intent, without having to file an actual application, that letters of intent shall be accepted in a non-discriminatory manner, and that these letters of intent establish a requesting carrier's place in line on the waiting list.

Regarding application fees, we reference our prior decision in Order No. PSC-99-1744-PAA-TP, issued September 7, 1999, in these Dockets, which reads in part:

> If the ILEC informs the applicant carrier that it intends to deny collocation in an ILEC premises, the ILEC shall return to the applicant carrier within 15 calendar days any fees over and above those necessary to cover the initial administrative costs associated with processing the carrier's application for that premises.

In addition, we find that when an ALEC submits a letter of intent in order to be placed on the waiting list for collocation space at a particular ILEC central office, the ILEC shall only be permitted to charge the ALEC for the administrative costs associated with placing the ALEC on the waiting list. The actual application fee may only be charged when space is offered to this ALEC, and an application is submitted for such space.

We emphasize that we disagree with BellSouth's procedure of offering newly available collocation space to ALECs according to the amount of space originally requested. Instead, we are persuaded by the arguments presented by AT&T, whose witness states that "any newly available collocation shall first be offered to the carriers whose request for physical collocation were denied, beginning with the first such denial." Thus, newly available space shall be offered to

the first ALEC on the waiting list, regardless of whether the amount of space originally requested was greater than that which has become available. If the amount of newly available space is less than the amount originally requested by the first ALEC on the waiting list, this ALEC shall have first right to either accept or refuse this space.

Several parties have testified regarding time frames in which ALECs should be required to respond to an offer of newly available space. We emphasize, however, that response intervals are beyond the scope of the issue presented for our decision in this proceeding, and, therefore, we have not addressed this point.

In addition, we find that ILECs shall accept letters of intent to collocate in central offices where a waiver is granted and a waiting list already exists. This letter of intent will enable an ALEC to be placed on the waiting list, without being required to file an application for space that does not exist. The ILEC may charge a fee to recover only the administrative costs associated with placing the ALEC on the waiting list, when a letter of intent is submitted. The application fee shall not, however, be assessed until such time as the ALEC is offered space, and an application is submitted.

Based on the foregoing, it is therefore

ORDERED by the Florida Public Service Commission that each of the collocation requirements and procedures set forth in the body of this Order are approved. It is further

ORDERED that these Dockets shall remain open pending further proceedings to set collocation rates.

By ORDER of the Florida Public Service Commission, this 11th day of May, 2000.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

(S E A L)

BK

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

AWG-5

PHYSICAL COLLOCATION

Attachment 4

Physical Collocation

BELLSOUTH
PHYSICAL COLLOCATION

1. Scope of Attachment

1.1 Scope of Attachment. The rates, terms, and conditions contained within this Attachment shall only apply when Yipes is occupying the Collocation Space as a sole occupant or as a Host within a Premises location pursuant to Section 4. This Attachment is applicable to Premises owned or leased by BellSouth. However, if the Premises occupied by BellSouth is leased by BellSouth from a third party, special considerations and intervals may apply in addition to the terms and conditions of this Attachment.

All the negotiated rates, terms and conditions set forth in this Attachment pertain to collocation and the provisioning of Collocation Space.

1.2 Right to Occupy. BellSouth shall offer to Yipes collocation at any technically feasible point on rates, terms, and conditions that are just, reasonable, non-discriminatory and consistent with the rules of the Federal Communications Commission ("FCC"). Subject to Section 4 of this Attachment, BellSouth allows Yipes to occupy that certain area designated by BellSouth within a BellSouth Premises, or on BellSouth property upon which the BellSouth Premises is located, of a size which is specified by Yipes and agreed to by BellSouth (hereinafter "Collocation Space"). BellSouth Premises include BellSouth Central Offices and Serving Wire Centers. Where technically feasible, BellSouth will make physical collocation available in any BellSouth structure that houses network facilities and has space available for collocation. Such structures include; to the extent technically feasible, central offices, controlled environmental huts, cabinets, pedestals and other remote terminals. The necessary rates, terms and conditions for BellSouth locations other than BellSouth Premises shall be negotiated upon request for collocation at such location(s). Neither BellSouth nor any of BellSouth's affiliates may reserve space for future use on more preferential terms than those set forth above.

1.2.1 In all states other than Florida, the size specified by Yipes may contemplate a request for space sufficient to accommodate Yipes' growth within a two-year period.

1.2.2 In the state of Florida, the size specified by Yipes may contemplate a request for space sufficient to accommodate Yipes' growth within an eighteen (18) month period.

1.3 Space Reclamation. In the event of space exhaust within a Central Office Premises, BellSouth may include in its documentation for the Petition for Waiver filing any unutilized space in the Central Office Premises. Yipes will be responsible for any justification of unutilized space within its space, if such justification is required by the appropriate state commission.

1.4 Use of Space. Yipes shall use the Collocation Space for the purposes of installing, maintaining and operating Yipes' equipment (to include testing and monitoring equipment) necessary for interconnection with BellSouth services and facilities, including access to unbundled network elements, for the provision of telecommunications services. Pursuant to Section 5 following, Yipes may, at its option, place Yipes-owned fiber entrance facilities to the Collocation Space. The Collocation Space may be used for no other purposes except as specifically described herein or authorized in writing by BellSouth.

1.5 Rates and Charges. Yipes agrees to pay the rates and charges identified in Exhibit A attached hereto.

1.6 Due Dates. If any due date contained in this Attachment falls on a weekend or National holiday, then the due date will be the next business day thereafter.

1.7 The parties agree to comply with all applicable federal, state, county, local and administrative laws, rules, ordinances, regulations and codes in the performance of their obligations hereunder.

2. Space Notification

2.1 Availability of Space. Upon submission of an Application pursuant to Section 6, BellSouth will permit Yipes to physically collocate, pursuant to the terms of this Attachment, at any BellSouth Premises, unless BellSouth has determined that there is no space available due to space limitations or that physical collocation is not practical for technical reasons.

2.1.1 Availability Notification. Unless otherwise specified, BellSouth will respond to an application within ten (10) calendar days as to whether space is available or not available within a BellSouth Premises. This interval excludes National Holidays. If the amount of space requested is not available, BellSouth will notify Yipes of the amount of space that is available.

2.1.2 BellSouth will respond to a Florida Application within fifteen (15) calendar days as to whether space is available or not available within a BellSouth Premises. If the amount of space requested is not available, BellSouth will notify Yipes of the amount of space that is available.

2.1.3 BellSouth will respond to a Louisiana Application within ten (10) calendar days for space availability for one (1) to ten (10) Applications; fifteen (15) calendar days for eleven (11) to twenty (20) Applications; and for more than twenty (20) Applications, it is increased by five (5) calendar days for every five additional Applications received within five (5) business days. If the amount of space requested is not available, BellSouth will notify Yipes of the amount of space that is available.

2.1.4 BellSouth will respond to a Mississippi Application within ten (10) business days as to whether space is available or not available within a BellSouth Premises. If the amount of space requested is not available, BellSouth will notify Yipes of the amount of space that is available.

2.2 Reporting. Upon request from Yipes, BellSouth will provide a written report ("Space Availability Report") specifying the amount of Collocation Space available at the Premises requested, the number of collocators present at the Premises, any modifications in the use of the space since the last report on the Premises requested and the measures BellSouth is taking to make additional space available for collocation arrangements.

2.2.1 The request from Yipes for a Space Availability Report must be written and must include the Premises and Common Language Location Identification ("CLLI") code of the Premises. Such information regarding Premises and CLLI code is located in the National Exchange Carriers Association (NECA) Tariff FCC No. 4.

2.2.2 BellSouth will respond to a request for a Space Availability Report for a particular Premises within ten (10) calendar days of receipt of such request. BellSouth will make best efforts to respond in ten (10) calendar days to such a request when the request includes from two (2) to five (5) Premises within the same state. The response time for requests of more than five (5) Premises shall be negotiated between the Parties. If BellSouth cannot meet the ten calendar day response time, BellSouth shall notify Yipes and inform Yipes of the time frame under which it can respond.

2.2.2.1 In Mississippi, BellSouth will respond to a request for a Space Availability Report for a particular Premises within ten (10) business days of receipt of such request. BellSouth will make best efforts to respond in ten (10) business days to such a request when the request includes from two (2) to five (5) Premises within the same state. The response time for requests of more than five (5) Premises shall be negotiated between the Parties. If BellSouth cannot meet the ten business day response time, BellSouth shall notify Yipes and inform Yipes of the time frame under which it can respond.

2.3 Denial of Application. After notifying Yipes that BellSouth has no available space in the requested Premises ("Denial of Application"), BellSouth will allow Yipes, upon request, to tour the entire Premises within ten (10) calendar days of such Denial of Application. In order to schedule said tour within ten (10) calendar days, the request for a tour of the Premises must be received by BellSouth within five (5) calendar days of the Denial of Application.

2.3.1 Denial of Application. In Mississippi, after notifying Yipes that BellSouth has no available space in the requested Premises ("Denial of Application"), BellSouth will allow Yipes, upon request, to tour the entire Premises within ten (10) business days of such Denial of Application. In order to schedule said tour within ten (10) business

days, the request for a tour of the Premises must be received by BellSouth within five (5) business days of the Denial of Application.

2.4 Filing of Petition for Waiver. Upon Denial of Application BellSouth will timely file a petition with the Commission pursuant to 47 U.S.C. § 251(c)(6). BellSouth shall provide to the Commission any information requested by that Commission. Such information shall include which space, if any, BellSouth or any of BellSouth's affiliates have reserved for future use and a detailed description of the specific future uses for which the space has been reserved. Subject to an appropriate nondisclosure agreement or provision, BellSouth shall permit Yipes to inspect any floor plans or diagrams that BellSouth provides to the Commission.

2.5 Waiting List. Unless otherwise specified, on a first-come, first-served basis governed by the date of receipt of an Application or Letter of Intent, BellSouth will maintain a waiting list of requesting carriers who have either received a Denial of Application or, where it is publicly known that the Premises is out of space, have submitted a Letter of Intent to collocate. BellSouth will notify the telecommunications carriers on the waiting list when space becomes available according to how much space becomes available and the position of telecommunications carrier on said waiting list. Yipes must submit an updated, complete, and correct Application to BellSouth within 30 calendar days (in Mississippi, 30 business days) of such notification or notify BellSouth in writing within that time that Yipes wants to maintain its place on the waiting list either without accepting such space or accepting an amount of space less than its original request. If Yipes does not submit such an Application or notify BellSouth in writing as described above, BellSouth will offer such space to the next CLEC on the waiting list and remove Yipes from the waiting list. Upon request, BellSouth will advise Yipes as to its position on the list.

2.5.1 In Florida, on a first-come, first-served basis governed by the date of receipt of an Application or Letter of Intent, BellSouth will maintain a waiting list of requesting carriers who have either received a Denial of Application or, where it is publicly known that the Premises is out of space, have submitted a Letter of Intent to collocate. Sixty (60) days prior to space becoming available, if known, BellSouth will notify the Florida PSC and the telecommunications carriers on the waiting list by mail when space becomes available according to the position of telecommunications carrier on said waiting list. If not known sixty (60) days in advance, BellSouth shall notify the Florida PSC and the telecommunications carriers on the waiting list within two days of the determination that space is available.

2.6 Public Notification. BellSouth will maintain on its Interconnection Services website a notification document that will indicate all Central Offices that are without available space. BellSouth shall update such document within ten (10) calendar days (in Mississippi, 10 business days) of the Denial of Application due to Space Exhaust. BellSouth will also post a document on its Interconnection Services website that contains a general notice where space has become available in a Central Office

previously on the space exhaust list. BellSouth shall allocate said available space pursuant to the waiting list referenced in Section 2.5.

2.7 Regulatory Agency Procedures. Notwithstanding the foregoing, should any state or federal regulatory agency impose procedures or intervals applicable to Yipes that are different from procedures or intervals set forth in this section, whether now in effect or that become effective after execution of this Agreement, those procedures or intervals shall supersede the requirements set forth herein for that jurisdiction for all applications submitted for the first time after the effective date thereof.

3. Collocation Options

3.1 Cageless. BellSouth shall allow Yipes to collocate Yipes' equipment and facilities without requiring the construction of a cage or similar structure. BellSouth shall allow Yipes to have direct access to its equipment and facilities. BellSouth shall make cageless collocation available in single bay increments pursuant to Section 7. Except where Yipes' equipment requires special technical considerations (e.g., special cable racking, isolated ground plane), BellSouth shall assign cageless Collocation Space in conventional equipment rack lineups where feasible. For equipment requiring special technical considerations, Yipes must provide the equipment layout, including spatial dimensions for such equipment pursuant to generic requirements contained in BellCore (Telcordia) GR-63-Core and shall be responsible for constructing all special technical requirements associated with such equipment pursuant to Section 6 following.

3.2 Cages. BellSouth shall construct enclosures in compliance with Yipes' collocation request. At Yipes' request, BellSouth shall permit Yipes to subcontract the construction of physical collocation arrangements with a contractor certified by BellSouth ("BellSouth Certified Contractor"), provided however, that BellSouth shall not unreasonably withhold approval of contractors.

3.3 When Yipes subcontracts the construction, Yipes must arrange with a BellSouth Certified Contractor to construct a collocation arrangement enclosure in accordance with BellSouth's guidelines and specifications prior to starting equipment installation and at Yipes' sole expense. BellSouth will provide guidelines and specifications upon request. Where local building codes require enclosure specifications more stringent than BellSouth's standard enclosure specification, Yipes and Yipes' BellSouth Certified Contractor must comply with the more stringent local building code requirements. Yipes' BellSouth Certified Contractor shall be responsible for filing and receiving any and all necessary permits and/or licenses for such construction. BellSouth shall cooperate with Yipes and provide, at Yipes' expense, the documentation, including architectural drawings, necessary for Yipes to obtain the zoning, permits and/or other licenses. BellSouth shall pass on to Yipes the costs of

providing the documentation. The BellSouth Certified Contractor shall bill Yipes directly for all work performed for Yipes pursuant to this Attachment and BellSouth shall have no liability for nor responsibility to pay such charges imposed by the BellSouth Certified Contractor. Yipes must provide the local BellSouth building contact with two Access Keys used to enter the locked enclosure. Except in case of emergency, BellSouth will not access Yipes' locked enclosure prior to notifying Yipes.

3.3.1 BellSouth may elect to review Yipes' plans and specifications prior to allowing construction to start to ensure compliance with BellSouth's guidelines and specifications. BellSouth shall complete its review within fifteen (15) calendar days. Yipes shall be able to design caged enclosures in amounts as small as sufficient to house and maintain a single rack or bay of equipment. If BellSouth reviews Yipes' plans and specifications prior to construction, then BellSouth will have the right to inspect the enclosure after construction to make sure it is constructed according to the submitted plans and specifications. If BellSouth elects not to review Yipes' plans and specifications prior to construction, Yipes will be entitled to request BellSouth to review; and in the event Yipes does not request a BellSouth review, BellSouth shall have the right to inspect the enclosure after construction to make sure it is constructed according to BellSouth's guidelines and specifications. BellSouth may require Yipes to remove or correct within seven (7) calendar days at Yipes' expense any structure that does not meet these plans and specifications or, where applicable, BellSouth guidelines and specifications.

3.4 Shared (Subleased) Caged Collocation. Yipes may allow other telecommunications carriers to share Yipes' caged collocation arrangement pursuant to terms and conditions agreed to by Yipes ("Host") and other telecommunications carriers ("Guests") and pursuant to this section, except where the BellSouth Premises is located within a leased space and BellSouth is prohibited by said lease from offering such an option. Yipes shall notify BellSouth in writing upon execution of any agreement between the Host and its Guest within ten (10) calendar days (in Mississippi, ten (10) business days) of its execution and prior to any Firm Order. Further, such notice shall include the name of the Guest(s) and the term of the agreement, and shall contain a certification by Yipes that said agreement imposes upon the Guest(s) the same terms and conditions for Collocation Space as set forth in this Attachment between BellSouth and Yipes.

3.4.1 Yipes, as the host CLEC shall be the sole interface and responsible Party to BellSouth for the assessment and billing of rates and charges contained within this Attachment; and for the purposes of ensuring that the safety and security requirements of this Attachment are fully complied with by the Guest, its employees and agents. BellSouth shall prorate the costs of the collocation space based on the number of collocators and the space used by each. In all states other than Florida, and in addition to the foregoing, Yipes shall be the responsible party to BellSouth for the purpose of submitting Applications for initial and additional equipment placement of Guest. In the event the Host and Guest jointly submit an initial Application, only one

Application Fee will be assessed. A separate initial Guest application shall require the assessment of a Subsequent Application Fee, as set forth in Exhibit A, if this Application is not the initial Application made for the arrangement. Notwithstanding the foregoing, Guest may arrange directly with BellSouth for the provision of the interconnecting facilities between BellSouth and Guest and for the provision of the services and access to unbundled network elements.

3.4.2 Yipes shall indemnify and hold harmless BellSouth from any and all claims, actions, causes of action, of whatever kind or nature arising out of the presence of Yipes' Guests in the Collocation Space except to the extent caused by BellSouth's sole negligence, gross negligence, or willful misconduct.

3.5 Adjacent Collocation. BellSouth will permit adjacent collocation arrangements ("Adjacent Arrangement") on the Premises' property where physical collocation space within the Premises is legitimately exhausted, subject to technical feasibility, where the Adjacent Arrangement does not interfere with access to existing or planned structures or facilities on the Premises property and where permitted by zoning and other applicable state and local regulations. The Adjacent Arrangement shall be constructed or procured by Yipes and in conformance with BellSouth's design and construction specifications. Further, Yipes shall construct, procure, maintain and operate said Adjacent Arrangement(s) pursuant to all of the terms and conditions set forth in this Attachment. Rates shall be negotiated at the time of the request for the Adjacent Arrangement.

3.5.1 Should Yipes elect such option, Yipes must arrange with a BellSouth Certified Contractor to construct an Adjacent Arrangement structure in accordance with BellSouth's guidelines and specifications. BellSouth will provide guidelines and specifications upon request. Where local building codes require enclosure specifications more stringent than BellSouth's standard specification, Yipes and Yipes' BellSouth Certified Contractor must comply with the more stringent local building code requirements. Yipes' BellSouth Certified Contractor shall be responsible for filing and receiving any and all necessary zoning, permits and/or licenses for such construction. Yipes' BellSouth Certified Contractor shall bill Yipes directly for all work performed for Yipes pursuant to this Attachment and BellSouth shall have no liability for nor responsibility to pay such charges imposed by the BellSouth Certified Contractor. Yipes must provide the local BellSouth building contact with two cards, keys or other access device used to enter the locked enclosure. Except in cases of emergency, BellSouth shall not access Yipes' locked enclosure prior to notifying Yipes.

3.5.2 Yipes must submit its plans and specifications to BellSouth with its Firm Order. BellSouth may elect to review Yipes' plans and specifications prior to construction of an Adjacent Arrangement(s) to ensure compliance with BellSouth's guidelines and specifications. BellSouth shall complete its review within fifteen (15) calendar days. If BellSouth reviews Yipes' plans and specifications prior to construction, then BellSouth will have the right to inspect the Adjacent Arrangement after construction

to make sure it is constructed according to the submitted plans and specifications. If BellSouth elects not to review Yipes' plans and specifications prior to construction, Yipes will be entitled to request BellSouth to review; and in the event Yipes does not request a BellSouth review, BellSouth shall have the right to inspect the Adjacent Arrangement after construction to make sure it is constructed according to BellSouth's guidelines and specifications. BellSouth may require Yipes to remove or correct within seven (7) calendar days at Yipes' expense any structure that does not meet these plans and specifications or, where applicable, BellSouth's guidelines and specifications

3.5.3 Yipes shall provide a concrete pad, the structure housing the arrangement, heating/ventilation/air conditioning ("HVAC"), lighting, and all facilities that connect the structure (i.e. racking, conduits, etc.) to the BellSouth point of demarcation. At Yipes' option, and where the local authority having jurisdiction permits, BellSouth shall provide an AC power source and access to physical collocation services and facilities subject to the same nondiscriminatory requirements as applicable to any other physical collocation arrangement. Yipes' BellSouth Certified Contractor shall be responsible for filing and receiving any and all necessary zoning, permits and/or licenses for such arrangement.

3.5.4 BellSouth shall allow Shared (Subleased) Caged Collocation within an Adjacent Arrangement pursuant to the terms and conditions set forth in Section 3.4 preceding.

4. Occupancy

4.1 Commencement Date. The "Commencement Date" shall be the day Yipes' equipment becomes operational as described in Article 4.2, following.

4.2 Occupancy. BellSouth will notify Yipes in writing that the Collocation Space is ready for occupancy. Yipes must notify BellSouth in writing that collocation equipment installation is complete and is operational with BellSouth's network. BellSouth may, at its option, not accept orders for interconnected service until receipt of such notice. For purposes of this paragraph, Yipes' telecommunications equipment will be deemed operational when cross-connected to BellSouth's network for the purpose of service provision.

4.3 Termination of Occupancy. In addition to any other provisions addressing Termination of Occupancy in this Attachment, Termination of Occupancy may occur in the following circumstances:

4.3.1 Yipes may terminate occupancy in a particular Collocation Space by submitting a Subsequent Application requesting termination of occupancy.

4.3.2 Upon termination of such occupancy, Yipes at its expense shall remove its equipment and other property from the Collocation Space. Yipes shall have thirty (30) calendar days from the termination date to complete such removal, including the removal of all

equipment and facilities of Yipes' Guests, unless Yipes' guest has assumed responsibility for the collocation space housing the guest equipment and executed the documentation required by BellSouth prior to such removal date. Yipes shall continue payment of monthly fees to BellSouth until such date as Yipes has fully vacated the Collocation Space. Should Yipes or Yipes' Guest fail to vacate the Collocation Space within thirty (30) calendar days from the termination date, BellSouth shall have the right to remove the equipment and other property of Yipes or Yipes' Guest at Yipes' expense and with no liability for damage or injury to Yipes or Yipes' Guest's property unless caused by the gross negligence or intentional misconduct of BellSouth. Upon termination of Yipes' right to occupy Collocation Space, Yipes shall surrender such Collocation Space to BellSouth in the same condition as when first occupied by Yipes except for ordinary wear and tear, unless otherwise agreed to by the Parties. Yipes shall be responsible for the cost of removing any enclosure, together with all support structures (e.g., racking, conduits), at the termination of occupancy and restoring the grounds to their original condition.

5. Use of Collocation Space

5.1 Equipment Type. BellSouth permits the collocation of any type of equipment necessary for interconnection to BellSouth's network or for access to unbundled network elements in the provision of telecommunications services.

5.1.1 Such equipment must at a minimum meet the following BellCore (Telcordia) Network Equipment Building Systems (NEBS) General Equipment Requirements: Criteria Level 1 requirements as outlined in the BellCore (Telcordia) Special Report SR-3580, Issue 1; equipment design spatial requirements per GR-63-CORE, Section 2; thermal heat dissipation per GR-063-CORE, Section 4, Criteria 77-79; acoustic noise per GR-063-CORE, Section 4, Criterion 128, and National Electric Code standards. Except where otherwise required by a Commission, BellSouth shall comply with the applicable FCC rules relating to denial of collocation based on Yipes' failure to comply with this section.

5.1.2 Yipes shall not request more DS0, DS1, DS3 and optical terminations for a collocation arrangement than the total port or termination capacity of the transmission equipment physically installed in the arrangement. The total capacity of the transmission equipment collocated in the arrangement will include equipment contained in the application in question as well as equipment already placed in the arrangement. Collocated cross-connect devices are not considered transmission equipment. If full network termination capacity of the transmission equipment being installed is not requested in the application, additional network terminations for the installed equipment will require the submission of another application. In the event that Yipes submits an application for terminations that exceed the total capacity of the collocated equipment, Yipes will be informed of the discrepancy and will be required to submit a revision to the application.

5.1.3 Yipes shall not use the Collocation Space for marketing purposes nor shall it place any identifying signs or markings in the area surrounding the Collocation Space or on the grounds of the Premises.

5.1.4 Yipes shall place a plaque or other identification affixed to Yipes' equipment necessary to identify Yipes' equipment, including a list of emergency contacts with telephone numbers.

5.2 Entrance Facilities. Yipes may elect to place Yipes-owned or Yipes-leased fiber entrance facilities into the Collocation Space. BellSouth will designate the point of interconnection in close proximity to the Premises building housing the Collocation Space, such as an entrance manhole or a cable vault which are physically accessible by both Parties. Yipes will provide and place fiber cable at the point of entrance of sufficient length to be pulled through conduit and into the splice location. Yipes will provide and install a sufficient length of fire retardant riser cable, to which the entrance cable will be spliced, which will extend from the splice location to Yipes' equipment in the Collocation Space. In the event Yipes utilizes a non-metallic, riser-type entrance facility, a splice will not be required. Yipes must contact BellSouth for instructions prior to placing the entrance facility cable in the manhole. Yipes is responsible for maintenance of the entrance facilities. At Yipes' option BellSouth will accommodate where technically feasible a microwave entrance facility pursuant to separately negotiated terms and conditions. In the case of adjacent collocation, unless BellSouth determines that limited space is available for the entrance facilities, copper facilities may be used between the adjacent collocation arrangement and the central office termination point.

5.2.1 Dual Entrance. BellSouth will provide at least two interconnection points at each Premises where there are at least two such interconnection points available and where capacity exists. Upon receipt of a request for physical collocation under this Attachment, BellSouth shall provide Yipes with information regarding BellSouth's capacity to accommodate dual entrance facilities. If conduit in the serving manhole(s) is available and is not reserved for another purpose for utilization within 12 months of the receipt of an application for collocation, BellSouth will make the requested conduit space available for installing a second entrance facility to Yipes' arrangement. The location of the serving manhole(s) will be determined at the sole discretion of BellSouth. Where dual entrance is not available due to lack of capacity, BellSouth will so state in the Application Response.

5.2.2 Shared Use. Yipes may utilize spare capacity on an existing interconnector entrance facility for the purpose of providing an entrance facility to another Yipes collocation arrangement within the same BellSouth Premises. Yipes must arrange with BellSouth for BellSouth to splice the utilized entrance facility capacity to Yipes-provided riser cable.

5.3 Demarcation Point. BellSouth will designate the point(s) of demarcation between Yipes' equipment and/or network and BellSouth's network. Each Party will be

responsible for maintenance and operation of all equipment/facilities on its side of the demarcation point. For 2-wire and 4-wire connections to BellSouth's network, the demarcation point shall be a common block on the BellSouth designated conventional distributing frame. Yipes shall be responsible for providing, and a supplier certified by BellSouth ("Yipes' BellSouth Certified Supplier") shall be responsible for installing and properly labeling/stenciling, the common block, and necessary cabling pursuant to Section 6.5. For all other terminations BellSouth shall designate a demarcation point on a per arrangement basis. Yipes or its agent must perform all required maintenance to equipment/facilities on its side of the demarcation point, pursuant to Section 5.3, following, and may self-provision cross-connects that may be required within the Collocation Space to activate service requests. At Yipes' option and expense, a Point of Termination ("POT") bay or frame may be placed in the Collocation Space, but will not serve as the demarcation point. Yipes must make arrangements with a BellSouth Certified Supplier for such placement.

5.3.1 Yipes' Equipment and Facilities. Yipes, or if required by this Attachment, Yipes' BellSouth Certified Supplier, is solely responsible for the design, engineering, installation, testing, provisioning, performance, monitoring, maintenance and repair of the equipment and facilities used by Yipes which must be performed in compliance with all applicable BellSouth policies and guidelines. Such equipment and facilities may include but are not limited to cable(s); equipment; and point of termination connections. Yipes and its selected BellSouth Certified Supplier must follow and comply with all BellSouth requirements outlined in BellSouth's TR 73503, TR 73519, TR 73572, and TR 73564.

5.5 BellSouth's Access to Collocation Space. From time to time BellSouth may require access to the Collocation Space. BellSouth retains the right to access such space for the purpose of making BellSouth equipment and building modifications (e.g., running, altering or removing racking, ducts, electrical wiring, HVAC, and cables). BellSouth will give notice to Yipes at least 48 hours before access to the Collocation Space is required. Yipes may elect to be present whenever BellSouth performs work in the Collocation Space. The Parties agree that Yipes will not bear any of the expense associated with this work.

5.6 Access. Pursuant to Section 11, Yipes shall have access to the Collocation Space twenty-four (24) hours a day, seven (7) days a week. Yipes agrees to provide the name and social security number or date of birth or driver's license number of each employee, contractor, or agents of Yipes or Yipes' Guests provided with access keys or devices ("Access Keys") prior to the issuance of said Access Keys. Key acknowledgement forms must be signed by Yipes and returned to BellSouth Access Management within 15 calendar days of Yipes' receipt. Failure to return properly acknowledged forms will result in the holding of subsequent requests until acknowledgements are current. Access Keys shall not be duplicated under any circumstances. Yipes agrees to be responsible for all Access Keys and for the return of all said Access Keys in the possession of Yipes employees, contractors, Guests, or agents after termination of the employment relationship, contractual obligation with

Yipes or upon the termination of this Attachment or the termination of occupancy of an individual collocation arrangement.

5.6.1 Lost or Stolen Access Keys. Yipes shall notify BellSouth in writing within 24 hours of becoming aware in the case of lost or stolen Access Keys. Should it become necessary for BellSouth to re-key buildings or deactivate a card as a result of a lost Access Key(s) or for failure to return an Access Key(s), Yipes shall pay for all reasonable costs associated with the re-keying or deactivating the card.

5.7 Interference or Impairment. Notwithstanding any other provisions of this Attachment, Yipes shall not use any product or service provided under this Agreement, any other service related thereto or used in combination therewith, or place or use any equipment or facilities in any manner that 1) significantly degrades, interferes with or impairs service provided by BellSouth or by any other entity or any person's use of its telecommunications service; 2) endangers or damages the equipment, facilities or other property of BellSouth or of any other entity or person; 3) compromises the privacy of any communications; or 4) creates an unreasonable risk of injury or death to any individual or to the public. If BellSouth reasonably determines that any equipment or facilities of Yipes violates the provisions of this paragraph, BellSouth shall give written notice to Yipes, which notice shall direct Yipes to cure the violation within forty-eight (48) hours of Yipes' actual receipt of written notice or, at a minimum, to commence curative measures within 24 hours and to exercise reasonable diligence to complete such measures as soon as possible thereafter. After receipt of the notice, the Parties agree to consult immediately and, if necessary, to inspect the arrangement.

5.7.1 Except in the case of the deployment of an advanced service which significantly degrades the performance of other advanced services or traditional voice band services, if Yipes fails to take curative action within 48 hours or if the violation is of a character which poses an immediate and substantial threat of damage to property, injury or death to any person, or any other significant degradation, interference or impairment of BellSouth's or another entity's service, then and only in that event BellSouth may take such action as it deems appropriate to correct the violation, including without limitation the interruption of electrical power to Yipes' equipment. BellSouth will endeavor, but is not required, to provide notice to Yipes prior to taking such action and shall have no liability to Yipes for any damages arising from such action, except to the extent that such action by BellSouth constitutes gross negligence or willful misconduct.

5.7.2 For purposes of this Section 5.7, the term significantly degrade shall mean an action that noticeably impairs a service from a user's perspective. In the case of the deployment of an advanced service which significantly degrades the performance of other advanced services or traditional voice band services and Yipes fails to take curative action within 48 hours then BellSouth will establish before the relevant Commission that the technology deployment is causing the significant degradation. Any claims of network harm presented to Yipes or, if subsequently necessary, the

relevant Commission, must be supported with specific and verifiable information. Where BellSouth demonstrates and the Commission agrees that a deployed technology is significantly degrading the performance of other advanced services or traditional voice band services, Yipes shall discontinue deployment of that technology and migrate its customers to technologies that will not significantly degrade the performance of other such services. Where the only degraded service itself is a known disturber, and the newly deployed technology satisfies at least one of the criteria for a presumption that is acceptable for deployment under section 47 C.F.R. 51.230, the degraded service shall not prevail against the newly-deployed technology.

5.8 Personalty and its Removal. Facilities and equipment placed by Yipes in the Collocation Space shall not become a part of the Collocation Space, even if nailed, screwed or otherwise fastened to the Collocation Space, but shall retain their status as personal property and may be removed by Yipes at any time. Any damage caused to the Collocation Space by Yipes' employees, agents or representatives during the removal of such property shall be promptly repaired by Yipes at its expense.

5.9 Alterations. In no case shall Yipes or any person acting on behalf of Yipes make any rearrangement, modification, improvement, addition, repair, or other alteration which could affect in any way space, power, HVAC, and/or safety considerations to the Collocation Space or the BellSouth Premises without the written consent of BellSouth, which consent shall not be unreasonably withheld. The cost of any such specialized alterations shall be paid by Yipes. Any material rearrangement, modification, improvement, addition, repair, or other alteration shall require a Subsequent Application and Subsequent Application Fee, pursuant to sub-section 6.2.2.

5.10 Janitorial Service. Yipes shall be responsible for the general upkeep of the Collocation Space. Yipes shall arrange directly with a BellSouth Certified Contractor for janitorial services applicable to Caged Collocation Space. BellSouth shall provide a list of such contractors on a site-specific basis upon request.

6. Ordering and Preparation of Collocation Space

6.1 Should any state or federal regulatory agency impose procedures or intervals applicable to Yipes that are different from procedures or intervals set forth in this section, whether now in effect or that become effective after execution of this Agreement, those procedures or intervals shall supersede the requirements set forth herein for that jurisdiction for all applications submitted for the first time after the effective date thereof.

6.2 Application for Space. Yipes shall submit an application document when Yipes or Yipes' Guest(s), as defined in Section 3.4, desires to request or modify the use of the Collocation Space.

6.2.1 Initial Application. For Yipes or Yipes' Guest(s) initial equipment placement, Yipes shall submit to BellSouth a Physical Expanded Interconnection Application Document ("Application"). The Application is Bona Fide when it is complete and accurate, meaning that all required fields on the application are completed with the appropriate type of information. The Bona Fide Application shall contain a detailed description and schematic drawing of the equipment to be placed in Yipes' Collocation Space(s) and an estimate of the amount of square footage required.

6.2.2 Subsequent Application. In the event Yipes or Yipes' Guest(s) desires to modify the use of the Collocation Space ("Augmentation"), Yipes shall complete an Application detailing all information regarding the modification to the Collocation Space ("Subsequent Application"). The minimum Subsequent Application Fee shall be considered a partial payment of the applicable Subsequent Application Fee which shall be calculated as set forth below. BellSouth shall determine what modifications, if any, to the Premises are required to accommodate the change requested by Yipes in the Application. Such necessary modifications to the Premises may include but are not limited to, floor loading changes, changes necessary to meet HVAC requirements, changes to power plant requirements, equipment additions, etc. The fee paid by Yipes for its request to modify the use of the Collocation Space shall be dependent upon the level of assessment needed for the modification requested. Where the Subsequent Application does not require assessment for provisioning or construction work by BellSouth, no Subsequent Application Fee will be required and the pre-paid fee shall be refunded to Yipes. The fee for an Application where the modification requested has limited effect (e.g., does not require assessment related to capital expenditure by BellSouth) shall be the Subsequent Application Fee as set forth in Exhibit A. If the modification requires capital expenditure assessment, a full Application Fee shall apply. In the event such modifications require the assessment of a full Application Fee as set forth in Exhibit A, the outstanding balance shall be due by Yipes within 30 calendar days following Yipes' receipt of a bill or invoice from BellSouth. The Subsequent Application is Bona Fide when it is complete and accurate, meaning that all required fields on the Application are completed with the appropriate type of information.

6.3 Application Response. In Alabama, North Carolina, and Tennessee, in addition to the notice of space availability pursuant to Section 2.1, BellSouth will respond as to whether the Application is Bona Fide, and if it is not Bona Fide, the items necessary to cause the Application to become Bona Fide. Sufficient detail will be provided to permit Yipes a reasonable opportunity to correct each deficiency. Yipes must correct any deficiencies in its Application and resubmit a Bona Fide Application within ten (10) calendar days of being notified of the deficiencies in the original Application. If Yipes fails to resubmit its Application as Bona Fide within this ten (10) day period, Yipes will lose its place in the collocation queue. When space has been determined to be available, BellSouth will provide a written response ("Application Response"), which will include, at a minimum, the configuration of the space, the Cable Installation Fee, Cable Records Fee, and the space preparation fees, as described in Section 7.

6.3.1 Application Response. Except as otherwise provided, for all States that have ordered provisioning intervals but not application response intervals, the following will apply. In addition to the notice of space availability pursuant to Section 2.1, BellSouth will respond as to whether the Application is Bona Fide, and if it is not Bona Fide, the items necessary to cause the Application to become Bona Fide. When space has been determined to be available, BellSouth will provide a written response ("Application Response") within thirty (30) calendar days of receipt of a Bona Fide Application. The Application Response will include, at a minimum, the configuration of the space, the Cable Installation Fee, Cable Records Fee, and the space preparation fees, as described in Section 7. When multiple applications are submitted in a state within a fifteen (15) calendar day window, BellSouth will respond to the Bona Fide Applications as soon as possible, but no later than the following: within thirty (30) calendar days for Bona Fide Applications 1-5; within thirty-six (36) calendar days for Bona Fide Applications 6-10; within forty-two (42) calendar days for Bona Fide Applications 11-15. Response intervals for multiple Bona Fide Applications submitted within the same timeframe for the same state in excess of 15 must be negotiated. All negotiations shall consider the total volume from all requests from telecommunications companies for collocation.

6.3.2 Application Response (Florida). Within fifteen (15) calendar days of receipt of a Bona Fide Application, BellSouth will respond as to whether space is available or not available within a particular Premises. Additionally, when space has been determined to be available or when a lesser amount of space than that requested is available, then with respect to the space available, BellSouth will provide a written response ("Application Response") including sufficient information to enable Yipes to place a Firm Order. The Application Response will include, at a minimum, the configuration of the space, the Cable Installation Fee, Cable Records Fee, and the space preparation fees, as described in Section 7. When Yipes submits ten (10) or more Applications within ten (10) calendar days, the initial fifteen (15) day response period will increase by ten (10) days for every additional ten (10) Applications or fraction thereof.

6.3.3 Application Response (Georgia) In addition to the notice of space availability pursuant to Section 2.1, BellSouth will respond as to whether the Application is Bona Fide, and if it is not Bona Fide, the items necessary to cause the Application to become Bona Fide. When space has been determined to be available for caged or cageless arrangements, BellSouth will provide a written response ("Application Response") within thirty (30) calendar days of receipt of a Bona Fide Application. The Application Response will include, at a minimum, the configuration of the space, the Cable Installation Fee, Cable Records Fee, and the space preparation fees, as described in Section 7.

6.3.4 Application Response (Kentucky) In addition to the notice of space availability pursuant to Section 2.1, BellSouth will respond as to whether the Application is Bona Fide, and if it is not Bona Fide, the items necessary to cause the Application to become Bona Fide. When space has been determined to be available, BellSouth will provide a written response ("Application Response") within thirty (30) calendar days

of receipt of a Bona Fide Application. The Application Response will include, at a minimum, the configuration of the space, the Cable Installation Fee, Cable Records Fee, and the space preparation fees, as described in Section 7. When multiple applications are submitted in a state within a fifteen (15) calendar day window, BellSouth will respond to the Bona Fide Applications as soon as possible, but no later than the following: within thirty (30) calendar days for Bona Fide Applications 1-5; within thirty-six (36) calendar days for Bona Fide Applications 6-10; within forty-two (42) calendar days for Bona Fide Applications 11-15. Response intervals for multiple Bona Fide Applications submitted within the same timeframe for the same state in excess of 15 must be negotiated. All negotiations shall consider the total volume from all requests from telecommunications companies for collocation.

6.3.5 Application Response (Louisiana). In addition to the notice of space availability pursuant to Section 2.1, BellSouth will respond as to whether the Application is Bona Fide, and if it is not Bona Fide, the items necessary to cause the Application to become Bona Fide. BellSouth will respond as to whether space is available or not available within a particular Premises in accordance with Section 2. Additionally, when space has been determined to be available or when a lesser amount of space than that requested is available, then with respect to the space available, BellSouth will provide a written response ("Application Response") including sufficient information to enable Yipes to place a Firm Order. The Application Response will include, at a minimum, the configuration of the space, the Cable Installation Fee, Cable Records Fee, and the space preparation fees, as described in Section 7. BellSouth will respond with a full Application Response within 30 calendar days for one to ten Applications; 35 calendar days for eleven to twenty Applications; and for requests of more than twenty Application it is increased by five calendar days for every five Applications received within five business days.

6.3.6 Application Response (Mississippi). In addition to the notice of space availability pursuant to Section 2. BellSouth will respond as to whether the Application is Bona Fide, and if it is not Bona Fide, the items necessary to cause the Application to become Bona Fide. When space has been determined to be available, BellSouth will provide a written response ("Application Response") within thirty (30) business days of receipt of a Bona Fide Application. The Application Response will include, at a minimum, the configuration of the space, the Cable Installation Fee, Cable Records Fee, and the space preparation fees, as described in Section 7. When multiple applications are submitted in a state within a fifteen (15) business day window, BellSouth will respond to the Bona Fide Applications as soon as possible, but no later than the following: within thirty (30) business days for Bona Fide Applications 1-5; within thirty-six (36) business days for Bona Fide Applications 6-10; within forty-two (42) business days for Bona Fide Applications 11-15. Response intervals for multiple Bona Fide Applications submitted within the same timeframe for the same state in excess of 15 must be negotiated. All negotiations shall consider the total volume from all requests from telecommunications companies for collocation.

6.4 Application Modifications. In Alabama, North Carolina, and Tennessee, if a modification or revision is made to any information in the Bona Fide Application for Physical Collocation or the Bona Fide Application for Adjacent Collocation, with the exception of modifications to Customer Information, Contact Information or Billing Contact Information, either at the request of Yipes or necessitated by technical considerations, said Application shall be considered a new Application and shall be handled as a new Application for purposes of the provisioning interval and BellSouth shall charge Yipes a Subsequent Application Fee. Major changes such as requesting additional space or adding equipment may require Yipes to submit the Application with an Application Fee.

6.4.1 Application Modifications. For all States that have ordered provisioning intervals but not application response intervals, and except as otherwise specified, the following will apply: If a modification or revision is made to any information in the Bona Fide Application for Physical Collocation or the Bona Fide Application for Adjacent Collocation, with the exception of modifications to Customer Information, Contact Information or Billing Contact Information, either at the request of Yipes or necessitated by technical considerations, BellSouth will respond to the Bona Fide Application within thirty (30) calendar days after BellSouth receives such revised application or at such other date as the Parties agree. If, at any time, BellSouth needs to reevaluate Yipes' Bona Fide Application as a result of changes requested by Yipes to Yipes' original application, then BellSouth will charge Yipes a Subsequent Application Fee. Major changes such as requesting additional space or adding additional equipment may require Yipes to resubmit the Application with an Application Fee.

6.4.2 Application Modifications (Florida). If a modification or revision is made to any information in the Bona Fide Application for Physical Collocation or the Bona Fide Application for Adjacent Collocation, with the exception of modifications to Customer Information, Contact Information or Billing Contact Information, either at the request of Yipes or necessitated by technical considerations, BellSouth will respond to the Bona Fide Application within fifteen (15) calendar days after BellSouth receives such revised Application or at such other date as the Parties agree. If, at any time, BellSouth needs to reevaluate Yipes' Bona Fide Application as a result of changes requested by Yipes to Yipes' original Application, then BellSouth will charge Yipes a Subsequent Application Fee. Major changes such as requesting additional space or adding additional equipment may require Yipes to resubmit the Application with an Application Fee.

6.4.3 Application Modifications (Kentucky & Georgia). If a modification or revision is made to any information in the Bona Fide Application for Physical Collocation or the Bona Fide Application for Adjacent Collocation, with the exception of modifications to Customer Information, Contact Information or Billing Contact Information, either at the request of Yipes or necessitated by technical considerations, BellSouth will respond to the Bona Fide Application within thirty (30) calendar days after BellSouth receives such revised Application or at such other date as the Parties agree. If, at any

time, BellSouth needs to reevaluate Yipes' Bona Fide Application as a result of changes requested by Yipes to Yipes' original Application, then BellSouth will charge Yipes a Subsequent Application Fee. Major changes such as requesting additional space or adding additional equipment may require Yipes to resubmit the Application with an Application Fee.

6.4.4 Application Modifications (Mississippi). If a modification or revision is made to any information in the Bona Fide Application for Physical Collocation or the Bona Fide Application for Adjacent Collocation, with the exception of modifications to Customer Information, Contact Information or Billing Contact Information, either at the request of Yipes or necessitated by technical considerations, BellSouth will respond to the Bona Fide Application within thirty (30) business days after BellSouth receives such revised Application or at such other date as the Parties agree. If, at any time, BellSouth needs to reevaluate Yipes' Bona Fide Application as a result of changes requested by Yipes to Yipes' original Application, then BellSouth will charge Yipes a Subsequent Application Fee. Major changes such as requesting additional space or adding additional equipment may require Yipes to resubmit the Application with an Application Fee.

6.4.5 Application Modifications (Louisiana). If a modification or revision is made to any information in the Bona Fide Application for Physical Collocation or the Bona Fide Application for Adjacent Collocation, with the exception of modifications to Customer Information, Contact Information or Billing Contact Information, either at the request of Yipes or necessitated by technical considerations, BellSouth will respond to the Bona Fide Application within thirty (30) calendar days after BellSouth receives such revised application or at such other date as the Parties agree. BellSouth will respond to such modifications or revisions within 30 calendar days for one to ten revised Applications; 35 calendar days for eleven to twenty revised Applications; and for requests of more than twenty revised Applications it is increased by five calendar days for every five revised Applications received within five business days. If, at any time, BellSouth needs to reevaluate Yipes' Bona Fide Application as a result of changes requested by Yipes to Yipes' original application, then BellSouth will charge Yipes a Subsequent Application Fee. Major changes such as requesting additional space or adding additional equipment may require Yipes to resubmit the application with an Application Fee.

6.5 Bona Fide Firm Order. In Alabama, North Carolina, and Tennessee, Yipes shall indicate its intent to proceed with equipment installation in a BellSouth Premises by submitting a Physical Expanded Interconnection Firm Order document ("Firm Order") to BellSouth. A Firm Order shall be considered Bona Fide when Yipes has completed the Application/Inquiry process described in Section 6.2, preceding, and has submitted the Firm Order document indicating acceptance of the Application Response provided by BellSouth. The Bona Fide Firm Order must be received by BellSouth no later than seven (7) calendar days after BellSouth's Application Response to Yipes' Bona Fide Application, unless BellSouth provides an Application Response on or before the ten-day response interval set forth in section 2.1, in which

case Yipes must submit its Bona Fide Firm Order to BellSouth within seventeen (17) calendar days of BellSouth's receipt of the Bona Fide Application. If Yipes fails to submit its Bona Fide Firm Order to BellSouth within the time frames set forth above, the provisioning intervals set forth in section 6.6 shall apply from the date of receipt of the Bona Fide Firm Order and not from the date of the Bona Fide Application. If Yipes fails to submit a Bona Fide Firm Order within fifteen (15) days of receipt of An Application Response, the Application will expire.

6.5.1 Bona Fide Firm Order. Except as otherwise provided, in all States that have ordered provisioning intervals but not addressed Firm Order intervals, the following shall apply. Yipes shall indicate its intent to proceed with equipment installation in a BellSouth Premises by submitting a Physical Expanded Interconnection Firm Order document ("Firm Order") to BellSouth. A Firm Order shall be considered Bona Fide when Yipes has completed the Application/Inquiry process described in Section 6.2, preceding and has submitted the Firm Order document indicating acceptance of the Application Response provided by BellSouth. The Bona Fide Firm Order must be received by BellSouth no later than thirty (30) calendar days after BellSouth's Application Response to Yipes' Bona Fide Application or the Application will expire.

6.5.2 Bona Fide Firm Order (Kentucky & Mississippi). Yipes shall indicate its intent to proceed with equipment installation in a BellSouth Premises by submitting a Physical Expanded Interconnection Firm Order document ("Firm Order") to BellSouth. A Firm Order shall be considered Bona Fide when Yipes has completed the Application/Inquiry process described in Section 6.2, preceding and has submitted the Firm Order document indicating acceptance of the Application Response provided by BellSouth. The Bona Fide Firm Order must be received by BellSouth no later than thirty (30) calendar days (in Mississippi 30 business days) after BellSouth's Application Response to Yipes' Bona Fide Application or the Application will expire.

6.5.3 BellSouth will establish a firm order date based upon the date BellSouth is in receipt of a Bona Fide Firm Order. BellSouth will acknowledge the receipt of Yipes' Bona Fide Firm Order within seven (7) calendar days of receipt indicating that the Bona Fide Firm Order has been received. A BellSouth response to a Bona Fide Firm Order will include a Firm Order Confirmation containing the firm order date. No revisions will be made to a Bona Fide Firm Order.

6.5.4 BellSouth will permit one accompanied site visit to Yipes' designated collocation arrangement location after receipt of the Bona Fide Firm Order without charge to Yipes.

6.5.5 Yipes must submit to BellSouth the completed Access Control Request Form for all employees or agents requiring access to the BellSouth Premises a minimum of 30 calendar days prior to the date Yipes desires access to the Collocation Space. Yipes may submit such a request at any time subsequent to BellSouth's receipt of the Bona Fide Firm Order. In the event Yipes desires access to the Collocation Space after submitting such a request but prior to access being approved, BellSouth shall permit

Yipes to access the Collocation Space, accompanied by a security escort at Yipes' expense. Yipes must request escorted access at least three (3) business days prior to the date such access is desired.

6.6 Construction and Provisioning Interval. In Alabama, North Carolina, and Tennessee, BellSouth will complete construction for collocation arrangements within a maximum of 90 calendar days from receipt of an Application or as agreed to by the Parties. Under extraordinary conditions, BellSouth may elect to renegotiate an alternative provisioning interval with Yipes or seek a waiver from this interval from the Commission. Examples of extraordinary conditions include, but are not limited to, extended license or permitting intervals; major BellSouth equipment rearrangement or addition; power plant addition or upgrade; major mechanical addition or upgrade; major upgrade for ADA compliance; environmental hazard or hazardous materials abatement; and arrangements for which equipment shipping intervals are extraordinary in length.

6.6.1 Construction and Provisioning Interval (Florida). BellSouth will complete construction for collocation arrangements as soon as possible and within a maximum of 90 calendar days from receipt of a Bona Fide Firm Order or as agreed to by the Parties. For changes to collocation space after initial space completion, BellSouth will complete construction for collocation arrangements as soon as possible and within a maximum of 45 calendar days from receipt of a Bona Fide Firm Order or as agreed to by the Parties. If BellSouth does not believe that construction will be completed within the relevant time frame and BellSouth and Yipes cannot agree upon a completion date, within 45 calendar days of receipt of the Bona Fide Firm Order for an initial request, and within 30 calendar days for Augmentations, BellSouth may seek an extension from the Florida PSC.

6.6.2 Construction and Provisioning Interval (Georgia). BellSouth will use best efforts to complete construction for caged collocation arrangements under ordinary conditions as soon as possible and within a maximum of 90 calendar days from receipt of a Bona Fide Firm Order or as agreed to by the Parties. BellSouth will use best efforts to complete construction for cageless collocation arrangements under ordinary conditions as soon as possible and within a maximum of 60 calendar days from receipt of a Bona Fide Firm Order and 90 calendar days for extraordinary conditions or as agreed to by the Parties. Ordinary conditions are defined as space available with only minor changes to support systems required, such as but not limited to, HVAC, cabling and the power plant(s). Extraordinary conditions are defined to include but are not limited to major BellSouth equipment rearrangement or addition; power plant addition or upgrade; major mechanical addition or upgrade; major upgrade for ADA compliance; environmental hazard or hazardous materials abatement; and arrangements for which equipment shipping intervals are extraordinary in length. Under extraordinary conditions, BellSouth may elect to renegotiate an alternative provisioning interval fromYipes or seek a waiver from this interval from the Commission.

6.6.3 Construction and Provisioning Interval (Louisiana). BellSouth will complete construction for collocation arrangements under ordinary conditions as soon as possible and within a maximum of 120 calendar days from receipt of a Bona Fide Firm Order or as agreed to by the Parties. Ordinary conditions are defined as space available with only minor changes to support systems required, such as but not limited to, HVAC, cabling and the power plant(s). BellSouth will complete construction of all other Collocation Space ("extraordinary conditions") within 180 calendar days of the receipt of a Bona Fide Firm Order. Examples of extraordinary conditions include but are not limited to, extended license or permitting intervals; major BellSouth equipment rearrangement or addition; power plant addition or upgrade; major mechanical addition or upgrade; major upgrade for ADA compliance; environmental hazard or hazardous materials abatement; and arrangements for which equipment shipping intervals are extraordinary in length.

6.6.4 Construction and Provisioning Interval (Mississippi). Excluding the time interval required to secure the appropriate government licenses and permits, BellSouth will complete construction for collocation arrangements under ordinary conditions as soon as possible and within a maximum of 120 calendar days from receipt of a Bona Fide Firm Order or as agreed to by the Parties. Ordinary conditions are defined as space available with only minor changes to support systems required, such as but not limited to, HVAC, cabling and the power plant(s). Excluding the time interval required to secure the appropriate government licenses and permits, BellSouth will complete construction of all other Collocation Space ("extraordinary conditions") within 180 calendar days of the receipt of a Bona Fide Firm Order. Examples of extraordinary conditions include but are not limited to, extended license or permitting intervals; major BellSouth equipment rearrangement or addition; power plant addition or upgrade; major mechanical addition or upgrade; major upgrade for ADA compliance; environmental hazard or hazardous materials abatement; and arrangements for which equipment shipping intervals are extraordinary in length.

6.6.5 Construction and Provisioning Interval (Kentucky). Excluding the time interval required to secure the appropriate government licenses and permits, BellSouth will use best efforts to complete construction for collocation arrangements under ordinary conditions as soon as possible and within a maximum of 90 calendar days from receipt of a Bona Fide Firm Order or as agreed to by the Parties. Ordinary conditions are defined as space available with only minor changes to support systems required, such as but not limited to, HVAC, cabling and the power plant(s). Excluding the time interval required to secure the appropriate government licenses and permits, BellSouth will use best efforts to complete construction of all other Collocation Space ("extraordinary conditions") within 130 calendar days of the receipt of a Bona Fide Firm Order. Extraordinary conditions are defined to include but are not limited to major BellSouth equipment rearrangement or addition; power plant addition or upgrade; major mechanical addition or upgrade; major upgrade for ADA compliance; environmental hazard or hazardous materials abatement; and arrangements for which equipment shipping intervals are extraordinary in length.

6.6.6 Construction and Provisioning Interval (South Carolina). BellSouth will complete the construction and provisioning activities for cageless and caged collocation arrangements as soon as possible, but no later than 90 calendar days from receipt of a bona fide firm order.

6.7 Joint Planning. Joint planning between BellSouth and Yipes will commence within a maximum of twenty (20) calendar days from BellSouth's receipt of a Bona Fide Firm Order. BellSouth will provide the preliminary design of the Collocation Space and the equipment configuration requirements as reflected in the Bona Fide Application and affirmed in the Bona Fide Firm Order. The Collocation Space completion time period will be provided to Yipes during joint planning.

6.8 Permits. Each Party or its agents will diligently pursue filing for the permits required for the scope of work to be performed by that Party or its agents within ten (10) calendar days of the completion of finalized construction designs and specifications.

6.9 Acceptance Walk Through. Yipes will contact BellSouth within seven (7) days of collocation space being ready to schedule an acceptance walk through of each Collocation Space requested from BellSouth by Yipes. BellSouth will correct any deviations to Yipes' original or jointly amended requirements within seven (7) calendar days after the walk through, unless the Parties jointly agree upon a different time frame.

6.10 Use of BellSouth Certified Supplier. Yipes shall select a supplier which has been approved as a BellSouth Certified Supplier to perform all engineering and installation work. Yipes and Yipes' BellSouth Certified Supplier must follow and comply with all BellSouth requirements outlined in BellSouth's TR 73503, TR 73519, TR 73572, and TR 73564. In some cases, Yipes must select separate BellSouth Certified Suppliers for transmission equipment, switching equipment and power equipment. BellSouth shall provide Yipes with a list of BellSouth Certified Suppliers upon request. The BellSouth Certified Supplier(s) shall be responsible for installing Yipes' equipment and components, extending power cabling to the BellSouth power distribution frame, performing operational tests after installation is complete, and notifying BellSouth's equipment engineers and Yipes upon successful completion of installation, etc. The BellSouth Certified Supplier shall bill Yipes directly for all work performed for Yipes pursuant to this Attachment and BellSouth shall have no liability for nor responsibility to pay such charges imposed by the BellSouth Certified Supplier. BellSouth shall consider certifying Yipes or any supplier proposed by Yipes. All work performed by or for Yipes shall conform to generally accepted industry guidelines and standards.

6.11 Alarm and Monitoring. BellSouth shall place environmental alarms in the Premises for the protection of BellSouth equipment and facilities. Yipes shall be responsible for placement, monitoring and removal of environmental and equipment alarms used to service Yipes' Collocation Space. Upon request, BellSouth will provide Yipes with applicable tariffed service(s) to facilitate remote monitoring of collocated

equipment by Yipes. Both Parties shall use best efforts to notify the other of any verified environmental hazard known to that Party.

6.12 Basic Telephone Service. Upon request of Yipes, BellSouth will provide basic telephone service to the Collocation Space under the rates, terms and conditions of the current tariff offering for the service requested.

6.13 Virtual to Physical Collocation Relocation. In the event physical Collocation Space was previously denied at a location due to technical reasons or space limitations, and that physical Collocation Space has subsequently become available, Yipes may relocate its virtual collocation arrangements to physical collocation arrangements and pay the appropriate non-recurring fees for physical collocation and for the rearrangement or reconfiguration of services terminated in the virtual collocation arrangement, as outlined in the appropriate BellSouth tariffs. In the event that BellSouth knows when additional space for physical collocation may become available at the location requested by Yipes, such information will be provided to Yipes in BellSouth's written denial of physical collocation. To the extent that (i) physical Collocation Space becomes available to Yipes within 180 calendar days of BellSouth's written denial of Yipes' request for physical collocation, (ii) BellSouth had knowledge that the space was going to become available, and (iii) Yipes was not informed in the written denial that physical Collocation Space would become available within such 180 calendar days, then Yipes may transition its virtual collocation arrangement to a physical collocation arrangement and will receive a credit for any nonrecurring charges previously paid for such virtual collocation. Yipes must arrange with a BellSouth Certified Supplier for the relocation of equipment from its virtual Collocation Space to its physical Collocation Space and will bear the cost of such relocation.

6.14 Cancellation. If, at anytime prior to space acceptance, Yipes cancels its order for the Collocation Space(s), Yipes will reimburse BellSouth in the following manner: BellSouth will ascertain how far preparation work has progressed. Yipes will be billed the applicable non recurring rate for any and all work processes for which work has begun.

6.15 Licenses. Yipes, at its own expense, will be solely responsible for obtaining from governmental authorities, and any other appropriate agency, entity, or person, all rights, privileges, and licenses necessary or required to operate as a provider of telecommunications services to the public or to occupy the Collocation Space.

6.16 Environmental Compliance. The Parties agree to utilize and adhere to the Environmental Hazard Guidelines identified as Exhibit B attached hereto.

7. Rates and Charges

7.1 BellSouth shall assess an Application Fee via a service order which shall be issued at the time BellSouth responds that space is available pursuant to section 2.1. Payment of said Application Fee will be due as dictated by Yipes' current billing cycle and is non-refundable.

7.2 Space Preparation. Space preparation fees consist of a nonrecurring charge for Firm Order Processing and monthly recurring charges for Central Office Modifications, assessed per arrangement, per square foot, and Common Systems Modifications, assessed per arrangement, per square foot for cageless and per cage for caged collocation. Yipes shall remit payment of the nonrecurring Firm Order Processing Fee coincident with submission of a Bona Fide Firm Order. The recurring charges for space preparation apply beginning on the date on which BellSouth releases the Collocation Space for occupancy or on the date Yipes first occupies the Collocation Space, whichever is sooner. The charges recover the costs associated with preparing the Collocation Space, which includes survey, engineering of the Collocation Space, design and modification costs for network, building and support systems. In the event Yipes opts for cageless space, the space preparation fees will be assessed based on the total floor space dedicated to Yipes as prescribed in Section 7.6.

7.3 Space Preparation Fee in Florida. Space preparation fees include a nonrecurring charge for Firm Order Processing and monthly recurring charges for Central Office Modifications, assessed per arrangement, per square foot, and Common Systems Modifications, assessed per arrangement, per square foot for cageless and per cage for caged collocation. Yipes shall remit payment of the nonrecurring Firm Order Processing Fee coincident with submission of a Bona Fide Firm Order. The recurring charges for space preparation apply beginning on the date on which BellSouth releases the Collocation Space for occupancy or on the date Yipes first occupies the Collocation Space, whichever is sooner. The charges recover the costs associated with preparing the Collocation Space, which includes survey, engineering of the Collocation Space, design and modification costs for network, building and support systems. In the event Yipes opts for cageless space, space preparation fees will be assessed based on the total floor space dedicated to Yipes as prescribed in Section 7.6

7.4 Space Preparation Fee in Georgia. In Georgia, the Space Preparation Fee is a one-time fee, assessed per arrangement, per location. It recovers a portion of costs associated with preparing the Collocation Space, which includes survey, engineering of the Collocation Space, design and modification costs for network, power, building and support systems. This is a set fee of $100 per square foot as established by the Georgia Public Service Commission Order in Docket No. 7061-U. In the event Yipes opts for non-enclosed space, the space preparation fee will be assessed based on the total floor space dedicated to Yipes as prescribed in Section 7.7.

7.5 Space Preparation Fee in North Carolina. In North Carolina, space preparation fees consist of monthly recurring charges for Central Office Modifications, assessed per

arrangement, per square foot; Common Systems Modifications, assessed per arrangement, per square foot for cageless and per cage for caged collocation; and Power, assessed per the nominal –48V DC ampere requirements specified by Yipes on the Bona Fide Application. The space preparation charges apply beginning on the date on which BellSouth releases the Collocation Space for occupancy or on the date Yipes first occupies the Collocation Space, whichever is sooner. The charges recover the costs associated with preparing the Collocation Space, which includes survey, engineering of the Collocation Space, design and modification costs for network, building and support systems. In the event Yipes opts for cageless space, the space preparation fees will be assessed based on the total floor space dedicated to Yipes as described in Section 7.7.

7.6 Cable Installation. Cable Installation Fee(s) are assessed per entrance cable placed.

7.7 Floor Space. The Floor Space Charge includes reasonable charges for lighting, HVAC, and other allocated expenses associated with maintenance of the Premises but does not recover any power-related costs incurred by BellSouth. When the Collocation Space is enclosed, Yipes shall pay floor space charges based upon the number of square feet so enclosed. When the Collocation Space is not enclosed, Yipes shall pay floor space charges based upon the following floor space calculation: [(depth of the equipment lineup in which the rack is placed) + (0.5 x maintenance aisle depth) + (0.5 x wiring aisle depth)] X (width of rack and spacers). For purposes of this calculation, the depth of the equipment lineup shall consider the footprint of equipment racks plus any equipment overhang. BellSouth will assign unenclosed Collocation Space in conventional equipment rack lineups where feasible. In the event Yipes' collocated equipment requires special cable racking, isolated grounding or other treatment which prevents placement within conventional equipment rack lineups, Yipes shall be required to request an amount of floor space sufficient to accommodate the total equipment arrangement. Floor space charges are due beginning with the date on which BellSouth releases the Collocation Space for occupancy or on the date Yipes first occupies the Collocation Space, whichever is sooner.

7.8 Power. BellSouth shall make available –48 Volt (-48V) DC power for Yipes' Collocation Space at a BellSouth Power Board or BellSouth Battery Distribution Fuse Bay ("BDFB") at Yipes' option within the Premises.

7.8.1 Recurring charges for -48V DC power will be assessed per ampere per month based upon the BellSouth Certified Supplier engineered and installed power feed fused ampere capacity. Rates include redundant feeder fuse positions (A&B) and common cable rack to Yipes' equipment or space enclosure. When obtaining power from a BDFB, fuses and power cables (A&B) must be engineered (sized), and installed by Yipes' BellSouth Certified Supplier. When obtaining power from a BellSouth power board, power cables (A&B) must be engineered (sized), and installed by Yipes' BellSouth Certified power Supplier. Yipes is responsible for contracting with a BellSouth Certified Supplier for power distribution feeder cable runs from a

BellSouth BDFB or power board to Yipes' equipment. Determination of the BellSouth BDFB or BellSouth power board as the power source will be made at BellSouth's sole, but reasonable, discretion. The BellSouth Certified Supplier contracted by Yipes must provide BellSouth a copy of the engineering power specification prior to the day on which Yipes' equipment becomes operational ("Commencement Date"). BellSouth will provide the common power feeder cable support structure between the BellSouth BDFB or power board and Yipes' arrangement area. Yipes shall contract with a BellSouth Certified Supplier who will be responsible for the following: dedicated power cable support structure within Yipes' arrangement; power cable feeds; terminations of cable. Any terminations at a BellSouth power board must be performed by a BellSouth Certified power Supplier. Yipes shall comply with all applicable National Electric Code (NEC), BellSouth TR73503, Telcordia (BellCore) and ANSI Standards regarding power cabling.

7.8.2 If BellSouth has not previously invested in power plant capacity for collocation at a specific site, Yipes has the option to add its own dedicated power plant; provided, however, that such work shall be performed by a BellSouth Certified Supplier who shall comply with BellSouth's guidelines and specifications. Where the addition of Yipes' dedicated power plant results in construction of a new power plant room, upon termination of Yipes' right to occupy collocation space at such site, Yipes shall have the right to remove its equipment from the power plant room, but shall otherwise leave the room intact.

7.8.3 If Yipes elects to install its own DC Power Plant, BellSouth shall provide AC power to feed Yipes' DC Power Plant. Charges for AC power will be assessed per breaker ampere per month. Rates include the provision of commercial and standby AC power. When obtaining power from a BellSouth service panel, protection devices and power cables must be engineered (sized), and installed by Yipes' BellSouth Certified Supplier except that BellSouth shall engineer and install protection devices and power cables for Adjacent Collocation. Yipes' BellSouth Certified Supplier must also provide a copy of the engineering power specification prior to the Commencement Date. Charges for AC power shall be assessed pursuant to the rates specified in Exhibit A. AC power voltage and phase ratings shall be determined on a per location basis. At Yipes' option, Yipes may arrange for AC power in an Adjacent Collocation arrangement from a retail provider of electrical power.

7.9 Security Escort. A security escort will be required whenever Yipes or its approved agent desires access to the entrance manhole or must have access to the Premises after the one accompanied site visit allowed pursuant to Section 6.6.2 prior to completing BellSouth's Security Training requirements and/or prior to Space Acceptance. Rates for a security escort are assessed according to the schedule appended hereto as Exhibit A beginning with the scheduled escort time. BellSouth will wait for one-half (1/2) hour after the scheduled time for such an escort and Yipes shall pay for such half-hour charges in the event Yipes fails to show up.

7.10 Cable Record charges. These charges apply for work required to build cable records in company systems. The VG/DS0 per cable record charge is for a maximum of 3600 records. The Fiber cable record charge is for a maximum of 99 records.

7.11 Rate "True-Up". The Parties agree that the prices reflected as interim herein shall be "trued-up" (up or down) based on final prices either determined by further agreement or by an effective order, in a proceeding involving BellSouth before the regulatory authority for the state in which the services are being performed or any other body having jurisdiction over this Agreement (hereinafter "Commission"). Under the "true-up" process, the interim price for each service shall be multiplied by the volume of that service purchased to arrive at the total interim amount paid for that service ("Total Interim Price"). The final price for that service shall be multiplied by the volume purchased to arrive at the total final amount due ("Total Final Price"). The Total Interim Price shall be compared with the Total Final Price. If the Total Final Price is more than the Total Interim Price, Yipes shall pay the difference to BellSouth. If the Total Final Price is less than the Total Interim Price, BellSouth shall pay the difference to Yipes. Each Party shall keep its own records upon which a "true-up" can be based and any final payment from one Party to the other shall be in an amount agreed upon by the Parties based on such records. In the event of any disagreement as between the records or the Parties regarding the amount of such "true-up," the Parties agree that the Commission shall be called upon to resolve such differences.

7.12 Other. If no rate is identified in the contract, the rate for the specific service or function will be negotiated by the Parties upon request by either Party. Payment of all other charges under this Attachment shall be due thirty as dictated by Yipes' current billing cycle. Yipes will pay a late payment charge as specified in the current State Tariff.

8. Insurance

8.1 Yipes shall, at its sole cost and expense, procure, maintain, and keep in force insurance as specified in this Section 8 and underwritten by insurance companies licensed to do business in the states applicable under this Attachment and having a Best's Insurance Rating of A-.

8.2 Yipes shall maintain the following specific coverage:

8.2.1 Commercial General Liability coverage in the amount of ten million dollars ($10,000,000.00) or a combination of Commercial General Liability and Excess/Umbrella coverage totaling not less than ten million dollars ($10,000,000.00). BellSouth shall be named as an Additional Insured on the Commercial General Liability policy as specified herein.

8.2.2 Statutory Workers Compensation coverage and Employers Liability coverage in the amount of one hundred thousand dollars ($100,000.00) each accident, one hundred

thousand dollars ($100,000.00) each employee by disease, and five hundred thousand dollars ($500,000.00) policy limit by disease.

8.2.3 All Risk Property coverage on a full replacement cost basis insuring all of Yipes' real and personal property situated on or within BellSouth's Central Office location(s).

8.2.4 Yipes may elect to purchase business interruption and contingent business interruption insurance, having been advised that BellSouth assumes no liability for loss of profit or revenues should an interruption of service occur.

8.3 The limits set forth in Section 8.2 above may be increased by BellSouth from time to time during the term of this Attachment upon thirty (30) days notice to Yipes to at least such minimum limits as shall then be customary with respect to comparable occupancy of BellSouth structures.

8.4 All policies purchased by Yipes shall be deemed to be primary and not contributing to or in excess of any similar coverage purchased by BellSouth. All insurance must be in effect on or before the date equipment is delivered to BellSouth's Premises and shall remain in effect for the term of this Attachment or until all Yipes' property has been removed from BellSouth's Premises, whichever period is longer. If Yipes fails to maintain required coverage, BellSouth may pay the premiums thereon and seek reimbursement of same from Yipes.

8.5 Yipes shall submit certificates of insurance reflecting the coverage required pursuant to this Section a minimum of ten (10) business days prior to the commencement of any work in the Collocation Space. Failure to meet this interval may result in construction and equipment installation delays. Yipes shall arrange for BellSouth to receive thirty (30) business days' advance notice of cancellation from Yipes' insurance company. Yipes shall forward a certificate of insurance and notice of cancellation/non-renewal to BellSouth at the following address:

BellSouth Telecommunications, Inc.
Attn.: Risk Management Coordinator
17H53 BellSouth Center
675 W. Peachtree Street
Atlanta, Georgia 30375

8.6 Yipes must conform to recommendations made by BellSouth's fire insurance company to the extent BellSouth has agreed to, or shall hereafter agree to, such recommendations.

8.7 Self-Insurance. If Yipes' net worth exceeds five hundred million dollars ($500,000,000), Yipes may elect to request self-insurance status in lieu of obtaining any of the insurance required in Sections 8.2.1 and 8.2.2. Yipes shall provide audited financial statements to BellSouth thirty (30) days prior to the commencement of any work in the Collocation Space. BellSouth shall then review such audited financial

statements and respond in writing to Yipes in the event that self-insurance status is not granted to Yipes. If BellSouth approves Yipes for self-insurance, Yipes shall annually furnish to BellSouth, and keep current, evidence of such net worth that is attested to by one of Yipes' corporate officers. The ability to self-insure shall continue so long as the Yipes meets all of the requirements of this Section. If the Yipes subsequently no longer satisfies this Section, Yipes is required to purchase insurance as indicated by Sections 8.2.1 and 8.2.2.

8.8 The net worth requirements set forth in Section 8.7 may be increased by BellSouth from time to time during the term of this Attachment upon thirty (30) days' notice to Yipes to at least such minimum limits as shall then be customary with respect to comparable occupancy of BellSouth structures.

8.9 Failure to comply with the provisions of this Section will be deemed a material breach of this Attachment.

9. Mechanics Liens

9.1 If any mechanics lien or other liens shall be filed against property of either Party (BellSouth or Yipes), or any improvement thereon by reason of or arising out of any labor or materials furnished or alleged to have been furnished or to be furnished to or for the other Party or by reason of any changes, or additions to said property made at the request or under the direction of the other Party, the other Party directing or requesting those changes shall, within thirty (30) business days after receipt of written notice from the Party against whose property said lien has been filed, either pay such lien or cause the same to be bonded off the affected property in the manner provided by law. The Party causing said lien to be placed against the property of the other shall also defend, at its sole cost and expense, on behalf of the other, any action, suit or proceeding which may be brought for the enforcement of such liens and shall pay any damage and discharge any judgment entered thereon.

10. Inspections

10.1 BellSouth may conduct an inspection of Yipes' equipment and facilities in the Collocation Space(s) prior to the activation of facilities between Yipes' equipment and equipment of BellSouth. BellSouth may conduct an inspection if Yipes adds equipment and may otherwise conduct routine inspections at reasonable intervals mutually agreed upon by the Parties. BellSouth shall provide Yipes with a minimum of forty-eight (48) hours or two (2) business days, whichever is greater, advance notice of all such inspections. All costs of such inspection shall be borne by BellSouth.

11. Security and Safety Requirements

11.1 The security and safety requirements set forth in this section are as stringent as the security requirements BellSouth maintains at its own premises either for their own employees or for authorized contractors. Only BellSouth employees, BellSouth Certified Contractors and authorized employees, authorized Guests, pursuant to Section 3.4, preceding, or authorized agents of Yipes will be permitted in the BellSouth Premises. Yipes shall provide its employees and agents with picture identification which must be worn and visible at all times while in the Collocation Space or other areas in or around the Premises. The photo Identification card shall bear, at a minimum, the employee's name and photo, and the Yipes name. BellSouth reserves the right to remove from its premises any employee of Yipes not possessing identification issued by Yipes or who have violated any of BellSouth's policies as outlined in the CLEC Security Training documents. Yipes shall hold BellSouth harmless for any damages resulting from such removal of its personnel from BellSouth premises. Yipes shall be solely responsible for ensuring that any Guest of Yipes is in compliance with all subsections of this Section 11.

11.1.1 Yipes will be required, at its own expense, to conduct a statewide investigation of criminal history records for each Yipes employee being considered for work on the BellSouth Premises, for the states/counties where the Yipes employee has worked and lived for the past five years. Where state law does not permit statewide collection or reporting, an investigation of the applicable counties is acceptable. Yipes shall not be required to perform this investigation if an affiliated company of Yipes has performed an investigation of the Yipes employee seeking access, if such investigation meets the criteria set forth above. This requirement will not apply if Yipes has performed a pre-employment statewide investigation of criminal history records, or where state law does not permit an investigation of the applicable counties for the Yipes employee seeking access, for the states/counties where the Yipes employee has worked and lived for the past five years.

11.1.2 Yipes will be required to administer to their personnel assigned to the BellSouth Premises security training either provided by BellSouth, or meeting criteria defined by BellSouth.

11.1.3 Yipes shall not assign to the BellSouth Premises any personnel with records of felony criminal convictions. Yipes shall not assign to the BellSouth Premises any personnel with records of misdemeanor convictions, except for misdemeanor traffic violations, without advising BellSouth of the nature and gravity of the offense(s). BellSouth reserves the right to refuse building access to any Yipes personnel who have been identified to have misdemeanor criminal convictions. Notwithstanding the foregoing, in the event that Yipes chooses not to advise BellSouth of the nature and gravity of any misdemeanor conviction, Yipes may, in the alternative, certify to BellSouth that it shall not assign to the BellSouth Premises any personnel with records of misdemeanor convictions (other than misdemeanor traffic violations).

11.1.4 Yipes shall not knowingly assign to the BellSouth Premises any individual who was a former employee of BellSouth and whose employment with BellSouth was terminated for a criminal offense whether or not BellSouth sought prosecution of the individual for the criminal offense.

11.1.5 Yipes shall not knowingly assign to the BellSouth Premises any individual who was a former contractor of BellSouth and whose access to a BellSouth Premises was revoked due to commission of a criminal offense whether or not BellSouth sought prosecution of the individual for the criminal offense.

11.1.6 For each Yipes employee requiring access to a BellSouth Premises pursuant to this Attachment, Yipes shall furnish BellSouth, prior to an employee gaining such access, a certification that the aforementioned background check and security training were completed. The certification will contain a statement that no felony convictions were found and certifying that the security training was completed by the employee. If the employee's criminal history includes misdemeanor convictions, Yipes will disclose the nature of the convictions to BellSouth at that time. In the alternative, Yipes may certify to BellSouth that it shall not assign to the BellSouth Premises any personnel with records of misdemeanor convictions other than misdemeanor traffic violations.

11.1.7 At BellSouth's request, Yipes shall promptly remove from BellSouth's Premises any employee of Yipes BellSouth does not wish to grant access to its premises 1) pursuant to any investigation conducted by BellSouth or 2) prior to the initiation of an investigation in the event that an employee of Yipes is found interfering with the property or personnel of BellSouth or another CLEC, provided that an investigation shall promptly be commenced by BellSouth.

11.2 Notification to BellSouth. BellSouth reserves the right to interview Yipes' employees, agents, or contractors in the event of wrongdoing in or around BellSouth's property or involving BellSouth's or another CLEC's property or personnel, provided that BellSouth shall provide reasonable notice to Yipes' Security contact of such interview. Yipes and its contractors shall reasonably cooperate with BellSouth's investigation into allegations of wrongdoing or criminal conduct committed by, witnessed by, or involving Yipes' employees, agents, or contractors. Additionally, BellSouth reserves the right to bill Yipes for all reasonable costs associated with investigations involving its employees, agents, or contractors if it is established and mutually agreed in good faith that Yipes' employees, agents, or contractors are responsible for the alleged act. BellSouth shall bill Yipes for BellSouth property which is stolen or damaged where an investigation determines the culpability of Yipes' employees, agents, or contractors and where Yipes agrees, in good faith, with the results of such investigation. Yipes shall notify BellSouth in writing immediately in the event that the CLEC discovers one of its employees already working on the BellSouth premises is a possible security risk. Upon request of the other Party, the Party who is the employer shall discipline consistent with its employment practices, up to and including removal from BellSouth Premises, any employee found to have violated the security and safety requirements of this section. Yipes shall hold

BellSouth harmless for any damages resulting from such removal of its personnel from BellSouth premises.

11.3 Use of Supplies. Unauthorized use of telecommunications equipment or supplies by either Party, whether or not used routinely to provide telephone service (e.g. plug-in cards,) will be strictly prohibited and handled appropriately. Costs associated with such unauthorized use may be charged to the offending Party, as may be all associated investigative costs.

11.4 Use of Official Lines. Except for non-toll calls necessary in the performance of their work, neither Party shall use the telephones of the other Party on the BellSouth Premises. Charges for unauthorized telephone calls may be charged to the offending Party, as may be all associated investigative costs.

11.5 Accountability. Full compliance with the Security requirements of this section shall in no way limit the accountability of either Party to the other for the improper actions of its employees.

12. Destruction of Collocation Space

12.1 In the event a Collocation Space is wholly or partially damaged by fire, windstorm, tornado, flood or by similar causes to such an extent as to be rendered wholly unsuitable for Yipes' permitted use hereunder, then either Party may elect within ten (10) business days after such damage, to terminate occupancy of the damaged Collocation Space, and if either Party shall so elect, by giving the other written notice of termination, both Parties shall stand released of and from further liability under the terms hereof. If the Collocation Space shall suffer only minor damage and shall not be rendered wholly unsuitable for Yipes' permitted use, or is damaged and the option to terminate is not exercised by either Party, BellSouth covenants and agrees to proceed promptly without expense to Yipes, except for improvements not the property of BellSouth, to repair the damage. BellSouth shall have a reasonable time within which to rebuild or make any repairs, and such rebuilding and repairing shall be subject to delays caused by storms, shortages of labor and materials, government regulations, strikes, walkouts, and causes beyond the control of BellSouth, which causes shall not be construed as limiting factors, but as exemplary only. Yipes may, at its own expense, accelerate the rebuild of its collocated space and equipment provided however that a BellSouth Certified Contractor is used and the necessary space preparation has been completed. Rebuild of equipment must be performed by a BellSouth Certified Vendor. If Yipes' acceleration of the project increases the cost of the project, then those additional charges will be incurred by Yipes. Where allowed and where practical, Yipes may erect a temporary facility while BellSouth rebuilds or makes repairs. In all cases where the Collocation Space shall be rebuilt or repaired, Yipes shall be entitled to an equitable abatement of rent and other charges, depending upon the unsuitability of the Collocation Space for Yipes' permitted use, until such Collocation Space is fully repaired and restored and Yipes' equipment installed

therein (but in no event later than thirty (30) business days after the Collocation Space is fully repaired and restored). Where Yipes has placed an Adjacent Arrangement pursuant to Section 3.5, Yipes shall have the sole responsibility to repair or replace said Adjacent Arrangement provided herein. Pursuant to this section, BellSouth will restore the associated services to the Adjacent Arrangement.

13. Eminent Domain

13.1 If the whole of a Collocation Space or Adjacent Arrangement shall be taken by any public authority under the power of eminent domain, then this Attachment shall terminate with respect to such Collocation Space or Adjacent Arrangement as of the day possession shall be taken by such public authority and rent and other charges for the Collocation Space or Adjacent Arrangement shall be paid up to that day with proportionate refund by BellSouth of such rent and charges as may have been paid in advance for a period subsequent to the date of the taking. If any part of the Collocation Space or Adjacent Arrangement shall be taken under eminent domain, BellSouth and Yipes shall each have the right to terminate this Attachment with respect to such Collocation Space or Adjacent Arrangement and declare the same null and void, by written notice of such intention to the other Party within ten (10) business days after such taking.

14. Nonexclusivity

14.1 Yipes understands that this Attachment is not exclusive and that BellSouth may enter into similar agreements with other Parties. Assignment of space pursuant to all such agreements shall be determined by space availability and made on a first come, first served basis.

EXHIBIT A: BELLSOUTH/Yipes RATES – ALABAMA PHYSICAL COLLOCATION

Rates marked with an asterisk (*) are interim and are subject to true-up

USOC	Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
PE1BA	Application Fee	Per request	NA	$3,760.00
PE1CA	Subsequent Application Fee	Per request	NA	$3,134.00 Minimum
	Space Preparation Fees			
PE1SJ	Firm Order Processing*			$1,211.00
PE1SK	Central Office Modifications*	Per sq. ft.	$2.24	
PE1SL	Common Systems Modifications – Cageless*	Per sq. ft.	$3.01	
PE1SM	Common Systems Modifications – Caged*	Per cage	$102.16	
	Space Enclosure (100 sq. ft. minimum)			
PE1BW	Welded Wire-mesh	Per first 100 sq. ft.	$178.65	NA
PE1CW	Welded Wire-mesh	Per add'l 50 sq. ft.	$17.52	NA
PE1PJ	Floor Space	Per sq. ft.	$3.68	NA
PE1BD	Cable Installation	Per cable	NA	$1,751.00
PE1PM	Cable Support Structure	Per entrance cable	$19.67	NA
	Power			
PE1PL	-48V DC Power*	Per amp	$9.00	NA
PE1FB	120V AC Power single phase*	Per breaker amp	$5.63	-
PE1FD	240V AC Power single phase*	Per breaker amp	$11.26	-
PE1FE	120V AC Power three phase*	Per breaker amp	$16.89	-
PE1FG	277 AC Power three phase*	Per breaker amp	$38.99	-
	Cross Connects	Per cross connect		First/Add'l
PE1P2	2-wire		$.31	$33.68/$31.79
PE1P4	4-wire		$.62	$33.63/$31.67
PE1P1	DS-1		$1.28	$52.93/$39.87
PE1P3	DS-3		$16.27	$51.99/$38.59
PE1F2	2-fiber		$3.23	$52.00/$38.60
PE1F4	4-fiber		$5.73	$64.54/$51.14

ALABAMA (continued)				
USOC	**Rate Element Description**	**Unit**	**Recurring Rate (RC)**	**Non-Recurring Rate (NRC)**
PE1AX	Security Access System Security System*	Per central office	$52.27	
PE1A1	New Access Card Activation*	Per card	$.059	$55.57
PE1AA	Administrative change, existing card*	Per card		$15.58
PE1AR	Replace lost or stolen card*	Per card		$45.56
PE1AK	Initial Key	Per key	NA	$26.19
PE1AL	Replace lost or stolen key	Per key	NA	$26.19
PE1SR	Space Availability Report*	Per premises requested		$2,150.00
	POT Bay Arrangements *Prior to 6/1/99*	Per cross connect		
PE1PE	2-Wire Cross-Connect		$0.08	NA
PE1PF	4-Wire Cross-Connect		$0.17	NA
PE1PG	DS1 Cross-Connect		$0.69	NA
PE1PH	DS3 Cross-Connect		$4.74	NA
PE1B2	2-Fiber Cross-Connect		$32.02	NA
PE1B4	4-Fiber Cross-Connect		$40.48	NA
	Cable Records[1]			**Note 2** Initial/Subsequent
PE1CR	Cable Records	Per request	NA	$1708/$1166
PE1CD	VG/DS0 Cable	Per cable record	NA	$923.51/$923.51
PE1CO	VG/DS0 Cable	Per each 100 pair	NA	$18.02/$18.02
PE1C1	DS1	Per T1TIE	NA	$8.44/$8.44
PE1C3	DS3	Per T3TIE	NA	$29.53/$29.53
PE1CB	Fiber Cable	Per cable record	NA	$278.95/$278.95

ALABAMA (continued)				
USOC	**Rate Element Description**	**Unit**	**Recurring Rate (RC)**	**Non-Recurring Rate (NRC)**
	Security Escort	Per half hr/add'l half hr		
PE1BT	Basic Time		NA	$33.85/$21.45
PE1OT	Overtime		NA	$44.09/$27.71
PE1PT	Premium Time		NA	$54.33/$33.96

Note(s):

N/A refers to rate elements which do not have a negotiated rate.

Note1: Cable records charges apply for work required to build cable records in company systems. The VG/DS0 per cable record charge is for a maximum of 3600 records. The Fiber cable record charge is for a maximum of 99 records.

Note 2: The initial charge applies when the cables are first installed and inventoried. The subsequent charge applies when additional cables are installed and inventoried at the same location.

EXHIBIT A: BELLSOUTH/Yipes RATES – FLORIDA PHYSICAL COLLOCATION

USOC	Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
PE1BA	Application Fee	Per request		$3,791.00
PE1CA	Subsequent Application Fee	Per request	NA	$3,160.00
	Space Preparation Fees			
PE1SJ	Firm Order Processing			$1,211.00
PE1SK	Central Office Modifications	Per sq. ft.	$2.58	
PE1SL	Common Systems Modifications – Cageless	Per sq. ft.	$2.96	
PE1SM	Common Systems Modifications – Caged	Per cage	$100.66	
	Space Enclosure (100 sq. ft. minimum)			
PE1BW	Wire Cage	Per first 100 sq. ft.	$205.93	NA
PE1CW	Wire Cage	Per add'l 50 sq. ft.	$20.20	NA
PE1PJ	Floor Space	Per sq. ft.	$6.57	NA
PE1BD	Cable Installation	Per cable		$1,826.00
PE1PM	Cable Support Structure		$21.66	NA
	Power			
PE1PL	-48V DC Power	Per amp	$8.86	NA
PE1FB	120V AC Power single phase	Per breaker amp	$5.62	-
PE1FD	240V AC Power single phase	Per breaker amp	$11.26	-
PE1FE	120V AC Power three phase	Per breaker amp	$16.88	-
PE1FG	277 AC Power three phase	Per breaker amp	$38.98	-
	Cross Connects			First/Add'l
	2-wire	Per cross connect	$.074	$34.53/$32.51
	4-wire	Per cross connect	$.148	$34.54/$32.53
	DS1	Per cross connect	$1.29	$54.15/$40.94
	DS3	Per cross connect	$17.48	$53.28/$39.65
	2-fiber	Per cross connect	$2.96	$53.28/$39.66
	4-fiber	Per cross connect	$5.66	$66.08/$52.47

FLORIDA (continued)				
USOC	**Rate Element Description**	**Unit**	**Recurring Rate (RC)**	**Non-Recurring Rate (NRC)**
PE1AX	Security Access System Security System	Per premises	$89.48	
PE1A1	New Access Card Activation	Per card	$.06	$56.03
PE1AA	Administrative change, existing card	Per card		$15.71
PE1AR	Replace lost or stolen card	Per card		$45.93
PE1AK	Initial Key	Per key	NA	$26.41
PE1AL	Replace lost or stolen key	Per key	NA	$26.41
PE1SR	Space Availability Report	Per premises requested		$2,168.00
	POT Bay **(Note 1)**		NA	NA
	Cable Records[2]			**Note 3** initial/subsequent
PE1CR	Cable Records	Per request	NA	$1709/$1166
PE1CD	VG/DS0 Cable	Per cable record	NA	$923.86/$923.86
PE1CO	VG/DS0 Cable	Per each 100 pair	NA	$18.03/$18.03
PE1C1	DS1	Per T1TIE	NA	$8.44/$8.44
PE1C3	DS3	Per T3TIE	NA	$29.54/$29.54
PE1CB	Fiber Cable	Per cable record	NA	$279.05/$279.05
	Security Escort	Per ¼ hour		
PE1BQ	Basic Time		NA	$10.89
PE1OQ	Overtime		NA	$13.64
PE1PQ	Premium Time		NA	$16.40

Note(s):

N/A refers to rate elements which do not have a negotiated rate.

(1) **POT Bays**: BellSouth's Florida specific rates were established in the Florida Public Service Commission Docket No. 960833. The Commission did not set permanent rates for POT Bays, given the assumption by the Parties to the Proceeding that they will always provide their own POT Bays. It will be necessary for Yipes to provide its own POT Bays per BellSouth specifications and provide the necessary information from which BellSouth can inventory.

(2) Cable records charges apply for work required to build cable records in company systems. The VG/DS0 per cable record charge is for a maximum of 3600 records. The Fiber cable record charge is for a maximum of 99 records.

(3) The initial charge applies when the cables are first installed and inventoried. The subsequent charge applies when additional cables are installed and inventoried at the same location.

EXHIBIT A: BELLSOUTH/Yipes RATES – GEORGIA PHYSICAL COLLOCATION

Rates marked with an asterisk (*) are interim and subject to true-up

USOC	Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
PE1BA	Application Fee	Per request	NA	$3,755.00
PE1CA	Subsequent Application Fee	Per request	NA	$3,130.00 Minimum
PE1BB	Space Preparation Fee **(Note 2)**	Per sq. ft.	NA	$100.00
	Space Enclosure (100 sq. ft. minimum)			
PE1BW	Welded Wire-mesh	Per first 100 sq. ft.	$187.36	NA
PE1CW	Welded Wire-mesh	Per add'l 50 sq. ft.	$18.38	NA
	Floor Space			
PE1PJ	Zone A	Per sq. ft.	$4.47	NA
PE1PK	Zone B	Per sq. ft.	$4.47	NA
PE1BD	Cable Installation	Per cable	NA	$1,693.00
PE1PM	Cable Support Structure	Per entrance cable	$19.26	NA
	Power			
PE1PL	-48V DC Power	Per amp	$5.00	NA
PE1FB	120V AC Power single phase*	Per breaker amp	$5.52	-
PE1FD	240V AC Power single phase*	Per breaker amp	$11.05	-
PE1FE	120V AC Power three phase*	Per breaker amp	$16.58	-
PE1FG	277 AC Power three phase*	Per breaker amp	$38.27	-
	Cross Connects	Per cross connect		First/Add'l
PE1P2	2-wire		$0.31	$33.76/$31.86
PE1P4	4-wire		$0.61	$33.77/$31.80
PE1P1	DS-1		$1.13	$53.05/$39.99
PE1P3	DS-3		$14.43	$52.14/$38.71
PE1F2	2-fiber		$2.86	$52.14/$38.72
PE1F4	4-fiber		$5.08	$64.74/$51.31

GEORGIA (continued)				
USOC	**Rate Element Description**	**Unit**	**Recurring Rate (RC)**	**Non-Recurring Rate (NRC)**
PE1AX	Security Access System Security System*	Per premises	$40.00	
PE1A1	New Access Card Activation*	Per card	$.058	$55.51
PE1AA	Administrative change, existing card*	Per card		$15.56
PE1AR	Replace lost or stolen card*	Per card		$45.50
PE1AK	Initial Key	Per key	NA	$26.16
PE1AL	Replace lost or stolen key	Per key	NA	$26.16
PE1SR	Space Availability Report*	Per premises requested		$2,148.00
	POT Bay Arrangements *Prior to 6/1/99*	Per cross-connect		
PE1PE	2-Wire Cross-Connect		$0.40	NA
PE1PF	4-Wire Cross-Connect		$1.20	NA
PE1PG	DS1 Cross-Connect		$1.20	NA
PE1PH	DS3 Cross-Connect		$8.00	NA
PE1B2	2 Fiber Cross-Connect		$38.79	NA
PE1B4	4 Fiber Cross-Connect		$52.31	NA
	Cable Records[1]			**Note 2** Initial/subsequent
PE1CR	Cable Records	Per request	NA	$1706/$1164
PE1CD	VG/DS0 Cable	Per cable record	NA	$922.38/$922.38
PE1CO	VG/DS0 Cable	Per each 100 pair	NA	$18.00/$18.00
PE1C1	DS1	Per T1TIE	NA	$8.43/$8.43
PE1C3	DS3	Per T3TIE	NA	$29.49/$29.49
PE1CB	Fiber Cable	Per cable record	NA	$278.61/$278.61
	Security Escort	Per half hr./Add'l half hr.		
PE1BT	Basic Time		NA	$33.81/$21.42
PE1OT	Overtime		NA	$44.03/$27.67
PE1PT	Premium Time		NA	$54.26/$33.92

N/A refers to rate elements which do not have a negotiated rate.

Note (1) Cable records charges apply for work required to build cable records in company systems. The VG/DS0 per cable record charge is for a maximum of 3600 records. The Fiber cable record charge is for a maximum of 99 records.

Note 2: The initial charge applies when the cables are first installed and inventoried. The subsequent charge applies when additional cables are installed and inventoried at the same location.

EXHIBIT A: BELLSOUTH/Yipes RATES – KENTUCKY PHYSICAL COLLOCATION

Rates marked with an asterisk (*) are interim and are subject to true-up.

USOC	Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
PE1BA	Application Fee	Per request	NA	$3,761.00
PE1CA	Subsequent Application Fee	Per request	NA	$3,135.00 Minimum
	Space Preparation Fees			
PE1SJ	Firm Order Processing*			$1,202.00
PE1SK	Central Office Modifications*	Per sq. ft.	$2.38	
PE1SL	Common Systems Modifications – Cageless*	Per sq. ft.	$3.30	
PE1SM	Common Systems Modifications – Caged*	Per cage	$112.11	
	Space Enclosure (100 sq. ft. minimum)			
PE1BW	Welded Wire-mesh	Per first 100 sq. ft.	$189.85	NA
PE1CW	Welded Wire-mesh	Per add'l 50 sq. ft.	$18.62	NA
PE1PJ	Floor Space	Per sq. ft.	$8.20	NA
PE1BD	Cable Installation	Per cable	NA	$1,755.00
PE1PM	Cable Support Structure	Per entrance cable	$20.14	NA
	Power			
PE1PL	-48V DC Power*	Per amp	$8.77	NA
PE1FB	120V AC Power single phase*	Per breaker amp	$5.58	-
PE1FD	240V AC Power single phase*	Per breaker amp	$11.16	-
PE1FE	120V AC Power three phase*	Per breaker amp	$16.74	-
PE1FG	277 AC Power three phase*	Per breaker amp	$38.65	-
	Cross Connects	Per cross connect		First/Add'l
PE1P2	2-wire		$0.037	$33.67/$31.78
PE1P4	4-wire		$0.075	$33.66/$31.70
PE1P1	DS-1		$1.51	$52.97/$39.90
PE1P3	DS-3		$19.15	$52.04/$38.62
PE1F2	2-fiber		$3.80	$52.04/$38.63
PE1F4	4-fiber		$6.75	$64.59/$51.18

KENTUCKY (continued)				
USOC	**Rate Element Description**	**Unit**	**Recurring Rate (RC)**	**Non-Recurring Rate (NRC)**
PE1AX	Security Access System Security System*	Per premises	$78.11	
PE1A1	New Access Card Activation	Per card	$.059	$55.59
PE1AA	Administrative change, existing card	Per card		$15.59
PE1AR	Replace lost or stolen card	Per card		$45.58
PE1AK	Initial Key	Per key	NA	$26.20
PE1AL	Replace lost or stolen key	Per key	NA	$26.20
PE1SR	Space Availability Report	Per premises requested		$2,151
	POT Bay Arrangements *Prior to 6/1/99*	Per cross-connect		
PE1PE	2-Wire Cross-Connect		$0.06	NA
PE1PF	4-Wire Cross-Connect		$0.15	NA
PE1PG	DS1 Cross-Connect		$0.58	NA
PE1PH	DS3 Cross-Connect		$4.51	NA
PE1B2	2 Fiber Cross-Connect		$38.79	NA
PE1B4	4 Fiber Cross-Connect		$52.31	NA
	Security Escort	Per half hr./Add'l half hr.		
PE1BT	Basic Time		NA	$33.86/$21.46
PE1OT	Overtime		NA	$44.10/$27.72
PE1PT	Premium Time		NA	$54.35/$33.97
	Cable Records[1]			**Note 2** Initial/subsequent
PE1CR	Cable Records	Per request	NA	$1709/1166
PE1CD	VG/DS0 Cable	Per cable record	NA	$923.83/$923.83
PE1CO	VG/DS0 Cable	Per each 100 pair	NA	$18.03/$18.03
PE1C1	DS1	Per T1TIE	NA	$8.44/$8.44
PE1C3	DS3	Per T3TIE	NA	$29.54/$29.54
PE1CB	Fiber Cable	Per cable record	NA	$279.05/$279.05

Note(s):

N/A refers to rate elements which do not have a negotiated rate.

Note1: Cable records charges apply for work required to build cable records in company systems. The VG/DS0 per cable record charge is for a maximum of 3600 records. The Fiber cable record charge is for a maximum of 99 records.

Note 2: The initial charge applies when the cables are first installed and inventoried. The subsequent charge applies when additional cables are installed and inventoried at the same location.

EXHIBIT A: BELLSOUTH/Yipes RATES – LOUISIANA PHYSICAL COLLOCATION

Rates marked with an asterisk (*) are interim and are subject to true-up.

USOC	Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
PE1BA	Application Fee	Per request	NA	$3756.00
PE1CA	Subsequent Application Fee	Per request	NA	$3131.00 Minimum
	Space Preparation Fees			
PE1SJ	Firm Order Processing*			$1,200.00
PE1SK	Central Office Modifications*	Per sq. ft.	$2.60	
PE1SL	Common Systems Modifications – Cageless*	Per sq. ft.	$3.15	
PE1SM	Common Systems Modifications – Caged*	Per cage	$105.87	
	Space Enclosure (100 sq. ft. minimum)			
PE1BW	Welded Wire-mesh	Per first 100 sq. ft.	$207.06	NA
PE1CW	Welded Wire-mesh	Per add'l 50 sq. ft.	$20.31	NA
PE1PJ	Floor Space	Per sq. ft.	$5.94	NA
PE1BD	Cable Installation	Per cable	NA	$1,753.00
PE1PM	Cable Support Structure	Per entrance cable	$21.16	NA
	Power			
PE1PL	-48V DC Power*	Per amp	$9.20	NA
PE1FB	120V AC Power single phase*	Per breaker amp	$5.66	-
PE1FD	240V AC Power single phase*	Per breaker amp	$11.34	-
PE1FE	120V AC Power three phase*	Per breaker amp	$17.00	-
PE1FG	277 AC Power three phase*	Per breaker amp	$39.26	-
	Cross Connects	Per cross connect		First/Add'l
PE1P2	2-wire		$0.036	$33.61/$31.76
PE1P4	4-wire		$0.073	$33.53/$31.58
PE1P1	DS-1		$1.20	$52.80/$39.76
PE1P3	DS-3		$15.26	$51.86/$38.49

LOUISIANA (continued)				
USOC	**Rate Element Description**	**Unit**	**Recurring Rate (RC)**	**Non-Recurring Rate (NRC)**
	Cross Connects (continued)	Per cross connect		First/Add'l
PE1F2	2-fiber		$3.03	$51.86/$38.49
PE1F4	4-fiber		$5.38	$64.36/$50.99
PE1AX	Security Access System Security System*	Per premises	$60.60	
PE1A1	New Access Card Activation*	Per card	$.060	$55.51
PE1AA	Administrative change, existing card*	Per card		$15.57
PE1AR	Replace lost or stolen card	Per card		$45.51
PE1AK	Initial Key	Per key	NA	$26.16
PE1AL	Replace lost or stolen key	Per key	NA	$26.16
PE1SR	Space Availability Report*	Per premises requested		$2,148
	POT Bay Arrangements *Prior to 6/1/99*	Per cross-connect		
PE1PE	2-Wire Cross-Connect		$0.0776	NA
PE1PF	4-Wire Cross-Connect		$0.1552	NA
PE1PG	DS1 Cross-Connect		$0.6406	NA
PE1PH	DS3 Cross-Connect		$4.75	NA
PE1B2	2 Fiber Cross-Connect		$47.44	NA
PE1B4	4 Fiber Cross-Connect		$63.97	NA
	Cable Records[1]			**Note 2**
				Initial/subsequent
PE1CR	Cable Records	Per request	NA	$1706/$1165
PE1CD	VG/DS0 Cable	Per cable record	NA	$922.51/$922.51
PE1CO	VG/DS0 Cable	Per each 100 pair	NA	$18.00/$18.00
PE1C1	DS1	Per T1TIE	NA	$8.43/$8.43
PE1C3	DS3	Per T3TIE	NA	$29.49/$29.49
PE1CB	Fiber Cable	Per cable record	NA	$278.65/$278.65

LOUISIANA (continued)				
USOC	**Rate Element Description**	**Unit**	**Recurring Rate (RC)**	**Non-Recurring Rate (NRC)**
	Security Escort	Per half hr./Add'l half hr.		
PE1BT	Basic Time		NA	$33.97/$21.53
PE1OT	Overtime		NA	$44.25/$27.81
PE1PT	Premium Time		NA	$54.53/$34.09

Note(s):

N/A refers to rate elements which do not have a negotiated rate.

Note1: Cable records charges apply for work required to build cable records in company systems. The VG/DS0 per cable record charge is for a maximum of 3600 records. The Fiber cable record charge is for a maximum of 99 records.

Note 2: The initial charge applies when the cables are first installed and inventoried. The subsequent charge applies when additional cables are installed and inventoried at the same location.

EXHIBIT A: BELLSOUTH/Yipes RATES – MISSISSIPPI PHYSICAL COLLOCATION

Rates marked with an asterisk (*) are interim and are subject to true-up.

USOC	Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
PE1BA	Application Fee	Per request	NA	$3,755.00
PE1CA	Subsequent Application Fee	Per request	NA	$3,130.00 Minimum
	Space Preparation Fees			
PE1SJ	Firm Order Processing*			$1,200.00
PE1SK	Central Office Modifications*	Per sq. ft.	$2.61	
PE1SL	Common Systems Modifications – Cageless*	Per sq. ft.	$2.88	
PE1SM	Common Systems Modifications – Caged*	Per cage	$97.85	
	Space Enclosure(100 sq. ft. minimum)			
PE1BW	Welded Wire-mesh	Per first 100 sq. ft.	$208.30	NA
PE1CW	Welded Wire-mesh	Per add'l 50 sq. ft.	$20.43	NA
PE1PJ	Floor Space	Per sq. ft.	$6.53	
PE1BD	Cable Installation	Per cable	NA	$1,871.00
PE1PM	Cable Support Structure	Per entrance cable	$19.90	NA
	Power			
PE1PL	-48V DC Power*	Per amp	$8.96	NA
PE1FB	120V AC Power single phase*	Per breaker amp	$5.61	-
PE1FD	240V AC Power single phase*	Per breaker amp	$11.23	-
PE1FE	120V AC Power three phase*	Per breaker amp	$16.84	-
PE1FG	277 AC Power three phase*	Per breaker amp	$38.89	-
	Cross Connects	Per cross connect		First/Add'l
PE1P2	2-wire		$.038	$33.65/$31.77
PE1P4	4-wire		$.076	$33.46/$31.52

MISSISSIPPI (continued)				
USOC	**Rate Element Description**	**Unit**	**Recurring Rate (RC)**	**Non-Recurring Rate (NRC)**
	Cross Connects (continued)	Per cross connect		First/Add'l
PE1P1	DS-1		$1.30	$52.73/$39.70
PE1P3	DS-3		$16.55	$51.78/$38.43
PE1F2	2-fiber		$3.28	$51.78/$38.43
PE1F4	4-fiber		$5.83	$64.27/$50.91
PE1AX	Security Access System Security System*	Per premises	$85.54	
PE1A1	New Access Card Activation*	Per card	$.061	$55.50
PE1AA	Administrative change, existing card*	Per card		$15.56
PE1AR	Replace lost or stolen card	Per card		$45.50
PE1AK	Initial Key	Per key	NA	$26.16
PE1AL	Replace lost or stolen key	Per key	NA	$26.16
PE1SR	Space Availability Report*	Per premises requested		$2,147.00
	POT Bay Arrangements *Prior to 6/1/99*	Per cross-connect		
PE1PE	2-Wire Cross-Connect		$0.1195	NA
PE1PF	4-Wire Cross-Connect		$0.2389	NA
PE1PG	DS1 Cross-Connect		$0.9862	NA
PE1PH	DS3 Cross-Connect		$5.81	NA
PE1B2	2 Fiber Cross-Connect		$38.79	NA
PE1B4	4 Fiber Cross-Connect		$52.31	NA
	Cable Records[1]			**Note 2**
				Initial/subsequent
PE1CR	Cable Records	Per request	NA	$1706/1164
PE1CD	VG/DS0 Cable	Per cable record	NA	$922.28/$922.28
PE1CO	VG/DS0 Cable	Per each 100 pair	NA	$18.00/$18.00
PE1C1	DS1	Per T1TIE	NA	$8.42/$8.42
PE1C3	DS3	Per T3TIE	NA	$29.49/$29.49
PE1CB	Fiber Cable	Per cable record	NA	$278.58/$278.58

MISSISSIPPI (continued)				
USOC	**Rate Element Description**	**Unit**	**Recurring Rate (RC)**	**Non-Recurring Rate (NRC)**
	Security Escort	Per half hr./Add'l half hr.		
PE1BT	Basic Time		NA	$33.80/$21.42
PE1OT	Overtime		NA	$44.03/$27.67
PE1PT	Premium Time		NA	$54.26/$33.92

Note(s):

N/A refers to rate elements which do not have a negotiated rate.

Note1: Cable records charges apply for work required to build cable records in company systems. The VG/DS0 per cable record charge is for a maximum of 3600 records. The Fiber cable record charge is for a maximum of 99 records.

Note 2: The initial charge applies when the cables are first installed and inventoried. The subsequent charge applies when additional cables are installed and inventoried at the same location.

EXHIBIT A: BELLSOUTH/Yipes RATES – NORTH CAROLINA PHYSICAL COLLOCATION

Rates marked with an asterisk (*) are interim and are subject to true-up.

USOC	Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
PE1BA	Application Fee*	Per request	NA	$3,850.00
PE1CA	Subsequent Application Fee	Per request	NA	$3,119.00 Minimum
	Space Preparation Fees			
	Central Office Modification*	Per sq. ft.	$1.57	
	Common Systems Modification – Cageless*	Per sq. ft.	$3.26	
	Common Systems Modification – Caged*	Per cage	$110.79	
	Power*	Per nominal –48v DC Amp	$5.76	
	Space Enclosure (100 sq. ft. minimum)			
PE1BW	Welded Wire-mesh*	Per first 100 sq. ft.	$102.76	NA
PE1CW	Welded Wire-mesh*	Per add'l 50 sq. ft.	$10.44	NA
PE1PJ	Floor Space*	Per sq. ft.	$3.45	NA
PE1BD	Cable Installation*	Per cable	NA	$2,305.00
PE1PM	Cable Support Structure*	Per entrance cable	$21.33	NA
	Power			
PE1PL	-48V DC Power*	Per amp	$6.65	NA
PE1FB	120V AC Power single phase*	Per breaker amp	$5.50	-
PE1FD	240V AC Power single phase*	Per breaker amp	$11.01	-
PE1FE	120V AC Power three phase*	Per breaker amp	$16.51	-
PE1FG	277 AC Power three phase*	Per breaker amp	$38.12	-
	Cross Connects **(Note 1)**	Per cross connect		First/Add'l
PE1P2	2-wire*		$0.32	$41.78/$39.23
PE1P4	4-wire*		$0.64	$41.91/$39.25
PE1P1	DS-1*		$2.34	$71.02/$51.08
PE1P3	DS-3*		$42.84	$69.84/$49.43
PE1F2	2-fiber		$2.94	$51.97/$38.59
PE1F4	4-fiber		$5.62	$64.53/$51.15

NORTH CAROLINA (continued)				
USOC	**Rate Element Description**	**Unit**	**Recurring Rate (RC)**	**Non-Recurring Rate (NRC)**
PE1AX	Security Access System Security System*	Per premises	$41.03	
PE1A1	New Access Card Activation*	Per card	$.062	$55.30
PE1AA	Administrative change, existing card*	Per card		$15.51
PE1AR	Replace lost or stolen card	Per card		$45.34
PE1AK	Initial Key	Per key	NA	$26.18
PE1AL	Replace lost or stolen key	Per key	NA	$26.18
PE1SR	Space Availability Report*	Per premises requested		$2,140.00
	POT Bay Arrangements *Prior to 6/1/99*	Per cross-connect		
PE1PE	2-Wire Cross-Connect		$0.10	NA
PE1PF	4-Wire Cross-Connect		$0.19	NA
PE1PG	DS1 Cross-Connect		$0.79	NA
PE1PH	DS3 Cross-Connect		$4.85	NA
PE1B2	2 Fiber Cross-Connect		$45.30	NA
PE1B4	4 Fiber Cross-Connect		$61.09	NA
	Security Escort	Per half hr./Add'l half hr.		
PE1BT	Basic Time		NA	$42.92/$25.56
PE1OT	Overtime		NA	$54.51/$32.44
PE1PT	Premium Time		NA	$66.10/$39.32
	Cable Records[1]			**Note 2** Initial/subsequent
PE1CR	Cable Records	Per request	NA	$1707/$1165
PE1CD	VG/DS0 Cable	Per cable record	NA	$923.08/$923.08
PE1CO	VG/DS0 Cable	Per each 100 pair	NA	$18.02/$18.02
PE1C1	DS1	Per T1TIE	NA	$8.43/$8.43
PE1C3	DS3	Per T3TIE	NA	$29.51/$29.51
PE1CB	Fiber Cable	Per cable record	NA	$278.82/$278.82

EXHIBIT A: BELLSOUTH/Yipes RATES – NORTH CAROLINA PHYSICAL COLLOCATION (continued)

Note(s):

N/A refers to rate elements which do not have a negotiated rate.

Note1: Cable records charges apply for work required to build cable records in company systems. The VG/DS0 per cable record charge is for a maximum of 3600 records. The Fiber cable record charge is for a maximum of 99 records.

Note 2: The initial charge applies when the cables are first installed and inventoried. The subsequent charge applies when additional cables are installed and inventoried at the same location.

EXHIBIT A: BELLSOUTH/Yipes RATES – SOUTH CAROLINA PHYSICAL COLLOCATION

Rates marked with an asterisk (*) are interim and are subject to true-up.

USOC	Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
PE1BA	Application Fee	Per request	NA	$3768.00
PE1CA	Subsequent Application Fee	Per request	NA	$3,141.00 Minimum
	Space Preparation Fees			
PE1SJ	Firm Order Processing*			$1,204.00
PE1SK	Central Office Modifications*	Per sq. ft.	$2.75	
PE1SL	Common Systems Modifications – Cageless*	Per sq. ft.	$3.24	
PE1SM	Common Systems Modifications – Caged*	Per cage	$110.17	
	Space Enclosure (100 sq. ft. minimum)			
PE1BW	Welded Wire-mesh	Per first 100 sq. ft.	$219.19	NA
PE1CW	Welded Wire-mesh	Per add'l 50 sq. ft.	$21.50	NA
PE1PJ	Floor Space	Per sq. ft.	$3.95	NA
PE1BD	Cable Installation	Per cable	NA	$1,621.00
PE1PM	Cable Support Structure	Per entrance cable	$21.33	NA
	Power			
PE1PL	-48V DC Power*	Per amp	$9.19	NA
PE1FB	120V AC Power single phase*	Per breaker amp	$5.67	-
PE1FD	240V AC Power single phase*	Per breaker amp	$11.36	-
PE1FE	120V AC Power three phase*	Per breaker amp	$17.03	-
PE1FG	277 AC Power three phase*	Per breaker amp	$39.33	-
	Cross Connects	Per cross connect		First/Add'l
PE1P2	2-wire		$.034	$33.75/$31.86
PE1P4	4-wire		$.068	$33.71/$31.75
PE1P1	DS-1		$1.12	$53.05/$39.96
PE1P3	DS-3		$14.21	$52.11/$38.68
PE1F2	2-fiber		$2.82	$52.11/$38.69
PE1F4	4-fiber		$5.01	$64.69/$51.26

SOUTH CAROLINA (continued)				
USOC	**Rate Element Description**	**Unit**	**Recurring Rate (RC)**	**Non-Recurring Rate (NRC)**
PE1AX	Security Access System Security System*	Per premises	$74.12	
PE1A1	New Access Card Activation*	Per card	$.060	$55.70
PE1AA	Administrative change, existing card*	Per card		$15.62
PE1AR	Replace lost or stolen card	Per card		$45.66
PE1AK	Initial Key	Per key	NA	$26.25
PE1AL	Replace lost or stolen key	Per key	NA	$26.25
PE1SR	Space Availability Report*	Per premises requested		$2,155.00
	POT Bay Arrangements *Prior to 6/1/99*	Per cross-connect		
PE1PE	2-Wire Cross-Connect		$0.1091	NA
PE1PF	4-Wire Cross-Connect		$0.2181	NA
PE1PG	DS1 Cross-Connect		$0.9004	NA
PE1PH	DS3 Cross-Connect		$5.64	NA
PE1B2	2 Fiber Cross-Connect		$37.36	NA
PE1B4	4 Fiber Cross-Connect		$50.38	NA
	Security Escort	Per half hr./Add'l half hr.		
PE1BT	Basic Time		NA	$33.92/$21.50
PE1OT	Overtime		NA	$44.19/$27.77
PE1PT	Premium Time		NA	$54.45/$34.04
	Cable Records[1]			**Note 2**
				Initial/subsequent
PE1CR	Cable Records	Per request	NA	$1712/$1168
PE1CD	VG/DS0 Cable	Per cable record	NA	$925.57/$925.57
PE1CO	VG/DS0 Cable	Per each 100 pair	NA	$18.06/$18.06
PE1C1	DS1	Per T1TIE	NA	$8.45/$8.45
PE1C3	DS3	Per T3TIE	NA	$29.59/$29.59
PE1CB	Fiber Cable	Per cable record	NA	$279.57/$279.57

EXHIBIT A: BELLSOUTH/Yipes RATES – SOUTH CAROLINA PHYSICAL COLLOCATION (continued)

Note(s):

N/A refers to rate elements which do not have a negotiated rate.

Note1: Cable records charges apply for work required to build cable records in company systems. The VG/DS0 per cable record charge is for a maximum of 3600 records. The Fiber cable record charge is for a maximum of 99 records.

Note 2: The initial charge applies when the cables are first installed and inventoried. The subsequent charge applies when additional cables are installed and inventoried at the same location.

EXHIBIT A: BELLSOUTH/Yipes RATES – TENNESSEE PHYSICAL COLLOCATION

*** Rates are interim and are subject to true-up.**

USOC	Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
PE1BA	Application Fee	Per request	NA	$3,767.00
PE1CA	Subsequent Application Fee	Per request	NA	$3,140.00 Minimum
	Space Preparation Fees			
PE1SJ	Firm Order Processing*			$1,204.00
PE1SK	Central Office Modifications*	Per sq. ft.	$2.74	
PE1SL	Common Systems Modifications – Cageless*	Per sq. ft.	$2.95	
PE1SM	Common Systems Modifications – Caged*	Per cage	$100.14	
	Space Enclosure (100 sq. ft. minimum)			
PE1BW	Welded Wire-mesh	Per first 100 sq. ft.	$218.53	NA
PE1CW	Welded Wire-mesh	Per add'l 50 sq. ft.	$21.44	NA
PE1PJ	Floor Space	Per sq. ft.	$6.75	NA
PE1BD	Cable Installation	Per cable	NA	$1,757.00
PE1PM	Cable Support Structure	Per entrance cable	$19.80	NA
	Power			
PE1PL	-48V DC Power*	Per amp	$8.87	NA
PE1FB	120V AC Power single phase*	Per breaker amp	$5.60	-
PE1FD	240V AC Power single phase*	Per breaker amp	$11.22	-
PE1FE	120V AC Power three phase*	Per breaker amp	$16.82	-
PE1FG	277 AC Power three phase*	Per breaker amp	$38.84	-
	Cross Connects	Per cross connect		First/Add'l
PE1P2	2-wire		$0.033	$33.82/$31.92
PE1P4	4-wire		$0.066	$33.94/$31.95
PE1P1	DS-1		$1.51	$53.27/$40.16
PE1P3	DS-3		$19.26	$52.37/$38.89
PE1F2	2-fiber		$3.82	$52.37/$38.89
PE1F4	4-fiber		$6.79	$65.03/$51.55

TENNESSEE (continued)				
USOC	**Rate Element Description**	**Unit**	**Recurring Rate (RC)**	**Non-Recurring Rate (NRC)**
PE1AX	Security Access System Security System	Per premises	$55.99	
PE1A1	New Access Card Activation	Per card	$.059	$55.67
PE1AA	Administrative change, existing card	Per card		$15.61
PE1AR	Replace lost or stolen card	Per card		$45.64
PE1AK	Initial Key	Per key	NA	$26.24
PE1AL	Replace lost or stolen key	Per key	NA	$26.24
PE1SR	Space Availability Report*	Per premises requested		$2,154.00
	POT Bay Arrangements *Prior to 6/1/99*	Per cross-connect		
PE1PE	2-Wire Cross-Connect		$0.40	NA
PE1PF	4-Wire Cross-Connect		$1.20	NA
PE1PG	DS1 Cross-Connect		$1.20	NA
PE1PH	DS3 Cross-Connect		$8.00	NA
PE1B2	2 Fiber Cross-Connect		$38.79	NA
PE1B4	4 Fiber Cross-Connect		$52.31	NA
	Security Escort	Per half hr./Add'l half hr.		
PE1BT	Basic Time		NA	$33.91/$21.49
PE1OT	Overtime		NA	$44.17/$27.76
PE1PT	Premium Time		NA	$54.42/$34.02
	Cable Records[1]			**Note 2** Initial/subsequent
PE1CR	Cable Records	Per request	NA	$1711/$1168
PE1CD	VG/DS0 Cable	Per cable record	NA	$925.06/$925.06
PE1CO	VG/DS0 Cable	Per each 100 pair	NA	$18.05/$18.05
PE1C1	DS1	Per T1TIE	NA	$8.45/$8.45
PE1C3	DS3	Per T3TIE	NA	$29.57/$29.57
PE1CB	Fiber Cable	Per cable record	NA	$279.42/$279.42

Note(s):

N/A refers to rate elements which do not have a negotiated rate.

Note1: Cable records charges apply for work required to build cable records in company systems. The VG/DS0 per cable record charge is for a maximum of 3600 records. The Fiber cable record charge is for a maximum of 99 records.

Note 2: The initial charge applies when the cables are first installed and inventoried. The subsequent charge applies when additional cables are installed and inventoried at the same location.

EXHIBIT B

ENVIRONMENTAL AND SAFETY PRINCIPLES

The following principles provide basic guidance on environmental and safety issues when applying for and establishing Physical Collocation arrangements.

1. GENERAL PRINCIPLES

1.1 Compliance with Applicable Law. BellSouth and Yipes agree to comply with applicable federal, state, and local environmental and safety laws and regulations including U.S. Environmental Protection Agency (USEPA) regulations issued under the Clean Air Act (CAA), Clean Water Act (CWA), Resource Conservation and Recovery Act (RCRA), Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), Superfund Amendments and Reauthorization Act (SARA), the Toxic Substances Control Act (TSCA), and OSHA regulations issued under the Occupational Safety and Health Act of 1970, as amended and NFPA and National Electrical Codes (NEC) and the NESC ("Applicable Laws"). Each Party shall notify the other if compliance inspections are conducted by regulatory agencies and/or citations are issued that relate to any aspect of this Attachment.

1.2 Notice. BellSouth and Yipes shall provide notice to the other, including Material Safety Data Sheets (MSDSs), of known and recognized physical hazards or Hazardous Chemicals existing on site or brought on site. Each Party is required to provide specific notice for known potential Imminent Danger conditions. Yipes should contact 1-800-743-6737 for BellSouth MSDS sheets.

1.3 Practices/Procedures. BellSouth may make available additional environmental control procedures for Yipes to follow when working at a BellSouth Premises (See Section 2, below). These practices/procedures will represent the regular work practices required to be followed by the employees and contractors of BellSouth for environmental protection. Yipes will require its contractors, agents and others accessing the BellSouth Premises to comply with these practices. Section 2 lists the Environmental categories where BST practices should be followed by CLEC when operating in the BellSouth Premises.

1.4 Environmental and Safety Inspections. BellSouth reserves the right to inspect the Yipes space with proper notification. BellSouth reserves the right to stop any Yipes work operation that imposes Imminent Danger to the environment, employees or other persons in the area or Facility.

1.5 Hazardous Materials Brought On Site. Any hazardous materials brought into, used, stored or abandoned at the BellSouth Premises by Yipes are owned by Yipes. Yipes will indemnify BellSouth for claims, lawsuits or damages to persons or property caused by these materials. Without prior written BellSouth approval, no substantial new safety or environmental hazards can be created by Yipes or different hazardous

materials used by Yipes at BellSouth Facility. Yipes must demonstrate adequate emergency response capabilities for its materials used or remaining at the BellSouth Facility.

1.6 Spills and Releases. When contamination is discovered at a BellSouth Premises, the Party discovering the condition must notify BellSouth. All Spills or Releases of regulated materials will immediately be reported by Yipes to BellSouth.

1.7 Coordinated Environmental Plans and Permits. BellSouth and Yipes will coordinate plans, permits or information required to be submitted to government agencies, such as emergency response plans, spill prevention control and countermeasures (SPCC) plans and community reporting. If fees are associated with filing, BellSouth and Yipes will develop a cost sharing procedure. If BellSouth's permit or EPA identification number must be used, Yipes must comply with all of BellSouth's permit conditions and environmental processes, including environmental "best management practices (BMP)" (see Section 2, below) and/or selection of BST disposition vendors and disposal sites.

1.8 Environmental and Safety Indemnification. BellSouth and Yipes shall indemnify, defend and hold harmless the other Party from and against any claims (including, without limitation, third-party claims for personal injury or death or real or personal property damage), judgments, damages, (including direct and indirect damages, and punitive damages), penalties, fines, forfeitures, costs, liabilities, interest and losses arising in connection with the violation or alleged violation of any Applicable Law or contractual obligation or the presence or alleged presence of contamination arising out of the acts or omissions of the indemnifying Party, its agents, contractors, or employees concerning its operations at the Facility.

2. CATEGORIES FOR CONSIDERATION OF ENVIRONMENTAL ISSUES

When performing functions that fall under the following Environmental categories on BellSouth's Premises, Yipes agrees to comply with the applicable sections of the current issue of BellSouth's Environmental and Safety Methods and Procedures (M&Ps), incorporated herein by this reference. Yipes further agrees to cooperate with BellSouth to ensure that Yipes' employees, agents, and/or subcontractors are knowledgeable of and satisfy those provisions of BellSouth's Environmental M&Ps which apply to the specific Environmental function being performed by Yipes, its employees, agents and/or subcontractors.

The most current version of reference documentation must be requested from BellSouth.

ENVIRONMENTAL CATEGORIES	ENVIRONMENTAL ISSUES	ADDRESSED BY THE FOLLOWING DOCUMENTATION
Disposal of hazardous material or other regulated material (e.g., batteries, fluorescent tubes, solvents & cleaning materials)	Compliance with all applicable local, state, & federal laws and regulations Pollution liability insurance EVET approval of contractor	• Std T&C 450 • Fact Sheet Series 17000 • Std T&C 660-3 • Approved Environmental Vendor List (Contact E/S Management)
Emergency response	Hazmat/waste release/spill firesafety emergency	• Fact Sheet Series 1700 • Building Emergency Operations Plan (EOP) (specific to and located on Premises)
Contract labor/outsourcing for services with environmental implications to be performed on BellSouth Premises (e.g., disposition of hazardous material/waste; maintenance of storage tanks)	Compliance with all applicable local, state, & federal laws and regulations Performance of services in accordance with BST's environmental M&Ps Insurance	• Std T&C 450 • Std T&C 450-B • (Contact E/S for copy of appropriate E/S M&Ps.) • Std T&C 660
Transportation of hazardous material	Compliance with all applicable local, state, & federal laws and regulations Pollution liability insurance EVET approval of contractor	• Std T&C 450 • Fact Sheet Series 17000 • Std T&C 660-3 • Approved Environmental Vendor List (Contact E/S Management)
Maintenance/operations work which may produce a waste Other maintenance work	Compliance with all application local, state, & federal laws and regulations Protection of BST employees and equipment	• Std T&C 450 • 29CFR 1910.147 (OSHA Standard) • 29CFR 1910 Subpart O (OSHA Standard)
Janitorial services	All waste removal and disposal must conform to all applicable	• P&SM Manager - Procurement

	federal, state and local regulations All Hazardous Material and Waste Asbestos notification and protection of employees and equipment	Procurement • Fact Sheet Series 17000 • GU-BTEN-001BT, Chapter 3 • BSP 010-170-001BS (Hazcom)
Manhole cleaning	Compliance with all applicable local, state, & federal laws and regulations Pollution liability insurance EVET approval of contractor	• Std T&C 450 • Fact Sheet 14050 • BSP 620-145-011PR Issue A, August 1996 • Std T&C 660-3 • Approved Environmental Vendor List (Contact E/S Management)
Removing or disturbing building materials that may contain asbestos	Asbestos work practices	• GU-BTEN-001BT, Chapter 3

3. DEFINITIONS

Generator. Under RCRA, the person whose act produces a Hazardous Waste, as defined in 40 CFR 261, or whose act first causes a Hazardous Waste to become subject to regulation. The Generator is legally responsible for the proper management and disposal of Hazardous Wastes in accordance with regulations.

Hazardous Chemical. As defined in the U.S. Occupational Safety and Health (OSHA) hazard communication standard (29 CFR 1910.1200), any chemical which is a health hazard or physical hazard.

Hazardous Waste. As defined in section 1004 of RCRA.

Imminent Danger. Any conditions or practices at a facility which are such that a danger exists which could reasonably be expected to cause immediate death or serious harm to people or immediate significant damage to the environment or natural resources.

Spill or Release. As defined in Section 101 of CERCLA.

4. ACRONYMS

E/S – Environmental/Safety

EVET - Environmental Vendor Evaluation Team

DEC/LDEC - Department Environmental Coordinator/Local Department Environmental Coordinator

GU-BTEN-001BT - BellSouth Environmental Methods and Procedures

NESC - National Electrical Safety Codes

P&SM - Property & Services Management

Std. T&C - Standard Terms & Conditions

AWG-6

FEDERAL COMMUNICATIONS COMMISSION
MEMORANDUM OPINION AND ORDER
CC DOCKET NO. 98-147
RELEASED: FEBRUARY 21, 2001

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Deployment of Wireline Services Offering	)	CC Docket No. 98-147
Advanced Telecommunications Capability	)	

MEMORANDUM OPINION AND ORDER

Adopted: February 20, 2001 **Released:** February 21, 2001

By the Acting Deputy Chief, Common Carrier Bureau:

I. INTRODUCTION

1. In this Order, we address a request that the Commission waive certain aspects of its *Collocation Reconsideration Order*.[1] For the reasons set forth below, we grant BellSouth Corporation and BellSouth Telecommunications, Inc. (collectively, "BellSouth") a conditional waiver of certain aspects of the *Collocation Reconsideration Order* pending Commission action on petitions for reconsideration of the 90-day provisioning interval.

II. BACKGROUND

2. On August 10, 2000, the Commission released the *Collocation Reconsideration Order*, which established national standards for processing physical collocation applications and provisioning physical collocation arrangements. Specifically, the Commission required that an incumbent local exchange carrier ("incumbent LEC") must tell a requesting telecommunications carrier whether a collocation application has been accepted or denied within ten calendar days after receiving the application, in instances where neither the state nor the parties to an interconnection agreement set a different deadline.[2] The Commission also required that an incumbent LEC must complete physical collocation provisioning within 90 calendar days after receiving an acceptable collocation application, except to the extent a state sets its own

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[1] *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket No. 98-147, Order on Reconsideration and Second Further Notice of Proposed Rulemaking, 2000 WL 1128623 (rel. Aug. 10, 2000) ("*Collocation Reconsideration Order*"). A summary of the *Collocation Reconsideration Order* was published at 65 Fed. Reg. 54433 (Sept. 8, 2000) ("*Collocation Summary*").

[2] *Collocation Reconsideration Order*, *supra* note 1, at ¶ 24.

collocation provisioning standard or an interconnection agreement between an incumbent LEC and a requesting carrier sets an alternative standard.[3]

3. In the *Collocation Reconsideration Order*, the Commission recognized that an incumbent LEC may have filed with the state commission a statement of generally available terms ("SGAT") or a tariff that sets forth the rates, terms, and conditions under which the incumbent LEC provides physical collocation. The Commission required that an incumbent LEC must file with the state commission any amendments necessary to bring its SGAT or physical collocation tariff into compliance with the national standards. The Commission specified that these amendments would be due 30 days after the *Collocation Reconsideration Order's* effective date (*i.e.*, by November 9, 2000).[4] The Commission also specified that the national standards would take effect within 60 days after the amendments filing for SGATs (*i.e.*, by January 8, 2001), and at the earliest point permissible under state law for tariffs, except to the extent the state commission specifies other application processing or provisioning intervals for a particular type of collocation arrangement.[5]

4. On November 7, 2000, the Common Carrier Bureau granted Verizon, SBC and Qwest conditional waivers of certain aspects of the *Collocation Reconsideration Order* pending Commission action on these carriers' petitions for reconsideration of the 90-day provisioning interval.[6] The Bureau also clarified that the November 9, 2000 deadline for amending SGATs and collocation tariffs applies only to the extent a state has not affirmatively set its own application processing and provisioning standards for physical collocation. Finally, the Bureau Order clarified that a state commission does not set such standards when it permits application processing and provisioning intervals to take effect without an affirmative determination that they comply with section 251(c)(6) of the Communications Act of 1934, as amended ("*Communications Act*" or "*Act*").[7]

5. On December 1, 2000, BellSouth filed a petition for conditional waiver of the 90-day collocation interval established in the *Collocation Reconsideration Order*. Specifically, BellSouth requests the same conditional waiver from the 90-day collocation interval that we granted Verizon and SBC in the *Collocation Waiver Order*. On December 18, 2000, BellSouth filed an *ex parte* letter indicating there are three states in which the state commission has not yet

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[3] *Id.* at ¶ 29.

[4] *See id.* at ¶ 36; *see also Collocation Summary*, 65 Fed. Reg. at 54433 (establishing an October 10, 2000 effective date for certain rules adopted in the *Collocation Reconsideration Order*); *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, 65 FR 57291 (Sept. 22, 2000) (establishing the same effective date for the remaining rules adopted in that *Order*).

[5] *Collocation Reconsideration Order*, *supra* note 1, at ¶ 36.

[6] *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket No. 98-147, Memorandum Opinion and Order, DA 00-2528 (Com. Car. Bur. rel. Nov. 7, 2000) ("*Collocation Waiver Order*").

[7] 47 U.S.C. § 251(c)(6).

set its own interval standard. Those states are Alabama, North Carolina, and Tennessee.[8] ITC^DeltaCom, Inc. d/b/a ITC^DeltaCom Communications, Inc. ("ITC^DeltaCom") and WorldCom, Inc. ("WorldCom") oppose BellSouth's waiver request.

III. DISCUSSION

A. Waiver Request

6. We grant, in part, the petition of BellSouth for a conditional waiver of certain aspects of the *Collocation Reconsideration Order* pending Commission action on petitions for reconsideration of that *Order*. Specifically, BellSouth requests waiver of the 90-day provisioning interval set by the Commission in the *Collocation Reconsideration Order* pending Commission reconsideration of that interval. BellSouth proposes that its waiver be conditioned on compliance with alternative application processing and provisioning standards for physical collocation identical to the standards set for SBC and Verizon in the *Collocation Waiver Order*. We conclude that the equities favor the grant of the waiver only because we find that the alternative intervals upon which we condition the waiver will not create substantial additional delay in the provisioning of physical collocation space to competitors. Thus, by granting the waiver, we in no way retreat from the Commission's determination that a national standard for such intervals is essential in the absence of state commission action on such intervals. Accordingly, we condition the waiver on petitioner's implementation of those standards to the extent states within petitioner's region have not set their own application processing or provisioning standards for BellSouth's physical collocation operations.

7. As stated in our *Collocation Waiver Order*, the Commission may waive any provision of its rules for good cause shown.[9] In their petitions for reconsideration of the *Collocation Reconsideration Order*, Verizon, SBC, and Qwest raised issues as to whether the 90-day interval is appropriate, either generally or for particular types of arrangements. We also noted in the *Collocation Waiver Order* that these petitions for reconsideration and the comments on them greatly expand the record on reasonable physical collocation intervals beyond what was available to the Commission when it adopted the *Collocation Reconsideration Order*. While we express no opinion on the merits of these petitions for reconsideration or on what action the Commission might take in response to them, this greatly expanded record countenances pause

[8] The Alabama Public Service Commission ("Alabama Commission") filed comments in response to BellSouth's waiver request.

[9] 47 C.F.R. § 1.3. A rule may be waived where the particular facts make strict compliance inconsistent with the public interest. *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (*Northeast Cellular*). In addition, we may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis. *WAIT Radio v. FCC*, 418 F.2d 1153, 1157 (D.C. Cir. 1969), *cert. denied*, 409 U.S. 1027 (1972) (*WAIT Radio*).

before we insist on absolute compliance with that *Order*. Consequently, we reject WorldCom's argument that the requisite "good cause" has not been provided.[10]

8. An additional consideration is that, in adopting the application processing and provisioning standards, the Commission specified that an incumbent LEC need not comply with them to the extent a state sets its own standards for physical collocation.[11] Granting the interim waiver requested by BellSouth will give state commissions additional time to evaluate whether different intervals are more appropriate in their states, as contemplated in the *Collocation Reconsideration Order*. At the same time, we continue to believe that it would be unfair to competitive local exchange carriers ("competitive LECs") to allow any incumbent LEC to continue the collocation provisioning performance that led us to adopt the national application processing and collocation provisioning standards. That performance, as the Commission determined in the *Collocation Reconsideration Order*, has substantially delayed many competitive LECs' efforts to obtain physical collocation and has impeded competitive LECs' ability to provide facilities-based service in much of the country.[12]

9. We therefore conclude that the public interest would be best served by conditioning waiver on BellSouth's commitment to meet reasonable alternative provisioning intervals. Accordingly, we condition our grant on petitioner's adoption of interim application processing and provisioning intervals in accordance with the procedures specified for SBC and Verizon in the *Collocation Waiver Order*. These intervals will remain in effect pending Commission action on the petitions for reconsideration of the *Collocation Reconsideration Order*, except to the extent a state sets its own intervals. These intervals will provide meaningful relief to many competitive LECs, without forcing BellSouth to implement the national standards prior to any federal or state consideration of their arguments that the current standards are unreasonably short. Moreover, we find that this waiver test is consistent with the Commission's goal in the *Collocation Reconsideration Order* of substantially reducing the delays competitive LECs encounter in seeking to use physical collocation to compete against incumbent LECs.[13]

10. BellSouth's request for the same conditional waiver of the 90-day interval that was granted to Verizon and SBC in the *Collocation Waiver Order* is a reasonable one. Pursuant to those waivers, Verizon and SBC are required to adhere to collocation intervals adopted by the New York Public Service Commission ("New York Commission"). Specifically, those waivers were, and this waiver is, conditioned upon compliance with New York Commission requirements that the incumbent LEC notify a requesting carrier whether its request can be accommodated within eight business days (roughly, 11 calendar days) of the incumbent LEC's receipt of a physical collocation application. Competitive LECs that have properly forecast their collocation demands are entitled to obtain physical collocation space within 76 business days

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[10] WorldCom Comments at 2-3.

[11] *Collocation Reconsideration Order*, *supra* note 1, at ¶¶ 24 & 29.

[12] *Id.* at ¶¶ 20-21.

[13] *See id.* at ¶ 20-23.

(roughly, 105 calendar days) when conditioned space is available. In addition, the New York Commission requires Verizon to provision arrangements involving major construction or special applicant requirements within 91 business days (roughly, 126 calendar days).[14] These provisioning intervals can be extended for 20 business days (roughly, 28 calendar days) if collocation space is not readily available and up to three months if the competitive LEC has not properly forecast its collocation demands.[15] The New York Commission also requires that Verizon provision augments to existing collocation arrangements within 45 business days (roughly, 63 calendar days) of receiving a competitive LEC's application.[16] As we stated in the *Collocation Waiver Order*, the New York Commission's standards are generally consistent with the Commission's goals, as set forth in the *Collocation Reconsideration Order* and we accordingly condition this waiver on compliance with these standards.[17]

11. We remain concerned, however, that the New York Commission's standards may result in excessively long intervals in instances where a competitive LEC has not properly forecast its collocation demands. For instance, under the New York standards, a failure to submit a timely and accurate forecast could subject a competitive LEC to intervals as long as 195 days for arrangements that do not involve major construction or special applicant requirements. In the context of this interim waiver order, we continue to find that this aspect of the New York standard would unfairly disadvantage competitors.[18] We therefore will allow BellSouth to increase the provisioning interval for a proposed physical collocation arrangement by no more than 60 calendar days in the event a competitive LEC fails to provide a timely and accurate forecast. WorldCom argues that BellSouth has gone beyond seeking to extend the terms of the *Collocation Waiver Order* to itself by also requesting that the Commission order competitive LECs to provide two-year forecasts.[19] We do not believe that it is a fair reading of BellSouth's request. In any event, the waiver we grant herein does not allow BellSouth to increase provisioning intervals due to failure of a competitive LEC to submit a timely and accurate forecast unless the competitive LEC has not properly forecast its collocation requirements three months in advance.[20] We expect BellSouth to use its best efforts to minimize any such increases, particularly during the initial implementation period when many competitive LECs may still be in the process of preparing their forecasts. In addition, absent a competitive LEC's express

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[14] Verizon Petition for Waiver at Attachment C.

[15] Verizon Petition for Waiver at Attachment C. We note that the New York Commission standards provide for no penalty for inaccurate competitive LEC forecasts, other than an increase in provisioning intervals.

[16] *Proceeding on Motion of the Commission to Examine Issues Concerning the Provision of Digital Subscriber Line Services*, Opinion and Order Concerning Verizon's Provision of DSL Capabilities, Opinion No. 00-12, 8-10 (New York PSC, Oct. 31, 2000) ("*New York PSC Opinion No. 00-12*").

[17] *See Collocation Waiver Order at ¶ 14.*

[18] *Id. at* ¶ 15.

[19] WorldCom Comments at 3.

[20] *See* Verizon Petition for Waiver at Attachment C.

approval, BellSouth must use collocation forecasts obtained from the competitive LEC only for purposes of providing that carrier with reasonable and nondiscriminatory collocation arrangements.[21]

12. Subject to these modifications, we find that the New York Commission standards, including the 45 business day interval for augments, meet our criterion for an interim waiver of the national standards. To the extent any state has affirmatively specified different application processing or provisioning intervals for BellSouth's operations within that state, BellSouth, of course, must implement the alternative intervals in that state. For example, the Alabama Public Service Commission ("Alabama Commission") filed comments regarding BellSouth's waiver request to inform the Commission that the Alabama Commission has issued a decision on cageless collocation provisioning intervals and anticipates issuing a decision on additional collocation processing and provisioning intervals in the near future.[22] To the extent a state has set application processing or provisioning intervals for particular types of BellSouth collocation arrangements, BellSouth must implement those intervals in that state.[23] To the extent a state does not set such intervals, BellSouth must comply with the conditional waiver granted in this *Order*. BellSouth would be required to comply with any new state provisioning intervals when the state sets those intervals.

B. Implementing Procedures

13. In order to implement the conditions discussed above and thereby to effectuate the requested waivers, BellSouth must offer to provide all forms of physical collocation in accordance with those intervals, except to the extent a state has affirmatively specified its own application processing and collocation interval deadlines. These offers must be consistent with the procedures set forth in the *Collocation Reconsideration Order*.[24] BellSouth also must file with the state commissions any amendments necessary to bring its SGATs or collocation tariffs into compliance with the interim standards.[25] BellSouth will have fifteen days from the release of this Order to file these amendments. The interim standards shall take effect within 60 days after the amendments filing for SGATs, and at the earliest point permissible under state law for

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21 47 U.S.C. § 222.

22 *See* Alabama Commission Comments at 2. *See also* ITC^DeltaCom Comments at 2 (noting that the Alabama Commission, the Georgia Public Service Commission, and the Tennessee Regulatory Authority have issued orders regarding cageless collocation applications).

23 *See Collocation Reconsideration Order* at ¶ 37.

24 *See Collocation Reconsideration Order, supra* note 1, at ¶¶ 33-34.

25 *Id.* at ¶ 36.

tariffs, except to the extent the state commission affirmatively specifies other application processing or provisioning intervals for a particular type of collocation arrangement.[26]

II. ORDERING CLAUSES

14. Accordingly, IT IS ORDERED, pursuant to sections 1-4, 201, 202, 251-254, 256, 271, and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154, 201, 202, 251-254, 256, 271, 303(r), and authority delegated under sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, that the Petition for Conditional Waiver filed December 1, 2000 by BellSouth Corporation and BellSouth Telecommunications, Inc. IS GRANTED TO THE EXTENT STATED HEREIN AND OTHERWISE DENIED, subject to the conditions stated in part III.A of this *Memorandum Opinion and Order*. BellSouth must implement the application processing and provisioning intervals for physical collocation described in Attachment C to Verizon's Petition for Conditional Waiver, as modified by the New York Commission in Opinion No. 00-12, subject to the modifications set forth in this Order.

15. IT IS FURTHER ORDERED that the conditional waiver granted in this *Memorandum Opinion and Order* IS EFFECTIVE IMMEDIATELY UPON RELEASE, in accordance with Section 1.103 of the Commission's rules, 47 C.F.R. § 1.103.

FEDERAL COMMUNICATIONS COMMISSION

Glenn T. Reynolds
Acting Deputy Chief
Common Carrier Bureau

[26] *Id.* The conditional waiver we grant BellSouth in this *Order* will take effect immediately upon this Order's release.

AWG-7

LETTER FROM ROBERT T. BLAU
TO MR. LAWRENCE E. STRICKLING
DATED: APRIL 14, 2000

BELLSOUTH

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Washington, D.C. 20036-3351

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Robert T. Blau, Ph.D., CFA
Vice President-Executive and
Federal Regulatory Affairs

202 463-4108
Fax 202 463-4631

April 14, 2000

Mr. Lawrence E. Strickling
Chief, Common Carrier Bureau
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: BellSouth's Collocation Arrangements

Dear Larry:

In response to your request, this will confirm BellSouth's position regarding the continuance of existing collocation arrangements and the provisioning of new collocation arrangements within its central offices in the light of the recent Court of Appeals decision regarding collocation. *GTE Services Corporation, et al., v. FCC*, No. 99-1176 (D.C. Cir. March 17, 2000)

BellSouth developed the terms and conditions for its collocation contracts based upon the collocation orders issued by the Commission. BellSouth continues to work hard to make each existing collocation contract conform to both the spirit and letter of these orders. This includes the collocation requirements set forth in the Commission's *First Report and Order* released on March 31, 1999. Moreover, BellSouth implements all collocation arrangements with CLECs pursuant to the collocation contracts in place with those CLECs until such time as those contracts are amended or renegotiated. Consequently, the implementation of each collocation arrangement conforms to the requirements established in the Commission's orders.

BellSouth will continue to honor all existing collocation contracts with CLECs. This includes continuing to process all requests for collocation consistent with the terms of the contract and allowing equipment that is currently in place to remain in its collocation space. Accordingly, regardless of the recent Court of Appeals' decision, BellSouth will not change existing collocation arrangements or procedures for processing requests under any existing collocation contract during the life of such contracts or until the Commission issues new rules regarding collocation. Upon issuance of new rules, BellSouth will seek to amend existing contracts, in accordance with the terms of the contracts, to comply with the new rules.

Once a CLEC's contract expires, BellSouth may propose new language consistent with the Court of Appeals' decision that vacated portions of the Commission's rules established in the *First Report and Order*. Regarding existing collocation arrangements that do not conform to the Court of Appeals' decision, however, BellSouth will allow the equipment already installed in such arrangements to remain in place and will grandfather the already installed equipment in those arrangements under any new contract negotiated with the CLEC. BellSouth's willingness to grandfather such arrangements that do not conform to the Court of Appeal's decision is conditioned upon the Commission not treating such a grandfather clause as discriminatory. Should the Commission or a state commission assert that the grandfather clause is discriminatory or that other CLECs can opt into the grandfather clause under Section 51.809(e) of the Commission's rules, BellSouth reserves the right to terminate the grandfather clause and require the removal of non-conforming collocation arrangements.

Please contact me if you have any questions regarding BellSouth's positions discussed above.

Sincerely

Robert T. Blau

AWG-8

REMOTE SITE PHYSICAL COLLOCATION

Remote Site Physical Collocation

BELLSOUTH

REMOTE SITE PHYSICAL COLLOCATION

1. Scope of Attachment

1.1 Scope of Attachment. The rates, terms, and conditions contained within this Attachment shall only apply when Yipes is occupying the Remote Collocation Space as a sole occupant or as a Host within a Remote Site Location pursuant to Section 4.

All the negotiated rates, terms and conditions set forth in this Attachment pertain to Remote Site Collocation and the provisioning of Remote Collocation Space.

1.2 Right to occupy. BellSouth shall offer to Yipes Remote Site Collocation on rates, terms, and conditions that are just, reasonable, non-discriminatory and consistent with the rules of the Federal Communications Commission ("FCC"). Subject to the rates, terms, and conditions of this Attachment, BellSouth hereby grants to Yipes a right to occupy that certain area designated by BellSouth within a BellSouth Remote Site Location, of a size which is specified by Yipes and agreed to by BellSouth (hereinafter "Remote Collocation Space"). BellSouth Remote Site Locations include cabinets, huts, and controlled environmental vaults owned or leased by BellSouth that house BellSouth Network Facilities. To the extent this Attachment does not include all the necessary rates, terms and conditions for other BellSouth remote locations other than cabinets, huts and controlled environmental vaults, the Parties will negotiate said rates, terms, and conditions at the request for Remote Site collocation at BellSouth remote locations other than those specified above.

1.2.1 In all states other than Florida, the size specified by Yipes may contemplate a request for space sufficient to accommodate Yipes' growth within a two year period. Neither BellSouth nor any of BellSouth's affiliates may reserve space for future use on more preferential terms than those set forth above.

1.2.2 In the state of Florida, the size specified by Yipes may contemplate a request for space sufficient to accommodate Yipes' growth within an eighteen (18) month period.

1.3 Third Party Property. If the Premises, or the property on which it is located, is leased by BellSouth from a Third Party or otherwise controlled by a Third Party, special considerations and intervals may apply in addition to the terms and conditions of this Agreement. Additionally, where BellSouth notifies Yipes that BellSouth's agreement with a Third Party does not grant BellSouth the ability to provide access and use rights to others, upon Yipes' request, BellSouth will use its best efforts to obtain the owner's consent and to otherwise secure such rights for Yipes. Yipes agrees to reimburse BellSouth for the reasonable and demonstrable costs incurred by BellSouth in obtaining such rights for Yipes. In cases where a Third Party agreement does not grant BellSouth the right to provide access and use rights to others as contemplated by this Agreement and BellSouth, despite its best efforts, is unable to secure such access and use rights for Yipes as above, Yipes shall be responsible for obtaining such permission to access and use such property . BellSouth shall cooperate with Yipes in obtaining such permission.

1.4 Space Reclamation. In the event of space exhaust within a Remote Site Location, BellSouth may include in its documentation for the Petition for Waiver filing any vacant space in the Remote Site Location. Yipes will be responsible for any justification of vacant space within its Remote Collocation Space, if such justification is required by the appropriate state commission.

1.5 Use of Space. Yipes shall use the Remote Collocation Space for the purposes of installing, maintaining and operating Yipes' equipment (to include testing and monitoring equipment) necessary, for interconnection with BellSouth services and facilities, including access to unbundled network elements, as these terms are defined in the Act. The Remote Collocation Space may be used for no other purposes except as specifically described herein or authorized in writing by BellSouth.

1.6 Rates and charges. Yipes agrees to pay the rates and charges identified in Exhibit A attached hereto.

1.7 Due Dates. If any due date contained in this Attachment falls on a weekend or holiday, then the due date will be the next business day thereafter.

2. Space Notification

2.1 Availability of Space. Upon submission of an Application pursuant to Section 6, BellSouth will permit Yipes to physically collocate, pursuant to the terms of this Attachment, at any BellSouth Remote Site Location, unless BellSouth has determined that there is no space available due to space limitations or that Remote Site collocation is not practical for technical reasons. In the event space is not immediately available at a Remote Site Location, BellSouth reserves the right to make additional space available, in which

case the conditions in Section 6.5 shall apply, or BellSouth may elect to deny space in accordance with this section in which case virtual or adjacent collocation options may be available. If the amount of space requested is not available, BellSouth will notify Yipes of the amount that is available.

2.2 Availability Notification. Unless otherwise specified, BellSouth will respond to an application within ten (10) calendar days as to whether space is available or not available within a BellSouth Remote Site Location. This interval excludes National Holidays. If the amount of space requested is not available, BellSouth will notify Yipes of the amount of space that is available.

2.2.1 BellSouth will respond to a Florida Application within fifteen (15) calendar days as to whether space is available or not available within a BellSouth Remote Site Location. If the amount of space requested is not available, BellSouth will notify Yipes of the amount that is available.

2.2.2 BellSouth will respond to a Louisiana Application within ten (10) calendar days for space availability for one (1) to ten (10) Applications; fifteen (15) calendar days for eleven (11) to twenty (20) Applications; and for more than twenty (20) Applications, it is increased by five (5) calendar days for every five additional Applications received within five (5) business days. If the amount of space requested is not available, BellSouth will notify Yipes of the amount of space that is available.

2.2.3 BellSouth will respond to a Mississippi Application within ten (10) business days as to whether space is available or not available within a BellSouth Premises. If the amount of space requested is not available, BellSouth will notify Yipes of the amount of space that is available.

2.3 Reporting. Upon request from Yipes, BellSouth will provide a written report ("Space Availability Report") specifying the amount of Remote Collocation Space available at the Remote Site Location requested, the number of collocators present at the Remote Site Location, any modifications in the use of the space since the last report on the Remote Site Location requested and the measures BellSouth is taking to make additional space available for collocation arrangements.

2.3.1 The request from Yipes for a Space Availability Report must be written and must include the Common Language Location Identification ("CLLI")code for both the Remote Site Location and the serving central office. Such information regarding the CLLI code for the serving central offices located in the National Exchange Carriers Association (NECA) Tariff FCC No. 4. If Yipes is unable to obtain the CLLI code, from for example a site visit to the remote site, Yipes may request the CLLI code from BellSouth. To obtain a CLLI code for a remote site directly from BellSouth, Yipes should submit to

BellSouth a Remote Site Interconnection Request for Remote Site CLLI Code prior to submitting its request for a Space Availability Report. Yipes should complete all the requested information and submit the Request with the applicable fee to BellSouth.

2.3.2 BellSouth will respond to a request for a Space Availability Report for a particular Remote Site Location within ten (10) calendar days of receipt of such request. This interval excludes national holidays. BellSouth will make best efforts to respond in ten (10) calendar days to such a request when the request includes from two (2) to five (5) Remote Site Locations within the same state. The response time for requests of more than five (5) Remote Site Locations shall be negotiated between the Parties. If BellSouth cannot meet the ten calendar day response time, BellSouth shall notify Yipes and inform Yipes of the time frame under which it can respond.

2.3.3 In Mississippi, BellSouth will respond to a request for a Space Availability Report for a particular Remote Site Location within ten (10) business days of receipt of such request. BellSouth will make best efforts to respond in ten (10) business days to such a request when the request includes from two (2) to five (5) Remote Site Locations within the same state. The response time for requests of more than five (5) Remote Site Locations shall be negotiated between the Parties. If BellSouth cannot meet the ten business day response time, BellSouth shall notify Yipes and inform Yipes of the time frame under which it can respond.

2.4 Denial of Application. After notifying Yipes that BellSouth has no available space in the requested Remote Site Location ("Denial of Application"), BellSouth will allow Yipes, upon request, to tour the Remote Site Location within ten (10) calendar days of such Denial of Application. This interval excludes national holidays. In order to schedule said tour within ten (10) calendar days, the request for a tour of the Remote Site Location must be received by BellSouth within five (5) calendar days of the Denial of Application.

2.4.1 Denial of Application. In Mississippi, after notifying Yipes that BellSouth has no available space in the requested Premises ("Denial of Application"), BellSouth will allow Yipes, upon request, to tour the Remote Site Location within ten (10) business days of such Denial of Application. In order to schedule said tour within ten (10) business days, the request for a tour of the Remote Site Location must be received by BellSouth within five (5) business days of the Denial of Application.

2.5 Filing of Petition for Waiver. Upon Denial of Application BellSouth will timely file a petition with the Commission pursuant to 47 U.S.C. § 251(c)(6). BellSouth shall provide to the Commission any information requested by that

Commission. Such information shall include which space, if any, BellSouth or any of BellSouth's affiliates have reserved for future use and a detailed description of the specific future uses for which the space has been reserved. Subject to an appropriate nondisclosure agreement or provision, BellSouth shall permit Yipes to inspect any plans or diagrams that BellSouth provides to the Commission.

2.6 Waiting List. Unless otherwise specified, on a first-come, first-served basis governed by the date of receipt of an Application or Letter of Intent, BellSouth will maintain a waiting list of requesting carriers who have either received a Denial of Application or, where it is publicly known that the Remote Site Location is out of space, have submitted a Letter of Intent to collocate. BellSouth will notify the telecommunications carriers on the waiting list when space becomes available according to how much space becomes available and the position of telecommunications carrier on said waiting list. Yipes must submit an updated, complete, and correct Application to BellSouth within 30 calendar days (in Mississippi, 30 business days) or notify BellSouth in writing that Yipes wants to maintain its place on the waiting list either without accepting such space or accepting an amount of space less than its original request. If Yipes does not submit such an Application or notify BellSouth in writing as described above, BellSouth will offer such space to the next CLEC on the waiting list and remove Yipes from the waiting list. Upon request, BellSouth will advise Yipes as to its position on the list.

2.6.1 In Florida, on a first-come, first-served basis governed by the date of receipt of an Application or Letter of Intent, BellSouth will maintain a waiting list of requesting carriers who have either received a Denial of Application or, where it is publicly known that the Remote Site Location is out of space, have submitted a Letter of Intent to collocate. Sixty (60) days prior to space becoming available, if known, BellSouth will notify the Florida PSC and the telecommunications carriers on the waiting list by mail when space becomes available according to the position of telecommunications carrier on said waiting list. If not known sixty (60) days in advance, BellSouth shall notify the Florida PSC and the telecommunications carriers on the waiting list within two days of the determination that space is available.

2.7 Public Notification. BellSouth will maintain on its Interconnection Services website a notification document that will indicate all Remote Site Locations that are without available space. BellSouth shall update such document within ten (10) calendar days (in Mississippi, 10 business days)of the Denial of Application date. This interval excludes national holidays. BellSouth will also post a document on its Interconnection Services website that contains a general notice where space has become available in a Remote Site Location previously on the space exhaust list. BellSouth shall allocate said available space pursuant to the waiting list referenced in Section 2.6.

2.8 Regulatory Agency Procedures. Notwithstanding the foregoing, should any state or federal regulatory agency impose procedures or intervals different than procedures or intervals set forth in this section applicable to Yipes, whether now in effect or that become effective after execution of this Agreement, those procedures or intervals shall supersede the requirements set forth herein for all Applications submitted for the first time after the effective date thereof for that jurisdiction.

3. Collocation Options

3.1 Compliance. The parties agree to comply with all applicable federal, state, county, local and administrative laws, orders, rules, ordinances, regulations, and codes in the performance of their obligations hereunder.

3.2 Cageless. BellSouth shall allow Yipes to collocate Yipes' equipment and facilities without requiring the construction of a cage or similar structure. BellSouth shall allow Yipes to have direct access to its equipment and facilities. BellSouth shall make cageless collocation available in single rack/bay increments pursuant to Section 6. For equipment requiring special technical considerations, Yipes must provide the equipment layout, including spatial dimensions for such equipment pursuant to generic requirements contained in BellCore (Telcordia) GR-63-Core and shall be responsible for constructing all special technical requirements associated with such equipment pursuant to Section 6.8 following. Subject to space availability and technical feasibility, at Yipes' option, Yipes may enclose its equipment.

3.3 Shared (Subleased) Collocation. Yipes may allow other telecommunications carriers to share Yipes' Remote Site collocation arrangement pursuant to terms and conditions agreed to by Yipes ("Host") and other telecommunications carriers ("Guests") and pursuant to this section, except where the BellSouth Remote Site Location is located within a leased space and BellSouth is prohibited by said lease from offering such an option or is located on property for which BellSouth holds an easement and such easement does not permit such an option. Yipes shall notify BellSouth in writing upon execution of any agreement between the Host and its Guest within ten (10) calendar days (in Mississippi, 10 business days) of its execution and prior to any Firm Order. Further, such notice shall include the name of the Guest(s) and the term of the agreement, and shall contain a certification by Yipes that said agreement imposes upon the Guest(s) the same terms and conditions for Remote Collocation Space as set forth in this Attachment between BellSouth and Yipes.

3.3.1 Yipes shall be the sole interface and responsible Party to BellSouth for assessment of rates and charges contained within this Attachment; and for

the purposes of ensuring that the safety and security requirements of this Attachment are fully complied with by the Guest, its employees and agents. In all states other than Florida, and in addition to the foregoing, Yipes shall be the responsible party to BellSouth for the purpose of submitting Applications for initial and additional equipment placement of Guest. In the event the Host and Guest jointly submit an Application, only one Application Fee will be assessed. A separate Guest Application shall require the assessment of an Application Fee, as set forth in Exhibit A. Notwithstanding the foregoing, Guest may arrange directly with BellSouth for the provision of the interconnecting facilities between BellSouth and Guest and for the provision of the services and access to unbundled network elements.

3.3.2 Yipes shall indemnify and hold harmless BellSouth from any and all claims, actions, causes of action, of whatever kind or nature arising out of the presence of Yipes' Guests in the Remote Collocation Space except to the extent caused by BellSouth's sole negligence, gross negligence, or willful misconduct.

3.4 Adjacent Collocation. BellSouth will provide approval for adjacent Remote Site collocation arrangements ("Remote Site Adjacent Arrangement") where space within the Remote Site Location is legitimately exhausted, subject to technical feasibility, where the Remote Site Adjacent Arrangement does not interfere with access to existing or planned structures or facilities on the Remote Site Location property and where permitted by zoning and other applicable state and local regulations. The Remote Site Adjacent Arrangement shall be constructed or procured by Yipes and in conformance with BellSouth's design and construction specifications. Further, Yipes shall construct, procure, maintain and operate said Remote Site Adjacent Arrangement(s) pursuant to all of the terms and conditions set forth in this Attachment. Rates shall be negotiated at the time of the request for the Remote Site Adjacent Arrangement.

3.4.2 Should Yipes elect such an option, Yipes must arrange with a BellSouth Certified Contractor to construct a Remote Site Adjacent Arrangement structure in accordance with BellSouth's guidelines and specifications. BellSouth will provide guidelines and specifications upon request. Where local building codes require enclosure specifications more stringent than BellSouth's standard specification, Yipes and Yipes' BellSouth Certified Contractor must comply with local building code requirements. Yipes' BellSouth Certified Contractor shall be responsible for filing and receiving any and all necessary zoning, permits and/or licenses for such construction. Yipes' BellSouth Certified Contractor shall bill Yipes directly for all work performed for Yipes pursuant to this Attachment and BellSouth shall have no liability for nor responsibility to pay such charges imposed by the BellSouth Certified Contractor. Yipes must provide the local BellSouth Remote Site

Location contact with two cards, keys or other access device used to enter the locked enclosure. Except in cases of emergency, BellSouth shall not access Yipes' locked enclosure prior to notifying Yipes.

3.4.3 BellSouth maintains the right to review Yipes' plans and specifications prior to construction of a Remote Site Adjacent Arrangement(s). BellSouth shall complete its review within fifteen (15) calendar days. BellSouth may inspect the Remote Site Adjacent Arrangement(s) following construction and prior to the Commencement Date, as defined in Section 4.1 following, to ensure the design and construction comply with BellSouth's guidelines and specifications. BellSouth may require Yipes, at Yipes' sole cost, to correct any deviations from BellSouth's guidelines and specifications found during such inspection(s), up to and including removal of the Remote Site Adjacent Arrangement, within seven (7) calendar days of BellSouth's inspection, unless the Parties mutually agree to an alternative time frame.

3.4.4 Yipes shall provide a concrete pad, the structure housing the arrangement, heating/ventilation/air conditioning ("HVAC"), lighting, and all facilities that connect the structure (i.e. racking, conduits, etc.) to the BellSouth point of demarcation. At Yipes' option, and where the local authority having jurisdiction permits, BellSouth shall provide an AC power source and access to physical collocation services and facilities subject to the same nondiscriminatory requirements as applicable to any other physical collocation arrangement. Yipes' BellSouth Certified Contractor shall be responsible for filing and receiving any and all necessary zoning, permits and/or licenses for such arrangement.

3.4.5 BellSouth shall allow Shared (Subleased) Caged Collocation within a Remote Site Adjacent Arrangement pursuant to the terms and conditions set forth in Section 3.3 preceding.

4. Occupancy

4.1 Commencement Date. The "Commencement Date" shall be the day Yipes'"s equipment becomes operational as described in Article 4.2, following.

4.2 Occupancy. BellSouth will notify Yipes in writing that the Remote Collocation Space is ready for occupancy. Yipes must notify BellSouth in writing that collocation equipment installation is complete and is operational with BellSouth's network. BellSouth may, at its option, not accept orders for interconnected service until receipt of such notice. For purposes of this paragraph, Yipes' telecommunications equipment will be deemed operational when connected to BellSouth's network for the purpose of service provision.

4.3 Termination. Except where otherwise agreed to by the Parties, Yipes may terminate occupancy in a particular Remote Collocation Space upon thirty (30) calendar days prior written notice to BellSouth. Upon termination of such occupancy, Yipes at its expense shall remove its equipment and other property from the Remote Collocation Space. Yipes shall have thirty (30) calendar days from the termination date to complete such removal, including the removal of all equipment and facilities of Yipes' Guests; provided, however, that Yipes shall continue payment of monthly fees to BellSouth until such date as Yipes has fully vacated the Remote Collocation Space. Should Yipes or Yipes' Guest fail to vacate the Remote Collocation Space within thirty (30) calendar days from the termination date, BellSouth shall have the right to remove the equipment and other property of Yipes or Yipes' Guest at Yipes' expense and with no liability for damage or injury to Yipes or Yipes' Guest's property unless caused by the gross negligence or intentional misconduct of BellSouth. Upon termination of occupancy with respect to a Remote Collocation Space, Yipes shall surrender such Remote Collocation Space to BellSouth in the same condition as when first occupied by the Yipes except for ordinary wear and tear unless otherwise agreed to by the Parties. Yipes shall be responsible for the cost of removing any enclosure, together with all support structures (e.g., racking, conduits), of a Remote Site Adjacent Arrangement at the termination of occupancy and restoring the grounds to their original condition.

5. Use of Remote Collocation Space

5.1 Equipment Type. BellSouth permits the collocation of any type of equipment necessary for interconnection to BellSouth's network or for access to unbundled network elements , as these terms are defined in the Act.

5.1.1 Such equipment must at a minimum meet the following BellCore (Telcordia) Network Equipment Building Systems (NEBS) General Equipment Requirements: Criteria Level 1 requirements as outlined in the BellCore (Telcordia) Special Report SR-3580, Issue 1; equipment design spatial requirements per GR-63-CORE, Section 2; thermal heat dissipation per GR-063-CORE, Section 4, Criteria 77-79; acoustic noise per GR-063-CORE, Section 4, Criterion 128, and National Electric Code standards. . Except where otherwise required by a Commission, BellSouth shall comply with the applicable FCC rules relating to denial of collocation based on Yipes' failure to comply with this section.

5.1.2 Yipes shall not use the Remote Collocation Space for marketing purposes nor shall it place any identifying signs or markings in the area surrounding the Remote Collocation Space or on the grounds of the Remote Site Location.

5.1.3 Yipes shall place a plaque or other identification affixed to Yipes' equipment necessary to identify Yipes' equipment, including a list of emergency contacts with telephone numbers.

5.1.4 All Yipes equipment installation shall comply with BellSouth TR 73503-11, Section 8, "Grounding - Engineering Procedures." Metallic cable sheaths and metallic strength members of optical fiber cables as well as the metallic cable sheaths of all copper conductor cables shall be bonded to the designated grounding bus for the remote collocation site. All copper conductor pairs, working and non-working, shall be equipped with a solid state protector unit (over-voltage protection only) which has been listed by a nationally recognized testing laboratory.

5.2 Entrance Facilities. Yipes may elect to place Yipes-owned or Yipes-leased entrance facilities into the Remote Collocation Space from Yipes' point of presence. BellSouth will designate the point of interconnection at the Remote Site Location housing the Remote Collocation Space which is physically accessible by both Parties. Yipes will provide and place copper cable through conduit from the Remote Collocation Space to the Feeder Distribution Interface to the splice location of sufficient length for splicing by BellSouth. Yipes must contact BellSouth for instructions prior to placing the entrance facility cable . Yipes is responsible for maintenance of the entrance facilities.

5.2.1 Shared Use. Yipes may utilize spare capacity on an existing interconnector entrance facility for the purpose of providing an entrance facility to another Yipes collocation arrangement within the same BellSouth Remote Site Location.

5.3 Demarcation Point. BellSouth will designate the point(s) of demarcation between Yipes' equipment and/or network and BellSouth's network. Each Party will be responsible for maintenance and operation of all equipment/facilities on its side of the demarcation point. Yipes or its agent must perform all required maintenance to Yipes equipment/facilities on its side of the demarcation point, pursuant to Section 5.8, following

5.4 Yipes' Equipment and Facilities. Yipes, or if required by this Attachment, Yipes' BellSouth Certified Supplier, is solely responsible for the design, engineering, installation, testing, provisioning, performance, monitoring, maintenance and repair of the equipment and facilities used by Yipes.

5.5 BellSouth's Access to Remote Collocation Space. BellSouth retains the right to access the Remote Collocation Space for the purpose of making BellSouth equipment and Remote Site Location modifications

5.6 Access. Pursuant to Section 11, Yipes shall have access to the Remote Collocation Space twenty-four (24) hours a day, seven (7) days a week. Yipes agrees to provide the name and social security number or date of birth or driver's license number of each employee, contractor, or agents of Yipes or Yipes' Guests provided with access keys or devices ("Access Keys") prior to the issuance of said Access Keys. Key acknowledgement forms must be signed by Yipes and returned to BellSouth Access Management within 15 calendar days of Yipes' receipt. Failure to return properly acknowledged forms will result in the holding of subsequent requests until acknowledgements are current. Access Keys shall not be duplicated under any circumstances. Yipes agrees to be responsible for all Access Keys and for the return of all said Access Keys in the possession of Yipes employees, contractors, Guests, or agents after termination of the employment relationship, contractual obligation with Yipes or upon the termination of this Attachment or the termination of occupancy of an individual Remote Site collocation arrangement.

5.7 Lost or Stolen Access Keys. Yipes shall notify BellSouth in writing immediately in the case of lost or stolen Access Keys. Should it become necessary for BellSouth to re-key Remote Site Locations as a result of a lost Access Key(s) or for failure to return an Access Key(s), Yipes shall pay for all reasonable costs associated with the re-keying.

5.8 Interference or Impairment. Notwithstanding any other provisions of this Attachment, equipment and facilities placed in the Remote Collocation Space shall not significantly degrade, interfere with or impair service provided by BellSouth or by any other interconnector located in the Remote Site Location; shall not endanger or damage the facilities of BellSouth or of any other interconnector, the Remote Collocation Space, or the Remote Site Location; shall not compromise the privacy of any communications carried in, from, or through the Remote Site Location; and shall not create an unreasonable risk of injury or death to any individual or to the public. If BellSouth reasonably determines that any equipment or facilities of Yipes violates the provisions of this paragraph, BellSouth shall give written notice to Yipes, which notice shall direct Yipes to cure the violation within forty-eight (48) hours of Yipes' actual receipt of written notice or, at a minimum, to commence curative measures within 24 hours and to exercise reasonable diligence to complete such measures as soon as possible thereafter. After receipt of the notice, the Parties agree to consult immediately and, if necessary, to inspect the arrangement. Except in the case of the deployment of an advanced service which significantly degrades the performance of other advanced services or traditional voice band services, if Yipes fails to take curative action within 48 hours or if the violation is of a character which poses an immediate and substantial threat of damage to property, injury or death to any person, or other interference/impairment of the services provided by BellSouth or any

other interconnector, then and only in that event BellSouth may take such action as it deems appropriate to correct the violation, including without limitation the interruption of electrical power to Yipes' equipment. BellSouth will endeavor, but is not required, to provide notice to Yipes prior to taking such action and shall have no liability to Yipes for any damages arising from such action, except to the extent that such action by BellSouth constitutes gross negligence or willful misconduct. For purposes of this section, the term significantly degrade shall mean an action that noticeably impairs a service from a user's perspective. In the case of the deployment of an advanced service which significantly degrades the performance of other advanced services or traditional voice band services and Yipes fails to take curative action within 48 hours then BellSouth will establish before the relevant Commission that the technology deployment is causing the significant degradation. Any claims of network harm presented to Yipes or, if subsequently necessary, the relevant Commission, must be supported with specific and verifiable information. Where BellSouth demonstrates that a deployed technology is significantly degrading the performance of other advanced services or traditional voice band services, Yipes shall discontinue deployment of that technology and migrate its customers to technologies that will not significantly degrade the performance of other such services. Where the only degraded service itself is a known disturber, and the newly deployed technology satisfies at least one of the criteria for a presumption that is acceptable for deployment under 47 C.F.R. 51.230, the degraded service shall not prevail against the newly-deployed technology.

5.9 Presence of Facilities. Facilities and equipment placed by Yipes in the Remote Collocation Space shall not become a part of the Remote Site Location, even if nailed, screwed or otherwise fastened to the Remote Collocation Space but shall retain its status as personality and may be removed by Yipes at any time. Any damage caused to the Remote Collocation Space by Yipes' employees, agents or representatives shall be promptly repaired by Yipes at its expense.

5.10 Alterations. In no case shall Yipes or any person acting on behalf of Yipes make any rearrangement, modification, improvement, addition, repair, or other alteration which could affect in any way space, power, HVAC, and/or safety considerations to the Remote Collocation Space or the BellSouth Remote Site Location without the written consent of BellSouth, which consent shall not be unreasonably withheld. The cost of any such specialized alterations shall be paid by Yipes. Any material rearrangement, modification, improvement, addition, repair, or other alteration shall require an Application Fee, pursuant to sub-section 6.2.

5.11 Upkeep of Remote Collocation Space. Yipes shall be responsible for the general upkeep and cleaning of the Remote Collocation Space. Yipes shall

be responsible for removing any Yipes debris from the Remote Collocation Space and from in and around the Remote Collocation Site on each visit.

6. Ordering and Preparation of Remote Collocation Space

6.1 State or Federal Regulatory agency impose procedures or intervals. Should any state or federal regulatory agency impose procedures or intervals different than procedures or intervals set forth in this section applicable to Yipes, whether now in effect or that become effective after execution of this Agreement, those procedures or intervals shall supersede the requirements set forth herein for all applications submitted for the first time after the effective date thereof for that jurisdiction.

6.2 Application for Space. Yipes shall submit a Remote Site Collocation Application when Yipes or Yipes' Guest(s), as defined in Section 3.3, desires to request or modify the use of the Remote Collocation Space.

6.3 Initial Application. For Yipes or Yipes' Guest(s) equipment placement, Yipes shall submit to BellSouth an Application. The Application is Bona Fide when it is complete and accurate, meaning that all required fields on the Application are completed with the appropriate type of information. The Bona Fide Application shall contain a detailed description and schematic drawing of the equipment to be placed in Yipes' Remote Collocation Space(s) in addition to the CLLI code applicable to that location. Prior to submitting the application, CLLI information can be obtained in the manner set forth in Section 2.3.1.

6.4 Application Fee. BellSouth will assess an Application Fee on a service order which shall be issued at the time BellSouth responds that space is available pursuant to Section 2. Payment of the Application Fee will be due as dictated by Yipes' current billing cycle and is non-refundable.

6.5 Application Response. In Alabama, North Carolina, and Tennessee, In addition to the notice of space availability pursuant to Section 2, BellSouth will respond within ten (10) calendar days of receipt of an Application stating whether the Application is Bona Fide, and if it is not Bona Fide, the items necessary to cause the Application to become Bona Fide. Sufficient detail will be provided to permit Yipes a reasonable opportunity to correct each deficiency. Yipes must correct any deficiencies in its Application and resubmit a Bona Fide Application within ten (10) calendar days of being notified of the deficiencies in the original Application. If Yipes fails to resubmit its Application as Bona Fide within this ten (10) day period, Yipes will lose its place in the collocation queue. This interval excludes national holidays. When space has been determined to be available, BellSouth will provide a written response ("Application Response"), which will include the

configuration of the space and an estimate of the interval to provide the Remote Collocation Space.

6.5.1 Application Response. Except as otherwise provided, for all States that have ordered provisioning intervals but not application response intervals, the following will apply. In addition to the notice of space availability pursuant to Section 2, BellSouth will respond as to whether the Application is Bona Fide, and if it is not Bona Fide, the items necessary to cause the Application to become Bona Fide. When space has been determined to be available, BellSouth will provide a written response ("Application Response") within thirty (30) calendar days of receipt of a Bona Fide Application. When multiple applications are submitted in a state within a fifteen (15) calendar day window, BellSouth will respond to the Bona Fide Applications as soon as possible, but no later than the following: within thirty (30) calendar days for Bona Fide Applications 1-5; within thirty-six (36) calendar days for Bona Fide Applications 6-10; within forty-two (42) calendar days for Bona Fide Applications 11-15. Response intervals for multiple Bona Fide Applications submitted within the same timeframe for the same state in excess of 15 must be negotiated. All negotiations shall consider the total volume from all requests from telecommunications companies for collocation.

6.5.2 Application Response (Florida). Within fifteen (15) calendar days of receipt of a Bona Fide Application, BellSouth will respond as to whether space is available or not available within a particular Remote Site Location. Additionally, when space has been determined to be available or when a lesser amount of space than that requested is available, then with respect to the space available, BellSouth will provide a written response ("Application Response") including sufficient information to enable Yipes to place a Firm Order. When Yipes submits ten (10) or more Applications within ten (10) calendar days, the initial fifteen (15) day response period will increase by ten (10) days for every additional ten (10) Applications or fraction thereof.

6.5.3 Application Response (Georgia) In addition to the notice of space availability pursuant to Section 2.1, BellSouth will respond as to whether the Application is Bona Fide, and if it is not Bona Fide, the items necessary to cause the Application to become Bona Fide. When space has been determined to be available for caged or cageless arrangements, BellSouth will provide a written response ("Application Response") within thirty (30) calendar days of receipt of a Bona Fide Application. The Application Response will include, at a minimum, the configuration of the space, the Cable Installation Fee, Cable Records Fee, and the space preparation fees, as described in Section 7.

6.5.4 Application Response (Louisiana). In addition to the notice of space availability pursuant to Section 2, BellSouth will respond as to whether the Application is Bona Fide, and if it is not Bona Fide, the items necessary to

cause the Application to become Bona Fide. BellSouth will respond as to whether space is available or not available within a particular Remote Site Location in accordance with Section 2. Additionally, when space has been determined to be available or when a lesser amount of space than that requested is available, then with respect to the space available, BellSouth will provide a written response ("Application Response") including sufficient information to enable Yipes to place a Firm Order. BellSouth will respond with a full Application Response within 30 calendar days for one to ten Applications; 35 calendar days for eleven to twenty Applications; and for requests of more than twenty Application it is increased by five calendar days for every five Applications received within five business days.

6.5.5 Application Response (Mississippi) In addition to the notice of space availability pursuant to Section 2, BellSouth will respond as to whether the Application is Bona Fide, and if it is not Bona Fide, the items necessary to cause the Application to become Bona Fide. When space has been determined to be available, BellSouth will provide a written response ("Application Response") within thirty (30) business days of receipt of a Bona Fide Application. When multiple applications are submitted in a state within a fifteen (15) business day window, BellSouth will respond to the Bona Fide Applications as soon as possible, but no later than the following: within thirty (30) business days for Bona Fide Applications 1-5; within thirty-six (36) business days for Bona Fide Applications 6-10; within forty-two (42) business days for Bona Fide Applications 11-15. Response intervals for multiple Bona Fide Applications submitted within the same timeframe for the same state in excess of 15 must be negotiated. All negotiations shall consider the total volume from all requests from telecommunications companies for collocation.

6.5.6 Application Response (Kentucky) In addition to the notice of space availability pursuant to Section 2, BellSouth will respond as to whether the Application is Bona Fide, and if it is not Bona Fide, the items necessary to cause the Application to become Bona Fide. When space has been determined to be available, BellSouth will provide a written response ("Application Response") within thirty (30) calendar days of receipt of a Bona Fide Application. When multiple applications are submitted in a state within a fifteen (15) calendar day window, BellSouth will respond to the Bona Fide Applications as soon as possible, but no later than the following: within thirty (30) calendar days for Bona Fide Applications 1-5; within thirty-six (36) calendar days for Bona Fide Applications 6-10; within forty-two (42) calendar days for Bona Fide Applications 11-15. Response intervals for multiple Bona Fide Applications submitted within the same timeframe for the same state in excess of 15 must be negotiated. All negotiations shall consider the total volume from all requests from telecommunications companies for collocation.

6.6 Application Modifications. In Alabama, North Carolina, and Tennessee, if a modification or revision is made to any information in the Bona Fide Application for Remote Site Collocation or the Bona Fide Application for Adjacent Remote Site Collocation, with the exception of modifications to Customer Information, Contact Information or Billing Contact Information, either at the request of Yipes or necessitated by technical considerations, said Application shall be considered a new Application and shall be handled as a new Application for purposes of the provisioning interval, and BellSouth shall charge Yipes a Subsequent Application Fee. Major changes, such as requesting additional space or adding equipment may require Yipes to submit the Application with an Application Fee.

6.6.1 Application Modifications. For all States that have ordered provisioning intervals but not application response intervals, and except as otherwise specified, the following will apply. If a modification or revision is made to any information in the Bona Fide Application for Remote Site Collocation or the Bona Fide Application for Adjacent Remote Site Collocation, with the exception of modifications to Customer Information, Contact Information or Billing Contact Information, either at the request of Yipes or necessitated by technical considerations, BellSouth will respond to the Bona Fide Application within thirty (30) calendar days after BellSouth receives such revised application or at such other date as the Parties agree. If, at any time, BellSouth needs to reevaluate Yipes' Bona Fide Application as a result of changes requested by Yipes to Yipes' original application, then BellSouth will charge Yipes a Subsequent Application Fee. Major changes such as requesting additional space or adding additional equipment may require Yipes to resubmit the Application with an Application Fee.

6.6.2 Application Modifications (Florida). If a modification or revision is made to any information in the Bona Fide Application for Remote Site Collocation or the Bona Fide Application for Adjacent Remote Site Collocation, with the exception of modifications to Customer Information, Contact Information or Billing Contact Information, either at the request of Yipes or necessitated by technical considerations, BellSouth will respond to the Bona Fide Application within fifteen (15) calendar days after BellSouth receives such revised Application or at such other date as the Parties agree. If, at any time, BellSouth needs to reevaluate Yipes' Bona Fide Application as a result of changes requested by Yipes to CLEC's original , then BellSouth will charge Yipes a Subsequent Application Fee. Major changes such as requesting additional space or adding additional equipment may require Yipes to resubmit the Application with an Application Fee.

6.6.3 Application Modifications (Mississippi & Georgia). If a modification or revision is made to any information in the Bona Fide Application for Remote Site Collocation or the Bona Fide Application for Adjacent Collocation, with the

exception of modifications to Customer Information, Contact Information or Billing Contact Information, either at the request of Yipes or necessitated by technical considerations, BellSouth will respond to the Bona Fide Application within thirty (30) business days after BellSouth receives such revised Application or at such other date as the Parties agree. If, at any time, BellSouth needs to reevaluate Yipes' Bona Fide Application as a result of changes requested by Yipes to CLEC's original Application, then BellSouth will charge Yipes a Subsequent Application Fee. Major changes such as requesting additional space or adding additional equipment may require Yipes to resubmit the Application with an Application Fee.

6.6.4 Application Modifications (Louisiana). If a modification or revision is made to any information in the Bona Fide Application for Remote Site Collocation or the Bona Fide Application for Adjacent Remote Site Collocation, with the exception of modifications to Customer Information, Contact Information or Billing Contact Information, either at the request of Yipes or necessitated by technical considerations, BellSouth will respond to the Bona Fide Application within thirty (30) calendar days after BellSouth receives such revised Application or at such other date as the Parties agree. BellSouth will respond to such modifications or revisions within 30 calendar days for one to ten revised Applications; 35 calendar days for eleven to twenty revised Applications; and for requests of more than twenty revised Applications it is increased by five calendar days for every five revised Applications received within five business days. If, at any time, BellSouth needs to reevaluate Yipes' Bona Fide Application as a result of changes requested by Yipes to CLEC's original Application, then BellSouth will charge Yipes a Subsequent Application Fee. Major changes such as requesting additional space or adding additional equipment may require Yipes to resubmit the Application with an Application Fee.

6.6.5 Application Modifications (Kentucky). If a modification or revision is made to any information in the Bona Fide Application for Remote Site Collocation or the Bona Fide Application for Adjacent Collocation, with the exception of modifications to Customer Information, Contact Information or Billing Contact Information, either at the request of Yipes or necessitated by technical considerations, BellSouth will respond to the Bona Fide Application within thirty (30) calendar days after BellSouth receives such revised Application or at such other date as the Parties agree. If, at any time, BellSouth needs to reevaluate Yipes' Bona Fide Application as a result of changes requested by Yipes to Yipes' original Application, then BellSouth will charge Yipes a Subsequent Application Fee. Major changes such as requesting additional space or adding additional equipment may require Yipes to resubmit the Application with an Application Fee.

6.7 Bona Fide Firm Order. In Alabama, North Carolina, and Tennessee, Yipes shall indicate its intent to proceed with equipment installation in a BellSouth Remote Site Location by submitting a Bona Fide Firm Order to BellSouth. A Firm Order shall be considered Bona Fide when Yipes has completed the Application/Inquiry process described in Section 6.3, preceding, and has submitted the Firm Order document indicating acceptance of the Application Response provided by BellSouth. The Bona Fide Firm Order must be received by BellSouth no later than seven (7) calendar days after BellSouth's Application Response to Yipes' Bona Fide Application, unless BellSouth provides an Application Response on or before the ten-day response interval set forth in section 2, in which case Yipes must submit its Bona Fide Firm Order to BellSouth within seventeen (17) calendar days of BellSouth's receipt of the Bona Fide Application. If Yipes fails to submit its Bona Fide Firm Order to BellSouth within the time frames set forth above, the provisioning intervals set forth in section 6.6 shall apply from the date of receipt of the Bona Fide Firm Order and not from the date of the Bona Fide Application. If Yipes fails to submit a Bona Fide Firm Order within fifteen (15) days of receipt of an Application Response, the Application will expire.

6.7.1 Bona Fide Firm Order. Except as otherwise provided, in all States that have ordered provisioning intervals but not addressed Firm Order intervals, the following shall apply. Yipes shall indicate its intent to proceed with equipment installation in a BellSouth Remote Site Location by submitting a Physical Expanded Interconnection Firm Order document ("Firm Order") to BellSouth. A Firm Order shall be considered Bona Fide when Yipes has completed the Application/Inquiry process described in Section 6.3, preceding and has submitted the Firm Order document indicating acceptance of the Application Response provided by BellSouth. The Bona Fide Firm Order must be received by BellSouth no later than thirty (30) calendar days after BellSouth's Application Response to Yipes' Bona Fide Application or the Application will expire.

6.7.2 Bona Fide Firm Order (Kentucky & Mississippi). Yipes shall indicate its intent to proceed with equipment installation in a BellSouth Remote Terminal Location by submitting a Physical Expanded Interconnection Firm Order document ("Firm Order") to BellSouth. A Firm Order shall be considered Bona Fide when Yipes has completed the Application/Inquiry process described in Section 6.3, preceding and has submitted the Firm Order document indicating acceptance of the Application Response provided by BellSouth. The Bona Fide Firm Order must be received by BellSouth no later than thirty (30) calendar days (in Mississippi 30 business days) after BellSouth's Application Response to Yipes' Bona Fide Application or the Application will expire.

6.7.3 BellSouth will establish a firm order date based upon the date BellSouth is in receipt of a Bona Fide Firm Order. BellSouth will acknowledge the receipt of Yipes' Bona Fide Firm Order within seven (7) calendar days of receipt indicating that the Bona Fide Firm Order has been received. A BellSouth response to a Bona Fide Firm Order will include a Firm Order Confirmation containing the firm order date. No revisions will be made to a Bona Fide Firm Order.

6.8 BellSouth will permit one accompanied site visit to Yipes' designated Remote Collocation Space after receipt of the Bona Fide Firm Order without charge to Yipes.

6.9 Yipes must submit to BellSouth the completed Access Control Request Form for all employees or agents requiring access to the BellSouth Remote Site Location a minimum of 30 calendar days prior to the date Yipes desires access to the Remote Collocation Space. Yipes may submit such a request at any time subsequent to BellSouth's receipt of the Bona Fide Firm Order. In the event Yipes desires access to the Collocation Space after submitting such a request but prior to Access being approved, BellSouth shall permit Yipes to access the Collocation Space, accompanied by a security escort at Yipes' expense. Yipes must request escorted access at least three (3) business days prior to the date such access is desired.

6.10 Construction and Provisioning Interval. In Alabama, North Carolina, and Tennessee, BellSouth will complete construction for Remote Site collocation arrangements within a maximum of 90 calendar days from receipt of an Application, or as agreed to by both parties. Under extraordinary conditions, BellSouth may elect to renegotiate an alternative provisioning interval with Yipes or seek a waiver from this interval from the Commission. Examples of extraordinary conditions include, but are not limited to, extended license or permitting intervals; major BellSouth equipment rearrangement or addition; power plant addition or upgrade; major mechanical addition or upgrade; major upgrade for ADA compliance; environmental hazard or hazardous materials abatement; and arrangements for which equipment shipping intervals are extraordinary in length.

6.10.1 Construction and Provisioning Interval (Florida). BellSouth will complete construction for collocation arrangements as soon as possible and within a maximum of 90 calendar days from receipt of a Bona Fide Firm Order or as agreed to by the Parties. For changes to collocation space after initial space completion, BellSouth will complete construction for collocation arrangements as soon as possible and within a maximum of 45 calendar days from receipt of a Bona Fide Firm Order or as agreed to by the Parties. If BellSouth does not believe that construction will be completed within the relevant time frame and BellSouth and Yipes cannot agree upon a completion date, within 45

calendar days of receipt of the Bona Fide Firm Order for an initial request, and within 30 calendar days for Augmentations, BellSouth may seek an extension from the Florida PSC.

6.10.2 Construction and Provisioning Interval (Georgia). BellSouth will use best efforts to complete construction for caged collocation arrangements under ordinary conditions as soon as possible and within a maximum of 90 calendar days from receipt of a Bona Fide Firm Order or as agreed to by the Parties. BellSouth will use best efforts to complete construction for cageless collocation arrangements under ordinary conditions as soon as possible and within a maximum of 60 calendar days from receipt of a Bona Fide Firm Order and 90 calendar days for extraordinary conditions or as agreed to by the Parties. Ordinary conditions are defined as space available with only minor changes to support systems required, such as but not limited to, HVAC, cabling and the power plant(s). Extraordinary conditions are defined to include but are not limited to major BellSouth equipment rearrangement or addition; power plant addition or upgrade; major mechanical addition or upgrade; major upgrade for ADA compliance; environmental hazard or hazardous materials abatement; and arrangements for which equipment shipping intervals are extraordinary in length. Under extraordinary conditions, BellSouth may elect to renegotiate an alternative provisioning interval with Yipes or seek a waiver from this interval from the Commission.

6.10.3 Construction and Provisioning Interval (Louisiana). BellSouth will complete construction for collocation arrangements under ordinary conditions as soon as possible and within a maximum of 120 calendar days from receipt of a Bona Fide Firm Order or as agreed to by the Parties. Ordinary conditions are defined as space available with only minor changes to support systems required, such as but not limited to, HVAC, cabling and the power plant(s). BellSouth will complete construction of all other Collocation Space ("extraordinary conditions") within 180 calendar days of the receipt of a Bona Fide Firm Order. Examples of extraordinary conditions include but are not limited to, extended license or permitting intervals; major BellSouth equipment rearrangement or addition; power plant addition or upgrade; major mechanical addition or upgrade; major upgrade for ADA compliance; environmental hazard or hazardous materials abatement; and arrangements for which equipment shipping intervals are extraordinary in length.

6.10.4 Construction and Provisioning Interval (Mississippi). Excluding the time interval required to secure the appropriate government licenses and permits, BellSouth will complete construction for collocation arrangements under ordinary conditions as soon as possible and within a maximum of 120 calendar days from receipt of a Bona Fide Firm Order or as agreed to by the Parties. Ordinary conditions are defined as space available with only minor changes to support systems required, such as but not limited to, HVAC,

cabling and the power plant(s). Excluding the time interval required to secure the appropriate government licenses and permits, BellSouth will complete construction of all other Collocation Space ("extraordinary conditions") within 180 calendar days of the receipt of a Bona Fide Firm Order. Examples of extraordinary conditions include but are not limited to, extended license or permitting intervals; major BellSouth equipment rearrangement or addition; power plant addition or upgrade; major mechanical addition or upgrade; major upgrade for ADA compliance; environmental hazard or hazardous materials abatement; and arrangements for which equipment shipping intervals are extraordinary in length

6.10.5 Construction and Provisioning Interval (Kentucky). Excluding the time interval required to secure the appropriate government licenses and permits, BellSouth will use best efforts to complete construction for collocation arrangements under ordinary conditions as soon as possible and within a maximum of 90 calendar days from receipt of a Bona Fide Firm Order or as agreed to by the Parties. Ordinary conditions are defined as space available with only minor changes to support systems required, such as but not limited to, HVAC, cabling and the power plant(s). Excluding the time interval required to secure the appropriate government licenses and permits, BellSouth will use best efforts to complete construction of all other Collocation Space ("extraordinary conditions") within 130 calendar days of the receipt of a Bona Fide Firm Order. Extraordinary conditions are defined to include but are not limited to major BellSouth equipment rearrangement or addition; power plant addition or upgrade; major mechanical addition or upgrade; major upgrade for ADA compliance; environmental hazard or hazardous materials abatement; and arrangements for which equipment shipping intervals are extraordinary in length.

6.10.6 Construction and Provisioning Interval (South Carolina). BellSouth will complete the construction and provisioning activities for cageless and caged collocation arrangements as soon as possible, but no later than 90 calendar days from receipt of a bona fide firm order.

6.11 In the event BellSouth does not have space immediately available at a Remote Site Location, BellSouth may elect to make additional space available by, for example but not limited to, rearranging BellSouth facilities or constructing additional capacity. In such cases, excluding the time interval required to secure the appropriate government licenses and permits or additional public or private rights of way, BellSouth will provision the Remote Collocation Space in a nondiscriminatory manner and at parity with BellSouth and will provide Yipes with the estimated completion date in its Response.

6.12 Permits. Each Party or its agents will diligently pursue filing for the permits required for the scope of work to be performed by that Party or its agents

within ten (10) calendar days of the completion of finalized construction designs and specifications.

6.13 Acceptance Walk Through. Upon request, Yipes will contact BellSouth within seven (7) days of collocation space being ready to schedule an acceptance walk through of each Remote Collocation Space requested from BellSouth by Yipes. BellSouth will correct any deviations to Yipes' original or jointly amended requirements within seven (7) calendar days after the walk through, unless the Parties jointly agree upon a different time frame.

6.14 Use of BellSouth Certified Supplier. Yipes shall select a supplier that has been approved as a BellSouth Certified Supplier to perform all engineering and installation work required in the Remote Collocation Space per TR 73503 specifications. BellSouth shall provide Yipes with a list of BellSouth Certified Suppliers upon request. The BellSouth Certified Supplier(s) shall be responsible for installing Yipes"'s equipment and components, extending power cabling to the BellSouth power distribution frame, performing operational tests after installation is complete, and notifying BellSouth's Outside Plant engineers and Yipes upon successful completion of installation. The BellSouth Certified Supplier shall bill Yipes directly for all work performed for Yipes pursuant to this Attachment and BellSouth shall have no liability for nor responsibility to pay such charges imposed by the BellSouth Certified Supplier. BellSouth shall consider certifying Yipes or any supplier proposed by Yipes. All work performed by or for Yipes shall conform to generally accepted industry guidelines and standards.

6.15 Alarm and Monitoring. BellSouth may place alarms in the Remote Site Location for the protection of BellSouth equipment and facilities. Yipes shall be responsible for placement, monitoring and removal of alarms used to service Yipes' Remote Collocation Space and for ordering the necessary services therefor. Both Parties shall use best efforts to notify the other of any verified hazardous conditions known to that Party.

6.16 Basic Telephone Service. Upon request of Yipes, BellSouth will provide basic telephone service to the Remote Collocation Space under the rates, terms and conditions of the current tariff offering for the service requested.

6.17 Virtual Remote Site Collocation Relocation. BellSouth offers Virtual Collocation pursuant to the terms and conditions set forth in its F.C.C. Tariff No. 1 for Remote Site Collocation locations. The rates shall be the same as provided in this Exhibit A of this agreement. For the interconnection to BellSouth's network and access to BellSouth unbundled network elements, Yipes may purchase 2-wire and 4-wire cross-connects as set forth the service inquiry procedures established for sub loop unbundling as set forth in Attachment 2 of the Interconnection Agreement, and Yipes may place within

its Virtual Collocation arrangements the telecommunications equipment set forth in Section 5.1. In the event physical Remote Collocation Space was previously denied at a Remote Site Location due to technical reasons or space limitations, and that physical Remote Collocation Space has subsequently become available, Yipes may relocate its virtual Remote Site collocation arrangements to physical Remote Site collocation arrangements and pay the appropriate non-recurring fees for physical Remote Site collocation and for the rearrangement or reconfiguration of services terminated in the virtual Remote Site collocation arrangement, as outlined in the appropriate BellSouth tariffs. In the event that BellSouth knows when additional space for physical Remote Site collocation may become available at the location requested by Yipes, such information will be provided to Yipes in BellSouth's written denial of physical Remote Site collocation. To the extent that (i) physical Remote Collocation Space becomes available to Yipes within 180 calendar days of BellSouth's written denial of Yipes' request for physical collocation, and (ii) Yipes was not informed in the written denial that physical Remote Collocation Space would become available within such 180 calendar days, then Yipes may relocate its virtual Remote Site collocation arrangement to a physical Remote Site collocation arrangement and will receive a credit for any nonrecurring charges previously paid for such virtual Remote Site collocation. Yipes must arrange with a BellSouth Certified Supplier for the relocation of equipment from its virtual Remote Collocation Space to its physical Remote Collocation Space and will bear the cost of such relocation.

6.18 Cancellation. If, at anytime prior to space acceptance, Yipes cancels its order for the Remote Collocation Space(s), Yipes will reimburse BellSouth in the following manner: BellSouth will ascertain how far preparation work has progressed. Yipes will be billed the applicable non recurring rate for any and all work processes for which work has begun.

6.19 Licenses. Yipes, at its own expense, will be solely responsible for obtaining from governmental authorities, and any other appropriate agency, entity, or person, all rights, privileges, and licenses necessary or required to operate as a provider of telecommunications services to the public or to occupy the Remote Collocation Space.

6.20 Environmental Hazard Guidelines. The Parties agree to utilize and adhere to the Environmental Hazard Guidelines identified as Exhibit B attached hereto.

7. Rates and Charges

7.1 Recurring Fees. Recurring fees for space occupancy shall be billed upon space completion or space acceptance, whichever occurs first. Other

charges shall be billed upon request for the services. All charges shall be due as dictated by Yipes' current billing cycle.

7.2 Rack/Bay Space. The rack/bay space charge includes reasonable charges for air conditioning, ventilation and other allocated expenses associated with maintenance of the Remote Site Location, and includes amperage necessary to power Yipes' equipment. Yipes shall pay rack/bay space charges based upon the number of racks/bays requested. BellSouth will assign Remote Collocation Space in conventional remote site rack/bay lineups where feasible

7.3 Power. BellSouth shall make available –48 Volt (-48V) DC power for Yipes' Remote Collocation Space at a BellSouth Power Board (Fuse and Alarm Panel) or BellSouth Battery Distribution Fuse Bay ("BDFB") at Yipes' option within the Remote Site Location. The charge for power shall be assessed as part of the recurring charge for rack/bay space. If the power requirements for Yipes' equipment exceeds the capacity for the rack/bay, then such power requirements shall be assessed on a recurring per amp basis for the individual case.

7.3.1 Charges for AC power will be assessed per breaker ampere per month. Rates include the provision of commercial and standby AC power. When obtaining power from a BellSouth service panel, protection devices and power cables must be engineered (sized), and installed by Yipes' BellSouth Certified Supplier except that BellSouth shall engineer and install protection devices and power cables for Adjacent Collocation. Yipes' BellSouth Certified Supplier must also provide a copy of the engineering power specification prior to the Commencement Date. AC power voltage and phase ratings shall be determined on a per location basis. At Yipes' option, Yipes may arrange for AC power in an Adjacent Collocation arrangement from a retail provider of electrical power.

7.4 Security Escort. A security escort will be required whenever Yipes or its approved agent desires access to the Remote Site Location after the one accompanied site visit allowed prior to completing BellSouth's Security Training requirements and/or prior to Space Acceptance. The parties agree that a security escort will not be required for remote site collocation. However, if one is needed, the parties will negotiate appropriate security escort rates which will be assessed on a one half (1/2) hour increment basis.

7.5 Rate "True-Up". The Parties agree that the prices reflected as interim herein shall be "trued-up" (up or down) based on final prices either determined by further agreement or by final order, including any appeals, in a proceeding involving BellSouth before the regulatory authority for the state in which the services are being performed or any other body having jurisdiction over this

Agreement (hereinafter "Commission"). Under the "true-up" process, the interim price for each service shall be multiplied by the volume of that service purchased to arrive at the total interim amount paid for that service ("Total Interim Price"). The final price for that service shall be multiplied by the volume purchased to arrive at the total final amount due ("Total Final Price"). The Total Interim Price shall be compared with the Total Final Price. If the Total Final Price is more than the Total Interim Price, Yipes shall pay the difference to BellSouth. If the Total Final Price is less than the Total Interim Price, BellSouth shall pay the difference to Yipes. Each Party shall keep its own records upon which a "true-up" can be based and any final payment from one Party to the other shall be in an amount agreed upon by the Parties based on such records. In the event of any disagreement as between the records or the Parties regarding the amount of such "true-up," the Parties agree that the Commission shall be called upon to resolve such differences.

7.6 Other. If no rate is identified in the contract, the rate for the specific service or function will be negotiated by the Parties upon request by either Party. Payment of all other charges under this Attachment shall be due as dictated by Yipes' current billing cycle Yipes will pay a late payment charge as specified in the current State Tariff.

8. Insurance

8.1 Maintain Insurance. Yipes shall, at its sole cost and expense, procure, maintain, and keep in force insurance as specified in this Section 8 and underwritten by insurance companies licensed to do business in the states applicable under this Attachment and having a Best's Insurance Rating of A-.

8.2 Coverage. Yipes shall maintain the following specific coverage:

8.2.1 Commercial General Liability coverage in the amount of ten million dollars ($10,000,000.00) or a combination of Commercial General Liability and Excess/Umbrella coverage totaling not less than ten million dollars ($10,000,000.00). BellSouth shall be named as an Additional Insured on the Commercial General Liability policy as specified herein.

8.2.2 Statutory Workers Compensation coverage and Employers Liability coverage in the amount of one hundred thousand dollars ($100,000.00) each accident, one hundred thousand dollars ($100,000.00) each employee by disease, and five hundred thousand dollars ($500,000.00) policy limit by disease.

8.2.3 All Risk Property coverage on a full replacement cost basis insuring all of Yipes' real and personal property situated on or within BellSouth's Remote Site Location.

8.2.4 Yipes may elect to purchase business interruption and contingent business interruption insurance, having been advised that BellSouth assumes no liability for loss of profit or revenues should an interruption of service occur.

8.3 Limits. The limits set forth in Section 8.2 above may be increased by BellSouth from time to time during the term of this Attachment upon thirty (30) days notice to Yipes to at least such minimum limits as shall then be customary with respect to comparable occupancy of BellSouth structures.

8.4 All policies purchased by Yipes shall be deemed to be primary. All policies purchased by Yipes shall be deemed to be primary and not contributing to or in excess of any similar coverage purchased by BellSouth. All insurance must be in effect on or before the date equipment is delivered to BellSouth's Remote Site Location and shall remain in effect for the term of this Attachment or until all Yipes' property has been removed from BellSouth's Remote Site Location, whichever period is longer. If Yipes fails to maintain required coverage, BellSouth may pay the premiums thereon and seek reimbursement of same from Yipes.

8.5 Submit certificates of insurance. Yipes shall submit certificates of insurance reflecting the coverage required pursuant to this Section a minimum of ten (10) business days prior to the commencement of any work in the Remote Collocation Space. Failure to meet this interval may result in construction and equipment installation delays. Yipes shall arrange for BellSouth to receive thirty (30) business days' advance notice of cancellation from Yipes' insurance company. Yipes shall forward a certificate of insurance and notice of cancellation/non-renewal to BellSouth at the following address:

BellSouth Telecommunications, Inc.
Attn.: Risk Management Coordinator
675 W. Peachtree Street
Rm. 17H53
Atlanta, Georgia 30375

8.6 Conformance to recommendations made by BellSouth's fire insurance company. Yipes must conform to recommendations made by BellSouth's fire insurance company to the extent BellSouth has agreed to, or shall hereafter agree to, such recommendations.

8.7 Self-Insurance. If Yipes' net worth exceeds five hundred million dollars ($500,000,000), Yipes may elect to request self-insurance status in lieu of obtaining any of the insurance required in Sections 8.2.1 and 8.2.3. Yipes shall provide audited financial statements to BellSouth thirty (30) days prior to the commencement of any work in the Remote Collocation Space. BellSouth shall then review such audited financial statements and respond in writing to

Yipes in the event that self-insurance status is not granted to Yipes. If BellSouth approves Yipes for self-insurance, Yipes shall annually furnish to BellSouth, and keep current, evidence of such net worth that is attested to by one of Yipes' corporate officers. The ability to self-insure shall continue so long as Yipes meets all of the requirements of this Section. If Yipes subsequently no longer satisfies this Section, Yipes is required to purchase insurance as indicated by Sections 8.2.1 and 8.2.3.

8.8 Net worth requirements. The net worth requirements set forth in Section 8.7 may be increased by BellSouth from time to time during the term of this Attachment upon thirty (30) days' notice to Yipes to at least such minimum limits as shall then be customary with respect to comparable occupancy of BellSouth structures.

8.9 Failure to comply. Failure to comply with the provisions of this Section will be deemed a material breach of this Attachment.

9. Mechanics Liens

9.1 Mechanics Lien or other Liens. If any mechanics lien or other liens shall be filed against property of either Party (BellSouth or Yipes), or any improvement thereon by reason of or arising out of any labor or materials furnished or alleged to have been furnished or to be furnished to or for the other Party or by reason of any changes, or additions to said property made at the request or under the direction of the other Party, the other Party directing or requesting those changes shall, within thirty (30) business days after receipt of written notice from the Party against whose property said lien has been filed, either pay such lien or cause the same to be bonded off the affected property in the manner provided by law. The Party causing said lien to be placed against the property of the other shall also defend, at its sole cost and expense, on behalf of the other, any action, suit or proceeding which may be brought for the enforcement of such liens and shall pay any damage and discharge any judgment entered thereon.

10. Inspections

10.1 BellSouth may conduct inspection. BellSouth may conduct an inspection of Yipes' equipment and facilities in the Remote Collocation Space(s) prior to the activation of facilities between Yipes' equipment and equipment of BellSouth. BellSouth may conduct an inspection if Yipes adds equipment and may otherwise conduct routine inspections at reasonable intervals mutually agreed upon by the Parties. BellSouth shall provide Yipes with a minimum of forty-eight (48) hours or two (2) business days, whichever is greater, advance notice of all such inspections. All costs of such inspection shall be borne by BellSouth.

11. Security and Safety Requirements

11.1 The security and safety requirements. The security and safety requirements set forth in this section are as stringent as the security requirements BellSouth maintains at its own Remote Site Location either for their own employees or for authorized contractors. Only BellSouth employees, BellSouth Certified Contractors and authorized employees, authorized Guests, pursuant to Section 3.3, proceeding, or authorized agents of Yipes will be permitted in the BellSouth Remote Site Location. Yipes shall provide its employees and agents with picture identification which must be worn and visible at all times while in the Remote Collocation Space or other areas in or around the Remote Site Location. The photo Identification card shall bear, at a minimum, the employee's name and photo, and the Yipes name. BellSouth reserves the right to remove from its Remote Site Location any employee of Yipes not possessing identification issued by Yipes or who have violated any of BellSouth's policies as outlined in the CLEC Security Training documents. Yipes shall hold BellSouth harmless for any damages resulting from such removal of its personnel from BellSouth Remote Site Location. Yipes shall be solely responsible for ensuring that any Guest of Yipes is in compliance with all subsections of this Section 11.

11.1.1 Yipes will be required, at its own expense, to conduct a statewide investigation of criminal history records for each Yipes employee being considered for work on the BellSouth Remote Site Location, for the states/counties where the Yipes employee has worked and lived for the past five years. Where state law does not permit statewide collection or reporting, an investigation of the applicable counties is acceptable.

11.1.2 Yipes will be required to administer to their personnel assigned to the BellSouth Remote Site Location security training either provided by BellSouth, or meeting criteria defined by BellSouth.

11.1.3 Yipes shall not assign to the BellSouth Remote Site Location any personnel with records of felony criminal convictions. Yipes shall not assign to the BellSouth Remote Site Location any personnel with records of misdemeanor convictions, except for misdemeanor traffic violations, without advising BellSouth of the nature and gravity of the offense(s). BellSouth reserves the right to refuse building access to any Yipes personnel who have been identified to have misdemeanor criminal convictions. Notwithstanding the foregoing, in the even that Yipes chooses not to advise BellSouth of the nature and gravity of any misdemeanor conviction, Yipes may, in the alternative, certify to BellSouth that it shall not assign to the BellSouth Remote Site Location any personnel with records of misdemeanor convictions (other than misdemeanor traffic violations).

11.1.4 For each Yipes employee requiring access to a BellSouth Remote Site Location pursuant to this Attachment, Yipes shall furnish BellSouth, prior to an employee gaining such access, a certification that the aforementioned background check and security training were completed. The certification will contain a statement that no felony convictions were found and certifying that the security training was completed by the employee. If the employee's criminal history includes misdemeanor convictions, Yipes will disclose the nature of the convictions to BellSouth at that time. In the alternative, Yipes may certify to BellSouth that it shall not assign to the BellSouth Remote Site Location any personnel with records of misdemeanor convictions other than misdemeanor traffic violations.

11.1.5 At BellSouth's request, Yipes shall promptly remove from the BellSouth's Remote Site Location any employee of Yipes BellSouth does not wish to grant access to its Remote Site Location 1) pursuant to any investigation conducted by BellSouth or 2) prior to the initiation of an investigation in the event that an employee of Yipes is found interfering with the property or personnel of BellSouth or another CLEC, provided that an investigation shall promptly be commenced by BellSouth.

11.2 Notification to BellSouth. BST reserves the right to interview Yipes' employees, agents, or contractors in the event of wrongdoing in or around BellSouth's property or involving BellSouth's or another CLEC's property or personnel, provided that BellSouth shall provide reasonable notice to Yipes' Security contact of such interview. Yipes and its contractors shall reasonably cooperate with BellSouth's investigation into allegations of wrongdoing or criminal conduct committed by, witnessed by, or involving Yipes' employees, agents, or contractors. Additionally, BellSouth reserves the right to bill Yipes for all reasonable costs associated with investigations involving its employees, agents, or contractors if it is established and mutually agreed in good faith that Yipes' employees, agents, or contractors are responsible for the alleged act. BellSouth shall bill Yipes for BellSouth property which is stolen or damaged where an investigation determines the culpability of Yipes' employees, agents, or contractors and where Yipes agrees, in good faith, with the results of such investigation. Yipes shall notify BellSouth in writing immediately in the event that the CLEC discovers one of its employees already working on the BellSouth Remote Site Location is a possible security risk. Upon request of the other Party, the Party who is the employer shall discipline consistent with its employment practices, up to and including removal from the BellSouth Remote Site Location, any employee found to have violated the security and safety requirements of this section. Yipes shall hold BellSouth harmless for any damages resulting from such removal of its personnel from BellSouth Remote Site Location.

11.3 Use of Supplies. Unauthorized use of telecommunications equipment or supplies either Party, whether or not used routinely to provide telephone service (e.g. plug-in cards,) will be strictly prohibited and handled appropriately. Costs associated with such unauthorized use may be charged to the offending Party, as may be all associated investigative costs.

11.4 Use of Official Lines. Except for non-toll calls necessary in the performance of their work, neither Party shall use the telephones of the other Party on the BellSouth Remote Site Location. Charges for unauthorized telephone calls may be charged to the offending Party, as may be all associated investigative costs.

11.5 Accountability. Full compliance with the Security requirements of this section shall in no way limit the accountability of either Party to the other for the improper actions of its employees.

12. Destruction of Remote Collocation Space

12.1 Remote Collocation Space is damaged. In the event a Remote Collocation Space is wholly or partially damaged by fire, windstorm, tornado, flood or by similar causes to such an extent as to be rendered wholly unsuitable for Yipes' permitted use hereunder, then either Party may elect within ten (10) business days after such damage, to terminate this Attachment with respect to the affected Remote Collocation Space, and if either Party shall so elect, by giving the other written notice of termination, both Parties shall stand released of and from further liability under the terms hereof with respect to such Remote Collocation Space. If the Remote Collocation Space shall suffer only minor damage and shall not be rendered wholly unsuitable for Yipes' permitted use, or is damaged and the option to terminate is not exercised by either Party, BellSouth covenants and agrees to proceed promptly without expense to Yipes, except for improvements not the property of BellSouth, to repair the damage. BellSouth shall have a reasonable time within which to rebuild or make any repairs, and such rebuilding and repairing shall be subject to delays caused by storms, shortages of labor and materials, government regulations, strikes, walkouts, and causes beyond the control of BellSouth, which causes shall not be construed as limiting factors, but as exemplary only. Yipes may, at its own expense, accelerate the rebuild of its Remote Collocation Space and equipment provided however that a BellSouth Certified Contractor is used and the necessary space preparation has been completed. Rebuild of equipment must be performed by a BellSouth Certified Vendor. If Yipes' acceleration of the project increases the cost of the project, then those additional charges will be incurred by Yipes. Where allowed and where practical, Yipes may erect a temporary facility while BellSouth rebuilds or makes repairs. In all cases where the Remote Collocation Space shall be rebuilt or repaired, Yipes shall be entitled to an

equitable abatement of rent and other charges, depending upon the unsuitability of the Remote Collocation Space for Yipes' permitted use, until such Remote Collocation Space is fully repaired and restored and Yipes' equipment installed therein (but in no event later than thirty (30) business days after the Remote Collocation Space is fully repaired and restored). Where Yipes has placed a Remote Site Adjacent Arrangement pursuant to section 3.4, Yipes shall have the sole responsibility to repair or replace said Remote Site Adjacent Arrangement provided herein. Pursuant to this section, BellSouth will restore the associated services to the Remote Site Adjacent Arrangement.

13. Eminent Domain

13.1 Power of Eminent Domain. If the whole of a Remote Collocation Space or Remote Site Adjacent Arrangement shall be taken by any public authority under the power of eminent domain, then this Attachment shall terminate with respect to such Remote Collocation Space or Remote Site Adjacent Arrangement as of the day possession shall be taken by such public authority and rent and other charges for the Remote Collocation Space or Remote Site Adjacent Arrangement shall be paid up to that day with proportionate refund by BellSouth of such rent and charges as may have been paid in advance for a period subsequent to the date of the taking. If any part of the Remote Collocation Space or Remote Site Adjacent Arrangement shall be taken under eminent domain, BellSouth and Yipes shall each have the right to terminate this Attachment with respect to such Remote Collocation Space or Remote Site Adjacent Arrangement and declare the same null and void, by written notice of such intention to the other Party within ten (10) business days after such taking.

14. Nonexclusivity

14.1 Attachment is not exclusive. Yipes understands that this Attachment is not exclusive and that BellSouth may enter into similar agreements with other Parties. Assignment of space pursuant to all such agreements shall be determined by space availability and made on a first come, first served basis.

EXHIBIT A: BELLSOUTH/Yipes RATES – ALABAMA REMOTE SITE COLLOCATION

Rates marked with an asterisk (*) are interim and are subject to true-up

USOC	Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
PE1RA	Application Fee*	Per request	N/A	$869.18
PE1RB	Cabinet Space *	Per Rack/Bay	$230.19	N/A
PE1RC	Power Upgrade*	Per fused amp	N/A	ICB/TBD
PE1RD	Security Access System New Key*	Per Key	N/A	$26.19
PE1SR	Space Availability Report*	Per premises requested	N/A	$231.74
PE1RE	Request for CLLI*	Per Premises Requested	N/A	$75.11
AEH	Additional Engineering Fee **(Note 1)**	Per request, First half hour/add'l half hour	N/A	-
	Security Escort **(Note 1)**	Per half hr/add'l half hr		
PE1BT	Basic Time		NA	-
PE1OT	Overtime		NA	-
PE1PT	Premium Time		NA	-

Note(s):
N/A stipulates the part of the rate element (RC or NRC) not applying to the element
ICB/TBD rates will be on an Individual Case Basis .

(1) Security Escort and Additional Engineering Fees should not be needed for remote site collocation. If they become necessary, the parties will negotiate appropriate rates.

EXHIBIT A: BELLSOUTH/Yipes RATES – FLORIDA REMOTE SITE COLLOCATION

Rates marked with an asterisk (*) are interim and are subject to true-up

USOC	Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
PE1RA	Application Fee*	Per request	N/A	$874.14
PE1RB	Cabinet Space *	Per Rack/Bay	$232.50	N/A
PE1RC	Power Upgrade*	Per fused amp	N/A	ICB/TBD
PE1RD	Security Access System New Key*	Per Key	N/A	$26.20
PE1SR	Space Availability Report*	Per premises requested	N/A	$231.45
PE1RE	Request for CLLI*	Per Premises Requested	N/A	$75.13
AEH	Additional Engineering Fee **(Note 1)**	Per request, First half hour/add'l half hour	N/A	-
	Security Escort **(Note 1)**	Per half hr/add'l half hr		
PE1BT	Basic Time		NA	-
PE1OT	Overtime		NA	-
PE1PT	Premium Time		NA	-

Note(s):
N/A stipulates the part of the rate element (RC or NRC) not applying to the element
ICB/TBD rates will be on an Individual Case Basis.

(1) Security Escort and Additional Engineering Fees should not be needed for remote site collocation. If they become necessary, the parties will negotiate appropriate rates.

EXHIBIT A: BELLSOUTH/Yipes RATES – GEORGIA REMOTE SITE COLLOCATION

Rates marked with an asterisk (*) are interim and are subject to true-up

USOC	Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
PE1RA	Application Fee*	Per request	N/A	$931.61
PE1RB	Cabinet Space *	Per Rack/Bay	$224.82	N/A
PE1RC	Power Upgrade*	Per fused amp	N/A	ICB/TBD
PE1RD	Security Access System New Key*	Per Key	N/A	$25.88
PE1SR	Space Availability Report*	Per premises requested	N/A	$229.02
PE1RE	Request for CLLI*	Per Premises Requested	N/A	$74.22
AEH	Additional Engineering Fee **(Note 1)**	Per request, First half hour/add'l half hour	N/A	-
	Security Escort **(Note 1)**	Per half hr/add'l half hr		
PE1BT	Basic Time		NA	-
PE1OT	Overtime		NA	-
PE1PT	Premium Time		NA	-

Note(s):
N/A stipulates the part of the rate element (RC or NRC) not applying to the element
ICB/TBD rates will be on an Individual Case Basis.

(1) Security Escort and Additional Engineering Fees should not be needed for remote site collocation. If they become necessary, the parties will negotiate appropriate rates.

EXHIBIT A: BELLSOUTH/Yipes RATES – KENTUCKY REMOTE SITE COLLOCATION

Rates marked with an asterisk (*) are interim and are subject to true-up

USOC	Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
PE1RA	Application Fee*	Per request	N/A	$868.91
PE1RB	Cabinet Space *	Per Rack/Bay	$224.41	N/A
PE1RC	Power Upgrade*	Per fused amp	N/A	ICB/TBD
PE1RD	Security Access System New Key*	Per Key	N/A	$26.60
PE1SR	Space Availability Report*	Per premises requested	N/A	$231.82
PE1RE	Request for CLLI*	Per Premises Requested	N/A	$75.13
AEH	Additional Engineering Fee **(Note 1)**	Per request, First half hour/add'l half hour	N/A	-
	Security Escort **(Note 1)**	Per half hr/add'l half hr		
PE1BT	Basic Time		NA	-
PE1OT	Overtime		NA	-
PE1PT	Premium Time		NA	-

Note(s):
N/A stipulates the part of the rate element (RC or NRC) not applying to the element
ICB/TBD rates will be on an Individual Case Basis.

(1) Security Escort and Additional Engineering Fees should not be needed for remote site collocation. If they become necessary, the parties will negotiate appropriate rates.

EXHIBIT A: BELLSOUTH/Yipes RATES – LOUISIANA REMOTE SITE COLLOCATION

Rates marked with an asterisk (*) are interim and are subject to true-up

USOC	Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
PE1RA	Application Fee*	Per request	N/A	$868.25
PE1RB	Cabinet Space •	Per Rack/Bay	$257.01	N/A
PE1RC	Power Upgrade*	Per fused amp	N/A	ICB/TBD
PE1RD	Security Access System New Key*	Per Key	N/A	$26.16
PE1SR	Space Availability Report*	Per premises requested	N/A	$231.49
PE1RE	Request for CLLI*	Per Premises Requested	N/A	$75.02
AEH	Additional Engineering Fee **(Note 1)**	Per request, First half hour/add'l half hour	N/A	-
	Security Escort **(Note 1)**	Per half hr/add'l half hr		
PE1BT	Basic Time		NA	-
PE1OT	Overtime		NA	-
PE1PT	Premium Time		NA	-

Note(s):
N/A stipulates the part of the rate element (RC or NRC) not applying to the element
ICB/TBD rates will be on an Individual Case Basis.

(1) Security Escort and Additional Engineering Fees should not be needed for remote site collocation. If they become necessary, the parties will negotiate appropriate rates.

EXHIBIT A: BELLSOUTH/Yipes RATES – MISSISSIPPI REMOTE SITE COLLOCATION

Rates marked with an asterisk (*) are interim and are subject to true-up

USOC	Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
PE1RA	Application Fee*	Per request	N/A	$868.60
PE1RB	Cabinet Space *	Per Rack/Bay	$241.11	N/A
PE1RC	Power Upgrade*	Per fused amp	N/A	ICB/TBD
PE1RD	Security Access System New Key*	Per Key	N/A	$26.16
PE1SR	Space Availability Report*	Per premises requested	N/A	$231.43
PE1RE	Request for CLLI*	Per Premises Requested	N/A	$75.01
AEH	Additional Engineering Fee **(Note 1)**	Per request, First half hour/add'l half hour	N/A	-
	Security Escort **(Note 1)**	Per half hr/add'l half hr		
PE1BT	Basic Time		NA	-
PE1OT	Overtime		NA	-
PE1PT	Premium Time		NA	-

Note(s):
N/A stipulates the part of the rate element (RC or NRC) not applying to the element
ICB/TBD rates will be on an Individual Case Basis.

(1) Security Escort and Additional Engineering Fees should not be needed for remote site collocation. If they become necessary, the parties will negotiate appropriate rates.

EXHIBIT A: BELLSOUTH/Yipes RATES – NORTH CAROLINA REMOTE SITE COLLOCATION

Rates marked with an asterisk (*) are interim and are subject to true-up

USOC	Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
PE1RA	Application Fee*	Per request	N/A	$865.34
PE1RB	Cabinet Space *	Per Rack/Bay	$254.02	N/A
PE1RC	Power Upgrade*	Per fused amp	N/A	ICB/TBD
PE1RD	Security Access System New Key*	Per Key	N/A	$26.06
PE1SR	Space Availability Report*	Per premises requested	N/A	$230.60
PE1RE	Request for CLLI*	Per Premises Requested	N/A	$74.74
AEH	Additional Engineering Fee **(Note 1)**	Per request, First half hour/add'l half hour	N/A	-
	Security Escort **(Note 1)**	Per half hr/add'l half hr		
PE1BT	Basic Time		NA	-
PE1OT	Overtime		NA	-
PE1PT	Premium Time		NA	-

Note(s):
N/A stipulates the part of the rate element (RC or NRC) not applying to the element
ICB/TBD rates will be on an Individual Case Basis.

(1) Security Escort and Additional Engineering Fees should not be needed for remote site collocation. If they become necessary, the parties will negotiate appropriate rates.

EXHIBIT A: BELLSOUTH/Yipes RATES – SOUTH CAROLINA REMOTE SITE COLLOCATION

Rates marked with an asterisk (*) are interim and are subject to true-up

USOC	Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
PE1RA	Application Fee*	Per request	N/A	$871.12
PE1RB	Cabinet Space *	Per Rack/Bay	$246.44	N/A
PE1RC	Power Upgrade*	Per fused amp	N/A	ICB/TBD
PE1RD	Security Access System New Key*	Per Key	N/A	$26.25
PE1SR	Space Availability Report*	Per premises requested	N/A	$232.25
PE1RE	Request for CLLI*	Per Premises Requested	N/A	$75.27
AEH	Additional Engineering Fee **(Note 1)**	Per request, First half hour/add'l half hour	N/A	-
	Security Escort **(Note 1)**	Per half hr/add'l half hr		
PE1BT	Basic Time		NA	-
PE1OT	Overtime		NA	-
PE1PT	Premium Time		NA	-

Note(s):
N/A stipulates the part of the rate element (RC or NRC) not applying to the element
ICB/TBD rates will be on an Individual Case Basis.

(1) Security Escort and Additional Engineering Fees should not be needed for remote site collocation. If they become necessary, the parties will negotiate appropriate rates.

EXHIBIT A: BELLSOUTH/Yipes RATES – TENNESSEE REMOTE SITE COLLOCATION

Rates marked with an asterisk (*) are interim and are subject to true-up

USOC	Rate Element Description	Unit	Recurring Rate (RC)	Non-Recurring Rate (NRC)
PE1RA	Application Fee*	Per request	N/A	$872.95
PE1RB	Cabinet Space *	Per Rack/Bay	$219.37	N/A
PE1RC	Power Upgrade*	Per fused amp	N/A	ICB/TBD
PE1RD	Security Access System New Key*	Per Key	N/A	$26.23
PE1SR	Space Availability Report*	Per premises requested	N/A	$232.12
PE1RE	Request for CLLI*	Per Premises Requested	N/A	$75.23
AEH	Additional Engineering Fee **(Note 1)**	Per request, First half hour/add'l half hour	N/A	-
	Security Escort **(Note 1)**	Per half hr/add'l half hr		
PE1BT	Basic Time		NA	-
PE1OT	Overtime		NA	-
PE1PT	Premium Time		NA	-

Note(s):
N/A stipulates the part of the rate element (RC or NRC) not applying to the element
ICB/TBD rates will be on an Individual Case Basis.

(1) Security Escort and Additional Engineering Fees should not be needed for remote site collocation. If they become necessary, the parties will negotiate appropriate rates.

ENVIRONMENTAL AND SAFETY PRINCIPLES

The following principles provide basic guidance on environmental and safety issues when applying for and establishing Physical Collocation arrangements.

1. GENERAL PRINCIPLES

1.1 Compliance with Applicable Law. BellSouth and Yipes agree to comply with applicable federal, state, and local environmental and safety laws and regulations including U.S. Environmental Protection Agency (USEPA) regulations issued under the Clean Air Act (CAA), Clean Water Act (CWA), Resource Conservation and Recovery Act (RCRA), Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), Superfund Amendments and Reauthorization Act (SARA), the Toxic Substances Control Act (TSCA), and OSHA regulations issued under the Occupational Safety and Health Act of 1970, as amended and NFPA and National Electrical Codes (NEC) and the NESC ("Applicable Laws"). Each Party shall notify the other if compliance inspections are conducted by regulatory agencies and/or citations are issued that relate to any aspect of this Attachment.

1.2 Notice. BellSouth and Yipes shall provide notice to the other, including Material Safety Data Sheets (MSDSs), of known and recognized physical hazards or Hazardous Chemicals existing on site or brought on site. Each Party is required to provide specific notice for known potential Imminent Danger conditions. Yipes should contact 1-800-743-6737 for BellSouth MSDS sheets.

1.3 Practices/Procedures. BellSouth may make available additional environmental control procedures for Yipes to follow when working at a BellSouth Premises (See Section 2, below). These practices/procedures will represent the regular work practices required to be followed by the employees and contractors of BellSouth for environmental protection. Yipes will require its contractors, agents and others accessing the BellSouth Premises to comply with these practices. Section 2 lists the Environmental categories where BST practices should be followed by CLEC when operating in the BellSouth Premises.

1.4 Environmental and Safety Inspections. BellSouth reserves the right to inspect the Yipes space with proper notification. BellSouth reserves the right to stop any Yipes work operation that imposes Imminent Danger to the environment, employees or other persons in the area or Facility.

1.5 Hazardous Materials Brought On Site. Any hazardous materials brought into, used, stored or abandoned at the BellSouth Premises by Yipes are owned by Yipes. Yipes will indemnify BellSouth for claims, lawsuits or damages to persons or property caused by these materials. Without prior written BellSouth approval, no substantial new safety or environmental hazards can be created by Yipes or different hazardous materials used by Yipes at BellSouth Facility. Yipes must demonstrate adequate emergency response capabilities for its materials used or remaining at the BellSouth Facility.

1.6 Spills and Releases. When contamination is discovered at a BellSouth Premises, the Party discovering the condition must notify BellSouth. All Spills or Releases of regulated materials will immediately be reported by Yipes to BellSouth.

1.7 Coordinated Environmental Plans and Permits. BellSouth and Yipes will coordinate plans, permits or information required to be submitted to government agencies, such as emergency response plans, spill prevention control and countermeasures (SPCC) plans and community reporting. If fees are associated with filing, BellSouth and Yipes will develop a cost sharing procedure. If BellSouth's permit or EPA identification number must be used, Yipes must comply with all of BellSouth's permit conditions and environmental processes, including environmental "best management practices (BMP)" (see Section 2, below) and/or selection of BST disposition vendors and disposal sites.

1.8 Environmental and Safety Indemnification. BellSouth and Yipes shall indemnify, defend and hold harmless the other Party from and against any claims (including, without limitation, third-party claims for personal injury or death or real or personal property damage), judgments, damages, (including direct and indirect damages, and punitive damages), penalties, fines, forfeitures, costs, liabilities, interest and losses arising in connection with the violation or alleged violation of any Applicable Law or contractual obligation or the presence or alleged presence of contamination arising out of the acts or omissions of the indemnifying Party, its agents, contractors, or employees concerning its operations at the Facility.

2. CATEGORIES FOR CONSIDERATION OF ENVIRONMENTAL ISSUES

When performing functions that fall under the following Environmental categories on BellSouth's Premises, Yipes agrees to comply with the applicable sections of the current issue of BellSouth's Environmental and Safety Methods and Procedures (M&Ps), incorporated herein by this reference. Yipes further agrees to cooperate with BellSouth to ensure that Yipes' employees, agents, and/or subcontractors are knowledgeable of and satisfy those provisions of BellSouth's Environmental M&Ps which apply to

the specific Environmental function being performed by Yipes, its employees, agents and/or subcontractors.

The most current version of reference documentation must be requested from BellSouth.

ENVIRONMENTAL CATEGORIES	ENVIRONMENTAL ISSUES	ADDRESSED BY THE FOLLOWING DOCUMENTATION
Disposal of hazardous material or other regulated material (e.g., batteries, fluorescent tubes, solvents & cleaning materials)	Compliance with all applicable local, state, & federal laws and regulations Pollution liability insurance EVET approval of contractor	• Std T&C 450 • Fact Sheet Series 17000 • Std T&C 660-3 • Approved Environmental Vendor List (Contact E/S Management)
Emergency response	Hazmat/waste release/spill firesafety emergency	• Fact Sheet Series 1700 • Building Emergency Operations Plan (EOP) (specific to and located on Premises)
Contract labor/outsourcing for services with environmental implications to be performed on BellSouth Premises (e.g., disposition of hazardous material/waste; maintenance of storage tanks)	Compliance with all applicable local, state, & federal laws and regulations Performance of services in accordance with BST's environmental M&Ps Insurance	• Std T&C 450 • Std T&C 450-B • (Contact E/S for copy of appropriate E/S M&Ps.) • Std T&C 660
Transportation of hazardous material	Compliance with all applicable local, state, & federal laws and regulations Pollution liability insurance EVET approval of contractor	• Std T&C 450 • Fact Sheet Series 17000 • Std T&C 660-3 • Approved Environmental Vendor List (Contact E/S Management)

Maintenance/operations work which may produce a waste Other maintenance work	Compliance with all application local, state, & federal laws and regulations Protection of BST employees and equipment	• Std T&C 450 • 29CFR 1910.147 (OSHA Standard) • 29CFR 1910 Subpart O (OSHA Standard)
Janitorial services	All waste removal and disposal must conform to all applicable federal, state and local regulations All Hazardous Material and Waste Asbestos notification and protection of employees and equipment	• P&SM Manager - Procurement • Fact Sheet Series 17000 • GU-BTEN-001BT, Chapter 3 • BSP 010-170-001BS (Hazcom)
Manhole cleaning	Compliance with all applicable local, state, & federal laws and regulations Pollution liability insurance EVET approval of contractor	• Std T&C 450 • Fact Sheet 14050 • BSP 620-145-011PR Issue A, August 1996 • Std T&C 660-3 • Approved Environmental Vendor List (Contact E/S Management)
Removing or disturbing building materials that may contain asbestos	Asbestos work practices	• GU-BTEN-001BT, Chapter 3

3. DEFINITIONS

Generator. Under RCRA, the person whose act produces a Hazardous Waste, as defined in 40 CFR 261, or whose act first causes a Hazardous Waste to become subject to regulation. The Generator is legally responsible for the proper management and disposal of Hazardous Wastes in accordance with regulations.

Hazardous Chemical. As defined in the U.S. Occupational Safety and Health (OSHA) hazard communication standard (29 CFR 1910.1200), any chemical which is a health hazard or physical hazard.

Hazardous Waste. As defined in section 1004 of RCRA.

Imminent Danger. Any conditions or practices at a facility which are such that a danger exists which could reasonably be expected to cause immediate death or serious harm to people or immediate significant damage to the environment or natural resources.

Spill or Release. As defined in Section 101 of CERCLA.

4. ACRONYMS

E/S – Environmental/Safety

EVET - Environmental Vendor Evaluation Team

DEC/LDEC - Department Environmental Coordinator/Local Department Environmental Coordinator

GU-BTEN-001BT - BellSouth Environmental Methods and Procedures

NESC - National Electrical Safety Codes

P&SM - Property & Services Management

Std. T&C - Standard Terms & Conditions

AWG-9

MICROWAVE COLLOCATION

MICROWAVE COLLOCATION

Where technically feasible and where space is available, BellSouth will provide for physical collocation of WinStar's microwave equipment on the roofs of BellSouth's Central Office Buildings. Such equipment will be limited to that necessary for interconnection of WinStar's network facilities to BellSouth's network or access to BellSouth's unbundled network elements.

Microwave Collocation includes placement of supporting masts, non-penetrating roof mounts ("NPRM"), penetrating pipe stands, parapet mounts, and microwave antenna(e) on the roof top or other suitable exterior spaces of BellSouth's Central Offices and does not include the construction of towers. The Parties will work together to determine the preferable type of antenna mount reasonably considering such factors as permitting requirements, roof maintenance issues and any other relevant factors. BellSouth shall have final approval of the type of antenna mount. The Parties agree that the elements listed below reflect requirements for Microwave Collocation, which shall be provided in accordance with the rates, terms and conditions set forth below. The Parties acknowledge that Microwave Collocation requires unobstructed line-of-sight. Unobstructed line-of-sight will be provided by BellSouth where technically feasible but is not guaranteed to be available. WinStar accepts the responsibility of determining unobstructed line-of-sight at any location where WinStar applies for Microwave Collocation.

1. PROVISIONING PROCESS AND FEES

A. Initial Site Visit

WinStar will provide a Site Visit Request to BellSouth, in writing, setting forth the names of the BellSouth Central Office Buildings(s) WinStar wishes to visit for potential Microwave Collocation. Such site visit consists of WinStar representatives and appropriate BellSouth personnel visiting a BellSouth Central Office building for the purpose of determining whether an unobstructed line-of-sight is technically feasible. WinStar will be responsible for making an unobstructed line-of-sight determination. Such Site Visit does not obligate WinStar to request, or BellSouth to provide, Microwave Collocation on the site. The site visit will take place within fifteen (15) calendar days of receipt by BellSouth of WinStar's Site Visit Request or as soon thereafter as can be scheduled by the Parties.

WinStar will submit a Site Visit Request Fee as specified in Exhibit B attached hereto, and will pay for the reasonable cost BellSouth incurs for travel, if necessary, for each site requested with each Site Visit not to exceed two hours. Charges for site visits that take longer than two (2) hours will be charged by BellSouth to WinStar at BellSouth's loaded labor rates on a per hour basis in addition to the Site Visit Request Fee. BellSouth will make every effort possible to use resources near the requested location to minimize travel

required. If BellSouth determines that airline travel is required, BellSouth will contact WinStar in an effort to discuss possible alternatives.

B. Microwave Collocation Application

This provision shall coincide with provisions under Section 6 and 7 of the Collocation Attachment.

BellSouth will respond to Microwave Collocation Application(s) pursuant to Section 2 and 6 of this Attachment.

INTERCONNECTOR shall submit the Application and Inquiry document pursuant to BellSouth's FCC #1, Section 20 tariff (for virtual) or Section 6 of the Collocation Attachment, in addition to a Microwave Collocation Attachment for each central office building where INTERCONNECTOR seeks Microwave Collocation. This application and fees will apply both to space on the roof as well as space inside the BellSouth central office.

INTERCONNECTOR shall provide BellSouth with the following data on the application to the extent available recognizing that certain information may change depending on the final determination of the location providing line of sight:

- Type of antenna mount (pipe, NPRM)
- Type of equipment to be collocated within WinStar's case (vendor, capacity)
- Line of sight requirements (Azimuth)
- Relevant information includes: Station Name, Call Sign, Latitude, Longitude, Primary Antenna Type, Equipment Type, Equipment Emission, Power (dBm/Watts), Receive Level (dBm), EIRP (dBm/Watts), Transmit Frequency (MHz)
- WEIGHT AND CONFIGURATION
- Other relevant information as identified at the INITIAL site visit.

Roof Inspection: BellSouth may require a roof inspection at any site where WinStar requests Microwave Collocation. WinStar will bear the reasonable cost of the inspection including reasonable travel cost if any. BellSouth intends to use an independent contractor which may be accompanied by BellSouth personnel. The roof inspection fee shall be assessed on an individual case basis unless negotiated as a flat rate by the Parties. Such Roof Inspection does not obligate BellSouth to provide Microwave Collocation on the site.

If BellSouth concludes that rooftop/exterior space which provides WinStar with unobstructed line-of-sight does not appear to be technically feasible,

BellSouth will provide WinStar a written explanation of such technical infeasibility within the specified application response interval in Section 6 of the for the applicable state(s) following BellSouth's receipt of the collocation application including those cases where BellSouth's known business plans provide for or include an addition to the building which would impact the line of sight. This explanation will be included in the response to WinStar's application.

BellSouth or its designated subcontractors shall perform all necessary work associated with the Microwave Collocation arrangement involving power and building modifications unless otherwise agreed to by the Parties. All work performed shall be done by a BellSouth certified vendor. WinStar shall select a vendor which has been approved as a BellSouth Certified Vendor to perform all engineering and installation work of the Microwave Collocation arrangement pursuant to TR-73503, BST Electrical Standards for Wireless Service Providers on BellSouth facilities Issue 1, Sept 1996, and BST Building Construction and Fire Safety Standards – Section 16170 – June 1998. In some cases WinStar must select separate BellSouth Certified Vendors for transmission equipment, switching equipment and power equipment. BellSouth shall provide WinStar with a list of Certified Vendors pursuant to Section 20.20 of BellSouth's FCC #1, Virtual Expanded Interconnection tariff or the Collocation Attachment and the Certified Vendor shall bill WinStar directly for all work performed for WinStar and BellSouth shall have not liability for nor responsibility to pay such charges imposed by the Certified Vendor. BellSouth shall consider certifying WinStar or any vendor proposed by WinStar.

If rooftop/exterior space is available BellSouth shall provide WinStar an estimate for such microwave collocation as described more fully in provision 1.C at the same time BellSouth provides its interior collocation space quote.

C. **Preparation of Estimate / Application Response**

Within the applicable application response interval (specified in Section 6 of the Collocation Attachment) after receiving from WinStar a single complete and accurate Application and Inquiry document, BellSouth will provide, as more fully described below, an estimate including an estimate for the Non-Recurring Charges and Monthly Recurring Charges pursuant to the rates and terms set forth in BellSouth's FCC #1, Section 20 tariff for virtual collocation and Exhibit A of the Physical Collocation Exhibit.

The estimate shall reflect the specifications submitted by WinStar and may change based on the actual field conditions encountered during construction.

(1) Estimate:

(a) The Estimate / Application Response shall set forth separate estimated charges for the following work related to the installation of the Microwave Antenna Arrangement.

(i) **Architectural Plan and Structural Review**:

This shall be assessed as part of the non-recurring Microwave Preparation Fee as specified in Exhibit B of this Attachment, for BellSouth Architects or its contractors necessary to review the plans for the Microwave Collocation Arrangement. This will include applicable consulting charges and fees for reviewing permitting material and/or assisting WinStar in the permitting process to the extent required.

(ii) **Permitting Review**:

This shall be assessed as part of the non-recurring Microwave Preparation Fee as specified in Exhibit B of this Attachment, for BellSouth Property and Services Management and/or Project Managers whose time was reasonably necessary and actually spent reviewing permitting material and/or assisting WinStar in the permitting process. BellSouth shall have final approval authority on all proposed conditions, (which shall not be unreasonably withheld) imposed by relevant jurisdictions and BellSouth shall have the right to be represented at all hearings in connection with governmental approvals.

(iii) **Exterior (and Related Interior) Building Modification Work**:

BellSouth will include a quote for BellSouth to perform coring within the Central Office, roof strengthening or any other exterior or related interior building modification that may be required.

(iv) **Supervision of General Contractor**:

This shall be assessed as part of the non-recurring Microwave Preparation Fee as specified in Exhibit B of this Attachment, if necessary, for BellSouth Property and Services Management personnel, Consultants, or Project Managers who monitor the Microwave Antenna Support Structure installation performed by WinStar's contractor. The level of BellSouth's personnel or consultants shall be commensurate with the requirements for supervising the project and monitoring construction.

(v) **Special Security Construction:**

If BellSouth demonstrates that new secure access to the Microwave Collocation location is reasonably necessary, the costs associated with the construction of such access shall be described on a separate schedule to be provided by BellSouth to WinStar.

(b) **Recurring Charges**

These consist of:

(i) Monthly Recurring Roof-top Space Rental Fee:

The Monthly Recurring Roof-top Space Rental Fee shall be on a per square foot basis with a minimum of 12 square feet per microwave arrangement as set forth in this Attachment in Exhibit B. WinStar is limited by building and structural support constraints for determining the number of antenna(e) which can be placed on a roof mount, pipe stand, or parapet mount. The diameter of the microwave antenna(e) will be subject to a height limitation of twenty (20) feet above the building or point of attachment, subject to line-of-sight, safety, and structural engineering guidelines, (e.g., weight, wind load). Such equipment will be subject to a structural analysis to be performed by BellSouth's Structural Engineer at WinStar's sole expense, to ensure that the equipment does not overload the building structure. If any structural reinforcement is required in order to accommodate the placement of the requested diameter and height of such microwave antenna(e), WinStar will not be allowed to place such microwave antenna(e).WinStar agrees that the height of the structure will be no greater than the minimum required to accommodate line of sight requirements. At no time shall an antenna (e) be directed across open roof space without approval of BellSouth which shall not be unreasonably withheld. WinStar shall be responsible for ensuring that the arrangement complies with local zoning requirements.

The billing for the Rooftop Space Rental Fee shall begin the date the interior and rooftop space preparation activities are complete and the space is made available to WinStar, or the date WinStar first begins the Rooftop microwave equipment installation, whichever is sooner. BellSouth will work with WinStar to avoid

unreasonable time differences between the completion of rooftop space preparation and interior collocation space construction.

D. **Firm Order**

All estimates shall be valid for the time period as specified in Section 6 of the Collocation Attachment, and WinStar shall accept or reject within such time period, unless an extension is requested in writing by WinStar and agreed to by BellSouth. Such extension will not exceed thirty (30) days. To accept an estimate, WinStar shall so state in writing by submitting a Firm Order to BellSouth and shall pay BellSouth any applicable fees due at that time, with recurring charges due upon completion of the Microwave Collocation area and any necessary supporting electrical or building modification work. Payment requirements will be commensurate with BellSouth's FCC #1 tariff, Section 20, or Exhibit A of the Physical Collocation Exhibit.

BellSouth will permit one accompanied site visit to WinStar's designated Microwave collocation arrangement location after receipt of the Firm Order without charge to WinStar.

E. **Pre-Design Meeting**

Unless otherwise agreed to by the Parties, a joint planning meeting or other method of joint planning between BellSouth and WinStar will commence within a maximum of 15 calendar days from BellSouth's receipt of a Firm Order and the payment of agreed upon fees. At such meeting, the Parties will agree to the preliminary design of the Microwave Collocation Space and the equipment configuration requirements as reflected in the Application and affirmed in the Firm Order. The Collocation Space Completion time period will be provided to WinStar during the joint planning meeting or as soon as possible thereafter. BellSouth will complete all design work following the joint planning meeting.

F. **Equipment and Testing**:

WinStar shall be responsible for providing, at its sole expense, the antenna (e), coaxial cable, brackets, connectors, support structure, grounding and bonding materials, and weather-proofing materials for such support structure or antenna (e) required for the Microwave Collocation. WinStar shall also be solely responsible for final adjustments (e.g., pointing) of the antenna (e).

G. **Use Permits**:

WinStar shall be responsible for obtaining all relevant Use Permits (UPs) and shall bear all costs and fees. WinStar shall regularly apprise BellSouth of the status of such permitting and consult with BellSouth as reasonably necessary.

2. NO PROPERTY RIGHT CONFERRED

Notwithstanding anything contained herein to the contrary, Microwave Collocation shall not confer or be deemed to confer any property interest or right in BellSouth's property, and WinStar hereby acknowledges that the rights conferred hereunder shall constitute merely a non-exclusive license to use a portion of BellSouth's property solely for the purposes set forth herein. A limit of two (2) WinStar Microwave Collocation arrangements per Central Office will be permitted unless otherwise agreed to by the Parties.

Title to WinStar's Microwave Collocation equipment shall remain in WinStar as the property of WinStar and shall not become fixtures to BellSouth's property.

3. RESPONSIBILITY OF THE PARTIES

A. WinStar shall obtain any and all applicable and necessary permits, variances, licenses, approvals and authorizations from the governmental agencies with jurisdiction, including without limitation, use permits, buildings permits, FCC licenses and FAA approval, if required, to operate and maintain WinStar's facilities during the Term of this Agreement.

B. WinStar shall not use BellSouth's property or permit WinStar's agents or contractors to do anything in or about the Central Office (s) in conflict with any applicable law affecting the condition, use or occupancy of the property or the installation, operation or maintenance of WinStar's Microwave Collocation equipment. WinStar shall not commit any public or private nuisance or any other act or practice which might or would materially disturb the quiet enjoyment of any occupant of nearby properties.

C. Where BellSouth performs any of the work pursuant to the quotes set forth in 1.C.(1)(a), BellSouth shall select the architect, engineers, surveyors, contractors, suppliers, consultants and subcontractors which may be necessary to develop plans, furnish materials and equipment, and perform construction work. BellSouth shall manage all such work in accordance with the plans and specifications approved by the Parties, all applicable laws, codes and regulations, and shall require that all contractors perform their work in a good workmanlike manner. BellSouth shall require that all BellSouth Contractors include WinStar as an ADDITIONAL INSURED to any policies of insurance maintained by the Contractor for purposes of the work, and shall indemnify WinStar from losses, costs and expenses incurred as a result of contractor's work. WinStar hereby

acknowledges and agrees that BellSouth shall not be liable for the work performed, material, supplies, or work products furnished by any contractor, and that WinStar shall look solely to the contractor and any warranties, indemnification or insurance furnished by such Contractor, waiving and releasing BellSouth from any claim or liability therefrom except to the extent of the negligence or willful misconduct of BellSouth in the performance of its project management activities.

D. Notwithstanding any other provision of this Attachment, WinStar hereby acknowledges that BellSouth may have existing wireless communications facilities of its own or of other tenants or licensees on or at BellSouth's Central Office, and/or BellSouth may desire from time to time throughout the term of this Agreement to enter into agreements with other wireless communications providers for the installation, operation and maintenance of communications facilities on or at BellSouth's Property ("Other Wireless Carriers"). WinStar shall cooperate with BellSouth and all Other Wireless Carriers so as to reasonably accommodate the needs and requirements of such Other Wireless Carriers with respect to the installation, operation, use and maintenance of their equipment and facilities, and all necessary alterations, modifications and other improvements to BellSouth's property, including utility connections and access. Subject to ownership of any exclusive frequency rights, WinStar's facilities shall not physically, electronically, or inductively interfere with the existing BellSouth or other customers' or tenants' existing facilities. Each transmitter individually and all transmitters collectively at a given location shall comply with appropriate federal, state, and/or local regulations governing the safe levels of RF radiation. The foregoing obligations shall apply equally to all Other Wireless Carriers.

E. In the event WinStar desires to relocate any of its then-existing Microwave Collocation facilities to a different place on the relevant BellSouth Central Office rooftop, WinStar shall submit a new application with fee to BellSouth specifying the new location WinStar proposes to occupy. If the relocation does not require BellSouth to expend capital, then a Subsequent Application fee will apply as covered in Exhibit B attached hereto.

BellSouth shall, within thirty (30) calendar days of receipt of a complete application, approve such relocation or describe, in writing, why such relocation is not technically feasible.

F. WinStar's Insurance Obligations

Pursuant to Section 8 of the Physical Collocation Exhibit to the Interconnection Agreement.

G. At its sole cost and expense, WinStar shall maintain WinStar's Microwave equipment, including without limitation, all necessary repairs, replacements and restorations. In addition, WinStar shall keep its Microwave Collocation space in a good, neat, sanitary and workmanlike condition. If WinStar shall fail to keep its Microwave Collocation space in such workmanlike condition after ten (10) days written notice form BellSouth, BellSouth shall have the right but not the obligation to clean up the space on WinStar's behalf. In such event, WinStar shall be liable to BellSouth for the cost and expense of such work, upon written demand.

H. WinStar shall only use the microwave dishes located on the BellSouth roof to receive aggregated microwave signals from a WinStar hub. Additionally, WinStar may not connect Indoor Units ("IDU") within the collocation space through cross-connect facilities in lieu of interconnecting to BellSouth's network or accessing BellSouth's unbundled network elements.

4. SECURE ACCESS

Pursuant to Section 11 of the Physical Collocation Exhibit to the Interconnection Agreement.

5. CABLE PROVISIONING

WinStar is responsible for providing, running, and maintaining the cable from the radio frequency (RF) equipment to the collocation cage through the use of a BellSouth Certified Vendor. BellSouth transmission engineering bonding and grounding rules MUST be followed where the cable enters the central office and at the equipment location. BellSouth shall designate the point of entrance of the cable from the roof into the BellSouth Central Office building. BellSouth will be responsible for providing any necessary cable support structure at a rate indicated in Exhibit B attached hereto. A BellSouth consultant must approve how the cable will be run.

6. LINE OF SIGHT

BellSouth will manage roof space on a first-come /first-served basis. BellSouth will work cooperatively with WinStar in determining suitable space for WinStar equipment. Once the parties mutually determine an initial location which provides for line of sight pursuant to 1A, and 1E above, WinStar is guaranteed a clear line of sight from the antenna mount and the edge of BellSouth's roof line. If BellSouth requires a building enhancement modification or through the placement of additional equipment obstructs WinStar's existing line of sight, BellSouth will work with WinStar to move the antenna mount or raise the height of the antenna mount for a clear line of sight. The costs of this modification will be borne by BellSouth.

If a third party elects to place equipment on the roof that obstructs an existing line of sight, the third party application will be denied unless all three parties mutually agree to move an existing arrangement to allow for a clear line of sight. The costs of this application will be borne by the third party.

7. ANTENNA MODIFICATIONS

WinStar must submit an application with a fee before adding additional equipment to the microwave collocation space or to move equipment outside of designated space. WinStar may not construct improvements or make Major Alterations to its rooftop space or microwave transmission facilities without prior written approval from BellSouth, which will not be unreasonably withheld. BellSouth shall respond to any single request (application) within the specified application response interval in Section 6 of the Collocatior Attachment for the applicable state(s). "Major Alterations" shall include but not be limited to: (i) additional construction by WinStar of support equipment within its rooftop space, (ii) any modification to the rooftop space. "Major Alterations" shall not include (i) replacement of mounted equipment with like-sized and weight or smaller mounted equipment or similar functionality, (ii) routine repairs and maintenance to such microwave transmission facilities. Additional equipment or movement of existing equipment will require a new application and application fee. Anything outside of normal maintenance may require a subsequent application fee as indicated in Exhibit A of the Physical Collocation Exhibit.

8. USE OF ANTENNA SPACE ON OTHER BELLSOUTH TOWERS

Requirements for antenna space on existing towers that are not part of a BellSouth central office will be handled through BellSouth's Master Licensing Process.

9. EQUIPMENT REMOVAL

A. If, at any time, BellSouth reasonably determines that any of WinStar's facilities or equipment or the installation of WinStar's facilities or equipment does not meet the requirements outlined in this Attachment, WinStar will be responsible for the costs associated with the removal of such facilities or equipment or modification of the facilities or equipment or installation thereof to render it complaint. The removal of equipment must be done by a BellSouth Certified Vendor unless the Parties agree that another certified vendor can be used. If WinStar fails to correct any non-compliance with these standards or fails to demonstrate that the equipment is compliant within fifteen (15) days' written notice to WinStar, BellSouth may have the facilities or equipment removed or the condition correct at WinStar's expense. Removal of Microwave Collocation equipment shall be as specified in paragraph 9B below.

B. Except where otherwise agreed to by the Parties, WinStar may terminate occupancy in a particular Collocation Space upon thirty (30) calendar days prior written notice to BellSouth. Upon termination of such occupancy, WinStar at its expense shall remove its equipment and other property from the Collocation Space. WinStar shall have thirty (30) calendar days from the termination date to complete such removal, provided, however, that WinStar shall continue payment of monthly fees to BellSouth until such date as WinStar has fully vacated the Collocation Space. Should WinStar fail to vacate the Collocation Space within thirty (30) calendar days from the termination date, BellSouth shall have the right to remove the equipment and other property of WinStar at WinStar's expense and with no liability for damage or injury to WinStar 's property unless caused by the gross negligence or intentional misconduct of BellSouth. Upon expiration of this Agreement with respect to a Collocation Space, WinStar shall surrender such Collocation Space to BellSouth in the same condition as when first occupied by the WinStar except for ordinary wear and tear unless otherwise agreed to by the Parties.

10. NATURE OF USE

WinStar equipment must comply with BellCore Network Equipment Building System (NEBS) Requirements, Electromagnetic Compatibility and Electrical Safety Generic Criteria for Network Telecommunication Equipment (TR-NWT-001089), and FCC OET Bulletin 65 dated 08/97. Requirements of provision 20.18 of BellSouth's FCC #1 tariff also apply. The operation of WinStar's microwave equipment shall comply with all applicable federal and state RF guidelines.

11. POWER REQUIREMENTS FOR MICROWAVE ARRANGEMENT

BellSouth will not provide power or environmental support to the roof space. If BellSouth agrees in response to a specific request by WinStar to provide power or environmental support to the roof space, WinStar will bear all associated costs as specified by BellSouth to provide such services.

12. GROUNDING AND BONDING

WinStar at its expense will ensure that any microwave equipment placed on the rooftop collocation space or in the building shall be grounded and bonded according to BellSouth's standards which shall be at a minimum consistent with industry standards. BellSouth agrees that grounding and bonding requirements shall be applied in parity to itself and other Interconnectors for similar types of equipment.

13. COLLOCATION AGREEMENT PROVISIONS

Any provision provided specifically herein shall be in addition to applicable provisions in the Physical Collocation Exhibit.

Exhibit A

MICROWAVE COLLOCATION RATE ELEMENT DEFINITIONS AND CONDITIONS

Non-recurring charges - Relating to Microwave Roof Equipment

1) **Microwave Preparation Fees**

Architectural Plan and Structural Review
Permitting Review
Exte[illegible]r and Related Interior Building Modification Work
Ger[illegible] Contractor Supervi[illegible]on
Spec[illegible] Security Constructi[illegible]n

2) **Coring/Cable Support Structure**

Electrical and Building modification work for coring
Weather Proofing
Cable Support Structure

3) **Roof Preparation (if applicable)**

Engineering Study (To develop roof preparation alternatives/costs)

4) **Escort - charge for access to roof**
Charge for access to Roof

Recurring charges - Relating to Microwave Roof Equipment

1) **Roof Space Lease Charge**

Monthly rate for leasing rooftop or other suitable exterior space on BellSouth CO on a per square foot basis.

MICROWAVE COLLOCATION RATES

Non-recurring charges*

1)	Site Visit Request Fee (2 hours)	$250.00 Per Site Visit for each CO
2)	Microwave Prep fee	[ICB FOR EACH CO]
3)	Coring/Cable Support Structure	[ICB FOR EACH CO]
4)	Roof Preparation/Exterior Cable Support Structure	[ICB FOR EACH CO]
5)	Microwave Installation	[ICB FOR EACH CO]
6)	Additional Charges**	[BASED ON ICB]

* With the exception of Additional Charges, all Non-recurring Charges shall be assessed on an interim basis subject to true up based on a BellSouth cost study to determine the appropriate cost for such activities.

** Additional costs for environmental conditioning (if applicable) will be developed and charged as an ICB. These charges include but are not limited to (to the extent applicable): exterior cable support structure; coring; and roof reinforcement. These costs along with the building Modification costs will be pro-rated back to existing customers when new applicants are put into service.

Monthly recurring rates*

1)	Roof space (per sq. ft.)**	$ 5.50

* All Recurring rates shall be assessed on an interim basis subject to true up based on a BellSouth cost study to determine the appropriate cost for such activities.

** A minimum of 12 square feet is required per microwave arrangement.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of BellSouth Telecommunications, Inc.'s, entry into interLATA Services pursuant to Section 271 Of the Federal Telecommunications Act of 1996.	))))))	DOCKET NO. 960786-TL

AFFIDAVIT OF LINDA M. KINSEY
ON BEHALF OF BELLSOUTH TELECOMMUNICATIONS, INC.

STATE OF GEORGIA
COUNTY OF FULTON

I, LINDA M. KINSEY, being first duly sworn upon oath, do hereby depose and state:

I. Professional Experience

1. My name is Linda M. Kinsey. I am employed by BellSouth Telecommunications, Inc. ("BellSouth"). My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. I am the Director of Outside Plant Engineering Support. In this position, I am responsible for, among other things, the development and implementation of processes and procedures that ensure nondiscriminatory access to poles, ducts, conduits, and rights-of-way. I have held various positions within the BellSouth Network organization, both line and staff.

II. Purpose of Affidavit

2. The purpose of my affidavit is to demonstrate that BellSouth offers nondiscriminatory access to poles, ducts, conduits and rights-of-way to competing providers of telecommunications services in compliance with sections 251(b)(4) and section 224 of the

Communications Act (the "Act"), and item (iii) of the Competitive Checklist (Checklist) as contained in section 271(c)(2)(B) of the Act.

3. This affidavit describes the process used by BellSouth to provide CLECs access to poles, ducts, conduits, (hereinafter "structures") and rights-of-way, and compares it to the process that BellSouth uses to provision the same facilities and services to itself or any affiliate. Although the processes are not always identical, as explained below, the procedure available to CLECs is nondiscriminatory and offers competitors a meaningful opportunity to compete. The Federal Communications Commission ("FCC") deemed these procedures nondiscriminatory when reviewing BellSouth's application for in-region, interLATA authority in Louisiana. See Application of BellSouth Corporation, BellSouth Telcoms, Inc., and BellSouth Long Distance, Inc., for Provision of In-Region, InterLATA Services in Louisiana, 13 FCC Rcd 20599, 20706-12 (1998). Additionally, following is a list of BellSouth region state proceedings that have found that BellSouth provides non-discriminatory access to Poles, Ducts, Conduits and Rights-of-Way in compliance with Checklist Item 3: (1) Florida Public Service Commission ("FPSC") in Order No. PSC-97-1459-FOF-TL, Docket No. 960786-TL, issued November 19, 1997, pp. 99-100; (2) Kentucky Public Service Commission (KPSC) in Case No. 96-608, Advisory Opinion dated July 8, 1999, p. 5; (3) Louisiana Public Service Commission (LPSC) in Docket No. U-22252-A, Order dated September 5, 1997, p. 8; (4) Mississippi Public Service Commission (MPSC) in Docket No. 97-AD-0321, Order dated November 9, 1998, p. 32; (5) North Carolina Utilities Commission (NCUC) in its Order Regarding Section 271 Requirements, Docket No. P-55, Sub 1022, January 14, 1998, p. 58; and (6) South Carolina Public Service Commission (SCPSC) in Docket No. 97-101-C, Order No. 97-640, dated July 31, 1997, p. 41. The

provision of access remains to this day consistent with the affirmative conclusions reached by the FCC, FPSC, KPSC, LPSC, MPSC, NCUC and SCPSC.

III. **Process Explanation**

4. BellSouth established a Competitive Structures Provisioning Center (CSPC) in Birmingham, Alabama for processing all CLEC requests for access to BellSouth's poles, ducts, conduits and rights-of-way. BellSouth established the center to ensure that competitors requesting such access receive prompt, consistent, and nondiscriminatory treatment.

5. To gain access to poles, ducts, conduits, and rights-of-way, a CLEC must execute a license agreement with BellSouth. The purpose of the License Agreement is to set out the terms and conditions applicable to all specific licenses granted to the CLEC upon BellSouth approval of a CLEC application. BellSouth offers a standard license agreement (together with operational guidelines and application forms) to CLECs seeking access to poles, ducts, conduit, and rights-of-way. See, e.g., Nextlink Florida, Inc. License Agreement for Rights of Way (ROW), Conduits, and Pole Attachments – Exhibit LMK-1. A CLEC either can adopt the standard license agreement or negotiate a non-standard agreement with BellSouth. In either case, the license agreement sets out the terms and conditions applicable to all licenses granted the CLEC by BellSouth. CLECs may execute agreements on a state-wide or region-wide basis.

6. At the time BellSouth provides the CLEC with the final agreement for its signature, BellSouth also provides operational guidelines to assist the CLEC in completing the necessary application forms related to specific poles, ducts, and conduits. Upon request, BellSouth personnel also are available to help CLECs with the application forms.

7. After execution of a license agreement, a CLEC may submit an application to attach to or occupy specific structures or rights-of-way owned or controlled by BellSouth. The application process permits the CLEC to convey its structure requirements to BellSouth. This allows BellSouth, in turn, to respond with timely and accurate information to enable the CLEC to evaluate and schedule its plans of operation. BellSouth evaluates all CLEC requests according to widely-accepted standards regarding capacity, safety, reliability, and general engineering.

8. CLECs must specify in writing the geographic location, type and quantity of structures, and the in-service date required (Exhibit LMK-1, page 18). This process involves completing and submitting the appropriate application forms through the CSPC single point of contact. BellSouth processes all applications on a first-come, first-served basis without regard to applicant, and, as described below, on a nondiscriminatory basis as compared to BellSouth itself.

9. When an application is approved, BellSouth grants a license to the CLEC to attach to or occupy BellSouth's requested poles, ducts, conduits or rights-of-way. Multiple licenses may be granted under a single CLEC license agreement; however, separate license applications must be submitted for each set of poles, ducts, conduits or rights-of-way to which access is desired.

10. BellSouth may deny applications within forty-five (45) days of receipt if there is insufficient capacity, or for reasons of safety, reliability or other generally applicable engineering concerns (Exhibit LMK-1, page 5). If an application were denied for one of these reasons, BellSouth would provide the requesting carrier a written explanation of BellSouth's decision. BellSouth takes all reasonable steps to accommodate the request for

access prior to denying a request. BellSouth will, for instance, remove retired cable from conduit if the requesting CLEC agrees to pay the cost, as required by the Act. On poles, BellSouth will do rearrangements and/or pole changeouts, again if the CLEC pays the expenses of all parties involved.

IV. **Access to Information**

11. The CLECs may obtain access to geographic-specific engineering information regarding poles, ducts, and conduits either by requesting that BellSouth provide the information to them, or they may seek access to BellSouth's records. (Exhibit LMK-1, page 18). In order to protect the confidential proprietary information of BellSouth and other users, procedures have been established for providing record information that designates facilities of existing companies, without identifying those companies. If the CLEC requests to view BellSouth's records, BellSouth will make paper copies available at a Records Maintenance Center within five (5) business days. See Exhibit LMK-1, Appendix II for locations of Records Maintenance Centers. These copies may be taken by the CLEC. If the CLEC instead chooses to receive these records through the mail, BellSouth has committed to accomplish this within twenty (20) business days, including time required for handling and mailing. This twenty (20)-day period reflects the amount of time required for BellSouth to reasonably produce, redact, and deliver the record information to the CLECs' designated location. On larger-than-normal requests, BellSouth routinely works with CLECs to establish a priority for the production and delivery of records on a negotiated schedule. No party, in Florida or any other state within the BellSouth region, has raised any objections that BellSouth's time for responding to requests for delivery of records is unreasonable. Upon

receipt of the record copies, the CLEC can begin its planning phase based upon available information.

12. BellSouth maintains an inventory mapping system that records the location and physical attributes of its pole, duct, and conduit structures and associated facilities. CLECs can subscribe to the entire mapping system utilized by BellSouth (with proprietary information removed), but they are responsible for covering the costs of removing proprietary information and producing an redacted copy. Because CLECs are primarily interested in specific geographic areas, the costs of duplicating the entire system may not be considered a reasonable business expense. Indeed, no CLEC has expressed an interest in duplicating BellSouth's complete records system.

13. Contemporaneous with the record review, a field inspection is conducted in response to the application. This entails a physical inspection of existing structures to determine availability (Exhibit LMK-1, page 22). If spare capacity is not available and an application must be denied, BellSouth will so advise the CLEC within forty-five (45) days from the receipt of request. If a records investigation indicates the availability of structures, a physical (field) inspection may be required to determine the usability (this would only normally apply to ducts or conduit) of the structures. In addition to determining the availability of requested structures, BellSouth also performs an investigation of the work it would have to perform relative to making structures available to the CLEC (e.g., physically relocating cables on pole lines and or rodding ducts, etc.).

V. **Provisioning**

14. Upon completing the investigation, BellSouth informs the CLEC of any costs that would be required to make BellSouth's facilities ready to accommodate its request ("make-

ready" costs), the time it would take BellSouth to complete the required work, and the date by which BellSouth could complete it. BellSouth will provide the CLEC at least forty-eight (48) hours notice prior to initiating a field survey, if the CLEC has indicated a desire to be present for that survey (Exhibit LMK-1, page 18). Alternatively, BellSouth permits the CLEC to perform the field investigation itself. The time required for BellSouth to determine the extent of make-ready work needed and, therefore, to process the CLEC application, varies based upon the magnitude of the request.

15. BellSouth employees, or independent contractors acting on behalf of BellSouth, would then issue a work authorization to complete the CLEC's required work. The time that it takes to complete the work is dictated by the complexity, degree of detail, and size (number of poles, feet of conduit, route miles, etc.) of each request.

16. If BellSouth requires additions to its own facilities, these proposed additions are handled internally using the same criteria and processes that are used for evaluating a CLEC request. BellSouth does not reserve space for its own future business needs or give itself a preference when assigning space. BellSouth does not and will not favor itself, as a matter of policy, procedure or fact, over other carriers when provisioning access to poles, ducts, conduits and rights-of-way. BellSouth employees, or independent contractors acting on behalf of BellSouth, are responsible for the scheduled planning, engineering, and overall management of BellSouth's structures. This same workforce evaluates all requests for access to these structures using the same criteria regardless of whether the request was made by a CLEC or by BellSouth.

17. Work requests receive identical treatment regardless of their source. In every case, a work authorization is created and the work is scheduled for completion, in a nondiscriminatory manner, within BellSouth's normal workload.

18. BellSouth utilizes a mechanized scheduling system for this purpose. To assure nondiscriminatory treatment, the identity of the party requesting work is kept anonymous when authorization details are entered into the system. The work authorizations are evaluated and scheduled based upon specific job-related details such as job type, job size, and due date. Scheduling is the same regardless of whether the requesting party is a CLEC or BellSouth.

19. The CLEC pays for all make-ready work undertaken by BellSouth to prepare BellSouth's conduit system, poles, or anchors and related facilities for the requested occupancy or attachment. Make-ready work includes clearing obstructions and rearrangement, transfer, replacement, removal, repair, or modification of BellSouth's facilities. BellSouth does not charge the CLEC and bears the costs for any changes that are made to meet BellSouth's needs.

20. To the extent that parties other than BellSouth (such as power and CATV companies) are required to perform make-ready work because they have facilities on the poles or in the conduit, all parties must work together to ensure timely completion of all necessary work. The CLEC may contract with BellSouth or a BellSouth-certified contractor to perform certain make-ready work (Exhibit LMK-1, page 19). However, in accordance with BellSouth's agreement with the Communications Workers of America (CWA), some types of work on poles must be performed by BellSouth pursuant to a joint use agreement whether the work is carried out for a CLEC's benefit or for BellSouth's benefit. Under this

agreement, all make-ready work on BellSouth's aerial plant must be performed by BellSouth union employees represented by the CWA (Exhibit LMK-1, page 19).

21. For conduit and underground work, the CLEC can contract with BellSouth or hire a BellSouth-approved contractor. The CLEC, at its option, may arrange for the performance of such work by a contractor not currently approved by BellSouth by submitting its choice of contractor for approval. Certification shall be granted based upon reasonable and customary criteria employed by BellSouth in the selection of its own contract labor. If the CLEC contracts with BellSouth to perform the make-ready work, BellSouth will follow its normal construction time frame (Exhibit LMK-1, page 18). A CLEC may request that make-ready work be expedited in accordance with the terms of its licensing agreement.

22. Charges for make-ready work performed by BellSouth are payable in advance (Exhibit LMK-1, page 19). Annual rental fees for access to poles, ducts, conduit, and rights-of-way in Florida are set using the FCC's formula, and comport with BellSouth's obligations under Section 224, applicable state regulations, and its negotiated rates. BellSouth's rates are set out in the license agreement rate page (Exhibit LMK-1, Appendix I).

23. Billing for annual rentals occurs on or about July 1 for six months in arrears (January through June) and six months in advance (July through December) for each calendar year. If a facility is not in use or occupied for the entire year, charges will be prorated for the portion of the year the facilities are in use or occupied. Attachment and/or occupancy licenses issued after current-year billing occurs will be billed in arrears the following year. Upon the cancellation of a license, the CLEC will be billed for space utilization from the period covered by the last bill through the date of removal of the CLEC's facilities. BellSouth charges for the actual costs incurred in evaluating requests prior to issuing the

license (such as production and delivery of records, field investigation of structures, and make-ready work) at cost-based time and material charges. No rental fee is charged to the CLEC until a license to use the particular BellSouth structure has been issued. There is a one-month minimum charge. The monthly fee is prorated for the time between issuance of the license and the beginning of the first monthly billing period.

24. After the required make-ready work is completed, BellSouth issues the CLEC a license for use of poles, ducts, conduit, or rights-of-way (Exhibit LMK-1, page 24). If BellSouth determines that no make-ready work is required, BellSouth will approve the CLEC's request for pole attachment and/or conduit occupancy licenses and issue such licenses within twenty (20) business days after the determination has been made that no make-ready work is required, but in no event later than 45 days after BellSouth receives the CLEC's application, which period shall exclude any time BellSouth is awaiting a response from CLEC. At this point, no further work by BellSouth is required; the CLEC may then attach its cable ("facilities") to BellSouth's structures. The CLEC has one (1) year after issuance of the license to make its attachments or place its facilities in the specified ducts or conduits. If not used within this time, the space becomes available for others to use and the license is canceled.

25. Placement and maintenance of CLEC aerial and underground facilities are the responsibility of the CLEC. The CLEC can utilize a contractor that demonstrates compliance with BellSouth certification requirements -- the same requirements that BellSouth uses for certifying its own contractors. (Exhibit LMK-1, page 11). BellSouth does not and will not, as a matter of policy, procedure and fact, use its certification process to discriminate against any

of its competitors. The CSPC maintains a list of approved contractors which it makes available to interested CLECs upon request.

26. Under normal working conditions, BellSouth requires forty-eight (48) hours notice from CLECs seeking access to manholes to investigate facilities (Exhibit LMK-1, page 13). In emergency situations, however, shorter notice will be accepted at no charge. The license agreement, consistent with Section 224 and the FCC's implementing rules (see 47 C.F.R. § 1.1403 (c)), provides that BellSouth and the CLEC will each give sixty (60) days advance written notice, if practicable, regarding modification, relocation, and replacement of facilities covered by the license agreement.

VI. Implementation of License Agreements in Florida

27. BellSouth currently has license agreements for access to poles, ducts, conduit, and rights-of-way (executed by the CSPC) with fifty-one (51) CLECs in the state of Florida.

28. Available data for the state of Florida as of May 17, 2001, indicates 26 of the total 51 CLECs having executed license agreements with BellSouth have made 338 applications through the CSPC for access to BellSouth poles, ducts, conduit, and rights-of-way. There have been no denials of CLEC requests for access to BellSouth structures where BellSouth has existing facilities (either poles, ducts or conduit). In addition, in several locations, CLECs are currently in the process of building their own facilities or have completed placement of their own facilities. Further details on provisioning for access to BellSouth poles, ducts, and conduit are given in testimony of Keith Milner.

29. This concludes my affidavit.

The information contained in this affidavit and its Exhibit is true and correct to the best of my knowledge and belief.

Executed on May 29, 2001.

Linda M. Kinsey

Linda M. Kinsey
Director – Outside Plant Engineering Support

STATE OF Georgia
COUNTY OF Fulton
Subscribed and sworn to before me
this 29th day of May, 2001.

Linda M. Hobbs

Notary

Notary Public, Gwinnett County, Georgia
My Commission Expires March 17, 2003

EXHIBIT LMK-1
LICENSE AGREEMENT
FOR RIGHTS OF WAY(ROW), CONDUITS AND POLE ATTACHMENTS

LICENSE AGREEMENT

for

RIGHTS OF WAY (ROW), CONDUITS, AND POLE ATTACHMENTS

Dated: June 17 , 1999

Between

BELLSOUTH TELECOMMUNICATIONS, INC.
(Licensor)

And

Hyperion Communications of Kentucky, Inc.
(Licensee)

Licensee desires to conduct business in the following area(s):

☐ AL ☒ KY ☐ LA ☐ MS ☐ TN ☐ FL ☐ GA ☐ NC ☐ SC

or

☐ BellSouth Region

BELLSOUTH License Agreement Number - KYIC991001

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RIGHTS OF WAY (ROW), CONDUITS AND POLE ATTACHMENTS

This Agreement sets forth the terms and conditions under which BellSouth shall afford to Licensee access to BellSouth's poles, ducts, conduits and rights-of-way, pursuant to the Act.

1. DEFINITIONS

Definitions in General. Except as the context otherwise requires, the terms defined in this Section shall, as used herein, have the meanings set forth in 1.1 through 1.29.

1.1 Anchor. The term "anchor" refers to a device, structure, or assembly which stabilizes a pole and holds it in place. An anchor assembly may consist of a rod and fixed object or plate, typically embedded in the ground, which is attached to a guy strand or guy wire, which, in turn, is attached to the pole. The term "anchor" does not include the guy strand which connects the anchor to the pole and includes only those anchors which are owned by BellSouth, as distinguished from anchors which are owned and controlled by other persons or entities.

1.2 Anchor/guy strand. The term "anchor/guy strand" refers to supporting wires, typically stranded together, or other devices attached to a pole and connecting that pole to an anchor or to another pole for the purpose of increasing pole stability. The term "anchor/guy strand" includes, but is not limited to, strands sometimes referred to as "anchor strands," "down guys," "guy strands," and "pole-to-pole guys."

1.3 Communications Act of 1934. The terms "Communications Act of 1934" and "Communications Act" refer to the Communications Act of June 19, 1934, 48 Stat. 1064, as amended, including the provisions codified as 47 U.S.C. Sections 151 et seq. The Communications Act includes the Pole Attachment Act of 1978, as defined in 1.23 following.

1.4 Assigned. The term "assigned", when used with respect to conduit or duct space or pole attachment space, refers to any space in such conduit or duct or on such pole that is occupied by a telecommunications service provider or a municipal or other governmental authority. To ensure the judicious use of poles and conduits, space "assigned" to a telecommunications service provider must be physically occupied by the service provider, be it BellSouth or a new entrant, within twelve (12) months of the space being "assigned".

1.5 Available. The term "available", when used with respect to conduit or duct space or pole attachment space, refers to any usable space in such conduit or duct or on such pole not assigned to a specific provider at the applicable time.

1.6 Conduit occupancy. The terms "conduit occupancy" and "occupancy" refer to the presence of wire, cable, optical conductors, or other facilities within any portion of BellSouth's conduit system.

1.7 Conduit system. The term "conduit system" refers to any combination of ducts, conduits, manholes, and handholes joined to form an integrated whole. In this Agreement, the term refers to conduit systems owned or controlled by BellSouth.

1.8 Cost. The term "cost" as used herein refers to charges made by BellSouth to Licensee for specific work performed, and shall be (a) the actual charges made by subcontractors to BellSouth for work and/or, (b) if the work was performed by BellSouth employees, the rates set forth in the Price Schedule of the General Terms and Conditions of BellSouth.

1.9 Duct. The term "duct" refers to a single enclosed tube, pipe, or channel for enclosing and carrying cables, wires, and other facilities. As used in this Agreement, the term "duct" includes "inner ducts" created by subdividing a duct into smaller channels.

1.10 Facilities. The terms "facility" and "facilities" refer to any property or equipment utilized in the provision of telecommunication services.

1.11 The acronym "FCC" refers to the Federal Communications Commission.

1.12 Inner-Duct. The term "inner-duct" refers to a pathway created by subdividing a duct into smaller channels.

1.13 Joint User. The term "joint user" refers to a utility which has entered into an agreement with BellSouth providing reciprocal rights of attachment of facilities owned by each party to the poles, ducts, conduits and rights-of-way owned by the other party.

1.14 Licensee. The term "licensee" refers to a person or entity which has entered or may enter into an agreement or arrangement with BellSouth permitting such person or entity to place its facilities in BellSouth's conduit system or attach its facilities to BellSouth's poles or anchors.

1.15 Lashing. The term "lashing" refers to the attachment of a licensee's sheath or inner-duct to a supporting strand.

1.16 License. The term "license" refers to any license issued pursuant to this Agreement and may, if the context requires, refer to conduit occupancy or pole attachment licenses issued by BellSouth prior to the date of this Agreement.

1.17 Make-Ready work. The term "make-ready work" refers to all work performed or to be performed to prepare BellSouth's conduit systems, poles or anchors and related facilities for the requested occupancy or attachment of Licensee's facilities. "Make--Ready work" includes, but is not limited to, clearing obstructions (e.g., by "rodding" ducts to ensure clear passage), the rearrangement, transfer, replacement, and removal of existing facilities on a pole or in a conduit system where such work is required solely to accommodate Licensee's facilities and not to meet BellSouth's business needs or convenience. "Make--Ready work" may require "dig-ups" of existing facilities and may include the repair, enlargement or modification of BellSouth's facilities (including, but not limited to, conduits, ducts, handholes and manholes) or the performance of other work required to make a pole, anchor, conduit or duct usable for the initial placement of Licensee's facilities.

1.18 Manhole. The term "manhole" refers to an enclosure, usually below ground level and entered through a hole on the surface covered with a cast iron or concrete manhole cover, which personnel may enter and use for the purpose of installing, operating, and maintaining facilities in a conduit.

1.19 Occupancy. The term "occupancy" shall refer to the physical presence of telecommunication facilities in a duct, on a pole, or within a Right-of-way.

1.20 Person acting on Licensee's behalf. The terms "person acting on Licensee's behalf," "personnel performing work on Licensee's behalf," and similar terms include both natural persons and firms and ventures of every type, including, but not limited to, corporations, partnerships, limited liability companies, sole proprietorships, and joint ventures. The terms "person acting on Licensee's behalf," "personnel performing work on Licensee's behalf," and similar terms specifically include, but are not limited to, Licensee, its officers, directors, employees, agents, representatives, attorneys, contractors, subcontractors, and other persons or entities performing services at the request of or as directed by Licensee and their respective officers, directors, employees, agents, and representatives.

1.21 Person acting on BellSouth's behalf. The terms "person acting on BellSouth's behalf," "personnel performing work on BellSouth's behalf," and similar terms include both natural persons and firms and ventures of every type, including but not limited to corporations, partnerships, limited liability companies, sole proprietorships, and joint ventures. The terms "person acting on BellSouth's behalf," "personnel performing work on BellSouth's behalf," and similar terms specifically include, but are not limited to, BellSouth, its officers, directors, employees, agents, representatives, attorneys, contractors, subcontractors, and other persons or entities performing services at the request or on behalf of BellSouth and their respective officers, directors, employees, agents, and representatives.

1.22 Pole. The term "pole" refers to both utility poles and anchors but only to those utility poles and anchors owned or controlled by BellSouth, and does not include

utility poles or anchors with respect to which BellSouth has no legal authority to permit attachments by other persons or entities.

1.23 Pole Attachment Act. The terms "Pole Attachment Act" and "Pole Attachment Act of 1978" refer to those provisions of the Communications Act of 1934, as amended, now codified as 47 U.S.C. § 224.

1.24 Prelicense survey. The term "prelicense survey" refers to all work and activities performed or to be performed to determine whether there is adequate capacity on a pole or in a conduit or conduit system (including manholes and handholes) to accommodate Licensee's facilities and to determine what make-ready work, if any, is required to prepare the pole, conduit or conduit system to accommodate Licensee's facilities.

1.25 Right of Way (ROW). The term "right of way" refers to the right to use the land or other property of another party to place poles, conduits, cables, other structures and equipment, or to provide passage to access such structures and equipment. A Right of Way may run under, on, or above public or private property (including air space above public or private property) and may include the right to use discrete space in buildings, building complexes, or other locations.

1.26 Sheath. The term "sheath" refers to a single outer covering containing communications wires, fibers, or other communications media.

1.27 Spare Capacity. The term "spare capacity" refers to any pole attachment space, conduit, duct or inner-duct not currently assigned or subject to a pending application for attachment/occupancy. Spare capacity does not include an inner-duct (not to exceed one inner-duct per party) reserved by BellSouth, Licensee, or a third party for maintenance, repair, or emergency restoration.

1.28 State. When capitalized, the term "State" (as used in terms such as "this State") refers to the State of Georgia.

1.29 Third Party. The terms "third party" and "third parties" refer to persons and entities other than Licensee and BellSouth. Use of the term "third party" does not signify that any such person or entity is a party to this Agreement or has any contractual rights hereunder.

2. SCOPE OF AGREEMENT

2.1 Undertaking of BellSouth. BellSouth shall provide Licensee with equal and nondiscriminatory access to pole space, conduits, ducts, and rights-of-way on terms and conditions equal to those provided by BellSouth to itself or to any other telecommunications service provider. Further, BellSouth shall not withhold or delay assignment of such facilities to Licensee because of the potential or forecasted needs of itself or other parties.

2.2 Attachments and Occupancies Authorized by this Agreement. BellSouth shall issue one or more licenses to Licensee authorizing Licensee to attach facilities to BellSouth's owned or controlled poles and to place facilities within BellSouth's owned or controlled conduits, ducts or rights-of-way under the terms and conditions set forth in this Section and the Telecommunications Act of 1996.

2.2.1 Unless otherwise provided herein, authority to attach facilities to BellSouth's owned or controlled poles, to place facilities within BellSouth's owned or controlled conduits, ducts or rights-of-way shall be granted only in individual licenses granted under this Agreement and the placement or use of such facilities shall be determined in accordance with such licenses and procedures established in this Agreement.

2.2.2 Licensee agrees that its attachment of facilities to BellSouth's owned or controlled poles, occupancy of BellSouth's owned or controlled conduits, ducts or rights-of-way shall take place pursuant to the licensing procedures set forth herein, and BellSouth agrees that it shall not unreasonably withhold or delay issuance of such licenses.

2.3 Licenses. Subject to the terms and conditions set forth in this Agreement, BellSouth shall issue to Licensee one or more licenses authorizing Licensee to place or attach facilities in or to specified poles, conduits, ducts or rights-of-way owned or controlled by BellSouth located within this state on a first come, first served basis. BellSouth may deny a license application if BellSouth determines that the pole, conduit or duct space specifically requested by Licensee is necessary to meet BellSouth's present needs, or is licensed by BellSouth to another licensee, or is otherwise unavailable based on engineering concerns. BellSouth shall provide written notice to Licensee within a reasonable time specifying in detail the reasons for denying Licensee's request. BellSouth shall have the right to designate the particular duct(s) to be occupied, the location and manner in which Licensee's facilities will enter and exit BellSouth's conduit system and the specific location and manner of installation for any associated equipment which is permitted by BellSouth to occupy the conduit system.

2.4 Access and Use of Rights-of-Way. BellSouth acknowledges that it is required by the Telecommunications Act of 1996 to afford Licensee access to and use of all associated rights-of-way to any sites where BellSouth's owned or controlled poles, manholes, conduits, ducts or other parts of BellSouth's owned or controlled conduit systems are located.

2.4.1 BellSouth shall provide Licensee with access to and use of such rights-of-way to the same extent and for the same purposes that BellSouth may access or use such rights-of-way, including but not limited to access for ingress, egress or other access and to construct, utilize, maintain, modify, and remove facilities for which pole attachment, conduit occupancy, or ROW use licenses have been issued, provided that any agreement with a third party under which BellSouth holds such rights expressly or impliedly grants BellSouth the right to provide such rights to others.

2.4.2 Where BellSouth notifies Licensee that BellSouth's agreement with a third party does not expressly or impliedly grant BellSouth the ability to provide such access and use rights to others, upon Licensee's request, BellSouth will use its best efforts to obtain the owner's consent and to otherwise secure such rights for Licensee. Licensee agrees to reimburse BellSouth for the reasonable and demonstrable costs incurred by BellSouth in obtaining such rights for Licensee.

2.4.3 In cases where a third party agreement does not grant BellSouth the right to provide access and use rights to others as contemplated in 2.4.1 and BellSouth, despite its best efforts, is unable to secure such access and use rights for Licensee in accordance with 2.4.2, or, in the case where Licensee elects not to invoke its rights under 2.4.1 or 2.4.2, Licensee shall be responsible for obtaining such permission to access and use such rights-of-way. BellSouth shall cooperate with Licensee in obtaining such permission and shall not prevent or delay any third party assignment of ROW's to Licensee.

2.4.4 Where BellSouth has any ownership or rights-of-way to buildings or building complexes, or within buildings or building complexes, BellSouth shall offer to Licensee through a license or other attachment:

2.4.4.1 The right to use any available space owned or controlled by BellSouth in the building or building complex to install Licensee equipment and facilities; and

2.4.4.2 Ingress and egress to such space.

2.4.5 Except to the extent necessary to meet the requirements of the Telecommunications Act of 1996, neither this Agreement nor any license granted hereunder shall constitute a conveyance or assignment of any of either party's rights to use any public or private rights-of-way, and nothing contained in this Agreement or in any license granted hereunder shall be construed as conferring on one party any right to interfere with the other party's access to any such public or private rights-of-way.

2.5 No Effect on BellSouth's Right to Convey Property. Nothing contained in this Agreement or in any license issued hereunder shall in any way affect the right of BellSouth to convey to any other person or entity any interest in real or personal property, including any poles, conduit or ducts to or in which Licensee has attached or placed facilities pursuant to licenses issued under this Agreement provided however that BellSouth shall give Licensee reasonable advance written notice of such intent to convey.

2.6 No Effect on BellSouth's Rights to Manage its Own Facilities. This Agreement shall not be construed as limiting or interfering with BellSouth's rights set forth below, except to the extent expressly provided by the provisions of this Agreement or licenses issued hereunder or by the Telecommunications Act of 1996 or other applicable laws, rules or regulations:

2.6.1 To locate, relocate, move, replace, modify, maintain, and operate BellSouth's own facilities within BellSouth's conduits, ducts or rights-of way or any of BellSouth's facilities attached to BellSouth's poles at any time and in any reasonable manner which BellSouth deems appropriate to serve its customers, avail itself of new business opportunities, or otherwise meet its business needs; or

2.6.2 To enter into new agreements or arrangements with other persons or entities permitting them to attach or place their facilities to or in BellSouth's poles, conduits or ducts; provided, however, that such relocations, moves, replacements, modifications, maintenance and operations or new agreements or arrangements shall not substantially interfere with Licensee's pole attachment, conduit occupancy or ROW use, rights provided by licenses Issued pursuant to this Agreement.

2.7 No Effect on Licensee's Rights to Manage its Own Facilities. This Agreement shall not be construed as limiting or interfering with Licensee's rights set forth below, except to the extent expressly provided by the provisions of this Agreement or licenses issued hereunder or by the Telecommunications Act of 1996 or other applicable laws, rules or regulations:

2.7.1 To locate, relocate, move, replace, modify, maintain, and operate its own facilities within BellSouth's conduits, ducts or rights-of-way or its facilities attached to BellSouth's poles at any time and in any reasonable manner which Licensee deems appropriate to serve its customers, avail itself of new business opportunities, or otherwise meet its business needs; or

2.7.2 To enter into new agreements or arrangements with other persons or entities permitting Licensee to attach or place its facilities to or in such other persons' or entities' poles, conduits or ducts, or rights-of-way; provided, however, that such relocations, moves, replacements, modifications, maintenance and operations or new agreements or arrangements shall not conflict with Licensee's obligations under licenses issued pursuant to this Agreement.

2.8 No Right to Interfere with Facilities of Others. The provisions of this Agreement or any license issued hereunder shall not be construed as authorizing either party to this Agreement to rearrange or interfere in any way with any of the other party's facilities, with the facilities of other persons or entities, or with the use of or access to such facilities by such other party or such other persons or entities, except to the extent expressly provided by the provisions of this Agreement or any license issued hereunder or by the Telecommunications Act of 1996 or other applicable laws, rules or regulations.

2.8.1 Licensee acknowledges that the facilities of persons or entities other than BellSouth and Licensee may be attached to or occupy BellSouth's poles, conduits, ducts and rights-of-way.

2.8.2 BellSouth shall not attach, or give permission to any third parties to attach facilities to, existing Licensee facilities without Licensee's prior written consent. If BellSouth becomes aware of any such unauthorized attachment to Licensee facilities, BellSouth shall use its best efforts to rectify the situation as soon as practicable.

2.8.3 With respect to facilities occupied by Licensee or the subject of an application for attachment by Licensee, BellSouth will give to Licensee 60 days' written notice for conduit extensions or reinforcements, 60 days' written notice for pole line extensions, 60 days' written notice for pole replacements, and 60 days' written notice of BellSouth's intention to construct, reconstruct, expand or place such facilities or of BellSouth's intention not to maintain or use any existing facility and, in the case of an existing facility which BellSouth elects not to maintain or use, BellSouth will grant to Licensee a right to maintain and use such facility. If an emergency or provisions of an applicable joint use agreement require BellSouth to construct, reconstruct, expand or replace poles, conduits or ducts occupied by Licensee or the subject of an application for attachment by Licensee, BellSouth will notify Licensee as soon as reasonably practicable of such proposed construction, reconstruction, expansion or replacement to enable Licensee, if it so desires, to request that a pole, conduit or duct of greater height or capacity be utilized to accommodate an anticipated facility need of Licensee.

2.8.4 At Licensee's expense, BellSouth shall remove any retired cable from conduit systems to allow for the efficient use of conduit space within a reasonable period of time.

2.9 Assignment of Space. Assignment of space on poles, in conduits or ducts and within ROW's will be made pursuant to licenses granted by BellSouth on an equal basis to BellSouth, Licensee and other telecommunication service providers.

3. REQUIREMENTS AND SPECIFICATIONS

3.1 Published Standards Incorporated in this Section by Reference. Licensee agrees that its facilities shall be placed, constructed, maintained, repaired, and removed in accordance with current (as of the date when such work is performed) editions of the following publications, each of which is incorporated by reference as part of this Section :

3.1.1 The Blue Book Manual of Construction Procedures, Special Report SR-TAP-001421, published by Bell Communications Research, Inc. ("BellCore"), and sometimes referred to as the "Blue Book";

3.1.2 The National Electrical Code (NEC); and

3.1.3 The National Electrical Safety Code (NESC).

3.2 Changes in Published Standards. Licensee agrees to rearrange its facilities in accordance with changes in the standards published in the publications specified in Article 3.1 of this Agreement if required by law to do so or upon the mutual agreement of the parties.

3.3 Additional Electrical Design Specifications. Licensee agrees that, in addition to specifications and requirements referred to in Article 3.1 above, Licensee's facilities placed in BellSouth's conduit system shall meet all of the following electrical design specifications:

3.3.1 No facility shall be placed in BellSouth's conduit system in violation of FCC regulations.

3.3.2 Licensee's facilities placed in BellSouth's conduit system shall not be designed to use the earth as the sole conductor for any part of Licensee's circuits.

3.3.3 Licensee's facilities carrying more than 50 volts AC (rms) to ground or 135 volts DC to ground shall be enclosed in an effectively grounded sheath or shield.

3.3.4 No coaxial cable of Licensee shall occupy a conduit system containing BellSouth's cable unless such cable of Licensee meets the voltage limitations of Article 820 of the National Electrical Code.

3.3.5 Licensee's coaxial cable may carry continuous DC voltages up to 1800 volts to ground where the conductor current will not exceed one-half amperes and where such cable has two separate grounded metal sheaths or shields and a suitable insulating jacket over the outer sheath or shield. The power supply shall be so designed and maintained that the total current carried over the outer sheath shall not exceed 200 micro amperes under normal conditions. Conditions which would increase the current over this level shall be cleared promptly.

3.3.6 Neither party shall circumvent the other party's corrosion mitigation measures. Each party's new facilities shall be compatible with the other party's facilities so as not to damage any facilities of the other party by corrosion or other chemical reaction.

3.4 Additional Physical Design Specifications. Licensee's facilities placed in BellSouth's conduit system must meet all of the following physical design specifications:

3.4.1 Cables bound or wrapped with cloth or having any kind of fibrous coverings or impregnated with an adhesive material shall not be placed in BellSouth's conduit or ducts.

3.4.2 The integrity of BellSouth's conduit system and overall safety of BellSouth's personnel and other personnel working in BellSouth's conduit system requires that "dielectric cable" be required when Licensee's cable facility utilizes an alternative duct or route that is shared in the same trench by any current carrying facility of a power utility.

3.4.3 New construction splices in Licensee's fiber optic and twisted pair cables shall be located in manholes, pull boxes or handholes.

3.5 Additional Specifications Applicable to Connections. The following specifications apply to connections of Licensee's conduit to BellSouth's conduit system:

3.5.1 Licensee will be permitted to connect its conduit or duct only at the point of a BellSouth manhole. No attachment will be made by entering or breaking into conduit between manholes. All necessary work to install Licensee facilities will be performed by Licensee or its contractor at Licensee's expense. In no event shall Licensee or its contractor "core bore" or make any other modification to BellSouth manhole(s) without the prior written approval of BellSouth, which approval will not be unreasonably delayed or withheld.

3.5.2 BellSouth may monitor, at Licensee's expense, the entrance and exit of Licensee's facilities into BellSouth's manholes and the placement of Licensee's facilities in BellSouth's manholes.

3.5.3 If Licensee constructs or utilizes a duct connected to BellSouth's manhole, the duct and all connections between that duct and BellSouth's manhole shall be sealed, to the extent practicable, to prevent the entry of gases or liquids into BellSouth's conduit system. If Licensee's duct enters a building, it shall also be sealed where it enters the building and at all other locations necessary to prevent the entry of gases and liquids from the building into BellSouth's conduit system.

3.6 Requirements Relating to Personnel, Equipment, Material, and Construction Procedures Generally. Duct clearing, rodding or modifications required to grant Licensee access to BellSouth's conduit systems may be performed by BellSouth at Licensee's expense at charges which represent BellSouth's actual costs. Alternatively (at Licensee's option) such work may be performed by a contractor who demonstrates compliance with BellSouth certification requirements, which certification requirements shall be consistent with F.C.C. rules. The parties acknowledge that Licensee, its contractors, and other persons acting on Licensee's behalf will perform work for Licensee (e.g., splicing Licensee's facilities) within BellSouth's conduit system. Licensee represents and warrants that neither Licensee nor any person acting on Licensee's behalf shall permit any person to climb or work on or in any of BellSouth's poles or to enter BellSouth's manholes or work within BellSouth's conduit system unless such person has the training, skill, and experience required to recognize potentially dangerous conditions relating to pole or the conduit systems and to perform the work safely.

3.6.1 Licensee's facilities within BellSouth's conduit system shall be constructed, placed, rearranged, modified, and removed upon receipt of license specified in 5.1. However, no such license will be required for the inspection, maintenance, repair or non-physical modifications of Licensee's facilities.

3.6.2 "Rodding" or clearing of ducts in BellSouth's conduit system shall be done only when specific authorization for such work has been obtained in advance from BellSouth, which authorization shall not be unreasonably delayed or withheld by BellSouth. The parties agree that such rodding or clearing shall be performed according to existing industry standards and practices. Licensee may contract with BellSouth for performance of such work or (at Licensee's option) with a contractor who demonstrates compliance with BellSouth certification requirements.

3.6.3 Personnel performing work on BellSouth's or Licensee's behalf in BellSouth's conduit system shall not climb on, step on, or otherwise disturb the other party's or any third party's cables, air pipes, equipment, or other facilities located in any manhole or other part of BellSouth's conduit system.

3.6.4 Personnel performing work on BellSouth's or Licensee's behalf within BellSouth's conduit system (including any manhole) shall, upon completing their work, make reasonable efforts to remove all tools, unused materials, wire clippings, cable sheathing and other materials brought by them to the work site.

3.6.5 All of Licensee's facilities shall be firmly secured and supported in accordance with BellCore and industry standards.

3.6.6 Licensee's facilities shall be plainly identified with Licensee's name in each manhole with a firmly affixed permanent tag that meets standards set by BellSouth for its own facilities.

3.6.7 Manhole pumping and purging required in order to allow Licensee's work operations to proceed shall be performed by a vendor approved by BellSouth in

compliance with BellSouth Practice Sec. 620-145-011BT, "Manhole Contaminants, Water, Sediment or Debris Removal and Reporting Procedures," and any amendments, revisions or supplements thereto and in compliance with all regulations and standards established by the United States Environmental Protection Agency and by any applicable state or local environmental regulators.

3.6.8 Planks or other types of platforms shall not be installed using cables, pipes or other equipment as a means of support. Platforms shall be supported only by cable racks.

3.6.9 Any leak detection liquid or device used by Licensee or personnel performing work on Licensee's facilities within BellSouth's conduit system shall be of a type approved by BellSouth or BellCore.

3.6.10 When Licensee or personnel performing work on Licensee's behalf are working within or in the vicinity of any part of BellSouth's poles or conduit system which is located within, under, over, or adjacent to streets, highways, alleys or other traveled rights-of-way, Licensee and all personnel performing work on Licensee's behalf shall follow procedures which Licensee deems appropriate for the protection of persons and property. Licensee shall be responsible, at all times, for determining and implementing the specific steps required to protect persons and property at the site. Licensee will provide all traffic control and warning devices required to protect pedestrian and vehicular traffic, workers and property from danger. Licensee has sole responsibility for the safety of all personnel performing work on Licensee's behalf, for the safety of bystanders, and for insuring that all operations conform to current OSHA regulations and all other governmental rules, ordinances or statutes. BellSouth reserves the right to suspend Licensee's activities on, in or in the vicinity of BellSouth's poles or conduit system if, in BellSouth's reasonable judgment, any hazardous condition arises due to the activity (including both acts and omissions) of Licensee or any personnel performing work on Licensee's behalf, which suspension shall cease when the condition has been rectified.

3.6.11 Except for protective screens, no temporary cover shall be placed by Licensee or personnel performing work on Licensee's behalf over an open manhole unless it is at least four feet above the surface level of the manhole opening.

3.6.12 Smoking or the use of any open flame is prohibited in BellSouth's manholes, in any other portion of BellSouth's conduit system, or within 10 feet of any open manhole entrance; provided that this provision will not prohibit the use of spark producing tools such as electric drills, fusion splicers, etc.

3.6.13 Artificial lighting, when required, will be provided by Licensee. Only explosion-proof lighting fixtures shall be used.

3.6.14 Neither Licensee nor personnel performing work on Licensee's behalf shall allow any combustible gas, vapor, liquid, or material to accumulate in BellSouth's conduit system (including any manhole) during work operations performed within or in the vicinity of BellSouth's conduit system.

3.6.15 Licensee will abide by any laws, regulations or ordinances regarding the use of spark producing tools, equipment or devices in BellSouth's manholes, in any other portions of BellSouth's conduit system, or within 10 feet of any open manhole opening. This includes, but is not limited to, such tools as electric drills and hammers, meggers, breakdown sets, induction sets, and the like.

3.7 Opening of Manholes. The following requirements apply to the opening of BellSouth's manholes and the authority of BellSouth personnel present when work on Licensee's behalf is being performed within or in the vicinity of BellSouth's conduit system.

3.7.1 BellSouth's manholes shall be opened only as permitted by BellSouth's authorized employees or agents, which permission shall not be unreasonably denied or delayed.

3.7.2 Licensee shall notify BellSouth forty-eight (48) hours in advance of any routine work operation requiring entry into any of BellSouth's manholes.

3.7.3 Licensee shall be responsible for obtaining any necessary authorization from appropriate authorities to open manholes for conduit work operations therein.

3.7.4 BellSouth's authorized employee or agent shall not direct or control the conduct of Licensee's work at the work site. The presence of BellSouth's authorized employee or agent at the work site shall not relieve Licensee or personnel performing work on Licensee's behalf of their responsibility to conduct all work operations within BellSouth's conduit system in a safe and workmanlike manner.

3.7.5 Although BellSouth's authorized employee or agent shall not direct or control the conduct of Licensee's work at the work site, BellSouth's employee or agent shall have the authority to suspend Licensee's work operations within BellSouth's conduit system if, in the reasonable discretion of such BellSouth employee or agent, it appears that any hazardous conditions arise or any unsafe practices are being followed by Licensee or personnel performing work on Licensee's behalf.

3.8 OSHA Compliance: Notice to BellSouth of Unsafe Conditions. Licensee agrees that:

3.8.1 Its facilities shall be constructed, placed, maintained, repaired, and removed in accordance with the Occupational Safety and Health Act (OSHA) and all rules and regulations promulgated thereunder;

3.8.2 All persons acting on Licensee's behalf, including but not limited to Licensee's employees, agents, contractors, and subcontractors shall, when working on or within BellSouth's poles or conduit system, comply with OSHA and all rules and regulations thereunder;

3.8.3 Licensee shall establish appropriate procedures and controls to assure compliance with all requirements of this section; and

3.8.4 Licensee (and any person acting on Licensee's behalf) may report unsafe conditions on, in or in the vicinity of BellSouth's poles or conduit system to BellSouth.

3.9 Compliance with Environmental Laws and Regulations. Licensee acknowledges that, from time to time, environmental contaminants may enter BellSouth's conduit system and accumulate in manholes or other conduit facilities and that certain conduits (transite) are constructed with asbestos-containing materials. If BellSouth has knowledge of the presence of such contaminants in a conduit for which Licensee has applied for or holds a license, BellSouth will promptly notify Licensee of such fact.

Notwithstanding any of BellSouth's notification requirements in this Attachment, Licensee acknowledges that some of BellSouth's conduit is fabricated from asbestos-containing materials. Such conduit is generally marked with a designation of "C Fiber Cement Conduit, " "Transite," or "Johns-Manville." Until proven otherwise, Licensee will presume that all conduit not fabricated of plastic, tile, or wood is asbestos-containing and will handle it pursuant to all applicable regulations relating to worker safety and protection of the environment. BellSouth makes no representations to Licensee or personnel performing work on Licensee's behalf that BellSouth's conduit system or any specific portions thereof will be free from environmental contaminants at any particular time. The acknowledgments and representations set forth in the two preceding sentences are not intended to relieve BellSouth of any liability which it would otherwise have under applicable law for the presence of environmental contaminants in its conduit facilities. Licensee agrees to comply with the following provisions relating to compliance with environmental laws and regulations:

3.9.1 Licensee's facilities shall be constructed, placed, maintained, repaired, and removed in accordance with all applicable federal, state, and local environmental statutes, ordinances, rules, regulations, and other laws, including but not limited to the Resource Conservation and Recovery Act (42 U.S.C. §§ 9601 et. seq.), the Toxic Substance Control Act (15 U.S.C. §§ 2601-2629), the Clean Water Act (33 U.S.C. §§ 1251 et. seq.), and the Safe Drinking Water Act (42 U.S.C. §§ 300f-300j).

3.9.2 All persons acting on Licensee's behalf, including but not limited to Licensee's employees, agents, contractors, and subcontractors, shall, when working on, within or in the vicinity of BellSouth's poles or conduit system, comply with all applicable federal, state, and local environmental laws, including but not limited to all environmental statutes, ordinances, rules, and regulations.

3.9.3 Licensee shall establish appropriate procedures and controls to assure compliance with all requirements of this section. BellSouth will be afforded a reasonable opportunity to review such procedures and controls and provide comments that will be reasonably considered in advance of their implementation. Review and comment by BellSouth pursuant to this section will be provided in a timely manner.

3.9.4 Licensee and all personnel performing work on Licensee's behalf shall comply with such standards and practices as BellSouth and Licensee may from time to time mutually agree to adopt to comply with environmental laws and regulations including, without limitation, BellSouth Practice Sec. 620-145-011BT, "Manhole Contaminants, Water, Sediment or Debris Removal and Reporting Procedures". Pursuant to this practice, neither Licensee nor BellSouth nor personnel performing work on either party's behalf shall discharge water or any other substance from any BellSouth manhole or other conduit facility onto public or private property, including any storm water drainage system, without first testing such water or substance for contaminants in accordance with mutually agreed standards and practices and determining that such discharge would not violate any environmental law, create any environmental risk or hazard, or damage the property of any person. No such waste material shall be deposited on BellSouth premises for storage or disposal.

3.10 Compliance with Other Governmental Requirements. Licensee agrees that its facilities attached to BellSouth's facilities shall be constructed, placed, maintained, and removed in accordance with the ordinances, rules, and regulations of any governing body having jurisdiction of the subject matter. Licensee shall comply with all statutes, ordinances, rules, regulations and other laws requiring the marking and lighting of aerial wires, cables and other structures to ensure that such wires, cables and structures are not a hazard to aeronautical navigation. Licensee shall establish appropriate procedures and controls to assure such compliance by all persons acting on Licensee's behalf, including but not limited to, Licensee's employees, agents, contractors, and subcontractors.

3.11 Differences in Standards or Specifications. To the extent that there may be differences in any applicable standards or specifications referred to in this Article 3, the most stringent standard or specification shall apply.

3.12 Licensee Solely Responsible for the Condition of Its Facilities. Licensee shall be responsible at all times for the condition of its facilities and its compliance with the requirements, specifications, rules, regulations, ordinances, and laws specified above. In this regard, BellSouth shall have no duty to Licensee to inspect or monitor the condition of Licensee's facilities (including but not limited to splices and other facilities connections) located within BellSouth's conduit and ducts or any attachment of Licensee's facilities to BellSouth's poles, anchors, anchor/guy strands or other pole facilities. BellSouth may, however, conduct such inspections and audits of its poles and conduit system as BellSouth determines reasonable or necessary. Such inspection and audits shall be conducted at BellSouth's expense with the exception of (1) follow-up inspection to confirm remedial action after an observed Licensee violation of the requirements of this Agreement; and (2) inspection of Licensee facilities in compliance with a specific mandate of appropriate governmental authority for which inspections the cost shall be borne by Licensee. Either party may audit the other party's compliance with the terms of this Section. Observed safety hazards or imminent facility failure conditions of another party shall be reported to the affected party where such party can be readily identified.

3.13 Efficient use of Conduit. BellSouth will install inner-ducts to increase duct space in existing conduit as facilities permit. The full complement of inner-ducts will be installed which can be accommodated under sound engineering principles. The number of inner-ducts which can reasonably be installed will be determined by BellSouth.

4. ADDITIONAL LEGAL REQUIREMENTS

4.1 Third Party Property Owners. Licenses granted under this Section authorize Licensee to place facilities in, or attach facilities to, poles, conduits and ducts owned or controlled by BellSouth but do not affect the rights of landowners to control terms and conditions of access to their property.

4.1.1 Licensee agrees that neither Licensee nor any persons acting on Licensee's behalf, including but not limited to Licensee's employees, agents, contractors, and subcontractors, shall engage in any conduct which damages public or private property in the vicinity of BellSouth's poles or conduit system, interferes in any way with the use or enjoyment of public or private property except as expressly permitted by the owner of such property, or creates a hazard or nuisance on such property (including, but not limited to, a hazard or nuisance resulting from any abandonment or failure to remove Licensee's facilities or any construction debris from the property, failure to erect warning signs or barricades as may be necessary to give notice to others of unsafe conditions on the premises while work performed on Licensee's behalf is in progress, or failure to restore the property to a safe condition after such work has been completed).

4.2 Required Permits, Certificates and Licenses. Licensee shall be responsible for obtaining any building permits or certificates from governmental authorities necessary to construct, operate, maintain and remove its facilities on public or private property.

4.2.1 Licensee shall not attach or place its facilities to or in BellSouth's poles, conduit or duct located on any property for which it or BellSouth has not first obtained all required authorizations.

4.2.2 BellSouth shall have the right to request evidence that all appropriate authorizations have been obtained. However, such request shall not delay BellSouth's prelicense survey work.

4.3 Lawful Purposes. All facilities placed by Licensee in BellSouth's conduit and ducts or on BellSouth's poles, anchors or anchor/guy strands must serve a lawful purpose and the uses made of Licensee's facilities must comply with all applicable federal, state, and local laws and with all federal, state, and local regulatory rules, regulations, and requirements. In this regard, Licensee shall not utilize any facilities occupying or attached to BellSouth's conduits, ducts or poles for the purpose of providing any services which it is not authorized by law to provide or for the purpose of enabling any other person or entity to provide any such services.

5. FACILITIES AND LICENSES

5.1 Licenses Required. Before placing any facilities in BellSouth's conduits or ducts or attaching any facilities to BellSouth's poles, anchors or anchor/guy strands, Licensee must first apply for and receive a written license from BellSouth. BellSouth shall not unreasonably deny or delay issuance of any license.

5.2 Provision of Records and Information to Licensee. In order to obtain information regarding facilities, Licensee shall make a written request to BellSouth, identifying with reasonable specificity the geographic area for which facilities are required, the types and quantities of the required facilities and the required in-service date. In response to such request, BellSouth shall provide Licensee with information regarding the types, quantity and location (which may be provided by provision of route maps) and availability of BellSouth poles, conduit and right-of-way located within the geographic area specified by Licensee. Provision of information under the terms of this section shall include the right of Licensee employees or agents to inspect and copy engineering records or drawings which pertain to those facilities within the geographic area identified in Licensee's request. Such inspection and copying shall be done at a time and place mutually agreed upon by the parties. See Appendix II for records location centers.

5.3 No Warranty of Record Information. Licensee acknowledges that records and information provided by BellSouth pursuant to paragraph 5.2 may not reflect field conditions and that physical inspection is necessary to verify presence and condition of outside plant facilities and right of way. In providing such records and information, BellSouth assumes no liability to Licensee or any third party for errors/omissions contained therein.

5.4 Determination of Availability. BellSouth shall provide pole, conduit and right-of-way availability information in response to a request from Licensee which identifies with reasonable specificity the facilities for which such information is desired. Licensee may elect to be present at any field based survey of facilities identified pursuant to this paragraph and BellSouth shall provide Licensee at least forty-eight (48) hours notice prior to initiating such field survey. Licensee employees or agents shall be permitted to enter BellSouth manholes and inspect such structures to confirm usability and/or evaluate condition of the structure(s) with at least forty-eight (48) hours notice to BellSouth, with a BellSouth representative present and at Licensee's expense.

6. MAKE-READY WORK

6.1 Work Performed by BellSouth. If performed by BellSouth, make-ready work to accommodate Licensee's facilities shall be included in the normal work load schedule of BellSouth with construction responsibilities in the geographic areas where the relevant poles or conduit systems are located and shall not be entitled to priority, advancement, or preference over other work to be performed by BellSouth in the ordinary course of BellSouth's business.

6.1.1 If Licensee desires make-ready work to be performed on an expedited basis and BellSouth agrees to perform the work on such a basis, BellSouth shall recalculate the estimated make-ready charges. If Licensee accepts BellSouth's offer, Licensee shall pay such additional charges.

6.2 All charges for make-ready work performed by BellSouth are payable in advance, with the amount of any such advance payment to be due within sixty (60) days after receipt of an invoice from BellSouth.

6.3 Work Performed by Certified Contractor. In lieu of obtaining performance of make-ready work by BellSouth, Licensee at its option may arrange for the performance of such work by a contractor certified by BellSouth to work on or in its facilities. Certification shall be granted based upon reasonable and customary criteria employed by BellSouth in the selection of its own contract labor. Notwithstanding any other provisions of this Section, Licensee may not employ a contractor to accomplish make-ready work if BellSouth is likewise precluded from contractor selection under the terms of an applicable joint use agreement or collective bargaining agreement. In accordance with section 3.6.7, all manhole pumping and purging shall be performed by a vendor approved by BellSouth.

6.4 Completion of Make-Ready Work. BellSouth will issue a license to Licensee at the time all make-ready work necessary to Licensee's attachment or occupancy has been completed.

7. APPLICATION FORM AND FEES

7.1 Application Process. To apply for a license under this Section, Licensee shall submit to BellSouth two signed copies of an Application and Conduit Occupancy License form or an Application and Pole Attachment License form. BellSouth will process license applications in the order in which they are received; provided, however, that when Licensee has multiple applications on file with BellSouth, Licensee may designate its desired priority of completion of prelicense surveys and make-ready work with respect to all such applications.

7.1.1 Each application for a license under this Section shall specify the proposed route of Licensee's facilities and identify the conduits and ducts or poles and pole facilities along the proposed route in which Licensee desires to place or attach its facilities, and describe the physical size, weight and jacket material of the cable which Licensee desires to place in each conduit or duct or the number and type of cables, apparatus enclosures and other facilities which Licensee desires to attach to each pole.

7.1.2 Each application for a license under this Section shall be accompanied by a proposed (or estimated) construction schedule containing the information specified below in 10.1 of this Agreement, and an indication of whether Licensee will, at its option, perform its own make-ready work.

7.2 Multiple Cables, Multiple Services, Lashing or Placing Additional Cables, and Replacement of Facilities. Licensee may include multiple cables in a single license application and multiple services (e.g., CATV and non-CATV services) may be provided by Licensee in the same cable sheath. Licensee's lashing additional cable to existing facilities and placing additional cables in conduits or ducts already occupied by Licensee's facilities shall be permitted, and no additional fees will be applied; provided, however, that if Licensee desires to lash additional cable to existing facilities of a third party Licensee shall provide BellSouth with reasonable notice, and shall obtain written permission from the owner of the existing facilities. If BellSouth determines that the requested lashing would violate safety or engineering requirements, BellSouth shall provide written notice to Licensee within a reasonable time specifying in detail BellSouth's findings. If Licensee desires to place additional cables in conduits or ducts which are already occupied, or to replace existing facilities with new facilities substantially different from those described in licenses in effect, Licensee must apply for and acquire a new license specifically describing the physical size, weight and jacket material of the cable to be placed in BellSouth's conduits and ducts or the physical size, weight, and jacket type of cables and the size and weight of apparatus enclosures and other facilities to be attached to BellSouth poles.

7.3 Each party hereby designates the employees named below as their single point of contact for any and all purposes of this Section, including, but not limited to, processing licenses and applications and providing records and information. Each party may at any time designate a new point of contact by giving written notice of such change.

	Notices	**Billing Address**
To Licensee as follows:		
Contact	Phil Fraga	Ellen Parascardo
Title	Director of Legal & Regulatory Affairs	
Company	Hyperion Communications of Kentucky, Inc.	Hyperion Communications of Kentucky, Inc.
Address	DDI Plaza Two	DDI Plaza Two
Address	500 Thomas Street, Suite 400	500 Thomas Street, Suite 400
City, State, and Zip Code	Bridgeville PA 15017	Bridgeville PA 15017
Telephone	412 221-1888	412 221-1888
Facsimile	412 220-5162	412 220-5162
with a copy to:	Joe Pankuch	
	OSP Project Manager	
and to Licensor as follows:		
Contact	John T. Chaucer	
Title	Manager	
Company	BellSouth Telecommunications, Inc.	
Address	North W3D2	
Address	3535 Colonnade Parkway	
City, State, and Zip Code	Birmingham, AL 35243	
Telephone	(205) 977-2631	
Facsimile	(205) 977-7997	

8. PROCESSING OF APPLICATIONS (INCLUDING PRELICENSE SURVEYS AND FIELD INSPECTIONS)

8.1 Licensee's Priorities. When Licensee has multiple applications on file with BellSouth, Licensee shall designate its desired priority of completion of prelicense surveys and make-ready work with respect to all such applications.

8.2 Prelicense Survey. After Licensee has submitted its written application for a license, a prelicense survey (including a field inspection) will be performed by either party, in the company of a representative of the other party as mutually agreed, to determine whether BellSouth's poles, anchors and anchor/guy strands, or conduit system, in their present condition, can accommodate Licensee's facilities, without substantially interfering with the ability of BellSouth or any other authorized person or entity to use or access the pole, anchor or anchor/guy strand or any portion of BellSouth's conduit system or facilities attached to BellSouth's pole or placed within or connected to BellSouth's conduit system. If Licensee gives its prior written consent in writing, the determination of duct availability may include the "rodding" of ducts at Licensee's expense.

8.2.1 The purpose of the prelicense survey is to determine whether Licensee's proposed attachments to BellSouth's poles or occupancy of BellSouth's conduit and ducts will substantially interfere with use of BellSouth's facilities by BellSouth and others with facilities occupying, connected or attached to BellSouth's pole or conduit system; and to provide information to Licensee for its determination of whether the pole, anchor, anchor/guy strand, conduit, duct, or right-of-way is suitable for its use.

8.2.2 Based on information provided by BellSouth, Licensee shall determine whether BellSouth's pole, anchor, anchor/guy strand, conduit and duct facilities are suitable to meet Licensee's needs.

8.2.3 BellSouth may not unreasonably refuse to continue to process an application based on BellSouth's determination that Licensee's proposed use of BellSouth' s facilities will not be in compliance with applicable requirements, specifications, rules, regulations, ordinances, and laws. Licensee shall be responsible for making its own, independent determination that its use of such facilities will be in compliance with such requirements, specifications, rules, regulations, ordinances and laws. Licensee acknowledges that BellSouth is not explicitly or implicitly warranting to Licensee that Licensee's proposed use of BellSouth's facilities will be in compliance with applicable requirements, specifications, rules, regulations, ordinances, and laws.

8.3 Administrative Processing. The administrative processing portion of the prelicense survey (which includes without limitation processing the application, preparing make-ready work orders, notifying joint users and other persons and entities of work requirements and schedules, coordinating the relocation/rearrangement of BellSouth and/or other licensed facilities) will be performed by BellSouth at Licensee's expense. Anything to the contrary herein notwithstanding, BellSouth shall bear no responsibility for the relocation, rearrangement or removal of facilities used for the transmission or distribution of electric power.

9. ISSUANCE OF LICENSES

9.1 Obligation to Issue Licenses. BellSouth shall issue a license to Licensee pursuant to this Article 9. BellSouth and Licensee acknowledge that each application for a license shall be evaluated on an individual basis. Nothing contained in this section shall be construed as abridging any independent pole attachment rights or conduit or duct access rights which Licensee may have under the provisions of any applicable federal or state laws or regulations governing access to BellSouth's poles, conduits and ducts, to the extent the same are not inconsistent with the Telecommunications Act of 1996. Each license issued hereunder shall be for an indefinite term, subject to Licensee's compliance with the provisions applicable to such license and further subject to Licensee's right to terminate such license at any time for any reason upon at least thirty (30) days' prior written notice.

9.2 Multiple Applications. Licensee acknowledges that multiple parties including BellSouth may seek to place their facilities in BellSouth's conduit and ducts at or about the same time, that the make-ready work required to prepare BellSouth's facilities to accommodate multiple applicants may differ from the make-ready work required to accommodate a single applicant, that issues relating to the proper apportionment of costs arise in multi-applicant situations that do not arise in single-applicant situations, and that cooperation and negotiations between all applicants and BellSouth may be necessary to resolve disputes involving multiple applications for permission to place facilities in/on the same pole, conduit, duct, or right-of-way.

9.2.1 All applications will be processed on a first-come, first-served basis.

9.3 Agreement to Pay for All Make-Ready Work Completed. Licensee's submission of written authorization for make-ready work shall also constitute Licensee's agreement to pay additional cost-based charges, if any, for completed make-ready work.

9.4 Payments to Others for Expenses Incurred in Transferring or Arranging Their Facilities. Licensee shall make arrangements with the owners of other facilities located in or connected to BellSouth's conduit system or attached to BellSouth's poles, anchors or anchor/guy strands regarding reimbursement for any expenses incurred by them in transferring or rearranging their facilities to accommodate the placement or attachment of Licensee's facilities in or to BellSouth's structures.

9.5 Make-Ready Work on an Expedited Basis. If Licensee is willing to authorize BellSouth to perform make-ready work on an expedited basis, and if BellSouth agrees to perform the work on such a basis, BellSouth shall recalculate the estimated make-ready charges. If Licensee accepts BellSouth's offer, Licensee shall pay such additional charges, if any.

9.6 License. When Licensee's application for a pole attachment or conduit occupancy license is approved, and all required make-ready work completed, BellSouth will execute and return a signed authorization to Licensee, as appropriate, authorizing Licensee to attach or place the specified facilities on BellSouth's poles or in BellSouth's conduit or ducts.

9.6.1 Each license issued under this Section shall authorize Licensee to attach to BellSouth's poles or place or maintain in BellSouth's conduit or ducts only those facilities specifically described in the license, and no others.

9.6.2 Except as expressly stated to the contrary in individual licenses issued hereunder, each license issued pursuant to this Section shall incorporate all terms and conditions of this Section whether or not such terms or conditions are expressly incorporated by reference on the face of the license itself.

10. CONSTRUCTION OF LICENSEE'S FACILITIES

10.1 Construction Schedule. Licensee shall submit with Licensee's license application a proposed or estimated construction schedule. Promptly after the issuance of a license permitting Licensee to attach facilities to BellSouth's poles or place facilities in BellSouth's conduit or ducts, Licensee shall provide BellSouth with an updated construction schedule and shall thereafter keep BellSouth informed of significant anticipated changes in the construction schedule. Construction schedules required by this Section shall include, at a minimum, the following information:

10.1.1 The name, title, business address, and business telephone number of the manager responsible for construction of the facilities;

10.1.2 The names of each contractor and subcontractor which will be involved in the construction activities;

10.1.3 The estimated dates when construction will begin and end; and

10.1.4 The approximate dates when Licensee or persons acting on Licensee's behalf will be performing construction work in connection with the placement of Licensee's facilities in BellSouth's conduit or ducts.

10.2 Additional Pre-construction Procedures for Facilities Placed in Conduit System. The following procedures shall apply before Licensee places facilities in BellSouth's conduit system:

10.2.1 Licensee shall give written notice of the type of facilities which are to be placed; and

10.2.2 BellSouth shall designate the particular duct or ducts or inner ducts (if available) to be occupied by Licensee's facilities, the location and manner in which Licensee's facilities will enter and exit BellSouth's conduit system, and the specific location and manner of installation of any associated equipment which is permitted by BellSouth to occupy the conduit system. Licensee may not occupy a duct other than the specified duct without the express written consent of BellSouth. BellSouth shall provide to Licensee space in manholes for racking and storage of up to fifty (50) feet of cable, provided space is available.

10.3 BellSouth Not Responsible for Constructing or Placing Facilities. BellSouth shall have no obligation to construct any facilities for Licensee or to attach Licensee's facilities to, or place Licensee's facilities in, BellSouth's poles or conduit system, except as may be necessary to facilitate the interconnection of unbundled network elements or except to the extent expressly provided in this Section, any license issued hereunder, or by the Telecommunications Act of 1996 or any other applicable law.

10.4 Licensee Responsible for Constructing, Attaching and Placing Facilities. Except where otherwise mutually agreed by Licensee and BellSouth, Licensee shall be responsible for constructing its own facilities and attaching those facilities to, or placing them in BellSouth's poles, conduit or ducts at Licensee's sole cost and expense. Licensee shall be solely responsible for paying all persons and entities who provide materials, labor, access to real or personal property, or other goods or services in connection with the construction and placement of Licensee's facilities and for directing the activities of all persons acting on Licensee's behalf while they are physically present on BellSouth's pole, in any part of BellSouth's conduit system or in the vicinity of BellSouth's poles or conduit system.

10.5 Compliance with Applicable Standards, Health and Safety Requirements, and Other Legal Requirements. Licensee shall construct its facilities in accordance with the provisions of this Section and all licenses issued hereunder.

10.5.1 Licensee shall construct, attach and place its facilities in compliance with all Requirements and Specifications set forth above in this Agreement.

10.5.2 Licensee shall satisfy all Legal Requirements set forth above in this Agreement.

10.5.3 Licensee shall not permit any person acting on Licensee's behalf to perform any work on BellSouth's poles or within BellSouth's conduit system without first verifying, to the extent practicable, on each date when such work is to be performed, that the condition of the pole or conduit system is suitable for the work to be performed. If Licensee or any person working on Licensee's behalf determines that the condition of the pole or conduit system is not suitable for the work to be performed, Licensee shall notify BellSouth of the condition of the pole or conduit system in question and shall not proceed with construction activities until Licensee is satisfied that the work can be safely performed.

10.6 Construction Notices. If requested to do so, Licensee shall provide BellSouth with information to reasonably assure BellSouth that construction has been performed in accordance with all applicable standards and requirements.

10.7 Points for Attachment. BellSouth shall specify, using the same selection criteria it uses for its own operating company, the point of attachment of each pole or anchor to be occupied by Licensee's facilities. When the facilities of more than one applicant are involved, BellSouth will attempt, to the extent practicable, to designate the same relative position on each pole or anchor for each applicant's facilities.

10.8 Manhole and Conduit Break-Outs. Licensee shall be permitted to add conduit ports to BellSouth manholes when existing conduits do not provide the pathway connectivity needed by Licensee; provided the structural integrity of the manhole is maintained, and sound engineering judgment is employed.

11. USE AND ROUTINE MAINTENANCE OF LICENSEE'S FACILITIES

11.1 Use of Licensee's Facilities. Each license granted under this Section authorizes Licensee to have access to Licensee's facilities on or in BellSouth's poles, conduits and ducts as needed for the purpose of serving Licensee's customers, including, but not limited to, powering electronics, monitoring facilities, or transporting signaling.

11.2 Routine Maintenance of Licensee's Facilities. Each license granted under this Section authorizes Licensee to engage in routine maintenance of Licensee's facilities located on or in BellSouth's poles, conduits, ducts and ROW pursuant to such license. Licensee shall give reasonable notice to the affected public authority or private landowner as appropriate before commencing the construction or installation of its attachments or making any material alterations thereto. Licensee shall give reasonable notice to BellSouth before performing any work, whether or not of a routine nature, in BellSouth's conduit system.

11.3 Licensee Responsible for Maintenance of Licensee's Facilities. Licensee shall maintain its facilities in accordance with the provisions of this Section (including but not limited to all requirements set forth above in this Agreement) and all licenses issued hereunder. Licensee shall be solely responsible for paying all persons and entities who provide materials, labor, access to real or personal property, or other goods or services in connection with the maintenance of Licensee's facilities and for directing the activities of all persons acting on Licensee's behalf while they are physically present on BellSouth's poles, within BellSouth's conduit system or in the immediate vicinity of such poles or conduit system.

11.4 BellSouth Not Responsible for Maintaining Licensee's Facilities. BellSouth shall have no obligation to maintain any facilities which Licensee has attached or connected to, or placed in, BellSouth's poles, conduits, ducts or any portion of BellSouth's conduit system, except to the extent expressly provided by the provisions of this Section or any license issued hereunder, or by the Telecommunications Act of 1996 or other applicable laws, rules or regulations.

11.5 Information Concerning the Maintenance of Licensee's Facilities. Promptly after the issuance of a license permitting Licensee to attach facilities to, or place facilities in BellSouth's poles, conduits or ducts, Licensee shall provide BellSouth with the name, title, business address, and business telephone number of the manager responsible for routine maintenance of Licensee's facilities, and shall thereafter notify BellSouth of changes to such information. The manager responsible for routine maintenance of Licensee's facilities shall, on BellSouth's request, identify any contractor, subcontractor, or other person performing maintenance activities on Licensee's behalf at a specified site and shall, on BellSouth's request, provide such additional documentation relating to the maintenance of Licensee's facilities as reasonably necessary to demonstrate that Licensee and all persons acting on Licensee's behalf are complying with the requirements of this Section and licenses issued hereunder.

11.6 Identification of Personnel Authorized to Have Access to Licensee's Facilities. All personnel authorized to have access to Licensee's facilities shall, while working on BellSouth's poles, in its conduit system or ducts or in the vicinity of such poles, ducts or conduit systems, carry with them suitable identification and shall, upon the request of any BellSouth employee, produce such identification.

12. MODIFICATION AND REPLACEMENT OF LICENSEE'S FACILITIES

12.1 Notification of Planned Modification or Replacement of Facilities. Licensee shall, when practicable, notify BellSouth in writing at least 60 days before adding to, relocating, replacing or otherwise modifying its facilities attached to a BellSouth pole, anchor or anchor/guy strand or located in any BellSouth conduit or duct. The notice shall contain sufficient information to enable BellSouth to determine whether the proposed addition, relocation, replacement, or modification is permitted under Licensee's present license or requires a new or amended license.

12.2 New or Amended License Required. A new or amended license will be required if the proposed addition, relocation, replacement, or modification:

12.2.1 Requires that Licensee use additional space on BellSouth's poles or in its conduits or ducts (including but not limited to any additional ducts, inner ducts, or substantial space in any handhole or manhole) on either a temporary or permanent basis; or

12.2.2 Results in the size or location of Licensee's facilities on BellSouth's poles or in its conduit or ducts being appreciably different from those described and authorized in Licensee's present license (e.g. different duct or size increase causing a need to re-calculate storm loadings, guying, or pole class).

13. REARRANGEMENT OF FACILITIES AT THE REQUEST OF ANOTHER

13.1 Make-Ready Work at the Request of Licensee. If, prior to the issuance of a license, Licensee determines that any pole, anchor, anchor/guy strand, conduit or duct is inadequate to accommodate Licensee's proposed pole attachment or conduit occupancy or that it will be necessary or desirable for BellSouth or any other person or entity to rearrange existing facilities or structures to accommodate Licensee, Licensee shall promptly advise BellSouth of the make-ready work it believes necessary to enable the accommodation of Licensee's facilities.

13.1.1 BellSouth shall determine, in the exercise of sound engineering judgment, whether or what make-ready work is necessary or possible. In determining whether make-ready work is necessary or what make-ready work is necessary, BellSouth shall endeavor to minimize its costs to Licensee. If it is determined that such make-ready work is required, BellSouth shall provide Licensee with the estimated costs for make-ready work and a Make Ready Due Date.

13.1.2 Licensee shall be solely responsible for negotiating with persons or entities other than BellSouth for the rearrangement of such persons' or entities' facilities or structures and, except where such rearrangement is for the benefit of BellSouth and/or other licensees as well as Licensee, shall be solely responsible for paying all charges attributable to the rearrangement of such facilities; provided, however, that if facilities rearrangements require new licenses from BellSouth, BellSouth shall issue such licenses in conjunction with the issuance of the applied-for license to Licensee.

13.2 Rearrangement of Licensee's Facilities at BellSouth's Request. Licensee acknowledges that, from time to time, it may be necessary or desirable for BellSouth to change out poles, relocate, reconstruct, or modify portions of its conduit system or rearrange facilities contained therein or connected thereto and that such changes may be necessitated by BellSouth's business needs or authorized application of another entity seeking access to BellSouth's poles or conduit systems. Licensee agrees that Licensee will, upon BellSouth's request, and at BellSouth's expense, but at no cost to Licensee, participate with BellSouth (and other licensees) in the relocation, reconstruction, or modification of BellSouth's conduit system or facilities rearrangement. Licensee acknowledges that, from time to time, it may be necessary or desirable for BellSouth to change out poles, relocate, reconstruct, or modify portions of its conduit system or rearrange facilities contained therein or connected thereto as a result of an order by a municipality or other governmental authority. Licensee shall, upon BellSouth's request, participate with BellSouth (and other licensees) in the relocation, reconstruction, or modification of BellSouth's conduit system or facilities rearrangement and pay its proportionate share of any costs of such relocation, reconstruction, or modification that are not reimbursed by such municipality or governmental authority.

13.2.1 Licensee shall make all rearrangements of its facilities within such period of time as is jointly deemed reasonable by the parties based on the amount of rearrangements necessary and a desire to minimize chances for service interruption or facility-based service denial to a Licensee customer.

13.2.2 If Licensee fails to make the required rearrangements within the time prescribed or within such extended periods of time as may be granted by BellSouth in writing, BellSouth may perform such rearrangements with written notice to Licensee, and Licensee shall reimburse BellSouth for actual costs and expenses incurred by BellSouth in connection with the rearrangement of Licensee's facilities; provided, however, that nothing contained in this Section or any license issued hereunder shall be construed as requiring Licensee to bear any expenses which, under the Telecommunications Act of 1996 or other applicable federal or state laws or regulations, are to be allocated to persons or entities other than Licensee; and provided further, however, that Licensee shall have no responsibility for rearrangement costs and expenses relating to rearrangements performed for the purpose of meeting BellSouth's business needs.

14. EMERGENCY REPAIRS AND POLE REPLACEMENTS

14.1 Licensee Responsible for Emergency Repairs to its Own Facilities. In general, Licensee shall be responsible for making emergency repairs to its own facilities and for formulating appropriate plans and practices which will enable it to make such emergency repairs. BellSouth shall be under no obligation to perform any repair or service restoration work of any kind with respect to Licensee's facilities.

15. INSPECTION BY BELLSOUTH OF LICENSEE'S FACILITIES

15.1 BellSouth's Right to Make Periodic or Spot Inspections. BellSouth shall have the right to make periodic or spot inspections at any time of any part of Licensee's facilities attached to BellSouth's poles, anchors or anchor/guy strands or occupying any BellSouth conduit or duct for the limited purpose of determining whether Licensee's facilities are in compliance with the terms of this Section and licenses hereunder; provided that such inspections must be non-invasive (e.g., no splice cases may be opened).

15.1.1 BellSouth will give Licensee advance written notice of such inspections, and Licensee shall have the right to have a representative attend such inspections, except in those instances where safety considerations justify the need for such inspection without the delay of waiting until written notice has been forwarded to Licensee.

15.1.2 Such inspections shall be conducted at BellSouth's expense; provided, however, that Licensee shall bear the cost of inspections as delineated in 3.12.

15.2 No Duty to Licensee. Neither the act of inspection by BellSouth of Licensee's facilities nor any failure to inspect such facilities shall operate to impose on BellSouth any liability of any kind whatsoever or to relieve Licensee of any responsibility, obligations or liability under this Section or otherwise existing.

16. NOTICE OF NONCOMPLIANCE

16.1 Notice of Noncompliance. If, at any time, BellSouth determines that Licensee's facilities or any part thereof have not been placed or maintained or are not being used in accordance with the requirements of this Agreement, BellSouth may send written notice to Licensee specifying the alleged noncompliance. Licensee agrees to acknowledge receipt of the notice as soon as practicable. If Licensee does not dispute BellSouth's assertion that such facilities are not in compliance, Licensee agrees to provide BellSouth with a schedule for bringing such facilities into compliance, to bring the facilities into compliance within a reasonable time, and to notify BellSouth in writing when the facilities have been brought into compliance.

16.2 Disputes over Alleged Noncompliance. If Licensee disputes BellSouth's assertion that Licensee's facilities are not in compliance, Licensee shall notify BellSouth in writing of the basis for Licensee's assertion that its facilities are in compliance.

16.3 Failure to Bring Facilities into Compliance. If Licensee has not brought the facilities into compliance within a reasonable time or provided BellSouth with proof sufficient to persuade BellSouth that BellSouth erred in asserting that the facilities were not in compliance, and if BellSouth determines in good faith that the alleged noncompliance causes or is likely to cause material damage to BellSouth's facilities or those of other users, BellSouth may, at its option and Licensee's expense, take such non-service affecting steps as may be required to bring Licensee's facilities into compliance, including but not limited to correcting any conditions which do not meet the specifications of this Agreement.

16.4 Correction of Conditions by BellSouth. If BellSouth elects to bring Licensee's facilities into compliance, the provisions of this Section shall apply.

16.4.1 BellSouth will, whenever practicable, notify Licensee in writing before performing such work. The written notice shall describe the nature of the work to be performed and BellSouth's schedule for performing the work.

16.4.2 If Licensee's facilities have become detached or partially detached from supporting racks or wall supports located within a BellSouth manhole, BellSouth may, at Licensee's expense, reattach them but shall not be obligated to do so. If BellSouth does not reattach Licensee's facilities, BellSouth shall endeavor to arrange with Licensee for the reattachment of any facilities affected.

16.4.3 BellSouth shall, as soon as practicable after performing the work, advise Licensee in writing of the work performed or action taken. Upon receiving such notice, Licensee shall inspect the facilities and take such steps as Licensee may deem necessary to insure that the facilities meet Licensee's performance requirements.

16.5 Licensee to Bear Expenses. Licensee shall bear all expenses arising out of or in connection with any work performed to bring Licensee's facilities into compliance with this Section; provided, however that nothing contained in this Section or any license issued hereunder shall be construed as requiring Licensee to bear any

expenses which, under applicable federal or state laws or regulations, must be borne by persons or entities other than Licensee.

17. UNAUTHORIZED OCCUPANCY OR UTILIZATION OF BELLSOUTH'S FACILITIES

17.1 Licensing or Removal of Unauthorized Attachments. If any of Licensee's attachments shall be found attached to pole(s) or occupying conduit systems for which no license is outstanding, BellSouth, without prejudice to its other rights or remedies under this Agreement, including termination of licenses, may impose a charge and require Licensee to submit in writing, within thirty (30) days after receipt of written notification from BellSouth of the unauthorized attachment or conduit occupancy, a pole attachment or conduit occupancy license application. If such application is not received by BellSouth within the specified time period, Licensee may be required at BellSouth's option to remove its unauthorized attachment or occupancy within sixty (60) days of the final date for submitting the required application, or BellSouth may at BellSouth's option remove Licensee's facilities without liability, and the expense of such removal shall be borne by Licensee. Charges for any such unauthorized occupancy shall be equal to the applicable license fees and charges which would have been payable from and after the date such facilities were first placed on BellSouth's poles or in BellSouth's conduit system, if Licensee provides reasonable documentation of such placement. If Licensee is unable to provide such reasonable documentation, then Licensee will pay two years worth of the applicable charges.

17.1.1 Nothing contained in the Agreement or any license issued hereunder shall be construed as requiring Licensee to bear any expenses which, under applicable federal or state laws or regulations, must be borne by persons or entities other than Licensee.

17.2 Prompt Payment of Applicable Fees and Charges. Fees and charges for pole attachments and conduit system occupancies, as specified herein and as modified from time to time, shall be due and payable immediately whether or not Licensee is permitted to continue the pole attachment or conduit occupancy. See Appendix I for applicable annual rental fees.

17.3 No Implied Waiver or Ratification of Unauthorized Use. No act or failure to act by BellSouth with regard to said unlicensed use shall be deemed as a ratification of the unlicensed use; and if any license should be subsequently issued, said license shall not operate retroactively or constitute a waiver by BellSouth of any of its rights or privileges under this Agreement or otherwise; provided, however, that Licensee shall be subject to all liabilities, obligations and responsibilities of this Agreement in regard to said unauthorized use from its inception.

18. REMOVAL OF LICENSEE'S FACILITIES

18.1 Pole Attachments. Licensee, at its expense, will remove its attachments from any of BellSouth's poles within thirty (30) days after termination of the license covering such attachments. If Licensee fails to remove its attachments within such thirty (30) day period, BellSouth shall have the right to remove such attachments at Licensee's expense and without any liability on the part of BellSouth for damage or injury to Licensee's attachments unless caused by the negligence or intentional misconduct of BellSouth.

18.2 Conduit Occupancy. Licensee, at its expense, will remove its communications facilities from a conduit system within sixty (60) days after:

18.2.1 Termination of the license covering such conduit occupancy; or

18.2.2 The date Licensee replaces its existing facilities in one duct with substitute facilities in another duct.

18.2.3 If Licensee fails to remove its facilities within the specified period, BellSouth shall have the right to remove such facilities at Licensee's expense and without any liability on the part of BellSouth for damage or injury to such facilities unless caused by the negligence or intentional misconduct of BellSouth.

18.3 Continuing Responsibility for Fees and Charges. Licensee shall remain liable for and pay to BellSouth all fees and charges pursuant to provisions of this Agreement until all of Licensee's facilities are physically removed from BellSouth's poles or conduit system.

19. FEES, CHARGES, AND BILLING

19.1 License Charges. License charges commence on the first day of the calendar month following the date a license is issued. Such charges cease as of the final day of the calendar month preceding the month in which the attachment or occupancy is physically removed or the utilization is discontinued. A one-month minimum charge is applicable to all licenses.

19.2 Notice of Rate and Computation of Charges. On or about November 1 of each year, BellSouth will notify Licensee by certified mail, return receipt requested, of the rental rate and pole transfer rate to be applied in the subsequent calendar year. The letter of notification shall be incorporated in, and governed by, the terms and conditions of this Agreement. Attachment and occupancy rates shall be applied to the number of pole(s) and duct feet of conduit for which licenses have been issued before December 1 of each calendar year. Charges for attachment(s) and occupancy which commenced during the preceding twelve (12) month period will be prorated accordingly.

20. ADVANCE PAYMENT AND IMPUTATION

20.1 Attachment and Occupancy Fees. Fees for pole attachment and conduit occupancy shall be based on the facilities for which licenses have been issued as of the date of billing by BellSouth, shall be computed as set forth herein.

20.1.1 Charges associated with newly licensed attachments or occupancies and other attachments or occupancies of less than the entire annual billing period shall be prorated.

20.1.2 Charges shall be prorated retroactively in the event of the removal of Licensee's facilities.

20.1.3 The amount of any advance payment required shall be due within sixty (60) days after receipt of an invoice from BellSouth.

20.2 Imputation. BellSouth shall impute to its costs of providing telecommunications services (and charge any affiliate, subsidiary, or associate company engaged in the provision of such services) an equal amount to the charges set forth in this Section for all of the conduits, ducts, and poles it occupies and uses.

21. ASSURANCE OF PAYMENT

21.1 Necessity and Level of Security. In the event Licensee fails to demonstrate credit worthiness, Licensee may be required to furnish a bond, letter of credit or other evidence of financial security having a minimum face amount of $10,000.00 per state or $50,000.00 per region. Such bond, letter of credit or other security shall be in a form satisfactory to BellSouth and may be increased from time to time as reasonably required by BellSouth to guarantee the performance of all obligations of Licensee hereunder. The amount of the bond, letter of credit or other security shall not operate as a limitation upon the obligations of Licensee hereunder.

22. INSURANCE

22.1 Licensee shall obtain and maintain insurance (or provide written evidence of being self-insured), including endorsements insuring the contractual liability and indemnification provisions of this Agreement, issued by an insurance carrier reasonably satisfactory to Licensor to protect the Licensor, other authorized Licensees, and Joint User(s) from and against all claims demands, causes of action, judgments, costs, including reasonable attorneys' fees, expenses and liabilities of every kind and nature which may arise or result, directly or indirectly from or by reason of such loss, injury or damage as covered in this Agreement including Article XIV preceding.

22.2 Licensee shall maintain the following amounts of insurance in compliance with (22.1) above:

22.2.1 Commercial General Liability Insurance with limits of not less than $1,000,000 per occurrence and $1,000,000 annual aggregate.

22.2.2 Umbrella or Excess Liability Insurance with limits of not less than $10,000,000 per occurrence and in the aggregate.

22.3 Licensee shall submit to Licensor certificates by each company insuring Licensee with respect to any insurance required hereunder, such certificate(s) to specify the coverage provided and that such company will not cancel or change any such policy of insurance issued to Licensee except after sixty (60) days written notice to Licensor.

22.4 Licensee shall also carry such insurance as will protect it from all claims under any Worker's Compensation Law in effect that may be applicable to it as a result of work performed pursuant to this Agreement.

22.5 All insurance required in accordance with 22.2) and 22.3) preceding must be effective before Licensor will authorize attachment to a Pole and/or Anchor, or occupancy of a Conduit System and shall remain in force until such Licensee's facilities have been removed from all such Pole(s), Anchor(s), Conduit System, or Right of Way. In the event that the Licensee shall fail to maintain the required insurance coverage, Licensor may pay any premium thereon falling due, and the Licensee shall forthwith reimburse the Licensor for any such premium paid.

22.6 Licensee may self-insure any or all of the insurance coverages required in the Agreement.

23. AUTHORIZATION NOT EXCLUSIVE

23.1 Nothing herein contained shall be construed as a grant of any exclusive authorization, right or privilege to Licensee. BellSouth shall have the right to grant, renew and extend rights and privileges to others not parties to this Agreement, by contract or otherwise, to use any Pole, Anchor, or Conduit System covered by this Agreement and Licensee's rights hereunder.

24. ASSIGNMENT OF RIGHTS

24.1 Licensee shall not assign or transfer this Agreement or any license or any authorization granted under this Agreement, and this Agreement shall not inure to the benefit of Licensee's successors or assigns, without the prior written consent of BellSouth. BellSouth shall not unreasonably withhold such consent.

24.2 In the event such consent or consents are granted by BellSouth, then the provisions of this Agreement shall apply to and bind the successors and assigns of the Licensee. Form NT-13 shall be used for this purpose.

25. FAILURE TO ENFORCE

25.1 Failure of BellSouth to enforce or insist upon compliance with any of the terms or conditions of this Agreement or to give notice or declare this Agreement or any authorization granted hereunder terminated shall not constitute a general waiver or relinquishment of any term or condition of this Agreement, but the same shall be and remain at all times in full force and effect.

26. TERM OF AGREEMENT

Unless sooner terminated as herein provided, this Agreement shall continue in effect for a term of one (1) year from the date hereof and thereafter from year to year until either party hereto terminates this Agreement by giving the other party at least ninety (90) days prior written notice thereof. Such ninety (90) days notice of termination may be given to take effect at the end of the original one (1) year period or any time thereafter.

26.1 Termination of this Agreement or any licenses issued hereunder shall not affect Licensee's liabilities and obligations incurred hereunder prior to the effective date of such termination.

27. SUPERSEDURE OF PREVIOUS AGREEMENT(S)

27.1 This Agreement supersedes all previous agreements, whether written or oral, between BellSouth and Licensee for attachment and maintenance of Licensee's Communications Facilities on Pole(s), Anchor(s), and in Conduit Systems within the geographical area covered by this Agreement; and there are no other provisions, terms or conditions to this Agreement except as expressed herein. All currently effective licenses heretofore granted pursuant to such previous agreements shall be subject to the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate on the day and year written below.

Hyperion Communications of Kentucky, Inc.	**BellSouth Telecommunications, Inc.**
Name of Licensee	*Name of Licensor*
By: Hyperion Telecommunications, Inc., as Sole Member	***By:***
_____	_____
Signature	*Signature*
_____	Ralph P. Grieco
Printed Name	*Printed Name*
_____	Ntwk V P NP & Supp
Printed Title	*Printed Title*
_____	_____
Date	*Date*

APPENDIX I

1999 FCC Formula Supported Fees

for attachments and/or occupancy effective 1/1/1999

(Re-calculated annually)

Licensee shall pay to Licensor the following fees:

State	Poles *(ea. / yr.)*	Anchors *(ea. / yr.)*	Conduit	
				($ / ft. / yr.)
Alabama	$ 3.24	$ 4.89		$ 0.19
Kentucky ①				0.70
2-user	9.45	$ 12.90		
3-user	5.35	8.60		
Louisiana	6.90 ②			0.43
Mississippi	4.30			2.50 ③
Tennessee ④	4.57			0.30
Florida	3.79			0.37
		Miami River crossing		17.13
Georgia ⑤	5.01			0.30
North Carolina	3.80			0.29
South Carolina	2.99			0.22

① All rates in Kentucky are by tariff

② $6.00 rate proposed by LPSC Docket U-22833; March 12, 1999 order placed a freeze on existing, approved rate until December 31, 2002. Therefore, $6.90 rate remains in effect.

③ Tariff rate in Mississippi

④ Tennessee rates are negotiated with CATV Association

⑤ FCC formula calculated rates; differs from Docket 7061-U

Conduit rates have been developed using the one-half (1/2) duct convention for 1999. This rate will apply to each passageway (innerduct).

i) For the purpose of determining the Duct feet chargeable, the Duct considered occupied shall be measured from the center to center of adjacent Manhole(s), or from the center of a Manhole to the end of a Duct not terminated in a Manhole.

ii) The above rates are not applicable for crossings of any navigable waterway. Rates for navigable waterway crossings will be calculated on an individual case basis.

Pole Attachment Transfer Rate

Per pole (throughout BellSouth region) $41.00

Appendix II

Records Maintenance Centers

For **Alabama** plant and right of way records:

Records Maintenance Center
S04
1876 Data Drive
Birmingham, AL 35244

For **Kentucky** plant and right of way records:

Records Maintenance Center
Room 2-SW
601 W. Chestnut Street
Louisville, KY 40203

For **Louisiana** plant and right of way records:

Records Maintenance Center
2nd Floor North
6767 Bundy Road
New Orleans, LA 70140

For **Mississippi** plant and right of way records:

Records Maintenance Center
5723 Hwy. 18 S
Jackson, MS 39209

For **Tennessee** plant and right of way records:

Records Maintenance Center
Room 9 B 15
333 Commerce Street
Nashville, TN 37201

For **Georgia, Florida, North Carolina, and South Carolina**:

Plant Records

Records Maintenance Center
5228 Central Avenue
Charlotte, NC 28212

Right of Way Records

Regional Landbase Admin. Center
Attn.: Right of Way Records
16 GG 1 BST
301 W. Bay Street
Jacksonville, FL 32201

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of BellSouth Telecommunications, Inc.'s, entry into interLATA Services pursuant to Section 271 Of the Federal Telecommunications Act of 1996.	))))))	DOCKET NO. 960786-TL

AFFIDAVIT OF DOUGLAS R. COUTEE
ON BEHALF OF BELLSOUTH TELECOMMUNICATIONS, INC.

I, DOUGLAS R. COUTEE, being of lawful age and duly sworn upon my oath, depose and state:

1. My name is Douglas R. Coutee. I am employed by BellSouth Telecommunications, Inc. ("BellSouth"). My business address is 3535 Colonnade Parkway, Room SE5B1, Birmingham, AL 35243. I am a Senior Business Analyst in the Operator Services department under the Network and Carrier Services organization. In this position, I provide strategic support for the development, implementation, and life cycle management of a family of number services and database listings products and services. I have over 28 years of service at BellSouth with experience in consumer sales and marketing, new product development, project management, and market plan development. I have a degree in Business Administration from Louisiana State University and a Masters Certificate in Project Management from George Washington University.

2. The purpose of this affidavit is to discuss the means by which BellSouth provides nondiscriminatory access to BellSouth's Directory Assistance (DA) and Operator Services (OS) for Competitive Local Exchange Carriers ("CLECs") in compliance with Section 271(c)(2)(B)(vii) of the Telecommunications Act of 1996 ("the Act"). Following is a list of BellSouth region state proceedings that have found that BellSouth provides non-discriminatory access to OS/DA in compliance with Checklist Item 7:
(1) Florida Public Service Commission ("FPSC") in Order No. PSC-97-1459-FOF-TL, Docket No. 960786-TL, issued November 19, 1997, pp. 118 (partial approval);
(2) Louisiana Public Service Commission (LPSC) in Docket No. U-22252-A, Order dated September 5, 1997, p. 11; (3) Mississippi Public Service Commission (FPSC) in Docket No. 97-AD-0321, Order dated November 9, 1998, p. 38; (4) North Carolina Utilities Commission (NCUC) in its Order Regarding Section 271 Requirements, Docket No. P-55, Sub 1022, January 14, 1998, pp. 81-83; and (5) South Carolina Public Service Commission (SCPSC) in Docket No. 97-101-C, Order No. 97-640, dated July 31, 1997, p. 47. The provision of access remains to this day consistent with the affirmative conclusions reached by the FPSC, LPSC, MPSC, NCUC and SCPSC.

3. BellSouth's local exchange customers can obtain Directory Assistance Services (Directory Assistance and Directory Assistance Call Completion (DACC)), Operator Services (Operator Provided Call Assistance, Operator Call Completion Services, mechanized or operator assisted Alternate Billing Services (ABS) for billing a third number, calling card or collect call and Verification and Interruption Services) and Intercept Service through BellSouth's retail tariffs.

4. Typically, a BellSouth local exchange customer contacts a service representative in one of BellSouth's residence or business service centers to order a local telephone line that includes Directory Assistance and Operator Services. Depending upon whether the customer is a residence or business subscriber, the service representative uses a system known as the Regional Negotiation System (RNS) or the Regional Ordering System (ROS), respectively, to input the customer's order. These systems automatically forward the order into BellSouth's Service Order Control System (SOCS). The order is then transmitted to the appropriate assignment, installation, network and database work groups and/or mechanized systems to establish the customer's local telephone line. The customer's local telephone line automatically includes the provisioning of Directory Assistance and Operator Services and Intercept Service.

5. To make the BellSouth retail local exchange customer's listing (listed name, address, telephone number) available for Directory Assistance, the order flows from SOCS to the BellSouth Listing Information System (LIST) database, and then from the LIST database into BellSouth's Directory Assistance databases. Completed service orders containing the subscriber listings are accumulated, batched in a file and input to the DA databases once daily. To make the BellSouth retail local exchange customer's listing available for Intercept Service, the order flows from SOCS to the BellSouth Line Information for Open Networks (LION) system to establish the appropriate intercept message. To make the BellSouth retail local exchange customer's telephone number and Calling Card number, if requested, available for ABS, the order flows from SOCS to

BellSouth's Database Administration System (DBAS) and then to the BellSouth Line Information Database (LIDB).

6. For local exchange customers of CLEC resellers, all of the processes described above are identical and the service is provided in the same manner, timeliness and quality as is done for BellSouth retail local exchange customers through BellSouth retail tariffs. A CLEC that is reselling BellSouth service can generate a mechanized service request for a local telephone line with Directory Assistance, Operator Services, and Intercept Services through the Electronic Data Interchange (EDI) interface, the Telecommunications Access Gateway (TAG) interface, or the Local Exchange Navigation System (LENS) interface, to establish the service. EDI, TAG, and LENS will then automatically forward a clean and correct service request into SOCS. From SOCS, the service order follows the same flow as orders that are submitted by BellSouth retail service representatives via RNS and ROS, as described above. The CLEC may also transmit a service request manually to the Local Carrier Service Center (LCSC). When a CLEC service request is transmitted manually, a LCSC service representative will input the service request into the Service Order Negotiation System (SONGS) or the Direct Order Entry (DOE) system. From SONGS or DOE, the service request will automatically flow into SOCS. From SOCS, the service order flow follows the same path as if it had been entered by a BellSouth service representative in RNS or ROS or by a CLEC service representative in EDI, TAG, or LENS.

7. BellSouth includes facilities-based CLEC subscribers' listings in BellSouth's

Directory Assistance databases via the same process described in paragraph 5 above. The facilities-based CLEC can use EDI, TAG, or LENS to transmit the necessary listing information, which will be transmitted to SOCS. From SOCS, the order follows the same flow as described for BellSouth's retail customers. The facilities-based CLEC can also fax the necessary listing information to a LCSC service representative who issues a service order through SONGS or DOE which will automatically flow into SOCS. From SOCS, the CLEC subscriber's listing request follows the same flow as described above. After entry into the system via the CLEC electronic interfaces or by the LCSC service representative, the process for facilities-based CLECs is identical to the way BellSouth makes its own local exchange subscriber listings available in DA.

8. BellSouth also makes facilities-based CLECs subscribers' numbers available for Intercept Service and includes their line numbers and Calling Card numbers in BellSouth's LIDB. The CLEC submits a written request with the appropriate information to BellSouth's Database Administration Center (DBAC). Using an administrative terminal, a DBAC clerical person enters the information into the LION system for Intercept and the Database Administration System (DBAS), which automatically updates the line number and calling card in LIDB. The request can be sent via fax, US mail, email or internet mail. The CLEC and BellSouth together formulate appropriate procedures regarding lead time, timeliness, format and content of the CLEC's subscriber information. The CLEC requests for Intercept and LIDB are submitted to the appropriate systems within forty-eight hours of receipt of the requests, which is the same time frame applicable to BellSouth retail customers. These requests are processed in a timely,

accurate and quality manner and BellSouth has sufficient personnel available to handle the volume of requests being received from CLECs and reasonably foreseeable demand. Because the requests for Intercept and LIDB go directly to the DBAC and avoid service order system edit checks, CLEC subscribers' line numbers and calling card numbers may actually be processed more quickly than those of BellSouth's own retail customers. BellSouth's DBAC handles LIDB transactions for 14 CLECs and Intercept transactions for 2 CLECs for the BellSouth region. BellSouth's DBAC processes an average of 5,655 LIDB transactions and 80 Intercept transactions monthly for these CLECs based on total transactions received during March and April, 2001. In Florida, there are three facilities-based CLECs subscribing to LIDB storage and no facilities-based CLEC subscribing to Intercept Service.

9. When a BellSouth retail local exchange customer dials 4-1-1 in BellSouth's service territory for Directory Assistance, the customer is connected to an automated system which brands the call with "BellSouth, we can now help you find a number anywhere in the country" and asks the customer, "what city? what state (if appropriate)? what listing?"[1] Depending upon the requested state and/or city, the customer is connected to an operator that handles in-region DA calls or an operator that handles national DA calls. The operator inputs the customer's listing request into the workstation and initiates the search. For in-region requests, the operator searches BellSouth's DA

[1] On April 11, 2000 the Federal Communications Commission (FCC) issued its Memorandum Opinion and Order (CC Docket No. 97-172) granting BellSouth's Petition for Forbearance for Nonlocal Directory Assistance Service. The FCC concluded that BellSouth may provide nonlocal directory assistance service on an integrated basis subject to the nondiscrimination requirements outlined in the order. BellSouth is in compliance with the FCC's order and fully intends to continue providing its nonlocal directory assistance

regional database. For nationwide DA (NDA) requests, the operator searches a NDA database. Based on the search request initiated by the operator, the matching listings are returned to the operator's workstation. The operator selects the correct listing and provides the telephone number to the customer verbally or by using an automated audio announcement. If the telephone number is provided via the automated audio announcement system, the customer will be given the option to have the call completed only if it is a local or intraLATA call. If the customer selects DACC, the call will be automatically completed by BellSouth's network.

10. CLECs that are reselling BellSouth services can provide their local exchange customers with the same access to BellSouth's DA using the same 4-1-1 dialing pattern as BellSouth provides its retail customers. The DA request will be handled in the same manner as BellSouth does for its own retail local exchange customers. The same operators, the same automated systems, and the same databases are used to provide the CLEC local exchange customer with DA. The CLEC can elect to brand the DA call with its name, the BellSouth brand, or elect no brand. Whether the CLEC elects to brand with its name or not brand, the call is handled with the same speed, care, accuracy, and quality that a BellSouth retail local exchange customer would receive. Calls to OS and DA are delivered to the serving switches via various trunking arrangements, placed in queue and answered on a first-come-first-serve basis. If a CLEC does not order customized branding for OS and/or DA, there is no way to differentiate the CLEC calls from BellSouth calls because both sets of calls are routed over the exact same trunking

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service.

arrangement from the BellSouth central office. This is also true when BellSouth receives a call from a customer that dialed 1-5-5-5-1-2-1-2 or 1-N-P-A[2]-5-5-5-1-2-1-2. Other types of customers such as interexchange carriers, facilities-based CLECs, and independent companies deliver calls directly to this switching arrangement. Accordingly, the only way to ensure parity of treatment to all customers is to serve the call that has waited the longest by connecting the next available operator.

11. A CLEC can elect to perform Directory Assistance for its local exchange customers using its own operators and facilities by ordering BellSouth's Direct Access Directory Assistance Service (DADAS) or Directory Assistance Database Service (DADS). DADAS provides the CLEC with access, on a per query basis, to the same BellSouth DA databases that BellSouth uses to provide DA to its own local exchange customers. The CLEC connects to the BellSouth DA database using its own switch, workstation, audio, and transport facilities. DADS provides the CLEC with a complete extract of the BellSouth DA database in bulk form on readily accessible tape or electronic formats and daily updates to allow the CLEC to establish its own Directory Assistance type service. DADS includes all eligible BellSouth subscriber listing information (e.g., for non-published numbers only, name and address with NP indicator is provided) and third party listings of CLECs and independent local exchange companies.

12. BellSouth local exchange customers dial 0 for Operator Services (OS). When a

BellSouth local exchange customer in the BellSouth service territory dials 0 + the area code + the 7-digit number for a local or intraLATA call (referred to as 0+), the BellSouth switch brands the call "BellSouth" and routes the call to BellSouth's Automated Alternate Billing System (AABS) for mechanized handling of the call. The BellSouth customer hears a "bong tone" and then enters a calling card number. The call is then completed by BellSouth's network. When a BellSouth local exchange customer dials 0 and no other digits (referred to as 0-), the BellSouth switch brands the call "BellSouth" and connects the customer to an automated menu which gives the customer access to an operator. If the customer presses 0- again or stays on the line, the customer will be connected to a BellSouth operator. The operator generally provides call assistance and/or completes the call for the customer. Operator and Directory Assistance services are available to CLECs in their entirety including access to adjacent features, rating tables, customer information databases, etc.

13. CLECs can provide their local exchange customers with the same access to BellSouth's Operator Services as BellSouth's retail customers have by dialing 0 + the area code and the appropriate local or intra-LATA number or 0- for an operator. Calls are handled in precisely the same way as for a BellSouth retail customer, except that the CLEC can elect to brand the call with its name, the BellSouth brand, or elect no brand. Regardless of whether the CLEC elects to brand or not brand, the CLEC subscriber's call

[2] NPA (numbering plan area) is the area in which no two 7-digit telephone numbers are the same. Each such area is assigned a unique 3-digit number for use in dialing telephone numbers in that area. NPA is very often referred to as an area code as well.

is handled with the same timeliness and quality that a BellSouth local exchange customer would receive.

14. Based on the foregoing, BellSouth provides nondiscriminatory access to BellSouth DA and OS in accordance with Section 271(c)(2)(B)(vii) of the Act.

15. This concludes my affidavit.

The information contained in this affidavit is true and correct to the best of my knowledge and belief.

Executed on May 29, 2001.

Douglas R. Coutee

Douglas R. Coutee

STATE OF Georgia

COUNTY OF Fulton

Subscribed and sworn to before me this

29th day of May, 2001.

Linda M. Hobbs

Notary

Notary Public, Gwinnett County, Georgia
My Commission Expires March 17, 2003

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of BellSouth Telecommunications, Inc.'s, entry into interLATA Services pursuant to Section 271 Of the Federal Telecommunications Act of 1996.	))))))	DOCKET NO. 960786-TL

AFFIDAVIT OF R. F. (ROOK) BARRETTO
ON BEHALF OF BELLSOUTH TELECOMMUNICATIONS, INC.

I, R. F. Barretto, being of lawful age and duly sworn upon my oath, depose and state:

1. My name is R. F. Barretto. Until my recent retirement, I was employed by BellSouth Advertising & Publishing Corporation ("BAPCO") as Director-Local Exchange Carrier/Operations Support. My business address was 59 Executive Park South, Atlanta, Georgia 30329. I reported to the Vice President – Operations of BAPCO, and now serve as a consultant to the company.

I. PROFESSIONAL EXPERIENCE AND EDUCATIONAL BACKGROUND

2. I have over thirty years of experience in directory publication and directory advertising, involving almost every aspect of directory operations, e.g., production, listings, specifications, sales, systems, marketing and planning. I was an employee of BAPCO for sixteen years, holding a number of different positions in that company, including Director of Marketing.

3. My most recent position, which I assumed in February of 1996, was Director - Local Exchange Carrier/Operations Support. In this position, I was responsible for negotiating directory contracts between new local exchange carrier entrants and BAPCO. I was also responsible for ensuring BAPCO is effectively positioned to handle the changed

telecommunications environment brought about by the passage of the Telecommunications Act of 1996 ("the Act"). This included coordinating changes to BAPCO's operations to accept new information and perform new functions and ensuring development of procedures and training materials to handle the new requirements of this telecommunications environment. I also developed the many support documents provided to competitive local exchange carriers ("CLECs") and the support materials related to directory matters used by BellSouth and BAPCO.

4. As Director - Local Exchange Carrier/Operations Support, I was also responsible for the contracts between BAPCO and local exchange carrier entrants, providing support to the carriers that contract with BAPCO, and developing the strategic planning and future requirements necessary to accommodate new carriers. Finally, I was the focal point for communications regarding those carriers within BAPCO.

II. PURPOSE OF AFFIDAVIT

5. The purpose of my affidavit is to prove that BellSouth provides nondiscriminatory appearance and integration of white page listings for CLEC subscribers in full compliance with Section 271(c) (2) (B) (viii) of the Act (Checklist Item 8). I describe the flow of orders received for the production of White Pages directories and how this process is accomplished for both BellSouth listings and CLEC listings. Further, I discuss the error detection process and extraction of listings from BAPCO's database to produce our White Pages directories, along with some of the measures and processes in place to ensure listing accuracy.

III. SUMMARY OF MY AFFIDAVIT

6. In the *Application of BellSouth Corporation for Provision of In-Region, Inter-LATA Services in Louisiana*, Memorandum Opinion and Order, 13 FCC Rcd at 20599 at 20747-50, paras. 252-259, ("LA II Order"), the Federal Communications Commission ("FCC") found that BellSouth met this Checklist Item. Additionally, following is a list of BellSouth region state proceedings that have found that BellSouth met the requirements of Checklist Item 8 (White pages directory listings for customers of the other carrier's telephone exchange service): (1) Florida Public Service Commission ("FPSC") in Order No. PSC-97-1459-FOF-TL, Docket No. 960786-TL, issued November 19, 1997, pp. 123; (2) Kentucky Public Service Commission (KPSC) in Case No. 96-608, Advisory Opinion dated July 8, 1999, p. 6; (3) Louisiana Public Service Commission (LPSC) in Docket No. U-22252-A, Order dated September 5, 1997, p. 11; (4) Mississippi Public Service Commission (MPSC) in Docket No. 97-AD-0321, Order dated November 9, 1998, p. 39; (5) North Carolina Utilities Commission (NCUC) in its Order Regarding Section 271 Requirements, Docket No. P-55, Sub 1022, January 14, 1998, p. 85; and (6) South Carolina Public Service Commission (SCPSC) in Docket No. 97-101-C, Order No. 97-640, dated July 31, 1997, p. 48. The provision of Checklist Item 8 remains to this day consistent with the affirmative conclusions reached by the FCC, FPSC, KPSC, LPSC, MPSC, NCUC and SCPSC.

7. BAPCO publishes White Pages directories to fulfill the directory responsibilities of BellSouth and includes within these directories the listings of CLEC subscribers. BAPCO does not charge CLECs for publishing their customers' listings or delivering directories to those customers. To publish these listings BAPCO receives business,

residential and government orders from BellSouth's Local Carrier Service Center ("LCSC") for processing listings to its White Pages database. All of these listings are published and provided to CLECs in the same manner that BellSouth provides listings to its own customers.

8. One of three activities can occur regarding these listings. The listing may be added, deleted, or changed in the BAPCO database. Establishing new accounts or making changes to or deleting existing accounts requires listing information to be sent by the CLEC. If a CLEC chooses to do a "Switch As Is" (no change to an account, except in the billing), no listing change is required. All published listings will remain exactly the way they were when BellSouth provided service to the end user. For these accounts, BAPCO will simply receive an order indicating a change in billing responsibility.

9. Exhibit RFB-1, attached to this affidavit, provides a simple flowchart of the sequence of listing-related activities that occur from the initial request of the end-user to the production of the directory for CLECs and BellSouth accounts. I will first describe this process in general terms, and then discuss it in more detail. For a BellSouth end-user, a BellSouth representative provides listing information to BAPCO via a service order. The service order is the base document for all activity on an account and is the basis of all input to BAPCO.

10. In the case of a CLEC, irrespective of whether the CLEC is a reseller or a facilities-based provider, listing information is also provided via a service order. The order is forwarded to BAPCO from BellSouth. As described in other affidavits in support of

BellSouth's application, all CLECs can submit local service requests ("LSR") and Directory Listing Requests ("DLR") via electronic or manual interfaces to BellSouth.

11. Each day BAPCO receives a file which contains all such orders from BellSouth and the CLECs. The entire file is processed by BAPCO without regard to which company initiated the order.

12. Several weeks in advance of publication, listings for the specific directory to be published are extracted from the BAPCO database and used to create a Closing Directory File for the upcoming directory. This Closing Directory File is formatted and sent to the printer to be printed, bound, and shipped to its eventual destination for distribution. CLEC customers receive directories in the same time and manner as BellSouth customers. BAPCO distributes directories to all end user customers without knowing whether the customers are CLEC or BellSouth accounts. The number of directories that a residential or business customer receives is established by an entry made by the CLEC or BellSouth on the initial order establishing or changing the listing.

IV. LISTING PROCESSING AND PUBLICATION

13. BAPCO examines each order received from the LCSC to determine whether it affects directory listings. For example, a change in coin telephone service, regardless of carrier, generally would not affect a directory listing. For any order that does affect a directory listing, BAPCO mechanically examines the individual components of the service order. This account is then processed to update BAPCO's database for eventual production of the directory. This same process is performed in the same way and at the same time for BellSouth

and for CLEC orders, including both resale and facilities-based. All processing and updates are the same for all orders and are carried out for each directory in the order received.

14. BAPCO's computer system has certain built-in edits to detect listing errors for all accounts, both BellSouth's and CLECs'. The system flags an account if certain data presented are not correct. To the degree it can, BAPCO seeks to rectify many errors itself. If unable to do so, BAPCO will query back directly to the appropriate service provider, either BellSouth or the CLEC, for clarification or correction to the account. This usually occurs for only a small percentage of the accounts. This same process is followed for both CLEC and BellSouth accounts.

15. As previously mentioned, at the appropriate time, all of the listings for a given directory are extracted from BAPCO's database and formatted to be sent to the printer. BAPCO handles the CLEC listings in precisely the same way it handles the BellSouth listings. For example, a customer, whether from either BellSouth or a CLEC, would not be deleted from a directory without receipt by BAPCO of a disconnect order.

16. CLEC customers are not separately classified, or otherwise identified, on the printed directory pages. All listings are included alphabetically in the same font, size and typeface as BellSouth customers' listings and without any distinguishing characteristics. The listing for a CLEC customer looks identical to the listing for a BellSouth customer.

17. Every four months, BellSouth provides CLECs with its schedule of the Business Office Close Dates for directories. This date, the last scheduled day to send listings

that are to appear in an upcoming directory, applies to BellSouth and all CLECs. BAPCO also accepts, from both CLECs and BellSouth, special listing orders that provide another short window of time after the Business Office close date to process orders. BellSouth or any CLEC can contact BAPCO to address any extenuating circumstances near a close date. Indeed, BAPCO has already assisted a number of CLECs in processing late activity.

18. BellSouth provides enhanced White Page Listings services, such as signature listings, to both BellSouth and to CLECs. This special type of listing is provided pursuant to the tariff (General Subscriber Services Tariff, Section A6). CLEC customers are also allowed to request and negotiate enhanced listings that need not be identical to those of BellSouth customers.

19. BAPCO's methods and procedures for listing the subscribers of other local service providers have been successfully in place since March of 1996 and only minor changes have been made since that time. During that time, BAPCO has witnessed, and successfully published listings for, a steady growth of CLEC orders. BAPCO is fully equipped and prepared to continue to process and publish any anticipated increase in orders from any source in the future.

V. Listing Accuracy

20. Maintaining the accuracy and reliability of BAPCO directories is fundamental to the success of our company as a directory publisher. This is true for the listings of any and all carriers' subscribers. The accuracy of BAPCO's White Pages listings has always been and remains outstanding. This accuracy applies equally to listings for BellSouth and CLEC

customers. Our success as a publisher depends on maintaining our high accuracy standards. We use the same process and procedures to process all the listings we receive, and provide CLEC subscribers with the same accuracy and reliability as we do for BellSouth subscribers. From time to time, we find CLEC-caused errors in CLEC listing orders received by BellSouth, e.g., processing listings after the close of a directory or inadvertently dropping of additional listings for their subscribers. We monitor for any error trends or major error situations and report significant findings back to CLECs as needed.

21. Any error caused by either BAPCO or BellSouth results in an adjustment to BellSouth's charge to the CLEC for the customer's service pursuant to BellSouth tariff and contract with the CLEC. Whenever BAPCO is responsible for an error, it undertakes to correct the listing in its database to ensure the error will not recur. If the CLEC is responsible, BAPCO provides feedback to help ensure the CLEC corrects its database and avoids making the same error in the future. Three times each year, BAPCO provides CLECs instructional information addressing common CLEC concerns or questions that have occurred to date in order to assure a positive working relationship with CLECs. BAPCO makes available annually to requesting CLECs, under contract but at no charge, a Directory Review Listings report for each of its directories prior to directory publication that allows verification of listing accuracy for directories that are about to close. These printouts are used successfully by both resale and facilities-based CLECs throughout the BellSouth region and provide a record of the CLEC listings appearing in the particular directory in question. In addition, CLECs also have available to them confirmation orders sent by BellSouth indicating the receipt of their orders. A CLEC can, by comparing sent orders to confirmation copies received, confirm the

processing of its listings before requesting a report from BAPCO. Finally, the CLEC can also review their listing on the BellSouth LENS system.

VI. CLEC Listing Support

22. BAPCO provides to CLECs under contract, but at no charge, a schedule of all of its directories, showing when each directory closes and when it is delivered. BAPCO also provides a list of all headings and several other fields of information required for its publication of listings. The list of BAPCO deliverables to CLECs is attached as Exhibit RFB-2. Updates are provided three times a year.

23. Finally, BAPCO provides, upon request, training for CLEC listing order takers at the carrier's location or centrally. Travel expense of the instructor is the only charge to the CLEC for this initial training.

24. Although it is not required by law to do so, BAPCO includes listings of CLECs' business subscribers in the appropriate Yellow Pages classified directory at no charge to either CLECs or their customers. BAPCO also makes available for those companies, under contract with BAPCO, the capability to list, at no charge, their company name and contact number under the heading of "Establishing Service, Billing and Repair" in the customer guide pages that appear in every directory.

VII. Conclusion

25. In summary, the result of the process I have described is that CLEC listings are

published in the same manner as BellSouth listings and without distinction between the two from the time an order is processed through publication and delivery. The information in this affidavit as well as BellSouth's successful publication of CLEC listings over a substantial time clearly demonstrates BellSouth's satisfaction of Checklist Item 8.

26. This concludes my affidavit.

The information contained in this affidavit and its Exhibits is true and correct to the best of my knowledge and belief.

Executed on May 2, 2001.

R. F. (Rook) Barretto

STATE OF Florida
COUNTY OF WALTON
Subscribed and sworn to before me
this 2 day of MAY, 2001.

Notary

VIVIAN M. TROVATO
Notary Public-State of FL
Comm. Exp. March 7, 2003
Comm. No. CC 814945

EXHIBIT RFB - 1

Flow of Orders to BAPCO

Flow of Orders to BAPCO

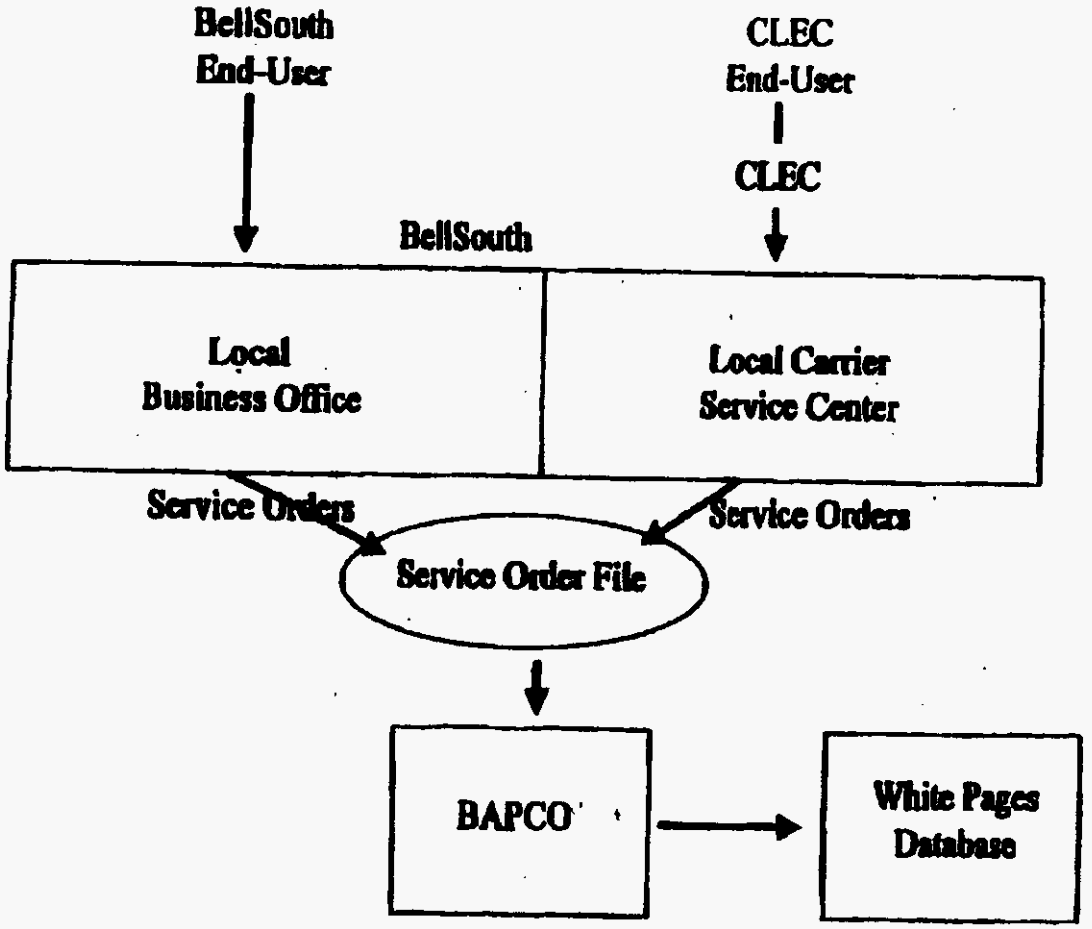

Exhibit RFB-1

EXHIBIT RFB - 2

BellSouth Advertising & Publishing Corporation Deliverables

BellSouth Advertising & Publishing Corp.

Deliverables

The attached document provides a synopsis of the BAPCO deliverables that will be provided to each carrier upon completion of contract arrangements. Updates to these documents as appropriate would be provided to each carrier three times per year.

PRIVATE/PROPRIETARY
Contains private and/or proprietary information. May not be used or disclosed outside the BellSouth companies except pursuant to a written agreement.

BAPCO Deliverables *

Abbreviations Table

BAPCO will provide copy of the standard abbreviations utilized for given names, titles of address, titles of lineage, military titles, degrees and professional affiliations standards. This information can be used to assist in effectively processing various listed name requests.

Central Office Table

BAPCO will provide what is called the ABC table. This report identifies by NPA and in sequence by central office the directory in which a customer is entitled to appear.

Coverage Maps

BAPCO will provide a coverage map for its major directories identifying broadly the geographic area served by the major directory. These maps will be provided only for the major directories in the area served by the carrier.

Customer Guide Pages Appearance Procedures

BAPCO will provide free listing appearance under the areas of Establishing Service, Billing and Repair in the Customer Guide Section of the White Pages for directories where a carrier operates. These procedures identify how to get your listing to appear and procedures for purchasing LEC specific pages.

Foreign Directory Name Table

BAPCO will provide all foreign directory names to be used in the processing of foreign listing requests. This field is a required element in the establishment of foreign listings.

Listing Guidelines

BAPCO will provide an example of the most common listing elements and their entitlement to appearance in the White and Yellow Pages.

Listing Standards and Regulations

BAPCO will provide a condensed version of listing specifications reflecting the rules and regulations regarding listing appearance in both the White and Yellow Pages.

Publication Schedules

BAPCO will provide to all carriers the publication schedules for all directories within the area served by the carrier. This schedule will include the name of the directory, the directory bolt code, the business office close date and the issue date. The business office close date represents the last day to receive activity for appearance in the subsequent directory. This

date also represents the close date for advertising activity into the Yellow Pages.

The issue date represents the mid-point of delivery of the new directory and the date at which new directory billing will begin for the directory being delivered. The length of the delivery period will vary depending upon the size of directory.

Yellow Pages Headings

BAPCO will provide the Yellow Pages Heading file which will include all Yellow Pages headings allowed by BAPCO, the Yellow Pages heading code and the associated SIC code. This material would be utilized to assist the business customer in identifying where they would like representation in BAPCO's classified Yellow Pages directories.

** Information will be provided on disk in standard Microsoft Word format or via Internet download*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of BellSouth Telecommunications, Inc.'s Entry into interLATA Services pursuant to Section 271 of the Federal Telecommunications Act of 1996.	)))))	Docket No. 960786-TL

AFFIDAVIT OF DENNIS L. DAVIS
ON BEHALF OF BELLSOUTH TELECOMMUNICATIONS, INC.
MAY 31, 2001

STATE OF ALABAMA
COUNTY OF JEFFERSON

I, DENNIS L. DAVIS, being first duly sworn upon oath, do hereby depose and state as follows: My business address is Room SE5G1, 3535 Colonnade Parkway, Birmingham, Alabama. I am employed by BellSouth Telecommunications, Inc. as Director, Local Number Portability Program Management.

I. PROFESSIONAL EXPERIENCE AND EDUCATION

1) I have 24 years of experience in telecommunications in a variety of areas: provisioning and billing of Key Systems, PBX, and ESSX products, methods development for access charge collection, new service implementation including strategic development and implementation of the 800 Database Product and Local Number Portability planning and project management. I graduated from the University of Alabama in Birmingham in 1979 with a Bachelor of Science Degree in Business Administration with areas of concentration in Finance and Management. I successfully completed certification programs from Duke University's Fuqua School

of Business in October 1989 and received a Master's Certificate in Project Management from the George Washington University School of Business and Public Management in February 1997.

II. PURPOSE OF AFFIDAVIT

2) The purpose of this affidavit is to demonstrate that BellSouth has met the requirements of Section 271(c)(2)(B)(xi) of the Telecommunications Acot of 1996 ("the Act"), as well as the Federal Communications Commission's (FCC) implementing orders such as the First Report and Order[1] ("First Order"), First Memorandum Opinion and Order on Reconsideration[2] ("First Reconsideration Order"), Second Report & Order[3] ("Second Order"), Third Report and Order[4] ("Third Order"), and Second Memorandum Opinion and Order on Reconsideration[5] ("Second Reconsideration Order") with respect to local number portability ("LNP"). This affidavit describes BellSouth's implementation of LNP on a permanent basis within its territory as ordered by the FCC. In addition, I discuss how BellSouth handles bona fide LNP service requests and the current status of LNP deployment in the BellSouth region. I also discuss the proactive approach BellSouth has taken to further implement LNP beyond the top 21 Metropolitan Statistical Areas (MSAs) in the BellSouth area. Interim local number portability (ILNP) is discussed in the testimony

[1] *In the Matter of Telephone Number Portability*, First Report & Order and Further Notice of Proposed Rulemaking, CC Docket No. 95-116 (1996) ("First Order")

[2] *In the Matter of Telephone Number Portability*, First Memorandum Opinion and Order on Reconsideration, CC Docket No. 95-116 (1997) ("First Order on Reconsideration").

[3] *In the Matter of Telephone Number Portability*, Second Report & Order, CC Docket No. 95-116 (1997)

[4] *In the Matter of Telephone Number Portability*, Third Report & Order, CC Docket No. 95-116 (1998)

[5] *In the Matter of Telephone Number Portability*, Second Memorandum Opinion and Order on Reconsideration, CC Docket No. 95-116 (1998).

of Mr. Keith Milner. The local service request (LSR) process flow is discussed in the affidavits of Mr. William N. Stacy and Ken L. Ainsworth.

III. REGULATORY BACKGROUND:

3) The Act defines number portability as "the ability of users of telecommunications services to retain, at the same location, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another."[6] Under the Act, Local Exchange Carriers (LECs) are required to "provide, to the extent technically feasible, number portability in accordance with requirements prescribed by the Commission."[7] BellSouth provides LNP pursuant to its Interconnection Agreements with other local exchange carriers.

4) The LNP deployment requirements established in the FCC's orders include the following:

   a) Specific performance criteria;

   b) Implementation schedules;

   c) Adherence to technical, operational architectural and administrative requirements;

   d) Cost recovery in accordance with FCC rules.

5) In the First Report and Order, the FCC set forth nine performance criteria that local exchange carriers must meet when implementing LNP. The FCC approved the use of Location Routing Number (LRN) for providing number portability and precluded the

[6] 47 U.S.C. § 153(30).

[7] *Id.* §251(b)(2).

use of the Query on Release (QoR) method. In the First Memorandum Opinion and Order on Reconsideration, issued March 1, 1997, the FCC removed one of the initial performance criteria and reaffirmed its decision. In order to comply with this Order, BellSouth must:

a) Support existing network services, features & capabilities;

b) Efficiently use numbering resources;

c) Not result in a carrier having proprietary interest in any long term method;

d) Not result in any degradation of service quality or network reliability when customer switch carriers;

e) Not result in unreasonable degradation in service quality or network reliability when implemented;

f) Be able to accommodate location and service portability in the future;

g) Have no significant impact outside areas where number portability is deployed.

IV. IMPLEMENTATION OF LNP

6) BellSouth has met all requirements established by the FCC's orders in providing long-term number portability. BellSouth has provided number portability through the use of the Location Routing Number (LRN) methodology, which the FCC found would satisfy its performance criteria. BellSouth has met the implementation schedule for permanent number portability established in the FCC's orders, as modified at BellSouth's request. In addition, BellSouth has proactively worked with the industry to expand the implementation of LNP beyond the scope of the FCC's initial order. Finally, BellSouth has processed bona fide LNP service requests in accordance with the FCC rules and regulations.

7) Even prior to the First Order dated July 2, 1996, BellSouth was actively involved in

efforts to begin the implementation of number portability in the Southeast Region. The Georgia Public Service Commission convened an LNP workshop in 1995 that met over an extended period of time and that was ultimately comprised of a Steering Committee and several subtending committees. These subtending committees focused on requirements, operations, implementation, cost recovery, architecture and legal issues. BellSouth was active in all subcommittees and was co-chair of the Georgia Steering Committee with AT&T and chair of the Number Portability Administration Center (NPAC) Service Management System (SMS) Database Subcommittee. BellSouth, as well as AT&T, MCI and MediaOne, eventually formed a limited liability company (L.L.C.), the Georgia L.L.C., which was later renamed the Southeast Region L.L.C. The purpose of the L.L.C. was to prepare a request for proposal for the regional number portability database, to select a local number portability database administrator (LNPA), and to finalize a contract for the ongoing administration. Because the Georgia effort to implement LNP was ahead of Florida's effort, the carriers in Florida believed it would be beneficial to use the extensive work done by the industry in Georgia and apply it to Florida. This approach minimized the duplication of efforts in areas that would be shared between states in a regional approach, such as the establishment of the number portability database. Thus, the Florida PSC endorsed the Florida carriers working with other state implementation efforts to develop a Southeast Region approach to number portability. The Georgia L.L.C. evolved to include all the BellSouth states and Perot Systems was selected by the L.L.C. to perform the database administrative functions as the LNPA throughout the Southeast Region. Following release of the First Order by the FCC, Perot

Systems was confirmed as the LNPA for the Southeast Region. However, Perot Systems was unable to fulfill its role of the LNPA for the Southeast Region and Lockheed Martin replaced Perot Systems as the LNPA for the Southeast Region and fulfilled this role until 1998. Ultimately, due to Lockheed Martin's involvement in a satellite telecommunications company, the FCC ruled that Lockheed Martin was not a neutral third party and ordered that Lockheed Martin divest itself from numbering administration duties such as the LNPA and the North American Numbering Administrator. As a result, NeuStar Corporation assumed the role of LNPA for the Southeast Region. The FCC approved NeuStar as a neutral third party administrator for numbering administration for the Southeast Region (Region 4).

8) In its First Order, the FCC directed that LNP be implemented in the 100 largest MSAs based on a five-phase MSA deployment schedule that began October 1, 1997 and concluded December 31, 1998. See, Exhibit DLD-1. On March 2, 1998 BellSouth filed a petition in CC Docket No. 95-116 requesting an extension of time to implement long-term number portability. BellSouth's petition was necessitated by of the inability of the original LNPA (Perot Systems) to establish the Number Portability Administration Center (NPAC) Region 4 Service Management System (SMS) database. Timely availability of the NPAC/SMS database was beyond BellSouth's control. Perot System's failure to provide a working NPAC/SMS for the Southeast Region meant that BellSouth was unable to meet the FCC's original deadlines for implementing LNP within the Southeast Region.

9) The FCC concluded that BellSouth had demonstrated unique circumstances that justified additional time to implement number portability and granted a series of

waivers to BellSouth that modified the implementation dates of LNP for Phases I-IV. The FCC's mandatory LNP deployment schedule for BellSouth extended Phase I, II, III, and IV MSAs. BellSouth successfully completed the deployment of LNP for Phases I-V for the top 21 MSAs within the BellSouth territory. The Miami, Fort Lauderdale, Orlando and Tampa Bay MSAs were included in Phase II of the FCC schedule. The Jacksonville and West Palm Beach MSAs were included in Phase IV of the FCC schedule. BellSouth is providing LNP in accordance with FCC guidelines.

10) Prior to implementation of LNP, end-to-end testing for LNP was conducted between BellSouth and Competitive Local Exchange Carriers (CLECs). This testing consisted of ordering and provisioning testing that included service order interface and validation testing, passing orders to BellSouth's Local Carrier Service Center, issuing preliminary subscription messages to the NPAC and sending final activate broadcast messages through the NPAC to BellSouth's LNP Gateway SMS. The testing included call processing, which included actual porting of telephone numbers between the BellSouth and CLEC network elements, initiating test calls to the numbers to validate switch software, translations, database integrity and routing instructions. Although the First Order prescribed the deadlines for the implementation of these MSAs, the Order did not prescribe which specific carrier switches should be equipped for LNP within each MSA. Rather, in the First Order on Reconsideration, the FCC established rules for determining which switches in the top 100 MSAs should be equipped.

11) The FCC gave state commissions responsibility for overseeing the switch selection process and reviewing switch requests to ensure that the carrier's switch requests

were reasonable. For each MSA, the Incumbent Local Exchange Carrier (ILEC) was required to complete switch selections no later than nine months prior to the implementation deadline for that MSA. The First Order on Reconsideration also allowed for carriers to negotiate agreements to exclude specific switches within an MSA in exchange for conversion of other switches.

12) Based on the First Order on Reconsideration, carriers in the Southeast Region Operations Workshop developed a mutually agreeable switch selection process that was applied to all MSAs in the BellSouth area. The process was as follows:

a) ILECs provided a list of their switches within the MSA to the carriers.

b) The carriers selected the switches of interest and prioritized them as high, medium and low.

c) Based on the data, BellSouth developed an office-by-office schedule.

d) The office-by-office schedule was presented to the carriers in the Southeast Region Operations Workshop.

e) Carriers used this information to develop implementation plans.

This process was followed for the 21 largest MSAs within the BellSouth territory, i.e. the BellSouth MSAs covered by Phases I-V.

13) In addition, the FCC ruled in the First Order that, after implementation of LNP in the initial 100 MSAs, each LEC must make number portability available in additional MSAs within six months after a bona fide request (BFR) has been received from another telecommunications carrier. BellSouth had 2 BFRs in Florida requesting a total of 7 offices. At the carrier's request, BellSouth advanced the implementation

dates of the offices to 06/30/99 from their original dates of either 09/30/99 or 12/31/99.

14) To allow for an orderly scheduling and deployment of LNP in offices outside the top 21 MSAs, BellSouth developed an LNP deployment schedule similar to the schedule in the First Order. That is, as a general rule, the remaining MSAs within each state would be ordered by size, with the largest MSAs in each state scheduled for LNP implementation first and the smallest last. BellSouth presented this schedule to the carriers at the Southeast Region Operations Workshop on August 18, 1998. During September 1998, carriers provided proposed modifications to the schedule. On November 11, 1998, BellSouth published the schedule based on the industry agreements and discussions. Due to requests from carriers to modify the schedule, on April 12, 1999, BellSouth issued a revised LNP deployment schedule. Under this schedule, BellSouth deployed LNP in a total of 1450 of its 1653 (87.7 %) end offices throughout its territory by end of first quarter 2000. By the end of second quarter 2000, more than 97% of the access lines (approximately 26,316,000 lines) served by BellSouth were LNP capable. By March 31, 2000, 100% of BellSouth switches in Florida were LNP capable. Exhibit DLD-2 lists the Florida offices equipped for LNP and the dates these offices became LNP capable. As of April 30, 2001, 626,037 access lines in Florida have been ported using LNP and 1,853,439 such lines in the BellSouth region. This does not include the interim number portability (INP) telephone numbers that are currently converting from the INP method to permanent number portability.

15) In the Second Report and Order, the FCC adopted several modifications recommended by the North American Numbering Council (NANC) with regard to technical, operational, architectural and administrative requirements for number portability. For example, in the Second Report and Order, the FCC set forth rules to determine which entity is required to make the database query to determine the service provider of the called party. These technical, operational and administrative requirements include:

a) NPAC provisioning process flows;

b) Compliance with the Functional Requirements Specifications (FRS) and the Interoperable Interface Specifications (IIS);[8]

c) Policy of reserved and unassigned numbers;[9]

d) N-1[10] carrier call routing obligations and default routing;[11]

e) Policy on the treatment of disconnected ported numbers;[12]

f) Change Management Process to ensure the consistent and uniform provision of number portability and that individual carriers or industry segments are not disadvantaged.[13]

BellSouth is in compliance with these procedures.

16) In the Third Report and Order, the FCC adopted a federal cost recovery mechanism for long-term number portability. It allowed ILECs to recover their costs directly related to implementing LNP through federally tariffed, monthly number portability

[8] Id., 12 FCC Rcd at 12,317-19, ¶¶ 59-64.

[9] Id., 12 FCC Rcd at 12,319-21, ¶¶ 65-67.

[10] The "N" carrier is the entity terminating the call to the end user, and the "N-1" carrier is the entity transferring the call to the N, or terminating, carrier.

[11] Id., 12 FCC Rcd at 12,323-26, ¶¶ 73-78.

[12] Id., 12 FCC Rcd at 12,326-27, ¶ 79.

end user line charges and number portability query service charges.

17) BellSouth filed with the FCC a cost-recovery tariff (Transmittal No. 502)[14] on April 30, 1999, with a scheduled effective date of May 15, 1999. On May 11, 1999, the FCC suspended BellSouth's tariff transmittal, and set it for investigation on May 14, 1999. Based on meetings with the FCC, BellSouth revised its tariff filing and, on June 11, 1999, it filed its revised tariff (Transmittal No. 510). Based on this revised tariff, on June 14, 1999, the FCC released its reconsideration order, *Reconsideration of Decision to Suspend and Investigate Tariff Filing of BellSouth Telecommunications, Inc.* In the Order, the FCC approved the end user line charge and the query charges submitted in the revised tariff.

18) In summary, BellSouth has worked diligently to implement long-term number portability. BellSouth has met the revised implementation dates for Phases I-V in Florida. In addition, BellSouth proactively implemented, or has established plans to implement LNP, widely throughout its nine-state region. BellSouth has complied with all requirements of governing statutes and the FCC implementing orders and related rules, including cost recovery.

19) Issues related to Operational Support Systems are covered in the affidavit of William N. Stacy.

20) This concludes my affidavit.

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[13] Id., 12 FCC Rcd at 12,321-22, ¶¶ 68-69.

[14] *In the Matter of Long-Term Telephone Number Portability Tariff Filing*, BellSouth Telecommunications, Inc. Tariff F.C.C. No. 1 Transmittal No.502.

I declare under penalty of perjury that the foregoing is true and correct to the best of my belief and knowledge.

Executed on this 29th day of May, 2001

Dennis L. Davis

Dennis L. Davis

Director of Local Number Portability Program Management

Subscribed and sworn to before me

this 29th day of May, 2001.

Gay P. Dilz

Notary Public

GAY P. DILZ
NOTARY PUBLIC DEKALB COUNTY GEORGIA
MY COMMISSION EXPIRES FEBRUARY 10, 2008

EXHIBIT DLD-1

LNP DEPLOYMENT BY MSA

FCC LONG-TERM NUMBER PORTABILITY SCHEDULE					
	Phase 1	**Phase 2**	**Phase 3**	**Phase 4**	**Phase 5**
Original FCC Mandated Complete Date	12/31/97	3/31/98	6/30/98	9/30/98	12/31/98
Revised FCC Mandated Complete Date for Southeast Region	8/31/98	9/30/98	10/31/98	11/30/98	No Change
Top 100 MSAs Located in Southeast Region (*Florida MSAs in bold*)	Atlanta	**Miami, Orlando, Ft. Lauderdale, Tampa**	New Orleans, Charlotte, Greensboro, Nashville	Memphis, Louisville, **Jacksonville,** Raleigh, **W. Palm Beach,** Greenville	Birmingham, Knoxville, B. Rouge, Charleston, Columbia, Mobile

EXHIBIT DLD-2

LNP OFFICE SCHEDULE

EXHIBIT DLD-2			
Wire Center Name	**Switch CLLI**	**Ready to Port**	**MSA**
DYBH-PORT ORANGE	DYBHFLPODS0	06/30/99	FL - DYBH
DYBH-FENTRESS	DYBHFLFNRS0	06/30/99	FL - DYBH
OAK HILL	OKHLFLMARS0	06/30/99	FL - DYBH
DELAND	DELDFLMADS0	09/30/99	FL - DYBH
DELEON SPRINGS	DLSPFLMARS0	09/30/99	FL - DYBH
PIERSON	PRSNFLFDRS0	09/30/99	FL - DYBH
DYBH-MAIN	DYBHFLMADS0	06/30/99	FL - DYBH
DYBH-ORMOND BEACH	DYBHFLOBDS0	06/30/99	FL - DYBH
DYBH-OCEAN SHORES	DYBHFLOSRS0	06/30/99	FL - DYBH
NEW SMYRNA BCH	NSBHFLMA42E	12/31/99	FL - DYBH
PALM COAST	PLCSFLMADS0	09/30/99	FL - DYBH
BUNNELL	BNNLFLMARS0	09/30/99	FL - DYBH
FLAGLER BEACH	FLBHFLMARS0	09/30/99	FL - DYBH
PALATKA	PLTKFLMADS0	09/30/99	FL - DYBH
DEBARY DELTONA	DBRYFLDLDS0	09/30/99	FL - DYBH
DEBARY MAIN	DBRYFLMARS1	09/30/99	FL - DYBH
SANFORD-O-WS	SNFRFLMADS0	09/30/99	FL - DYBH
SANFORD-O-WS	SNFRFLMADS1	09/30/99	FL - DYBH
FORT PIERCE MAIN	FTPRFLMACG0	12/31/99	FL - FTPR
HOBE SOUND MAIN	HBSDFLMADS0	12/31/99	FL - FTPR
HUTCHINSON IS. MN.	HTISFLMADS0	12/31/99	FL - FTPR
PORT ST. LUCIE MAIN	PTSLFLMADS0	12/31/99	FL - FTPR
FORT PIERCE MAIN	FTPRFLMARS0	12/31/99	FL - FTPR
PTSL SOUTH PTSL	PTSLFLSOCG0	12/31/99	FL - FTPR
STUART MAIN	STRTFLMADS0	12/31/99	FL - FTPR
GSVL-MAIN	GSVLFLMADS0	06/30/99	FL - GSVL
GSVL-MAIN	GSVLFLMADS1	06/30/99	FL - GSVL
GSVL-NORTHWEST	GSVLFLNW33E	06/30/99	FL - GSVL
ARCHER	ARCHFLMARS0	06/30/99	FL - GSVL
HAWTHORNE	HWTHFLMARS0	06/30/99	FL - GSVL
MICANOPY	MCNPFLMARS0	06/30/99	FL - GSVL
NEWBERRY	NWBYFLMARS0	06/30/99	FL - GSVL
KYLR LARGO SOUND	KYLRFLLSRS0	06/30/99	FL - MIAM
N. KEY LARGO MAIN	NKLRFLMARS0	06/30/99	FL - MIAM
EGLL-BOWE GARDENS	EGLLFLBGDS0	06/30/99	FL - MLBR
TITUSVILLE	TTVLFLMADS0	06/30/99	FL - MLBR
COCOA BEACH	CCBHFLMADS0	06/30/99	FL - MLBR
CAPE CANAVERAL	CCBHFLAFRS0	06/30/99	FL - MLBR
COCOA-MAIN	COCOFLMADS0	06/30/99	FL - MLBR
COCOA-MERRITT ISLAND	COCOFLMEDS0	06/30/99	FL - MLBR
EGLL-INDIAN HRBR BCH	EGLLFLIHDS0	06/30/99	FL - MLBR
MELBOURNE	MLBRFLMADS0	06/30/99	FL - MLBR
BAREFOOT BAY	MICCFLBBRS0	06/30/99	FL - MLBR

DUNNELLON	DNLNFLWMRS0	12/31/99	FL - OCAL
VERO BEACH MAIN	VRBHFLMADS0	06/30/99	FL - ORLD
YANKEETOWN	YNTWFLMARS0	03/31/00	FL - OSMSA
BRONSON	BRSNFLMARS0	06/30/99	FL - OSMSA
CEDAR KEY	CDKYFLMARS0	03/31/00	FL - OSMSA
CHIEFLAND	CFLDFLMARS0	03/31/00	FL - OSMSA
CROSS CITY	CSCYFLBARS0	03/31/00	FL - OSMSA
OLD TOWN	OLTWFLLNRS0	03/31/00	FL - OSMSA
TRENTON	TRENFLMARS0	06/30/99	FL - OSMSA
LAKE CITY	LKCYFLMADS0	03/31/00	FL - OSMSA
POMONA PARK	PMPKFLMARS0	03/31/00	FL - OSMSA
WELAKA	WELKFLMARS0	03/31/00	FL - OSMSA
ISLAMORADA MAIN	ISLMFLMARS0	03/31/00	FL - OSMSA
KEY LARGO MAIN	KYLRFLMARS0	03/31/00	FL - OSMSA
KEY WEST MAIN	KYWSFLMADS0	03/31/00	FL - OSMSA
KEY WEST-BOCA	BCCHFLNSRS0	03/31/00	FL - OSMSA
BIG PINE KEY MAIN	BGPIFLMARS0	03/31/00	FL - OSMSA
MRTH VACA KEY	MRTHFLVERS0	03/31/00	FL - OSMSA
SUGARLOAF KEY MAIN	SGKYFLMARS0	03/31/00	FL - OSMSA
CHIPLEY	CHPLFLJADS0	06/30/99	FL - OSMSA
GRACEVILLE	GCVLFLMARS0	06/30/99	FL - OSMSA
SUNNY HILLS	SYHSFLCCRS0	06/30/99	FL - OSMSA
VERNON	VERNFLMARS0	06/30/99	FL - OSMSA
SEBASTIAN MAIN	SBSTFLMADS0	03/31/00	FL - OSMSA
VRBH BEACHLAND	VRBHFLBERS0	03/31/00	FL - OSMSA
SBST FELLSMERE	SBSTFLFERS0	03/31/00	FL - OSMSA
PANAMA CITY MAIN	PNCYFLMADS0	06/30/99	FL - PNCY
PANAMA CITY CALLAWAY	PNCYFLCARS0	06/30/99	FL - PNCY
LYNNHAVEN	LYHNFLOHDS0	06/30/99	FL - PNCY
YOUNGSTOWN-FOUNTAIN	YNFNFLMARS0	06/30/99	FL - PNCY
PANAMA CITY BEACH	PCBHFLNTDS0	06/30/99	FL - PNCY
PNSC-WARRINGTON	PNSCFLWADS0	06/30/99	FL - PNSC
CANTONMENT	CNTMFLLEDS1	06/30/99	FL - PNSC
JAY	JAY-FLMARS0	06/30/99	FL - PNSC
MUNSON	MNSNFLMARS0	06/30/99	FL - PNSC
GULF BREEZE	GLBRFLMCDS0	06/30/99	FL - PNSC
HOLLEY-NAVARRE	HLNVFLMADS1	06/30/99	FL - PNSC
MILTON RAVINE	MLTNFLRADS0	06/30/99	FL - PNSC
PACE PINE VILLA	PACEFLPVRS0	06/30/99	FL - PNSC
PNSC-BELMONT	PNSCFLBLDS0(43E)	06/30/99	FL - PNSC
PNSC-FERRY PASS	PNSCFLFPDS0	06/30/99	FL - PNSC
PNSC-HILLCREST	PNSCFLHCRS0	09/30/99	FL - PNSC
PNSC-PERDIDO BAY	PNSCFLPBDS0	09/30/99	FL - PNSC
HAVANA	HAVNFLMADS0	12/31/99	FL - TLHS
DEERFIELD BEACH MAIN	DRBHFLMADS0	09/28/98	FL - FTLD
FTLD CORAL RIDGE	FTLDFLCR56E	09/28/98	FL - FTLD
FTLD CYPRESS	FTLDFLCYDS0	09/28/98	FL - FTLD
FTLD JACARANDA	FTLDFLJADS0	09/28/98	FL - FTLD

FT LAUD MAIN RELIEF	FTLDFLMRDS0	09/28/98	FL - FTLD
FTLD OAKLAND	FTLDFLOADS0	09/28/98	FL - FTLD
FTLD SUNRISE	FTLDFLSUK21	NA	FL - FTLD
FTLD PLANTATION	FTLDFLPLDS0	09/28/98	FL - FTLD
FTLD SAWGRASS	FTLDFLSGDS0	09/28/98	FL - FTLD
FTLD SUNRISE	FTLDFLSU74E	09/28/98	FL - FTLD
FTLD WESTON	FTLDFLWNDS0	09/28/98	FL - FTLD
HLWD HALLANDALE	HLWDFLHA45E	09/28/98	FL - FTLD
HOLLYWOOD MAIN	HLWDFLMADS0	09/28/98	FL - FTLD
HLWD PEMBROKE PINES	HLWDFLPEDS0	09/28/98	FL - FTLD
HLWD WEST HOLLYWOOD	HLWDFLWHDS0	09/28/98	FL - FTLD
PMBH CORAL SPRINGS	PMBHFLCSDS0	09/28/98	FL - FTLD
PMBH FEDERAL	PMBHFLFECG0	09/28/98	FL - FTLD
PMBH MARGATE	PMBHFLMADS0	08/19/98	FL - FTLD
PMBH TAMARAC	PMBHFLTADS0	09/28/98	FL - FTLD
NORTH POWERLINE	PMBHFLNPRS0	09/28/98	FL - FTLD
KEYSTONE HGTS	KYHGFLMARS0	11/20/98	FL - JCVL
JCVL-SAN MARCO	JCVLFLSMDS0	11/20/98	FL - JCVL
JCBH-MAIN	JCBHFLMA24E	11/20/98	FL - JCVL
JCVL-ARLINGTON	JCVLFLARDS0	11/20/98	FL - JCVL
JCVL-BEACHWOOD	JCVLFLBWDS0	11/20/98	FL - JCVL
JCBH-ATLANTIC	JCBHFLABRS0	11/20/98	FL - JCVL
JCBH-SAN PABLO	JCBHFLSPRS0	11/20/98	FL - JCVL
JCVL-FORT CAROLINE	JCVLFLFCDS0	11/20/98	FL - JCVL
JCVL-SAN JOSE	JCVLFLSJ73E	11/20/98	FL - JCVL
MNDR-AVENUES	MNDRFLAVDS0	11/20/98	FL - JCVL
MNDR-LORETTO	MNDRFLLODS0	11/20/98	FL - JCVL
JCVL-SOUTHPOINT	JCVLFLJTRS0	11/20/98	FL - JCVL
MNDR-LEMONWOOD	MNDRFLLWRS0	11/20/98	FL - JCVL
STAG-WORLDGOLF	STAGFLWGRS0	11/20/98	FL - JCVL
PONTE VEDRA BCH	PNVDFLMADS0	11/20/98	FL - JCVL
STAG-MAIN	STAGFLMADS0	11/20/98	FL - JCVL
STAG-BEACH SIDE	STAGFLBSRS0	11/20/98	FL - JCVL
STAG-SHORES	STAGFLSHRS0	11/20/98	FL - JCVL
JCVL-CLAY STREET MGO	JCVLFLCL05T	NA	FL - JCVL
FERNANDINA BEACH	FRBHFLFPDS0	11/20/98	FL - JCVL
GREEN COVE SPGS	GCSPFLCNDS0	11/20/98	FL - JCVL
JCVL-CLAY STREET MGO	JCVLFLCLDS0	11/20/98	FL - JCVL
JCVL-LAKE FOREST	JCVLFLLF76E	11/20/98	FL - JCVL
JCVL-NORMANDY	JCVLFLNODS0	11/20/98	FL - JCVL
JCVL-OCEANWAY	JCVLFLOWDS0	11/20/98	FL - JCVL
FT.GEORGE	FTGRFLMARS0	11/20/98	FL - JCVL
JCVL-INT'L AIRPORT	JCVLFLIARS0	11/20/98	FL - JCVL
YULEE	YULEFLMARS0	11/20/98	FL - JCVL
JCVL-RIVERSIDE	JCVLFLRV38E	11/20/98	FL - JCVL
JCVL-WESCONNETT	JCVLFLWCDS0	11/20/98	FL - JCVL
BALDWIN	BLDWFLMARS0	11/20/98	FL - JCVL
MAXVILLE	MXVLFLMARS0	11/20/98	FL - JCVL

MIDDLEBURG	MDBGFLPMDS0	11/20/98	FL - JCVL
ORPK-MAIN	ORPKFLMA26E	11/20/98	FL - JCVL
ORPK-RIDGEWOOD	ORPKFLRWDS0	11/20/98	FL - JCVL
NDAD GOLDEN GLADES	NDADFLGG01T	NA	FL - MIAM
HOMESTEAD MAIN	HMSTFLHMDS0	09/28/98	FL - MIAM
HMST AFB	HMSTFLAFRS0	09/28/98	FL - MIAM
HMST EAST	HMSTFLEARS0	09/28/98	FL - MIAM
HMST NARANJA	HMSTFLNARS0	09/28/98	FL - MIAM
MIAM ALHAMBRA	MIAMFLAEDS0	09/28/98	FL - MIAM
MIAM ALLAPATTAH	MIAMFLAL63E	09/28/98	FL - MIAM
MIAM AIRPORT	MIAMFLAPDS0	09/28/98	FL - MIAM
MIAM PALMETTO	MIAMFLPLRS0	09/28/98	FL - MIAM
MIAM BAYSHORE	MIAMFLBA85E	09/28/98	FL - MIAM
MIAM BISCAYNE	MIAMFLBCDS0	09/28/98	FL - MIAM
MIAM BEACH	MIAMFLBRDS0	09/28/98	FL - MIAM
MIAM CANAL	MIAMFLCADS0	09/28/98	FL - MIAM
MIAM FLAGLER	MIAMFLFLDS0	09/28/98	FL - MIAM
MIAM COMPUTER	MIAMFLCCK21	NA	FL - MIAM
MIAM GRANDE	MIAMFLGRDS0	09/28/98	FL - MIAM
MIAM ALHAMBRA	MIAMFLAERS0	09/28/98	FL - MIAM
MIAM ADJ TO GRANDE	MIAMFLAGRS0	09/28/98	FL - MIAM
MIAM GRANDE	MIAMFLGRDS1	09/28/98	FL - MIAM
MIAM METRO	MIAMFLMERS0	09/28/98	FL - MIAM
MIAM HIALEAH	MIAMFLHLDS0	09/28/98	FL - MIAM
MIAM INDIAN CREEK	MIAMFLIC86E	09/28/98	FL - MIAM
MIAM KEY BISCAYNE	MIAMFLKEDS0	09/28/98	FL - MIAM
MIAM METRO	MIAMFLME32E	09/28/98	FL - MIAM
MIAM N. MIAMI	MIAMFLNMDS0	09/28/98	FL - MIAM
MIAM NORTHSIDE	MIAMFLNSDS0	09/28/98	FL - MIAM
MIAM OPA LOCKA	MIAMFLOL68E	09/28/98	FL - MIAM
MIAM POINCIANA	MIAMFLPB88E	09/28/98	FL - MIAM
MIAM PALMETTO	MIAMFLPLDS0	09/28/98	FL - MIAM
MIAM RED ROAD	MIAMFLRRDS0	09/28/98	FL - MIAM
MIAM DADELAND BLVD	MIAMFLDBRS1	09/28/98	FL - MIAM
MIAM MIAMI SHORES	MIAMFLSH75E	09/28/98	FL - MIAM
MIAM SILVER OAKS	MIAMFLSO59E	08/19/98	FL - MIAM
MIAM W. DADE	MIAMFLWDDS0	09/28/98	FL - MIAM
MIAM W. MIAMI	MIAMFLWM26E	09/28/98	FL - MIAM
PERRINE MAIN	PRRNFLMADS0	09/28/98	FL - MIAM
NDAD GOLDEN GLADES	NDADFLGG04T	NA	FL - MIAM
NDAD ARCH CREEK	NDADFLAC94E	09/28/98	FL - MIAM
NDAD BRENTWOOD (EWSD CUT 7/16/98)	NDADFLBRDS0	09/28/98	FL - MIAM
NDAD GOLDEN GLADES	NDADFLGG03T	NA	FL - MIAM
NDAD GOLDEN GLADES	NDADFLGGDS0	09/28/98	FL - MIAM
NDAD OLETA	NDADFLOLDS0	09/28/98	FL - MIAM
ORLD-COLONIAL	ORLDFLCLDS0	09/28/98	FL - ORLD
EAST ORANGE	EORNFLMARS0	09/28/98	FL - ORLD

LAKE MARY	LKMRFLMADS0	09/28/98	FL - ORLD
ORLD-AZALEA PARK	ORLDFLAPDS0	09/28/98	FL - ORLD
ORLD-COLONIAL	ORLDFLCLDS1	09/28/98	FL - ORLD
OVIEDO	OVIDFLCADS0	09/28/98	FL - ORLD
GENEVA	GENVFLMARS0	08/19/98	FL - ORLD
LAKE MARY	LKMRFLABRS0	08/19/98	FL - ORLD
ORLD-MAGNOLIA	ORLDFLMA04T	NA?	FL - ORLD
ORLD-MAGNOLIA	ORLDFLMA42E	08/19/98	FL - ORLD
ORLD-MAGNOLIA	ORLDFLMADS1	09/28/98	FL - ORLD
ORLD-PINECASTLE	ORLDFLPCDS0	09/28/98	FL - ORLD
ORLD-PINEHILLS	ORLDFLPHDS0	09/28/98	FL - ORLD
ORLD-SAND LAKE	ORLDFLSADS0	09/28/98	FL - ORLD
BROOKSVILLE	BKVLFLJFDS0	09/28/98	FL - TAMP
WWSP-HIGHLAND	WWSPFLHIDS0	08/19/98	FL - TAMP
WWSP-SPRING HILL	WWSPFLSHDS0	09/28/98	FL - TAMP
WPBH GARDENS	WPBHFLGR02T	NA	FL - WPBH
BCRT BOCA TEECA	BCRTFLBTDS0	11/20/98	FL - WPBH
BOCA RATON MAIN	BCRTFLMADS1	11/20/98	FL - WPBH
SIEMENS TOWER "A"	BCRTFLBBRS0	11/20/98	FL - WPBH
BCRT BOCA TEECA	BCRTFLBTRS1	11/20/98	FL - WPBH
BCRT SANDALFOOT	BCRTFLSADS0	11/20/98	FL - WPBH
BELLE GLADE MAIN	BLGLFLMADS0	11/20/98	FL - WPBH
PAHOKEE MAIN	PAHKFLMARS0	11/20/98	FL - WPBH
BOYNTON BEACH MAIN	BYBHFLMACG0	11/20/98	FL - WPBH
BOYNTON BEACH MAIN	BYBHFLMADS0	11/20/98	FL - WPBH
DLBH KINGS POINT	DLBHFLKPRS0	11/20/98	FL - WPBH
DELRAY BEACH MAIN	DLBHFLMARS0	11/20/98	FL - WPBH
WPBH LAKE WORTH	WPBHFLLERS0	11/20/98	FL - WPBH
DLBH KINGS POINT	DLBHFLKP49E	11/20/98	FL - WPBH
DELRAY BEACH MAIN	DLBHFLMA27E	11/20/98	FL - WPBH
JUPITER MAIN	JPTRFLMA74E	11/20/98	FL - WPBH
WPBH MAIN ANNEX	WPBHFLANDS0	11/20/98	FL - WPBH
WPBH GREENACRES	WPBHFLGADS0	11/20/98	FL - WPBH
WPBH GARDENS	WPBHFLGR03T	NA	FL - WPBH
WPBH GARDENS 01	WPBHFLGRDS0	11/20/98	FL - WPBH
WPBH HAVERHILL	WPBHFLHHDS0	11/20/98	FL - WPBH
WPBH LAKE WORTH	WPBHFLLE58E	11/20/98	FL - WPBH
WPBH RIVIERA BEACH	WPBHFLRB84E	11/20/98	FL - WPBH
WPBH ROYAL PALM BCH	WPBHFLRPDS0	11/20/98	FL - WPBH
WPBH MAIN ANNEX	WPBHFLANRS0	11/20/98	FL - WPBH
WPBH HAVERHILL	WPBHFLHHRS0	11/20/98	FL - WPBH

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of BellSouth Telecommunications, Inc.'s, entry into interLATA Services pursuant to Section 271 Of the Federal Telecommunications Act of 1996.	)	DOCKET NO. 960786-TL

AFFIDAVIT OF VALERIE SAPP
ON BEHALF OF BELLSOUTH TELECOMMUNICATIONS, INC.

STATE OF Alabama
COUNTY OF Jefferson

I, Valerie Sapp, being first duly sworn upon oath, do hereby depose and state as follows:

1. My name is Valerie Sapp. My business address is 600 North 19 Street, Birmingham, Alabama 35203. I am employed by BellSouth Telecommunications, Inc. (hereinafter referred to as "BellSouth") as a Manager–911 Interconnection Implementation.

I. PROFESSIONAL EXPERIENCE AND EDUCATION

2. I joined Southern Bell (now BellSouth) in 1969. The majority of my career was spent in Miami, Florida where I spent approximately 20 years in the Executive Department performing various budget and regulatory duties. From 1992 until September 1998, I worked with Independent Telephone Companies ("ICOs") and Competitive Local Exchange Carriers ("CLECs") (since December, 1995) that interconnected to BellSouth for 911 service. From September 1998 until July 1, 2000, I worked as a Local Interconnection Product Manager dealing with Meet Point Billing and Reciprocal Compensation issues related to CLECs. Effective July 1, 2000, I returned as the BellSouth 911 Implementation Manager. In my current position, I am responsible for the coordination and implementation of CLEC interconnection to the BellSouth 911 network for the provision of 911 service to the CLECs' customers.

II. PURPOSE OF AFFIDAVIT

3. The purpose of this affidavit is to demonstrate that BellSouth offers CLECs nondiscriminatory access to 911 services. Specifically, I discuss: the documentation available to CLECs; the agreements needed to obtain 911 access; the databases used by BellSouth to provide this service; trunking arrangements; the general processes used including updates to the 911 databases; the access BellSouth provides to government bodies; and statistics regarding CLEC interconnection with BellSouth's 911 services and facilities in Florida.

4. In its South Carolina and Second Louisiana Orders, the Federal Communications Commission (FCC) found that BellSouth was providing non-discriminatory access to its 911 and E911 services. See Application of BellSouth Corp., et al. Pursuant to Section 271 of the Communications Act of 1934, as amended, To Provide In-Region InterLATA Services in South Carolina, 13 FCC Rcd 539, 666-67 (1997); Application of BellSouth Corporation, BellSouth Telcoms, Inc., and BellSouth Long Distance, Inc., for Provision of In-Region, InterLATA Services in Louisiana, 13 FCC Rcd 20599, 20738, & 236 (1998). The systems, processes and procedures that BellSouth uses to provide CLECs access to 911 and E911 services in Florida are the same as those approved by the FCC in these prior orders. Additionally, following is a list of BellSouth region state proceedings that have found that BellSouth provides non-discriminatory access to 911/E911 in compliance with Checklist Item 7: (1) Florida Public Service Commission ("FPSC") in Order No. PSC-97-1459-FOF-TL, Docket No. 960786-TL, issued November 19, 1997, pp. 113 & 118; (2) Louisiana Public Service Commission (LPSC) in Docket No. U-22252-A, Order dated September 5, 1997, p. 11; (3) Mississippi Public Service Commission (MPSC) in Docket No. 97-AD-0321, Order dated November 9, 1998, p. 38; (4) North Carolina

Utilities Commission (NCUC) in its Order Regarding Section 271 Requirements, Docket No. P-55, Sub 1022, January 14, 1998, p. 77; and (5) South Carolina Public Service Commission (SCPSC) in Docket No. 97-101-C, Order No. 97-640, dated July 31, 1997, p. 47. The provision of access remains to this day consistent with the affirmative conclusions reached by the FCC, FPSC, LPSC, MPSC, NCUC and SCPSC.

III. DISCUSSION

5. In Florida, access to 911 and E911 services is provided through existing tariffs to local government bodies. Once these local government bodies select a particular type of 911 service, BellSouth provides customers of CLECs with access to the 911 service selected for the area in which they reside, in a manner identical to the 911 service supplied to BellSouth's own customers.

6. The original 911 service, known as Basic 911 (911), routes a call to 911 to a centralized answering location known as a Public Safety Answering Point (PSAP). The following steps are involved in the 911 emergency call process:

a. The subscriber requires emergency aid and dials 911.

b. The dialed digits are received in the Telco end office that sends the Automatic Number Identification ("ANI") to the PSAP.

c. The attendant at the PSAP obtains the pertinent information that identifies the call and the caller's need.

d. The attendant then determines the appropriate agency and dials a 7-digit or 10-digit number, as appropriate, to transfer the caller to that agency. The calling party's emergency information is verbally relayed to the responding agency and a unit is dispatched to the caller's location.

7. Enhanced 911 service ("E911") is a full featured electronic system that provides three (3) major enhancements to 911 service:

   a. Selective Routing electronically routes 911 emergency calls from a Telco 911 tandem to the proper PSAP based on the Emergency Services Number ("ESN") routing code that has been assigned to the caller's address. The tandem office is a central office designated for a geographical area to receive end office E911 calls and route to the appropriate PSAP.

   b. The ANI provides the calling party's 7-digit or 10-digit telephone number, as appropriate, on a display at the PSAP.

   c. Automatic Location Identification (ALI) provides the name and address associated with the calling party's telephone number on the display at the PSAP.

To receive the maximum benefit of E911, the area served must be assigned valid house numbers. Without a house number, dispatching is delayed and the responding agency has difficulty finding the correct address.

8. The following steps are involved in the E911 emergency call process:

   a. The subscriber requires emergency aid and dials 9-1-1.

   b. The digits are received in the Telco end office that sends the ANI to the E911 BellSouth tandem office.

   c. The tandem office finds the associated ESN for the calling telephone number via the Telephone Number/Emergency Services Number (TN/ESN) translation table.

   d. Based on the ESN, the call is switched, via a dedicated trunk, to the appropriate PSAP.

   e. The subscriber's ANI from the serving Telco is displayed at the PSAP.

   f. The ANI information is sent to the Automatic Location Identification/Data Management System (ALI/DMS) processors for retrieval of subscriber information.

   g. The ALI/DMS processor returns the ALI to the PSAP for display.

h. The PSAP attendant verifies the telephone number and the street address that has appeared on the screen and obtains information as to which emergency service is needed. The attendant then depresses the button corresponding to the agency request, e.g., fire, police or ambulance and the call is automatically transferred.

i. The details for each call (calling number, answering attendant's number, time of answer, time of transfer and/or disconnect and the trunk number) are printed at the PSAP after the call is disconnected.

j. The agency receives the call and, if it so chooses, the caller's telephone number, name and street address are displayed. The PSAP attendant remains on the line for as long as needed to relay the call.

k. The agency then dispatches an emergency unit to the caller's address.

9. When a reseller or facilities-based CLEC customer dials 9-1-1, the call is treated just like that of any BellSouth customer. BellSouth routes the CLEC customer's E911 call to the appropriate PSAP, and it provides and validates the necessary customer information to the PSAP as outlined in ¶ 8, proceeding. A 911 call is also treated just like that of any BellSouth customer. In the case of 911, the reseller or facilities-based CLEC must deliver the ANI of their customer to the correct PSAP just as BellSouth is required to do.

10. When a reseller CLEC purchases BellSouth's local service for resale to its customers, 911 service is included. Similarly, a CLEC that purchases the Unbundled Network Element – Platform (UNE-P) from BellSouth also obtains 911 service automatically. BellSouth provides and maintains the service. Facilities-based providers have their own switch and are responsible for getting the 911 call to the appropriate PSAP or, if E911, to the appropriate BellSouth 911 tandem. They are also responsible for getting their customer information in the BellSouth 911 database in the proper format.

11. For resale customers, BellSouth updates and maintains the ALI/DMS database that supports 911/E911 services at the same time it updates and maintains the ALI/DMS database for BellSouth's end users. Facilities-based CLECs electronically provide BellSouth with updated data for their end user customers that are added to the ALI/DMS database as the records are received.

12. BellSouth provides 911/E911 services to resale/UNE CLECs exactly as set forth in BellSouth's retail tariffs. BellSouth provides facilities-based CLECs access to 911/E911 services through interconnection agreements making their customers' numbers and address information available to 911 governmental agencies that provide emergency services.

13. For 911 service, BellSouth provides CLECs a list consisting of each municipality that subscribes to 911 service. The list also provides, if known, the conversion date to E911. This list is provided via the internet at the following address: http://www.interconnection.bellsouth.com/markets/lec/911/911_availability.html. In municipalities that subscribe to 911 service, a facilities-based CLEC must arrange to have 911 calls from its end users accepted at the appropriate PSAP.

14. In order to ensure reliability of the 911 system, a facilities-based CLEC, in the same manner as BellSouth, installs a minimum of two dedicated trunks connecting the CLEC's end office to the BellSouth 911 tandem serving the calling customer's PSAP. The trunk interface may be either a 2-wire analog interface or a digital DS1 interface. The CLEC is responsible for the trunks and any cost associated with providing the trunks needed to reach the appropriate BellSouth 911 tandem. If a municipality has converted to E911 service, a facilities-based CLEC forwards its 911 calls to the appropriate BellSouth E911 tandem, along with the caller's ANI,

according to which E911 tandem the end office information is loaded. If the E911 tandem trunks are not available (i.e., due to high levels of end user calls in an emergency situation), BellSouth allows the facilities-based CLEC to route the call over BellSouth's network using a designated 7-digit or 10-digit voice line number, as appropriate, for the appropriate PSAP. This call will be transported over BellSouth's interoffice network along with BellSouth calls and, because the line does not carry data, it will not carry the ANI of the calling party.

15. BellSouth has developed the E911 Local Exchange Carrier Guide for facilities-based providers ("CLEC Guide") (Exhibit VKS-1) that provides the information facilities-based providers need to interconnect to BellSouth for 911 services. In general, the process for a facilities-based carrier begins when it first contacts the BellSouth CLEC 911 Implementation Manager, who will provide the CLEC with a non-disclosure agreement for 911 services. Once the CLEC signs and returns the non-disclosure agreement, and any concerns are discussed and resolved, the CLEC, with the assistance of its BellSouth Trunking Project Manager, orders the necessary 911 trunks through BellSouth's Local Interconnection Switching Center (LISC). The BellSouth CLEC 911 Implementation Manager works with the CLEC to determine the appropriate 911 tandem for routing the CLEC's 911 calls.

16. BellSouth provides and maintains the necessary equipment at the E911 Control Office (E911 Tandem) and the Database Management System to perform E911 services for the requesting local E911 customer. These services include some or all of the following as needed:

a. Transporting the E911 calls from the CLEC's switches to the E911 tandem of the E911 system;

b. Switching the E911 calls through the E911 Tandem to the Public Safety Answering Point;

c. Storing the names, addresses, and associated telephone numbers from the CLEC's customers in electronic data processing databases for the E911 Database Management System;

d. Transmission of the information associated with the CLEC's customers to the PSAP upon the customer dialing 9-1-1.

17. The facilities-based CLEC furnishes lists of its NPA/NXXs and 911 tandems to BellSouth and obtains from BellSouth a Master Street Address Guide ("MSAG") which is a listing of standard street names, address ranges and ESN used for validation of subscriber data.

18. BellSouth has contracted with a third-party 911 database provider, SCC, located in Boulder, Colorado to provide 911 database services on its behalf for all subscribers, on a non-discriminatory basis, for whom BellSouth is the 911 host. The facilities-based CLEC uses the CLEC Guide and MSAG to format customer data correctly before sending an electronically mechanized file to SCC. These data are then included in BellSouth's 911 database, with subsequent updates processed on a daily basis. If these daily update records fail system validity edits when compared to the current MSAG, the erroneous record is marked with an error code (as specified in the CLEC Guide) and mechanically faxed back to the relevant CLEC for review, investigation, correction, and resubmission. The facilities-based CLEC is responsible for correcting the errors and mechanically resubmitting its subscriber information to SCC. The processing cycle is repeated daily until the record passes all validity edits and the data can be posted to the E911 databases. It is the CLEC's responsibility to review and correct its own errors since SCC does not have access to the facilities-based CLEC customer's records. In this fashion, SCC, on behalf of BellSouth, maintains CLEC customer 911 database listings with the same

accuracy and reliability as for BellSouth's customer listings. SCC receives a file every night from BellSouth containing E911/911 updates for BellSouth's own customers as well as BellSouth's Reseller and UNE-P customers. The data are processed and SCC corrects the errors on behalf of BellSouth. The CLEC also has the option of hiring SCC or another database vendor to perform error correction and other database functions on their behalf if they choose not to do it themselves.

19. During nightly E911 database processing, SCC creates an updated file and transmits it to BellSouth. This file contains 911 call routing information for BellSouth subscribers as well as subscribers of other service providers such as facilities-based and reseller CLECs. Information in this file is used to update the BellSouth network switches allowing 911 calls to be routed to the appropriate city or county agency for handling. This nightly process of updating end user subscriber information keeps the E911 network and database current, thereby allowing proper 911 call routing and display of location information to emergency service agencies.

20. The facilities-based CLEC also has a responsibility to remain in contact with the governmental body providing emergency services to determine the following information:

a. Default ESN - a 3-digit number that translates to a specific PSAP where calls are routed in case the CLEC cannot deliver ANI from their switch to the BellSouth E911 tandem, and

b. Surcharge information -- the money billed by the CLEC on behalf of the county to their customers for providing E911 service. The CLEC must also obtain information from the county in order to remit these surcharges back to the county. A list of county coordinators for each state is provided, upon request, by the BellSouth CLEC E911 Implementation Manager.

21. Subscribers, regardless of their current local service provider, are able to choose the local service provider of their choice and retain their current telephone number as long as they are remaining in the same rate center. This is referred to Service Provider Local Number Portability (LNP). In order to reflect the correct dial tone provider during an emergency call, the National Emergency Number Association (NENA) implemented the assignment of a NENA Company ID for each Incumbent LEC and CLEC. When an end user changes local service providers (LSP), the NENA Company ID reflected in the E911 database must be updated to change from the former LSP to the new LSP. The E911 database is modified to accommodate this change so that the PSAP display reflects the current local service provider company by displaying their Company's NENA ID. There are two new function of change codes, U and M, that accomplish this. The current local service provider will issue a service order that will allow the record to be available or "unlocked" (coded as "U"). The new local service provider will issue an update to the record to "migrate" (coded as "M") the record with the information for the new company. This process is generally accepted nation-wide and allows the actual record to remain in the database "as is". The CLEC is fully responsible for submitting the needed U or M, as appropriate, to update the E911 database. In order to protect the integrity of the E911 data, BellSouth and SCC have implemented a validation process using the Number Portability Administration Center (NPAC) database to identify the correct dial tone owner. The U and M process, the error processes and the NPAC validation processes are provided in the CLEC Guide. This system insures that BellSouth is able to meet the requirements of any foreseeable reasonable demand for 911/E911 service.

22. BellSouth provides and maintains sufficient dedicated E911 circuits according to provisions of the E911 tariff and the specifications of the E911 customer. BellSouth routinely monitors service levels (including call blockages) on E911 trunk groups and takes appropriate, coordinated action with the responsible CLEC to provide additional trunks as needed. These trunk servicing activities are performed at the same time and in the same manner that BellSouth services the E911 trunk groups from its own switches, on a first come first served basis. For an extended discussion of BellSouth's trunking architecture and procedures, see testimony of Keith Milner.

23. BellSouth has had procedures in place since early 1996 for CLECs to connect their switches to BellSouth's E911 tandems. As of March 31, 2001, CLECs had requested and BellSouth had provided some 1,078 E911 trunks in Florida, and in its nine-state region, BellSouth had a total of 4,400 trunks in service connecting CLEC switches to BellSouth's E911 tandems.

24. As of March 31, 2001, 38 facilities-based CLECs in Florida were sending BellSouth mechanized updates for inclusion in the 911 database. Within BellSouth's entire nine-state region, 66 facilities-based CLECs were sending such mechanized updates. Because the methods and procedures that allow other carriers, including independent LECs, to access BellSouth's E911 and 911 updating capabilities have been in place for some time, it has become routine for CLECs to obtain such updating. For this reason, end-to-end testing of E911 database updating was not necessary.

25. When BellSouth makes any changes to the 911 system, it notifies all potentially affected CLECs. CLECs are notified officially on the BellSouth Interconnection website:

http://www.interconnection.bellsouth.com/carrier/network/index.html. This includes, but is not limited to, NPA split or overlay information, Central Office conversions and E911 Tandem re-homes. In addition to the official notification, the 911 Implementation Manager sends out correspondence informing the CLECs of any 911 specific information on these system changes that might affect them.

26. By this affidavit, I have shown, among other things, that:

a. Education and assistance is given to CLECs to provide 911/E911 service by providing project managers for trunking, a CLEC Implementation Manager and the E911 Local Exchange Carrier Guide for Facilities-Based Providers

b. BellSouth's 911 network is non-discriminatory because it does not distinguish between BellSouth's customers and the customers of other service providers;

c. All calls are routed to the PSAP over the same trunks;

d. The same vendor maintains, in a nondiscriminatory manner, the ALI/DMS database for all other Local Service Providers that interconnect to BellSouth.

e. Maintenance and testing activities done by BellSouth on any 911 facilities are done without regard to the owner of the facilities;

f. All records remain in the 911 database with the implementation of the "unlocking" and "migrating" process with Service Provider Local Number Portability; and

g. BellSouth is able to meet any reasonable foreseeable demand for 911/E911 service.

Based on the foregoing, BellSouth has demonstrated that it offers CLECs nondiscriminatory access to 911/E911 services in the State of Florida in accordance with the rules of the Florida Public Service Commission, the FCC and the requirements of the Telecommunications Act of 1996.

27. This concludes my affidavit.

The information contained in this affidavit and its Exhibits is true and correct to the best of my knowledge and belief.

Valerie Sapp

VALERIE SAPP

Subscribed and sworn to before me this 29th day of May, 2001.

NOTARY PUBLIC

Linda M. Hobbs

My commission expires:

Notary Public, Gwinnett County, Georgia
My Commission Expires March 17, 2003

VKS-1

E-911 LOCAL EXCHANGE CARRIER GUIDE for FACILITY-BASED PROVIDERS 10/1/01

E911

LOCAL EXCHANGE CARRIER

GUIDE

FOR FACILITY-BASED PROVIDERS

10/1/00

NOTE: THIS DOCUMENT DOES NOT APPLY TO RESELLERS OF LOCAL EXCHANGE TELEPHONE SERVICE

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TAB 1

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OVERVIEW

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DEFINITION OF E911

"911" has been designated in the United States as the number to be used by the public to summon emergency aid or to report a crime, fire or accident. Its main purpose is to make it easier for people in time of emotional stress to contact the proper emergency agency. An important advantage of 911 emergency service is improved (reduced) response time.

The original 911 service, known as Basic 911 (B911), routes a call to one centralized answering location. The attendant at the answering location obtains the pertinent information that identifies the call and the caller's need. The attendant then determines the appropriate agency and dials a 7-digit number to transfer the caller to that agency. The calling party's emergency information is verbally relayed to the responding agency and a unit is dispatched to the caller's location.

Enhanced 911 service, or E911, is a full featured electronic system that provides three (3) major enhancements to Basic 911 service:

Selective Routing
Electronically routes 911 emergency calls to the proper Public Safety Answering Point (PSAP) based on the Emergency Services Number (ESN) code that has been assigned to the caller's address.

Automatic Number Identification (ANI)
Provides the calling party's seven digit telephone number on a display at the PSAP.

Automatic Location Identification (ALI)
Provides the name and address associated with the calling party's telephone number on the display at the PSAP.
NOTE: To receive the maximum benefit of E911, the area served must be assigned valid house numbers. Without a house number, dispatching is delayed and the responding agency has difficulty finding the correct address.

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NENA COMPANY ID

Prior to submitting CLEC TN data to SCC for call though testing or production, the CLEC must register with NENA for assignment of a NENA Company ID. This Company ID provides identification of the relationship between the telecommunication company and telephone number. This need is driven by two factors:

Data Base Management

- supports tracking in 9-1-1 data record processing and quality management by both the 9-1-1 service provider and the data source Company
- administration and management of error processes with multiple data providers

Speed of identification by PSAPs

- when a PSAP needs to quickly contact the originating Company for line interrupt, call trace, and other emergency actions, the typical use of the NPA-NXX for Company identification will no longer be effective
- an identifier that can be applied to each telephone number record is needed to support individual telephone number portability
- a Company ID that associates 24 Hour access numbers with each telecommunications company is needed for the above functions

NENA COMPANY ID REGISTRATION SERVICE

A national Company ID for 9-1-1 service will allow the PSAP to identify the local service provider serving the caller, and to determine the 24 x 7 number of that LSP for emergency contact needs.

Use of the Internet allows telecommunications companies, state, county, city, and PSAP to access and use the ID information. In addition, the design of this service allows each telecommunications company to assign multiple IDs, so that individual service areas and 24 hour contact information can be identified.

For your convenience, NENA has created an online Company Identifier Data Base Input Form that you can either print out and fill in or you can complete it online, hit the submit button, and you will be invoiced for the fee. The NENA Web page address is: WWW.nena9-1-1.org

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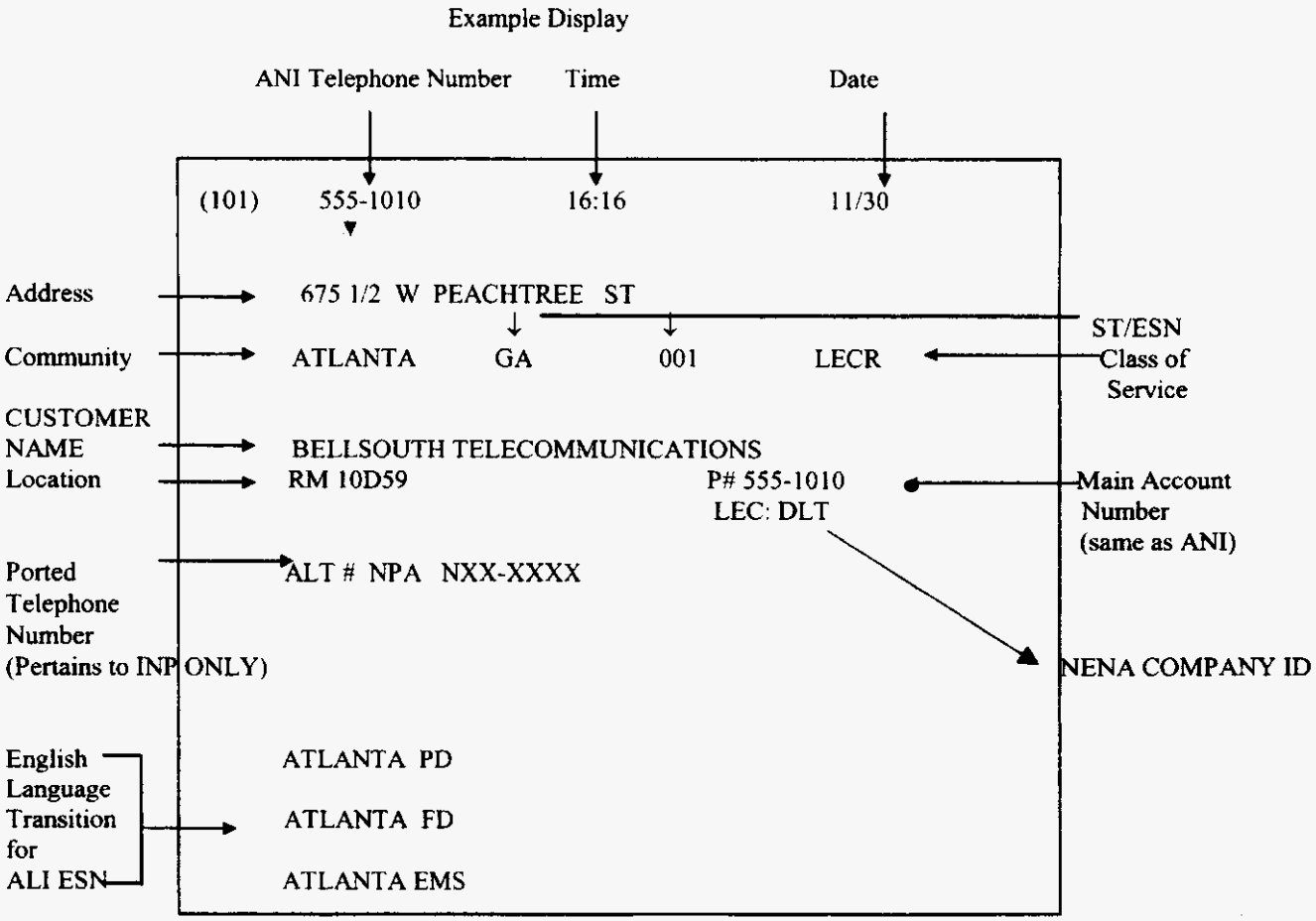
PSAP DISPLAY

Shown is an example of one PSAP display. This screen/display will vary based on which PSAP equipment is chosen by the E911 system.



NOTE: The Classes of Service that may be shown at the PSAP for CLEC account display are as follows:

PSAP DISPLAY	TRANSLATION
LECB	CLEC BUSINESS
LECR	CLEC RESIDENCE
LECP	CLEC COIN (INWARD)
LECO	CLEC COIN (OUTWARD ONLY)

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INTERIM LOCAL NUMBER PORTABILITY/LOCAL NUMBER PORTABILITY PSAP DISPLAY

In late 1996 the FCC mandated that Competitive Local Exchange Carriers (CLECs) would be allowed to offer Local Exchange Service in the areas currently served by the Incumbent Local Exchange Carrier (ILEC). The early arrangement for an end user to change Local Service Providers and maintain the current telephone number was called Interim Local Number Portability (ILNP). For PSAP equipment that can display comments, an ALT# would appear if the customer had service which had been ported to another local service provider. This ported number represented the telephone number that is known by the customer, however, the ANI number is the number assigned by the alternate service provider.

In 1998, ILNP was migrated into the first phase of full Local Number Portability, which allows the end user to change service providers and keep their current number without any assignment of alternate numbers by the Competitive Local Service Provider. Modifications in communications technology as a result of implementation of LNP now allow the end user's telephone number to be sent as ANI regardless of the Local Service Provider that is serving the customer.

DATABASES REQUIRED TO SUPPORT E911

MASTER STREET ADDRESS GUIDE (MSAG)

The MSAG contains all street information in the 911service area. The Emergency Service Numbers (ESNs) are assigned to the streets for routing purposes and PSAP display purposes.

MSAG requests and MSAG maintenance processes are outlined in Tab 4

TELEPHONE NUMBER (TN) DATABASE

The TN database contains all of the working subscriber telephone numbers within the county with the name, address and location data (APT, etc.). It is created from customer account data from all local service providers (LSPs), including BellSouth, ICOs, Competitive Local Exchange Carriers (CLECs), which is processed against the MSAG so each subscriber line will be assigned the correct ESN based on an address match to an MSAG entry.

The TN database is thereafter maintained by each local service provider who updates the E911 data daily via a mechanized transfer of data. Data is submitted as required by the LSP to connect, disconnect, or modify the subscriber accounts. The TN database is used to provide data to the retrieval system that is used for display of the individual subscriber data at the PSAP.

Options for providing initial TN data and daily changes to SCC are explained later in this document.

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TANDEM INFORMATION

During initial County E911 implementation, the E911 tandem is initially populated with each telephone number and the three-digit ESN associated with the telephone number. As additions and changes to subscriber accounts are processed in the E911 system, any change in ESNs used for routing purposes on the subscriber's account are identified and mechanically transmitted to the appropriate E911 tandem. The English Language translation is also determined by the ESN that has been posted to the subscriber's account. In most cases CLECs will provide local service in areas that have already established E911and the CLEC will not participate in the initial implementation process.

In addition to the individual ESN assignment by telephone number, each NPANXX is assigned a default routing ESN by the E911 Customer. The default ESN configuration allows the E911 Customer to designate a particular PSAP that should receive the emergency call in the event of an ANI only condition. Application of the default ESN assignment into the E911 tandem is coordinated between the County and the Local Service Provider for the NPANXX.

If the CLECs end office provides service to more than one E911 tandem area, an update of the ESN information for the telephone numbers in for that NPANXX will be sent by SCC to multiple E911 tandems as appropriate, however, it will be the CLECs responsibility provide end office to tandem trucks to each E911 tandem and to route the emergency call to the appropriate tandem that serves the physical address.

Questions or requests for emergency service trunks from the CLEC end office to the tandem office will be handled by the BellSouth Trunking Project Management Group and not by the BellSouth CLEC E911 representative.

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E911 CALL FLOW

The following steps are involved in the E911 emergency call process:

1. The subscriber requires emergency aid and dials 911.
2. The digits are received in the Telco end office that sends the ANI (Automatic Number Identification) to the E911 BST tandem office.
3. The tandem office finds the associated ESN for the calling telephone number via the TN/ESN translation table.
4. Based on the ESN, the call is switched, via a dedicated trunk, to the appropriate PSAP.
5. The subscribers assigned telephone number (ANI) from the serving Telco is displayed at the PSAP.
6. The ANI information is sent to the primary and secondary ALI processors for retrieval of subscriber information.
7. The ALI processor returns the subscriber information (ALI) to the PSAP for display.
8. The PSAP attendant verifies the telephone number and the street address that has appeared on the screen and obtains information as to which emergency service is needed. The attendant then depresses the button corresponding to the agency request, e.g., fire, police or ambulance and the call is automatically transferred.
9. The details for each call (calling number, answering attendant's number, time of answer, time of transfer and/or disconnect and the trunk number) are printed at the PSAP after the call is disconnected.
10. The agency receives the call and (optional) a display of the caller's telephone number, name and street address. The PSAP attendant remains on the line for as long as needed to relay the call.
11. The agency then dispatches an emergency unit to the caller's address.

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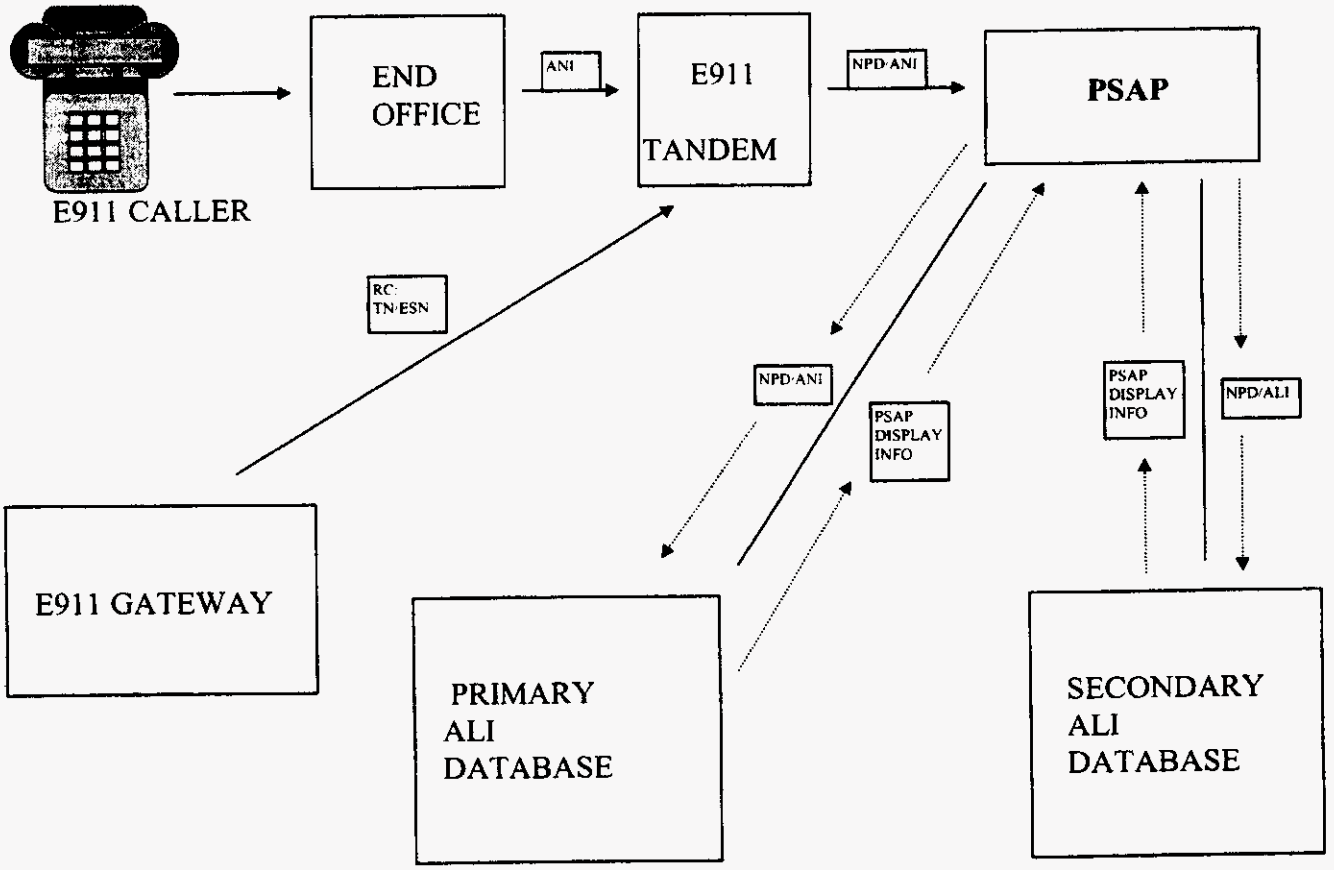
CALL FLOW DIAGRAM



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GLOSSARY OF TERMS

Address Verification Request (AVR)	A form issued by each Telco to refer and resolve address discrepancies with the E911 customer.
Alternate Routing (AR)	A standard feature provided to allow E911 Calls to be routed to a designated alternate location if (1) all E911 trunks to the primary PSAP are busy, or (2) the primary PSAP closes down for a period. (i.e., night service)
Automatic Location Identification (ALI)	A feature by which the address associated with the calling party's telephone number (ANI) is forwarded to the PSAP for display.
Automatic Number Identification (ANI)	Automatic number identification corresponds to the seven-digit telephone number assigned by the serving Telco.
BST	BellSouth Telecommunications, Inc.
Call Detail Recording	An optional feature of E911 service that provides a teleprinter record of all incoming E911 calls to a PSAP.
Call Through Testing	The process of testing the network, equipment and databases associated with an E911 system prior to the final cutover.
Central Office	A switching unit in a telephone system which provides service that has the necessary equipment and operating arrangements for terminating and interconnecting lines.
Competitive Local Exchange Carrier (CLEC)	A telecommunications company offering local dervice to subscribers.
Data Integrity Unit (DIU)	The group within SCC Communications (BellSouth's E911 data vendor) that manages the E911 data.
Default Emergency Service Number (ESN)	The ESN assigned to the trunk group from an end office to the E911 tandem. This ESN is used to route calls to a PSAP designated by the county/parish to receive calls when ANI can't be delivered to the PSAP (ANI Failure). CLEC must obtain the Default ESN (or PSAP name) from the county/parish.
Display & Transfer Unit	The PSAP control unit for an E911 system display panel for ANI, which has buttons to transfer calls.
E911 Coordinator	The individual responsible for county/parish management of the E911 system.
E911 Customer	A governmental agency responsible for providing public safety.

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E911 Tandem Central Office Switch	The central office designated for a geographical area to receive end office E911 calls and route to the appropriate PSAP.
Emergency Service Number (ESN)	A three-digit number associated with a geographical location serviced by the same fire, police and ambulance districts.
End Office	The Central Office(s) from each telco in the E911 system receiving E911 calls from end users.
Exchange	A geographical unit established for the administration of telephone service in a specified area. Multiple telephone companies may provide service in the same exchange.
Fixed Transfer	An optional feature of E911 Service which allows a PSAP attendant to transfer incoming E911 calls to a secondary PSAP by the use of a single button on the Display and Transfer unit.
ICO	Independent Telephone Company
Local Service Provider (LSP)	The company providing local service to the end user.
Manual Transfer	A feature of E911 service that enables the PSAP attendant to transfer an incoming call by depressing the switchhook of the telephone or the "add" button on the Display and transfer unit.
Master Street Address Guide (MSAG)	A listing of standard street names, address ranges and routing codes (ESNs) used for validation of subscriber data.
National Emergency Number Association (NENA)	A professional association of emergency number entities responsible for the planning, implementation, management and administration of national emergency number issues.
NPA/NXX	The area code (Number Plan Area) and first three digits of the subscriber's telephone number.
Public Safety Answering Point (PSAP)	The answering location for 911 calls.
Selective Routing (SR)	A standard feature that routes an E911 call from the tandem to the designated PSAP based upon the address of the ANI number of the calling party.
Selective Transfer	An optional feature of E911 service that enables the transfer of a 911 call to the correct agency using the one-button transfer feature.
Service Order Interface Record (SOIR)	A data record sent to the E911 host system, via a mechanized transfer.
Tandem Routing	An arrangement connecting 911 calls to the correct PSAP based on the ESN association to the ANI TN.

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Telephone Company (Telco)	A term used interchangeably to designate a Bell Operating Company, an Independent Company or Alternative Local Exchange Carrier.
Wire Center	The geographical area served by a particular Central Office.

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TAB 2

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ROLES AND RESPONSIBILITIES

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MSAG MAINTENANCE-ROLES AND RESPONSIBILITIES.....2

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ROLES AND RESPONSIBILITIES

CLEC RESPONSIBILITIES

1. The CLEC obtains from the BellSouth CLEC E911 Implementation Manager a non-disclosure agreement in order to receive the 911 Local Exchange Carrier Guide for Facility Based Providers (a.k.a. E911 LEC Guide).

2. Order 911 trunks through BellSouth's LCSC (Local Carrier Service Center) with assistance from the CLEC's Interconnect Account Team and/or their Trunking Project Manager.

3. The CLEC has a responsibility to contact the county/parish to determine the following information:
   - Default ESN (The default ESN is a 3-digit number that translates to a specific PSAP where calls are routed in case the CLEC cannot deliver ANI from their switch to the BellSouth E911 tandem)
   - Surcharge information (Surcharge information refers to the money billed by the CLEC on behalf of the county/parish to their customers for providing E911 service. The CLEC must also obtain information from the county/parish in order to remit these surcharges back to the county/parish.

     (NOTE: A list of county/parish coordinators for each state will be provided, upon request, by the BST CLEC E911 Implementation Manager.)

4. Determine the appropriate 911 tandem for routing 911 calls. To determine the appropriate 911 tandem, the CLEC will furnish the BellSouth CLEC Coordinator with a list of comparable NXXs and forward on the E911 Tandem Notification Form shown in Tab 3 of *this guide*. *The Coordinator* will tell the CLEC which 911 tandem BST routes them to. This will ensure the CLEC will route their 911 calls to the appropriate tandem.

5. Using the *CLEC E911 Notification Form*, the CLEC will furnish SCC with a list of their NPA/NXXs and E911 tandems in order for SCC to update the internal E911 tables. This form is found in Tab 3 of this guide.

6. The *CLEC E911 Notification Form* is also used to order a copy of the MSAG (Master Street Address Guide) for the E911 service area where the CLEC operates. The CLEC needs the MSAG in order to validate their street address data before sending updates to the E911 database.

7. The CLEC will work directly with BellSouth's E911 data vendor, SCC, to establish connectivity in order to send subscriber data to the E911 database.

NOTE: Contact the BST CLEC Implementation Manager when ready to establish connectivity to SCC.

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MSAG MAINTENANCE-ROLES AND RESPONSIBILITIES

OVERVIEW

The Master Street Address Guide (MSAG) is the portion of the E911 database which contains the address and ESN information. The MSAG associates the appropriate ESN based on the customer's address of the incoming subscriber record.

ROLES AND RESPONSIBILITIES

It is the responsibility of the E911 Coordinator to assign, maintain and resolve discrepancies in MSAG data for their serving area. The E911 Coordinator is also responsible for providing new address information and changes to address information to SCC for updates to the MSAG.

It is the responsibility of all Telcos participating in a E911 service area to ensure that customer records sent to the E911 database for their respective areas have a MSAG valid address. Each Telco will work directly with the authorized E911 County agent to resolve any address discrepancies for customer records that the Telco serves. It is SCC's responsibility to provide the CLEC with MSAG data for the areas they serve, as requested on the CLEC E911 Notification Form (Tab 3).

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TAB 3

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CLEC E911 INTERCONNECTION

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DATABASE COORDINATION 3

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CLEC E911 NOTIFICATION FORM 6

INITIAL MSAG REQUEST 6

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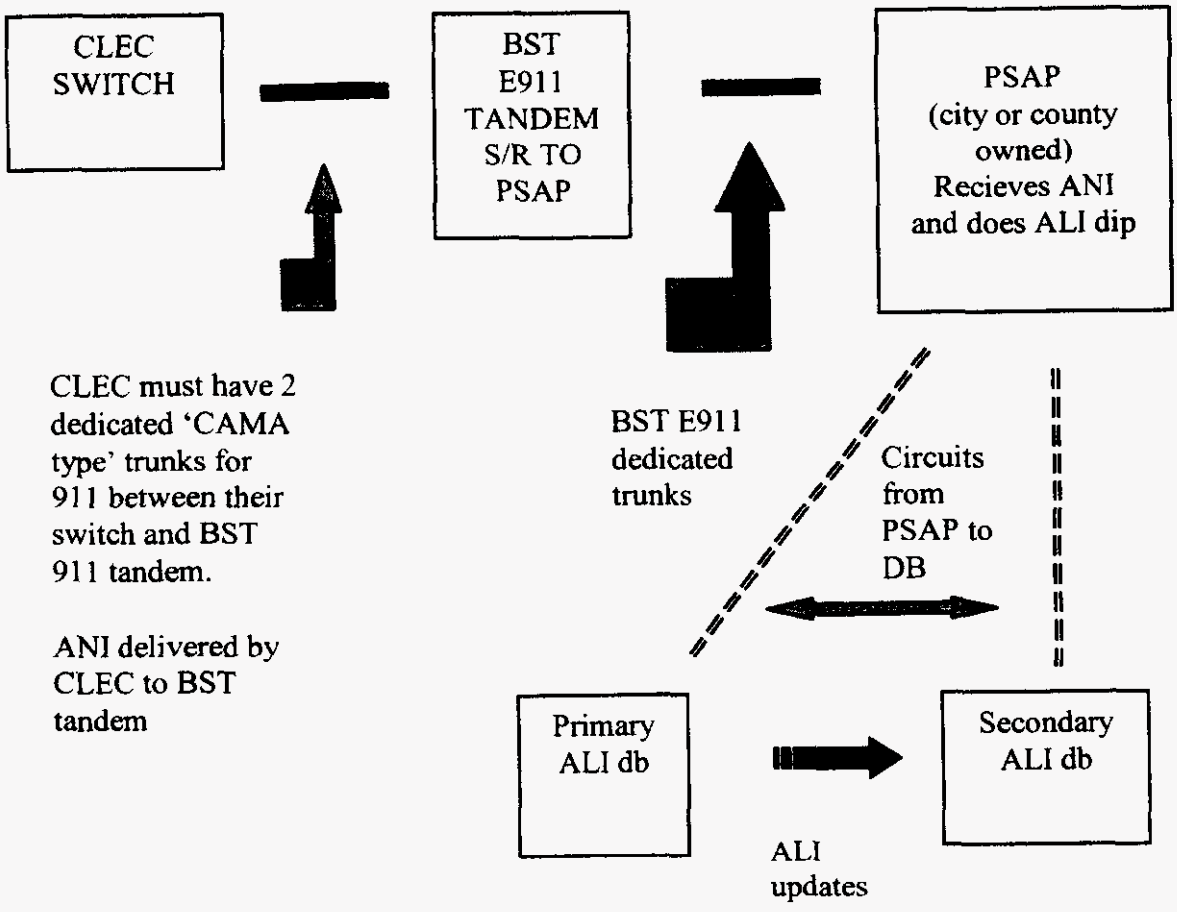
NETWORK INTERCONNECTION

TRUNKING CONFIGURATION

A typical E911 connection from the CLEC end office to the E911 Tandem is illustrated in TAB 1 of this document. The BellSouth E911 Tandem will route an CLEC end user's call to the appropriate Public Safety Answering Point (PSAP) based on the ANI sent by the CLEC switch.

Private dedicated trunks installed between the CLEC's switch and the E911 tandem(s) provide transport for E911 calls from the CLEC's switch network. The CLEC is required to install a minimum of two dedicated trunks from the CLEC switch to the E911 tandem. BellSouth will, upon request, assist the CLEC in determining if additional E911 trunks should be installed.

A diagram depicting the trunk arrangement is shown:



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TRAFFIC ROUTING RESTRICTIONS

The dedicated trunks between the CLEC switch and the E911 tandem are designed to carry only E911 traffic and will route the call to the appropriate PSAP. The CLEC switch must be able to differentiate 911 calls from other traffic. These calls must be routed over the dedicated trunks terminating to the appropriate E911 tandem. Any E911 calls sent with no or incorrect MF (Multifrequency) protocol to other incoming trunk groups in error will be routed to reorder.

INTERFACE SPECIFICATIONS

The interface between the CLEC switch and the E911 tandem will be a DS0 level trunk either as a 2-wire analog interface or part of a digital (1.544 Mb/s) interface. These trunks will use CAMA type signaling with Multifrequency (MF) pulsing and will deliver Automatic Number Identification (ANI) with the voice portion of the call. If the user interface is digital, MF pulses, as well as other AC signals, shall be encoded per the u-255 Law convention.

SIGNALING FORMAT

This section presents information on the protocol used by the CLEC switch to furnish Automatic Number Identification (ANI) to the BellSouth network. ANI is required for the provision of E911 features for a PSAP.

Automatic Number Identification (ANI) is the calling party's directory number that is passed on to the receiving switch (the E911 tandem) for identification of the dialing party and is used as input to the database system for retrieval of customer information.

Along with the calling telephone number, the CLEC switch must be capable of passing an ANI information digit. Traditional signaling requires 1 digit, while expanded signaling requires two digits. At this time, BellSouth will require only the traditional signaling, single digit information, be used.

The CLEC switch must be capable of recognizing an ANI request signal from the E911 tandem, directly after a KP (Key Pulse) signal, the called telephone number and a ST (Start Pulse) signal is sent.

KP+11+ST
KP+I(ANI Information Digit)+ 7 digit ANI+Start

The ANI will be forwarded by the PSAP equipment to the appropriate Automatic Location Information (ALI) database system to obtain the customer information pertaining to the call.

CALL SEQUENCE

When the CLEC switch seizes an E911 trunk, an "off hook" is detected by the E911 tandem and a wink is sent to the CLEC switch signaling its readiness to accept the called number from the far end switch. After the CLEC switch sends "KP+11+ST", the E911 sends a steady-state "off-hook" signal after receiving the called number. This is the request for the ANI outpulsing of the calling number. The ANI request signal persists until after the calling party disconnects or until 11 to 13 seconds after the called party disconnect is received at the E911 tandem office. The ANI is used by the E911 tandem to route the voice portion of the call and the ANI to the appropriate PSAP.

When the calling party disconnects first, the CLEC switch sends an "on-hook" signal to the E911 tandem. When the signal is received by the tandem, the connection in the tandem is released and an "on-hook" is sent back to the CLEC switch.

When the PSAP attendant disconnects from the call first, the PSAP equipment sends an "on-hook" to the E911 tandem. The E911 tandem begins a 1.2 second flash timing, which times out in this case, thus signaling a disconnect. The E911 tandem sends an "on-hook" signal to the CLEC switch and begins 4 to 5 second timing for receiving an "on-hook" from the CLEC switch. This 4 to 5 second timing is unique for E911 calls to the PSAP and is the forced disconnect service for the E911 feature.

REFERENCES

References which support E911 services and standard CAMA/ANI interface for BellSouth network requirements are shown below.

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Notes on the BOC Intra-LATA Network - TR-NPL-000275

E911 Public Safety Answering Point: Interface Between the 1/1A Switch and CPE.

ORDERING AND PROVISIONING

For ordering and provisioning of the CLEC E911 trunks please contact your Trunking Project Manager or BellSouth Account Executive.

MAINTENANCE AND TESTING

The access trunks will be tested and maintained by BellSouth ACAC.

The following are examples of an ANI failure on an E911 call and some of the possible causes.

1. The CLEC switch failed to pass ANI. The ANI display at the PSAP will be NPA-911-00XX. The XX is the Emergency Serving Central Office (ESCO) and is an indication that the E911 Tandem did not receive the ANI from the end office.

2. The E911 Tandem or the tandem-to-PSAP trunks fail to pass ANI. The display at the PSAP will be NPA-000-0000.

3. The seven (7) digit number assigned to tandem-to-PSAP trunk group is dialed erroneously by a caller. The display at the PSAP will be NPA-911-0000.

DATABASE COORDINATION

The Network configuration, database information and terminating PSAP equipment are all unique to each E911 Customer. E911 systems are designed based on different factors such as type of equipment, participating telcos, etc.

For these reasons, CLECs who initiate provisioning of local service in areas converted to E911 or in areas in the process of converting to E911 must be aware that they will have to work closely with the incumbent LEC and the E911 County Coordinator to integrate their E911 service into the existing network and database. This coordination effort is crucial to ensure that no subscriber is compromised in an emergency situation of any kind.

The BST CLEC E911 Implementation Manager and the Interconnect Account Team assigned to the CLEC will work closely with each CLEC to facilitate provisioning of E911 service for the CLEC subscribers. The BST CLEC E911 Implementation Manager's role will be to coordinate with BST personnel the resolution and/or response of any questions related to E911 interconnection covered in this Guide. Questions on ordering an interconnection of trunks should be referred to the appropriate Trunking Project Manager.

It is recommended that upon review of this document, the CLEC contact the BST CLEC E911 Implementation Manager to initiate the E911 process.

It is also recommended that each CLEC provide adequate resources dedicated to the implementation and ongoing maintenance of E911 service for the CLEC subscribers.

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E911 TANDEM IDENTIFICATION FORM

The E911 tandem identification form is completed by the CLEC and sent early in the interconnection process in order for the BST CLEC E911 Implementation Manager to determine the appropriate E911 tandem CLLI for CLEC end office routing. The BST CLEC E911 Implementation Manager will identify the correct Tandem CLLI code based on comparable NPANXXs used by BellSouth in the E911 County service area. Upon receipt of the returned form from BST, the CLEC will complete the CLEC E911 Notification Form shown in this tab. A copy of the E911 Tandem Identification form and instructions for completion are shown on the following page.

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E911 TANDEM IDENTIFICATION FORM

REV.: 10-01-00

TO: VAL SAPP	FROM:
VOICE: 205.321.2109	VOICE:
FAX: 205.321.4002	FAX:
EMAIL: valerie.sapp1@bridge.bellsouth.com	EMAIL:

To assist you in getting your 911 calls routed to the correct BST E911 tandem please fill out this form as shown and BST will supply you with the proper E911 tandem for use on the CLEC E911 NOTIFICATION FORM.

PLEASE LIST ALL YOUR NEW NPANXX(S) BELOW WHICH HAVE BEEN ASSIGNED – USE SEPARATE SHEET IF NECESSARY

1. PUT YOUR NPA
2. PUT YOUR NXX
3. PUT BST COMPARABLE NPA
4. PUT BST COMPARABLE NXX
5. BST WILL SUPPLY YOU THE CORRECT E911 TANDEM AND RETURN TO YOU
6. FILL OUT CLEC E911 NOTIFICATION FORM APPROPRIATLY AND FAX TO:
   SCC/BST SUPERVISOR / 1-888-778-7876

STATE	CLEC NPA	CLEC NXX	BST NPA	BST NXX	E911 TANDEM CLLI FOR USE ON E911 NOTIFICATION FORM	E911 TANDEM CLLI FOR USE ON ASR WHEN ORDERING TRUNKS

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CLEC E911 NOTIFICATION FORM

The CLEC E911 Notification Form is for the CLEC's use in providing the necessary information used by BellSouth's data vendor, SCC, for database maintenance of the CLEC's subscriber data. The form is submitted by the CLEC to SCC prior to initial testing of the CLEC data and, ongoing, to provide CLEC contact information, new NPANXXs, and to request changes in delivery of the MSAG to the CLEC. This form is for data purposes only and is not intended for network interconnection or tandem configuration. The form should be completed and returned to SCC as soon as possible but no later than **three (3) weeks** prior to the implementation of testing.

The form should be sent via fax to:

SCC Communications, Inc.
BellSouth DIU Supervisor
FAX Number: 888 778-7876 (Toll free)

The CLEC E911 Notification form is shown on the following page.

INITIAL MSAG REQUEST

The processing of the initial MSAG request is shown on the CLEC E911 Notification Form and requires a minimum of 2 weeks (10 business days) notice for distribution and delivery to the CLEC. An ongoing schedule is created to deliver the initial request quarterly. Changes to the initial requirements for MSAG delivery must be submitted on the CLEC E911 Notification form. Additional information regarding MSAG requests is shown in Tab 4 of this document.

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CLEC E911 NOTIFICATION FORM

Revised: 10-01-00

FAX TO: 1-888-778-7876
ATTENTION: SCC/BELLSOUTH SUPERVISOR

ACTION (circle one) A-ADD C-CHANGE M-MSAG ONLY

TODAY'S DATE	
COMPANY NAME	
COMPANY ADDRESS	
CONTACT NAME:	
CONTACT TEL NUMBER	
TELCO ID/OCN	
NENA CO. IDENTIFIER	
EFFECTIVE DATE	
FAX NUMBER**	

**NOTE: THIS NUMBER WILL BE USED FOR MECHANICAL TRANSMISSION OF DAILY REPORTS

SERVCICE REQUEST FOR: (check ONE only: One STATE per sheet)

AL	FL	GA	KY	MS	LA	SC	NC	TN

PLEASE LIST YOUR NATIVE NPANXX's BELOW WHICH NEED TO BE ADDED TO THE E911 DATABASE

NPA	NXX	E911 TANDEM CLLI	NPA	NXX	E911 TANDEM CLLI

MSAG REQUEST:

MEDIA DESIRED: (circle ONE only) CD ROM MAG TAPE PAPER 3.5 FLOPPY*

*NOTE: FLOPPIES MAY ONLY BE ORDERED BY COUNTY, NOT BY CLLI

COUNTY NAMES OF SERVICE AREA OR E911 TANDEM CLLI (only)

1.	3.	5.
2.	4.	6.

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TAB 4

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MSAG MAINTENANCE AND ESN ASSIGNMENT

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OVERVIEW

This section provides general information on ESN assignments and MSAG maintenance, both of which are managed by the E911 Coordinator directly with SCC.

ESN ASSIGNMENTS

The E911 Coordinator is responsible for providing this ESN information to BST during the conversion to E911 and, ongoing, as emergency districts change.

During implementation, the E911 Coordinator provides BST mapping information depicting boundaries for each fire, police and EMS jurisdiction for the E911 serving area. After all emergency service boundaries have been defined, a different ESN number is assigned to each geographical area with the same set of responding agencies, i.e., fire, police, EMS, etc.

The ESN designates routing to the proper PSAP and provides emergency agency information for each 911 call. The ESN numbers are administered by BST and are assigned to the E911 County's serving area based on the 3 digit ESN numbers available in the serving tandem.

Streets that cross ESN boundaries are segmented by house number range in the MSAG so that the proper ESN may be associated to each segment of the street appropriately. If a street has not been numbered, then all routing for the entire street is assigned to one ESN.

DEFAULT ESN ASSIGMENTS

The CLEC and the E911 Coordinator should discuss the default ESN that would route the CLEC's subscribers in the event of an ANI failure occurring from the CLEC end office. Once agreement has been reached between the CLEC and the E911 Coordinator regarding the appropriate answering PSAP and the ESN assigned for that PSAP, the CLEC should provide this information on the Access Service Request (ASR) provided to BST.

REQUESTING A COPY OF THE MSAG

Within 10 days upon receipt of the CLEC E911 Notification form, SCC will provide the CLEC an initial copy of the MSAG via CD-ROM. Subsequent copies of the MSAG will be provided by SCC quarterly via CD-ROM unless other media is requested. If requested, the MSAG may be provided on magnetic tape, 3.5 floppy, or paper.

MSAGS are extracted by one of the following criteria:

E911 Tandem CLLI (Not available on paper of floppy)
E911 System (An E911 system MSAG may be designated as a County or City. If both MSAGS are required, they both must be indicated on the CLEC E911 Notification Form.)

Requests for MSAG data should be submitted to SCC via the CLEC E911 Notification Form shown in Tab 2 of this guide.

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MSAG LEDGER PROCESS

OVERVIEW

The E911 Coordinator must notify SCC of all MSAG changes/additions/deletions. This is done via an E911 MSAG Ledger form. SCC documents the receipt of these forms on the E911 MSAG Ledger Log, acknowledges receipt of the form and updates the MSAG.

Since a CLEC could serve multiple addresses that may cover a broad geographical area, it would not be practical for the E911 Coordinator to forward copies of all MSAG Ledgers to each CLEC. For this reason, SCC will provide the CLEC with MSAG information quarterly for the areas that the CLEC serves. The MSAG will be used by the CLEC in validating addresses for subscriber account updates. Should the CLEC receive an error for an address not included in the quarterly MSAG, they may call SCC for validation prior to submitting an AVR to the E911 Coordinator.

If address discrepancies are detected on MSAG ledgers or from daily updates by SCC or any participating Telco, the E911 Coordinator is notified via an Address Verification Request Form (AVR). The AVR process is explained in more detail in Tab 8 of this guide.

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TAB 5

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TN DATABASE UPDATES

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OVERVIEW

In most cases a CLEC will offer local exchange service in areas already converted to Enhanced 911. All subscriber accounts must be initially loaded into the E911 database and subsequently updated daily on an ongoing basis if changes occur.

CLECs will send daily updates to include all changes to the subscribers TN, name, and address information in each E911 serving area. Prior to a new NPANXX being implemented, the CLEC must furnish the CLEC E911 Notification Form BellSouth's data vendor, SCC. The form and instructions for its completion are shown in Tab 3. The CLEC would begin submitting Serving Order Interface Records (SOIRs) immediately as subscribers are connected to the CLEC's switch. At least one week prior to the **initial** CLEC customer activation test records should be electronically sent to SCC for testing purposes.

BellSouth technical specifications for loading and maintaining the CLEC's subscriber data are provided in this document. The CLEC should only use the header, trailer and BellSouth 512 record format provided in this guide. Other record formats should not be used.

Subscriber address data must match the E911 MSAG exactly before the account will be loaded to the E911 database. Any subscriber data that fails in the editing process will be returned as an error to the CLEC. All errors, with the exception of Migrate errors for Local Number Portability, **will go to an error file and will not display if a 911 call is made**. The PSAP attendant will see "NO RECORD FOUND". Further information relating to the MSAG, error conditions, and "NO RECORD FOUND" situations are found in this document.

CLEC DATA MANAGEMENT RESPONSIBILITIES

- Coordinate directly with SCC to transmit test data prior to local service implementation.
- Initially include every working CLEC subscriber line within each E911 service area.
- Update address related data on CLEC subscriber accounts as indicated by MSAG updates submitted on Maintenance Ledgers by the E911 Coordinator
- Any new service and all subsequent activity affecting the telephone number, listed name, or address data must be updated daily into the E911 database for all TNs capable of sending ANI. Each record affected must be sent individually with the appropriate changes.
- Resolve Daily Service Order Interface Record (SOIR) update errors **within 24 hours**.
- Resolve PSAP Inquiries and advise SCC of resolution within 24 hours.
- Update TN records with valid MSAG address to resolve misroute conditions.
- Handle special update requirements including area transfer updates and NPA splits.
- Prior to a new NXX being implemented to an existing CLEC switch, furnish the CLEC E911 Notification Form to SCC according to the guidelines in Tab 3.

E911 COORDINATOR RESPONSIBILITIES

The on-going maintenance responsibilities for the E911 Coordinator are shown below:

- Notify SCC of MSAG changes which affect TN records.
- Resolve Address Verification Requests (AVR) referred by SCC/CLEC.
- Submit PSAP Inquiry Forms to SCC.
- Submit ESN realignments/new ESN requirements to the BST marketing contact.

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HEADER RECORD LAYOUT - BellSouth 512 FORMAT

SOIR File Header Record - BellSouth 512 Character Format for Data Exchange

Field Name	Position	Bytes	Type	BellSouth Description
HEADER INDICATOR	1-5	5	A	Always "UHL "
EXTRACT DATE	6-11	6	N	Date formatted as MMDDYY
COMPANY NAME	12-61	50	AN	
CYCLE COUNTER	62-67	6	N	New customers start at 000001; each subsequest file cycle is incremented by 1 until reaching 999999
COUNTY IDENTIFIER	68-71	4	AN	
STATE	72-73	2	A	
GENERAL USE	74-93	20	AN	
RELEASE NUMBER	94-96	3	N	
FORMAT VERSION	97	1	N	
RESERVED	98-511	414	AN	
END OF RECORD	512	1		Always "*"

Types: A= alphabetic; AN=alphanumeric; N=numeric NOTE: All fields are left-justified with trailing spaces.

TN RECORD LAYOUT – BellSouth 512 FORMAT

Note: All data will be left justified and space filled EXCEPT for the House Number field which is RIGHT-JUSTIFIED & SPACE filled. In those cases where there is no house number, the field will be space filled.

SOIR File Data Record - BellSouth 512 Character Format for Data Exchange

Sent to PSAP	Stored in Database	Field Name	Position	Bytes	Type	BellSouth Description
No	**No**	**FUNCTION CODE**	1	1	A	Type of activity the record is being submitted for. Valid entries: **C** – Change, **D** – Delete, **I** – Insert, **E** –Delete Error, **U** – Unlock (LNP), **M** – Migrate (LNP).
Yes	**Yes**	**NPA**	2-4	3	N	Three digit area code of the Calling Number.

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Sent to PSAP	Stored in Database	Field Name	Position	Bytes	Type	BellSouth Description
Yes	Yes	CALLING NUMBER (TN)	5-11	7	N	Seven digit telephone number of the Calling Number.
Yes *	Yes	HOUSE NUMBER	12-21	10	AN	House number. The field should be space filled if no house number is available. * Only 8 characters sent to PSAP.
Yes	Yes	HOUSE NUMBER SUFFIX	22-25	4	AN	House number extension (e.g., 1/2). The field should be space filled if suffix does not apply. Do not lead with hyphen.
Yes	Yes	PREFIX DIRECTIONAL	26-27	2	A	Leading street direction prefix.The field should be space filled if no prefix applies. Valid entries: N, S, E, W, NE, NW, SE, SW.
Yes *	Yes	STREET NAME STREET SUFFIX POST DIRECTIONAL	28-93	66	AN	MSAG valid service address of the Calling Number. Include street name, street suffix (i.e.thoroughfare designation) and post directional. Street Suffixes must conform MSAG standards; valid Post Directional entries are: N, S, E, W, NE, NW, SE, SW. * Only 48 characters sent to PSAP. EX: Main St NW
Yes *	Yes	COMMUNITY NAME	94-125	32	A	Valid service community of the street name/house number as designated by the MSAG. * Only 18 characters sent to PSAP.

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Sent to PSAP	Stored in Database	Field Name	Position	Bytes	Type	BellSouth Description
Yes	Yes	STATE	126-127	2	A	Alpha postal state abbreviation (e.g., AL, FL, GA, KY, LA, MS, NC, SC, and TN).
Yes *	Yes *	LOCATION	128-187	60	AN	Additional address information describing the exact location of the Calling Number. Although not edited, recommended BST standards should be used. (e.g., Apt 718). * Only 20 characters stored and sent to PSAP.
Yes	Yes	CUSTOMER NAME	188-219	32	AN	Subscriber name associated with the Calling Number.
Yes	Yes	CLASS OF SERVICE	220	1	AN	Valid values for CLEC: C = Business, D = Residence, E = Public Coin, F = Outdial Coin
No	Yes	TYPE OF SERVICE	221	1	N	Value of: 0=Not Non-Pub 3=Non-Pub
No	Yes	EXCHANGE	222-225	4	AN	Phone company exchange identifier for the serving telephone office of the customer; CLEC may be blank.
Yes *	Yes	ESN	226-230	5	AN	Emergency Service Number associated with the House Number and Street Name; this field is blank on input and derived from the MSAG validation process. * Only 3 characters sent to PSAP.
No	No	MAIN NPA	231-233	3	N	Area code of the Calling Number.

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Sent to PSAP	Stored in Database	Field Name	Position	Bytes	Type	BellSouth Description
Yes	Yes	MAIN NUMBER	234-240	7	N	Main telephone number associated with the Calling Number. (Same as Calling Number.)
No	Yes	ORDER NUMBER	241-250	10	AN	Service order number for the activity establishing this record.
No	Yes	EXTRACT DATE	251-256	6	N	Date on which the record was created in the format MMDDYY.
No	Yes	COUNTY IDENTIFIER	257-260	4	AN	County Identification code. Will be blank on input and derived from MSAG validation process.
Yes	Yes	COMPANY ID	261-265	5	AN	Company Identification code as assigned through NENA registration process.
No	Yes	SOURCE IDENTIFIER	266	1	AN	Code which indicates whether data is part of the initial database creation process or part of the daily update process. Daily=Space, Initial Load=C.
No	Yes	ZIP CODE	267-271	5	AN	Postal Zip Code.
No	Yes	ZIP + 4	272-275	4	AN	Postal Zip Code Extension.
No	No	GENERAL USE	276-286	11	AN	This field is mutually used by data exchange partners to pass information not defined in previous fields.

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Sent to PSAP	Stored in Database	Field Name	Position	Bytes	Type	BellSouth Description
No	Yes	CUSTOMER CODE	287-289	3	AN	Code used to uniquely identify a customer. For CLEC this code can be blank on input or filled with 999. TN processing will convert all blanks to 999.
No	Yes	COMMENTS	290-319	30	AN	Optional notes
No	No	X COORDINATE	320-328	9	AN	Reserved for future use. Longitude/X coordinate.
No	No	Y COORDINATE	329-337	9	AN	Reserved for future use. Latitude/Y coordinate.
No	No	Z COORDINATE	338-342	5	AN	Reserved for future use. Structure elevation.
No	No	CELL IDENTIFIER	343-348	6	AN	Reserved for future use. For Wireless, identification number indicating a geographic region of cellular coverage.
No	No	SECTOR IDENTIFIER	349	1	AN	Reserved for future use. For Wireless, subset/section of a cell.
No	Yes	TAR CODE	350-355	6	AN	Taxing Area Rate Code. CLEC will populate with zeros.
Yes	Yes	REMOTE CALL FOWARDING NUMBER	356-365	10	N	Remote Call Forward Number field; For use with INP. RCF will be sent to PSAP following field identifier of ALT#
No	No	RESERVED	366-511	146	AN	This field is reserved for the processing company's use.
No	No	END OF RECORD	512	1	AN	Always an asterisk (*)

Types: A= alphabetic; AN=alphanumeric; N=numeric NOTE: All fields are left-justified with trailing spaces.

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TRAILER RECORD LAYOUT - BellSouth 512 FORMAT

Field Name	Position	Bytes	Type	BellSouth Description
TRAILER INDICATOR	1-5	5	A	Always "UTL "
EXTRACT DATE	6-11	6	N	Date formated as MMDDYY
COMPANY NAME	12-61	50	AN	
RECORD COUNT	62-70	9	N	Does not include header and trailer record
RESERVED	71-511	441	AN	
END OF RECORD	512	1	AN	Always "*"

Types: A= alphabetic; AN=alphanumeric; N=numeric
NOTE: All fields are left-justified with trailing spaces EXCEPT for Record Count. *This field is right justified with trailing spaces*

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DATA PROCESSING FOR FUNCTION OF CHANGE CODE

FUNCTION OF CHANGE DATA VALUE:	PROCESSING RULES:
I	Insert this data record into the database. There must not be another data record with the same TN in the database or the insert will fail.
C	Change the corresponding record in the database. A data record must already exist in the database with the same TN. The entire database record is replaced by the new data record, therefore the incoming record must have all appropriate data fields populated.
D	Delete the corresponding record in the database. A data record must already exist in the database with the same TN.
E	Delete the corresponding record(s) in the Error File. No processing is performed against the E911 database.
M	Migrate the TN record from the donor NENA Company ID to the NSP NENA Company ID. (Used when the TN has been activated as a ported TN in NPAC.) The NSP will send the entire database record and include any changes in customer data.
U	Unlock the TN record from the donor NENA Company ID. (Used after notification of activation from NPAC.)

ADDRESS FORMATTING FOR 512 RECORD LAYOUT

There are basic guidelines for the format of the address on the incoming subscribers TN in order for the TN record to find an exact match to the existing record in the MSAG.

TN records that do not match the MSAG exactly will error back to the CLEC for the resolution and re-transmission of the TN data.

An example of an MSAG street in the E911 database is shown below:

MSAG SAMPLE

E911 MASTER STREET ADDRESS GUIDE
MUNICIPAL ADDRESSES

07/27/95
PAGE

0008
911 CUSTOMER: K07 POWELL COUNTY

DIR	STREET NAME	LOW NUMBER	HIGH NUMBER	O/E	COMMUNITY	ST	ESN	TELCO ID	DATE	EXCH
	POWELL RD	1-100			CLAY CITY	KY	043	5182	030295	SNTN
	POWELL VALLEY RD	1-211			CLAY CITY	KY	043	5182	030295	SNTN
E	RAILROAD ST	1-344			CLAY CITY	KY	043	5182	030295	SNTN
W	RAILROAD AV	1-400			CLAY CITY	KY	043	5182	030295	SNTN
W	RAILROAD ST	345-400			CLAY CITY	KY	043	5182	030295	SNTN
	REDBIRD ST	1-1010			CLAY CITY	KY	043	5182	030295	SNTN
	RIVER ST	1-99			CLAY CITY	KY	043	5182	030295	SNTN

The address for the TN record being submitted would be formatted to match the MSAG format as shown:

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ADDRESS FORMATTING FOR 512 RECORD LAYOUT (Continued)

CORRECT FORMAT

125 N MAIN ST SW CHARLOTTE

The SOIR will be formatted as follows:

HOUSE NUMBER = 125
DIRECTIONAL PREFIX = N
STREET NAME = MAIN ST SW (includes street name, thoroughfare, & street suffix)
COMMUNITY = CHARLOTTE

INCORRECT FORMAT

125 NORTH MAIN STREET SW CHARLOTTE
125 N MAIN STREET SW CHARLOTTE
125 NORTH MAIN ST SW CHARLOTTE

All of the above examples shown in the incorrect format would have generated an error back to the CLEC.

Some other basic rules or guidelines for address format are:

- Avoid using punctuation such as periods, commas, and/or ampersands. Punctuation is only allowed as part of the street name (i.e., O'Henry)
- Standard thoroughfare and/or directional abbreviations should always be used. Refer to the list of standard abbreviations shown in this tab.

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STANDARD THOROUGHFARE DESIGNATIONS/DIRECTIONALS

The following table outlines the BellSouth thoroughfare abbreviations.

T/F ABBREV	DESCRIPTION	T/F ABBREV	DESCRIPTION
ALY	ALLEY	LN	LANE
ANX	ANNEX	LOOP	LOOP
ARC	ARCADE	MKT	MARKET
AV	AVENUE	MRN	MANOR
BDWK	BOARDWALK	MT	MOUNT
BEND	BEND	MTN	MOUNTAIN
BLK	BLOCK	NK	NECK
BLVD	BOULEVARD	PASS	PASS
BR	BRANCH	PATH	PATH
BTM	BOTTOM	PD	POND
BYP	BYPASS	PK	PARK
CIR	CIRCLE	PKE	PIKE
CRES	CRESCENT	PKWY	PARKWAY
CRK	CREEK	PL	PLACE
CRSG	CROSSING	PLZ	PLAZA
CSWY	CAUSEWAY	PR	PIER
CT	COURT	PROM	PROM
CTR	CENTER	PT	POINT
CV	COVE	PVT DR	PRIVATE DRIVE
DR	DRIVE	RD	ROAD
ESPLND	ESPLANADE	RDG	RIDGE
EST	ESTATE	RDWY	ROADWAY
EXPWY	EXPRESSWAY	ROW	ROADWAY
EXT	EXTENSION	RT	ROUTE
FRK	FORK	RUN	RUN
FRWY	FREEWAY	SQ	SQUARE
GRDN	GARDEN	ST	STREET
HBR	HARBOR	STA	STATION
HL	HILL	TER	TERRACE
HLS	HILLS	THRWY	THRUWAY
HOLW	HOLLOW	TR	TRAIL
HT	HEIGHT	TRC	TRACE
HTS	HEIGHTS	TRNPK	TURNPIKE
HWY	HIGHWAY	VLG	VILLAGE
ISL	ISLAND	WAY	WAY
JCTN	JUNCTION	WHF	WHARF
LDG	LANDING	WK	WALK
LK	LAKE	YD	YARD

When "Avenue" precedes a street name that is a letter or number, it is not considered a thoroughfare designation and is, therefore, spelled in full. Refer to examples shown below.

When the name of a street is an alphabetic character, the word "Street" is spelled in full. Refer to the examples shown below.

Directional words, North (N), South (S), East (E), West (W), North East (NE), North West (NW), South East (SE), South West (SW) are abbreviated except when used as lettered streets. Refer to the examples shown below.

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STANDARD THOROUGHFARE DESIGNATIONS/DIRECTIONALS (continued)

Street Examples:

511	1ST
600	1ST STREET
411	1ST AV
512	1ST NE
622	22ND PL SW
733	33RD
733	N 33RD TER
985	NW 5TH CT
109	E STREET
735	AVENUE K
23	STREET A NE
25	SOUTH RD
60	NORTHEAST BLVD

STANDARD LOCATION DESIGNATIONS

A portion of the TN data record layout includes a field for additional location information. This field is not edited on incoming SOIRs for content, however, there are certain format standards that the PSAP customer is accustomed to viewing on the incoming call.

There are three (3) levels of identifiers used for different types of information. Those identifiers are shown as follows in the appropriate hierarchical level:

Level 1:	BLDG, WNG, PIER
Level 2:	FLR
Level 3:	APT, RM, LOT, SLIP, SUIT, UNIT

These identifiers may be used uniquely or combined. The identifiers and associated data cannot exceed the 20 character size limitation. Some examples are shown below:

EXAMPLE 1: APT 2-B

EXAMPLE 2: BLDG 6 APT 2-B

EXAMPLE 3: FLR 6 SUIT 2-B

If the existing TN record contains location information and the data is not changing, all subsequent SOIRs for that TN must recap the location information. If the location data is not recapped on the incoming SOIR being processed, it is assumed that the existing location data is to be removed and the current SOIR will overwrite the existing record to remove the data.

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ELECTRONIC TRANSFER OF DATA

The electronic transfer of subscriber data is managed between the CLEC, SCC and the BST CLEC E911 Implementation Manager.

After reviewing this document, the CLEC should contact the BST CLEC E911 Implementation Manager to discuss electronic connection to SCC. The BST CLEC Implementation Manager will notify SCC of the CLECs' readiness to send data. At that point the CLEC and SCC will discuss various electronic data transfer protocols and minimum system requirements and establish a firm date to begin sending test data. SCC will handle ongoing support for electronic transmission of data.

MECHANIZED FILE CONFIRMATIONS

When a file is sent, a check will be made to determine if any errors exist in the header, data, or trailer records. If no errors are detected, a positive response will be sent via fax to the CLEC. The fax number will be obtained from the TN header record. The positive confirmation detail record is shown below:

BELLSOUTH E911 FILE NOTIFICATION	
4046144916	(BELLSOUTH CONTACT NUMBER)
DATE/TIME FILE PROCESSED	(MM/DD/YYYY HH:MM:SS)
CYCLE # RECEIVED	(JULIAN DATE - 3 NUMERICS)
TOTAL # RECORDS RECEIVED	(6 NUMERICS)

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If an error is detected, an error confirmation notice will be sent via fax. The following error conditions will be detected:

- Record Count Mismatch
- Cycle Mismatch
- Header Record Not Found
- Trailer Record Not Found
- Invalid SYSID in Trailer
- RCF # Non-Numeric

The error confirmation notice will be sent via fax if one of the error conditions above are detected. Although a File Error Notification is sent for the error condition "RCF # Non-Numeric", the file will still be processed to the TSS database. The file will not be processed if the other error conditions are detected. The error confirmation record is shown below.

BELLSOUTH E911 FILE NOTIFICATION	
4046144916	(BELLSOUTH CONTACT NUMBER)
DATE/TIME FILE PROCESSED	(MM/DD/YYYY HH:MM:SS)
ERROR TEXT	
CYCLE # RECEIVED	(JULIAN DATE - 3 NUMERICS)
CYCLE # EXPECTED	(JULIAN DATE - 3 NUMERICS)
TOTAL # RECORDS RECEIVED	(6 NUMERICS)

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TAB 6

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ERROR RESOLUTION

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OVERVIEW

This section provides procedures for correcting errors that are generated when updates to the E911 database do not pass database edits. CLEC records that fail the edits will be sent daily in an error report to the CLEC. Errors are sorted in TN order and an error code is provided on each error to aid the CLEC in identifying the erroneous information.

CLEC error records will not be manually corrected or processed to the E911 database. A corrective SOIR must be issued to update the TN information in the E911 database and/or to delete the error record as appropriate. The records which error must be corrected as quickly as possible for the subscriber's data to be included in the E911 database.

The CLEC carrier is expected to resolve the errors by:

- Issuing Address Verification Request's (AVR) to the E911 Coordinator, when applicable, for MSAG changes.
- Issuing corrective SOIRs **within 24 hours of receipt**.

DISTRIBUTION OF DAILY ERRORS

TN Errors will be sent to the CLEC each day electronically or via fax. A message will also be sent to reflect that no errors were found. Saturday and Sunday errors will be included in Monday's cycle. Each CLEC is responsible for keeping SCC apprised of any FAX number changes so that errors can be delivered in a timely manner. These changes should be made in writing by either a letter or noting the change in Fax number on the CLEC E911 Notification Form found in Tab 3. The CLEC also has the option of receiving daily reports, including error reports, electronically via SCC Connect. Contact the BST CLEC Implementation Manager for information related to establishing SCC Connect.

ERROR RECORD LAYOUT

In order to assist the CLEC in error resolution for error codes 702, 710, 711, 713 and 755 an image of the existing E911 database record is provided with the error. All other error codes will contain a copy of the error record only. The image record appears immediately above the SOIR error record and is separated from the error record with dashes (i.e. ------). Each individual error is separated from another error record with a solid line (i.e. _____). A page break will occur after the error and not after the image record, so the last record on a page will always be an error.

The error record in this sample is an error with the associated image record as it appears in the E911 database.

```
TN 101-555-3300  CUS CODE 999                    CS D    TYPE SVC 0
HOUSE # 111
DIR   STREET MAPLE LN
LOCATION                                  MAIN ACCOUNT 101-555-3300
COMMUNITY ANYTOWN                         EXCH ANTN    STATE KY
NAME   SMITH, JACK                 COMMENT NRF
TANDEM CLLI ANTNKYMACGO ESN 002 TANDEM ESN 002 TELCO   11 TAR 000817
911 CUST ID K04   SO#                      SO REC DATE
LAST MOD TNUSIPUS 07-29-93 11:00:00   CP DATE                USERID MARTIN
-------------------------------------------------------------------------------
ACT CODE I  ERR1- 702 INS NOT ALLOWED; RECORD ALREADY EXIS   ERR2-  ERR3-
TN 101-555-3300     CUS CODE 999      CS G   TYPE SVC 0  BATCH-SEQ  5710012001-109
HOUSE # 111                               LOCATION
DIR      STREET MAPLE LN
COMMUNITY  ANYTOWN                        EXCH ANTN  STATE KY   TAR 000817
NAME   SMITH, JACK                 MAIN ACCOUNT 101-555-3300  SO# NP2T55
COMMENT          SO EXT DATE 07-30-93          SO REC DATE 07-30-93
LAST MOD TNUSIPUS  07-30-93 22:58:02   CP DATE 07-30-93        USERID
```

ERROR RECORD LAYOUT

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The TN Error record fields and allowable values are explained below:

1. ACT CODE — Action code. Valid codes are: I-Insert Line, C=Change, D=deletes a TN, E=deletes an error record, M=migrates an existing TN to a different NENA Company ID, U=unlocks an existing TN from the current NENA Company ID

2. ERR 1/2/3 — The first error condition encountered in processing the service order; the error codes are defined in this TAB; additional errors may be detected on the same SOIR and the error codes will be populated in ERR2 and ERR3

3. TN — The 10 digit telephone number

4. CUS CODE — 3 digit customer code; will always be 999

5. CS — Class of service. Valid codes are:

Business Customer = C	Residence Customer = D
Public Coin Customer = E	Outdial Coin Customer = F

6. TYPE SVC — Type of service. Valid codes are:

0=Published
3=Non-published

7. BATCH-SEQ — A programmatic number assigned by SCC to identify the internal location of the error in the E911 database.

8. HOUSE # — The house number may be 8 alpha/numeric characters, is right justified with leading spaces. If the customer has no house number, this field should be left blank.

9. LOCATION — Additional address information, can be up to 20 characters. (Refer to TAB 4 for a description of the standard location designations.)

10. DIR — Directional prefix, may be 1 or 2 characters. Valid entries are: "E", "N", "S", "W", "NE", NW", "SE", "SW"

11. STREET — Street name may be up to 66 characters; thoroughfare designation may be up to 6 alpha characters. BellSouth standard thoroughfare abbreviations should be used. (Refer to TAB 4 for BST abbreviations) This field may also contain a directional suffix. Valid entries are "E", "N", "S", "W", "NE", "NW", "SE", "SW". This field may not be blank and must match an entry in the MSAG. (Note: The PSAP is sent only 48 characters for display.)

12. COMMUNITY — A 32 character field containing the fully spelled community name.

13. EXCH — A 3 or 4 character code containing the exchange code of the main account. This will be sent as blank and derived from the MSAG.

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ERROR RECORD LAYOUT (continued)

14. STATE	A two character state code indicating the state where the line resides. Valid entries are: "AL", "KY", "LA", "MS", "TN", "GA", "SC", "NC", "FL".
15. TAR	Six digit Taxing Area populated with zeros.
16. NAME	A thirty-two character field containing the listed name of the customer account. This field may not be blank.
17. MAIN ACCOUNT	A 10 digit telephone number which should be the same as the TN in item #3.
18. SO#	The service order number if present on the SOIR. If not this field will be blank.
19. COMMENT	Comment field used by SCC. May be used to explain why the update was made to the database, i.e., "NRF".
20. SO REC DATE	Date the update is applied to the database.
21. LAST MOD	Last modified. The program ID, date and time of the update to the database.
22. CP DATE	The completion date of the service order.
23. USERID	The user ID of the SCC employee making the update to the database.

TN ERROR DELETION

When a CLEC SOIR is processed, a check is made to determine if an error record exists in the error file for the TN on the SOIR. If an error record other than a U (Unlock) or M (Migrate) exists, the error record will be deleted and the TN will be processed to the E911Database if the subsequent SOIR is successful. If an error other than for a U (Unlock) or M (Migrate) SOIR occurs while processing the subsequent SOIR, a new error record will be written to the error file, thus only one SOIR record should ever be present in the error file for any given TN.

TN error records requiring deletion will be deleted by issuing a subsequent SOIR with an FOC = "E". When the FOC ="E" on the subsequent SOIR, the error file will be searched for a match on TN and, if found, the error will be deleted from the error file. SOIRs that are sent with a FOC of "E" are used ONLY to delete a TN from the error file and are not processed to a matching TN embedded record in the E911 database. An example of a situation where an "E" FOC might be used is to delete a TN error record where the original SOIR had been sent with an invalid TN.

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ERROR CODES AND ERROR DESCRIPTIONS

The following error codes may be generated and sent via fax. **NOTE: If an error code is received that is not reflected in this guide, please refer to the BST CLEC E911 Implementation Manager.**

Error	Description
100	Customer Code not numeric
101	NPA/NXX not valid
103	Main TN not numeric
105	Name Missing
106	Address Missing
107	House number contains invalid characters
108	House number is too long
109	Street Direction is too long
110	Street Direction is invalid
111	Street name is too long
112	Street name has invalid characters
113	Community Name is too long
114	Community Name has invalid characters
115	Service class invalid
116	House Number Suffix is too long
120	TN is incorrectly formatted
126	Invalid type of service
701	House number is not in MSAG range
702	Record already exists, insert not allowed
704	Record does not exist for delete
705	Main record not found for delete
709	Street not found in MSAG
710	Customer code doesn't match on change
711	Customer code or street name does not match on delete
712	Record does not exist for change
713	TN and Main Account mismatch
729	Change failed, completion date conflict with disconnect file
730	Insert failed, completion date conflict with disconnect file
731	Change failed, completion date conflict with TN database
732	Record in disconnect with greater completion date
735	Delete failed, record in TN database has same completion date
738	MSAG update caused TN error
739	Invalid house number format
741	Update not allowed; flagged for PS/ALI
751	Invalid Function Code
752	Invalid Company ID
753	No record exists on Unlock
754	No record exists on Lock
755	Unable to migrate a locked record
756	Company Code mismatch on Change
757	Company Code mismatch on Delete
758	Company ID mismatch on Unlock
760	Lock exceeded number of retries
762	U or M Function Required for LNP
781	Error record does not exist for delete
782	Company Code mismatch on error delete
783	Unlock failed; Main account has sublines
792	Record exists with a Company Code mismatch

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ERROR CODES AND CORRECTIVE ACTION

Error Code	Error Message	Occurs when...	Corrective Action for CLEC
100	Customer Code not numeric	A character other than 999 is sent in the customer code field of the incoming record	Issue corrective SOIR for errored TN showing 999 in the customer code field
101	NPA/NXX not valid	The incoming record contains a NPA/NXX combination that is not valid E911 database tables	Determine if NPANXX is correct and • If correct, submit CLEC E911 Notification Form to SCC (See Tab 3) and resubmit I FOC SOIR for TN • If incorrect, submit E FOC SOIR to delete TN error and submit new SOIR for correct TN
103	Main TN not numeric	The main telephone number shown on the SOIR is non-numeric	Submit E FOC SOIR to delete invalid TN error and resubmit new SOIR for correct TN
105	Name missing	The customer name field on the incoming SOIR is blank	Issue corrective SOIR for errored TN with correct customer name
106	Address missing	The address field on the incoming SOIR is blank	Issue corrective SOIR for errored TN with correct MSAG valid street address.
107	House number contains invalid characters	The house number on the incoming SOIR contains characters other than alpha or numeric.	Determine the correct MSAG valid house number and submit corrective SOIR for errored TN
108	House number is too long	The house number on the incoming SOIR contains too many characters	Determine the correct MSAG valid house number and submit corrective SOIR for errored TN
109	Street direction is too long	The directional prefix for the street on the incoming SOIR contains too many characters	Determine the correct MSAG valid street name and submit corrective SOIR for errored TN
110	Street direction is invalid	The directional prefix for the street on the incoming SOIR contains invalid characters	Determine the correct MSAG valid street name and submit corrective SOIR for errored TN
111	Street name is too long	The street name with thoroughfare and suffix on the incoming SOIR contains too many characters	Determine the correct MSAG valid street name and submit corrective SOIR for errored TN
112	Street name has invalid characters	The street name for the street on the incoming SOIR contains invalid characters	Determine the correct MSAG valid street name and submit corrective SOIR for errored TN
113	Community name is too long	The community name on the incoming SOIR contains too many characters	Determine the correct MSAG valid community name for the street address and submit corrective SOIR for errored TN

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Error Code	Error Message	Occurs when...	Corrective Action for CLEC
114	Community name has invalid characters	The community name for the street on the incoming SOIR contains invalid characters	Determine the correct MSAG valid street name and community and submit corrective SOIR for errored TN
115	Service Class Invalid	The incoming record contains a class of service other than C, D,E,F and the NPA/NXX is identified as a CLEC.	Submit corrective SOIR with valid class of service C, D, E or F
116	House number suffix is too long	The house number suffix on the incoming SOIR contains too many characters	Determine the correct house number suffix and submit corrective SOIR for errored TN
120	TN is incorrectly formatted	The TN on an incoming SOIR is not made up of ten numeric characters.	Check the NPANXX in the record for all numeric and no blanks. Submit E FOC with NPANXX of errored TN to delete error record then re-submit SOIR with correct TN
126	Invalid type of service	The type of service on an incoming SOIR contains a type of service value other than 0 or 3	Submit SOIR with valid type of service, 0 or 3
701	House number is not in MSAG range	The house number on the incoming SOIR is not found in the house number range for the street and community on the MSAG	Determine if the street range exists in the MSAG. • If the house number on the SOIR is correct but is not in the MSAG, issue an AVR to the E911 coordinator to update the MSAG house number range • If the house number on the SOIR is incorrect issue a SOIR with the correct house number that matches the MSAG house number range
702	Record already exists, insert not allowed	The SOIR has a FOC of I and attempts to insert a TN into the database that already exists	Using the image of the existing record that is sent with the error, determine if the existing database TN is incorrect or if the SOIR error is incorrect. • If the existing database TN is incorrect, resubmit the SOIR with a FOC of C to overlay the existing data with the SOIR data • If the error record TN is incorrect, resubmit a SOIR with FOC of E to delete the errored record and then resubmit another SOIR for the correct TN

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Error Code	Error Message	Occurs when...	Corrective Action for CLEC
704	Record does not exist for delete	The TN for the incoming SOIR does not exist in the database	Determine if the account has been disconnected: • If disconnected, submit E FOC SOIR to delete error record • If error record was issued for invalid TN, submit E FOC SOIR to delete error record and resubmit new D FOC SOIR for correct TN
705	Main account record not found for delete	The main account TN on the incoming SOIR does not exist in the database	Determine if the account has been disconnected: • If disconnected, submit E FOC SOIR to delete error record • If error record was issued for invalid TN, submit E FOC SOIR to delete error record and resubmit new D FOC SOIR for correct TN
709	Street not found in MSAG	The directional prefix, street name, community or state on the incoming SOIR cannot be found in the MSAG	Determine if the street exists in the MSAG: • If the prefix, street, community and state shown on the error record is not found in the MSAG issue an AVR to the E911 Coordinator to have the MSAG updated (Note: Once the MSAG is updated the error record will process and load.) • If the prefix, street, community or state on the error record is incorrect and a valid MSAG entry exists, resubmit a corrective SOIR
710	Customer code doesn't match on change	The customer code shown for the incoming SOIR doesn't match the customer shown on the existing database record	Determine the correct customer code and resubmit corrective SOIR with customer code of 999 or blanks
711	Customer code or street name does not match on delete	The customer code, directional prefix, street name and suffix on the incoming SOIR does not match the TN in the database	Using the image of the existing record that is sent with the error, determine if the TN in the database should be deleted • If the existing database TN is should be deleted, resubmit a correct D FOC SOIR • If the existing database TN should not be deleted and the error record TN is incorrect, resubmit a SOIR with FOC of E to delete the errored record and then resubmit another SOIR for the correct TN

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Error Code	Error Message	Occurs when...	Corrective Action for CLEC
712	Record does not exist for change	The incoming C FOC SOIR TN is not found in the TN database	Determine if the error record TN is valid: • If error record TN is valid, no action is necessary. Processing in the TN database will change the C FOC to an I FOC and insert the record. • If the error record TN is invalid, resubmit a D FOC SOIR to delete the TN from the TN database and then resubmit the C FOC SOIR for the correct TN
713	TN and main account mismatch	The main account shown on the incoming SOIR doesn't match the main account shown on the database record. (NOTE: This error will occur frequently if the CLEC attempts to use main account/sub account processing.)	Submit D FOC on existing database record to delete TN with different main account and IFOC with appropriate changes on corrective SOIR showing the TN and the main account as the same number.
729	Change failed, completion date conflict with disconnect file	An incoming SOIR contains a completion date that is equal to or earlier that the completion date of the record that has been deleted	Determine if TN is valid and should be changed • If TN is valid submit corrective SOIR with changes showing a completion date that is later than the disconnect date • If the TN is invalid, submit E FOC to delete error record
730	Insert failed, completion date conflict with disconnect file	The incoming insert SOIR is for a TN that has been disconnected and the date on the insert SOIR is the same or prior to the date of the disconnected TN.	Determine if the insert record should have posted prior to the disconnect: • If yes, issue E FOC SOIR to delete the error record • If no, issue resubmit I FOC SOIR with completion date later than disconnect date
731	Change failed, completion date conflict with TN database	The incoming change SOIR has a completion date that is the same or prior to the date of the TN shown in the database	Determine the correct sequence of order activity for the TN: • If the error record change is correct, resubmit C FOC SOIR with later completion date • If error record is incorrect, submit E FOC SOIR to delete error record
732	Record in disconnect with greater completion date	The incoming change SOIR has a completion date that is the same or prior to the date of the TN in the disconnect file	Determine the correct sequence of order activity for the TN: • If the error record change is correct, resubmit C FOC SOIR with later completion date • If error record is incorrect, submit E FOC SOIR to delete error record
735	Delete failed, record in TN database has same completion	The incoming delete SOIR has a completion date that is the same completion date	Determine the correct sequence of order activity for the TN: • If the error record delete is correct,

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Error Code	Error Message	Occurs when...	Corrective Action for CLEC
		of the TN in the database	resubmit D FOC SOIR with later completion date • If error record is incorrect, submit E FOC SOIR to delete error record
738	MSAG update caused a TN error	This error is not generated as a result of incoming SOIR but is generated when SCC performs a MSAG update that deletes the address shown on the TN record	Contact SCC Data Analyst for resolution.
739	Invalid house number format	The incoming SOIR contain special or invalid characters for an alpha or alphanumeric house number	Determine correct house number for TN and resubmit correct SOIR
741	Update not allowed, flagged for PS-ALI/PinPoint	The TN on the incoming SOIR belongs to a TN that is shown for a PS/ALI or PinPoint PBX customer	Submit E FOC SOIR to delete error record
751	Invalid function code	The incoming SOIR contains an invalid function code. Valid function codes are: C=CHANGE D=DELETE I=INSERT E=DELETE ERROR U=UNLOCK M=MIGRATE	Resubmit the SOIR with valid function code
752	Invalid company ID	The incoming SOIR contains an invalid NENA ID	Resubmit the SOIR with a valid NENA ID
753	No record exists on unlock	The TN on the incoming unlock SOIR does not exist in the TN database	Determine if the correct TN was sent on the error record: • If correct, submit IFOC SOIR for TN and then resubmit U FOC SOIR • If incorrect, submit E FOC SOIR to delete error record
754	No record exists on lock	The TN on the incoming Migrate SOIR does not exist in the database.	Determine if the error record TN is valid: • If error record TN is valid, no action is necessary. Processing in the TN database will change the M FOC to an I FOC and insert the record. • If the error record TN is invalid, resubmit a E FOC SOIR to delete the error record
755	Unable to migrate locked record	The TN in the database for the incoming Migrate SOIR shows a locked status	Determine if the error record TN is valid: • If valid, contact the donor company to issue an unlock SOIR. The error record will process once the unlock SOIR is received.

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Error Code	Error Message	Occurs when...	Corrective Action for CLEC
			• If the error record TN is invalid, resubmit a E FOC SOIR to delete the *error record*
756	Company code mismatch on change	The NENA ID on the incoming C FOC SOIR does not match the NENA ID of the TN record in the database	Determine if the error record NENA ID is valid: • If valid, contact the donor company to issue an unlock SOIR and resubmit the SOIR as a M FOC with the appropriate changed data • If the error record NENA ID is invalid, resubmit a E FOC SOIR to delete the error record
757	Company code mismatch *on delete*	The NENA ID on the incoming D FOC SOIR does not match the NENA ID of the TN record in the database	Determine if the error record NENA ID is valid: • If valid, contact the donor company to issue an unlock SOIR and resubmit the SOIR as a M FOC to migrate the record and the a subsequent D FOC to delete the TN record • If the error record NENA ID is invalid, resubmit a E FOC SOIR to delete the error record

758	Company code mismatch on unlock	The NENA ID on the incoming U FOC SOIR does not match the NENA ID of the TN record in the database	Determine if the error record NENA ID is valid:
			• If valid
			  • contact the donor company to issue an unlock SOIR
			  • resubmit the SOIR as a M FOC to migrate the record
			  • resubmit a subsequent U FOC to unlock
			• If the error record NENA ID is invalid, resubmit a E FOC SOIR to delete the error record

760	Lock exceeds number of retries	The 755 error for a Migrate order is unsuccessful for 30 days	No action required. SCC will take appropriate action based on dial tone ownership as shown in NPAC. CLEC will receive notification of action taken for the TN on the weekly NPAC Validation report.
762	NENA ID required for U or M FOC SOIR	The incoming U or M SOIR does not have a valid 3 to 5 digit NENA ID	Submit E FOC to delete SOIR record from error Resubmit correct U or M SOIR with valid NENA ID
781	Error record does not exist for delete	The incoming E FOC TN cannot be found in the error database	Verify the TN on the E FOC SOIR record matches the TN in the error database: ▪ If TN matches, no action required. The errored record has been previously deleted or resolved. ▪ If TN doesn't match re-submit E FOC SOIR for correct TN

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Error Code	Error Message	Occurs when...	Corrective Action for CLEC
782	Company code mismatch on error delete	The incoming E FOC TN contains a NENA company ID that does not match the NENA ID shown on the TN in the error database	Verify the NENA ID on the E FOC SOIR record matches the TN in the error database: ▪ If NENA ID matches, no action required. The errored record has been deleted or resolved. ▪ If NENA ID doesn't match re-submit E FOC SOIR for correct NENA ID
783	Unlock failed; main account has sublines	The incoming U FOC TN is in the database as a main account with other TNs shown as sublines but no U FOC was received on the sublines (Note: Since the CLEC main account and Calling number TN are to be the same TN, this error would be received only if the TN in the database had been submitted with a different main account on a previous SOIR.)	There are two possible corrective actions: (1) If all accounts shown with the main account are to be unlocked submit a U FOC for each TN associated with the original main account. (2) If all accounts are not to be unlocked submit a D FOC for the existing subline showing the erroneous main account and then resubmit an I FOC for the TN shown with the Calling number TN as the main account.
792	I FOC record exists with a different Company ID	The TN shown on the I FOC SOIR has a different NENA Company ID than the existing TN in the database	Verify the TN on the errored record: ▪ If the TN is correct and is to be migrated, submit an E FOC on the error record SOIR and then resubmit a corrective SOIR with appropriate record changes as a M FOC ▪ If the TN on the error record is incorrect, submit an E FOC to delete the error record.

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TN ERROR CORRECTION ESCALATION PROCEDURES

As stated earlier in this tab, it is imperative that all errors must be corrected as soon as possible. Until an error is corrected, the information for that subscriber will either be in the database incorrectly or not in the database at all. This could result in E911 calls being directed to the wrong PSAP and having to be transferred to the appropriate PSAP.

The following procedures have been established in an effort to ensure errors are resolved in an expeditious manner:

1. An error occurs when updates to the E911 database do not pass database edits. Errors are sent to the CLEC on a daily basis. Errors are sorted in TN order and an error code is provided on each error to aid the user in identifying the erroneous information.
2. When an error remains uncorrected in the database for 16 days, a letter will be sent to the CLEC with a list of their errors that are over 15 days old for correction. The SCC Data Analyst will send this letter to their CLEC counterpart. (TN error correction letter # 1)
3. When an error remains uncorrected in the database for 31 days, a letter will be sent to the CLEC with a list of their errors that are over 30 days old, for correction. The SCC Database Supervisor will send this letter to their CLEC counterpart. (TN error correction letter # 2)
4. When an error remains uncorrected in the database for 46 days, a letter will be sent to the CLEC with a list of their errors that are over 45 days old for correction. The SCC Database Manager will send this letter to the BellSouth CLEC E911 Implementation Manager for escalation. (TN error correction letter # 3)

The BellSouth CLEC E911 Implementation Manager will obtain the contacts for step 3 from the CLEC.

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TN ERROR CORRECTION LETTER #1

DATE:

TO: CLEC

FROM: (ANALYST'S NAME & PHONE NUMBER)
SCC Communications, Inc.

SUBJECT: PENDING E911 ERRORS

Attached is a list of account errors for your company which are currently in error status in the E911 database which are over 15 days old.

As a reminder, accounts that are in error are not available for retrieval in the event of an emergency call. We need your assistance in ensuring that corrections are made in a timely manner by reviewing the attached list and make corrections as appropriate. If MSAG changes are required, please contact the appropriate County coordinator or I may be contacted for assistance in notifying the County.

Your help with this matter is appreciated.

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TN ERROR CORRECTION LETTER #2

DATE:

TO: CLEC

FROM: (DIU SUPERVISOR & PHONE NUMBER)
SCC Communications, Inc.

SUBJECT: PENDING E911 ERRORS

On (ENTER DATE) a list of outstanding E911 errors over 15 days old was sent to your company for correction. Included in the attached list are errors that are now over 30 days old. Your immediate attention to these errors is required. Someone's life could depend on it. Each subscriber listed will not be included in the E911 database until such time as the error is resolved. If an emergency call is made from that account, the attendant would have voice contact only but no ALI information.

If MSAG changes are required, please contact the appropriate County coordinator or I may be contacted for assistance in notifying the County.

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TN ERROR CORRECTION LETTER #3

DATE:

TO: BST INTERCONNECTION SERVICES CLEC IMPLEMENTATION MANAGER

FROM: (Director of Data Operations & Phone Number)
SCC Communications, Inc.

SUBJECT: PENDING E911 ERRORS

The attached list of errors for (ENTER CO NAME)_____ were escalated on _____and on _____ for resolution. As of today's date, the attached errors are now over 45 days old.

I would appreciate your help by providing escalation of this matter to the Carrier company within 10 days. Please contact me if assistance is needed.

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TAB 7

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LNP PROCESSES

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OVERVIEW

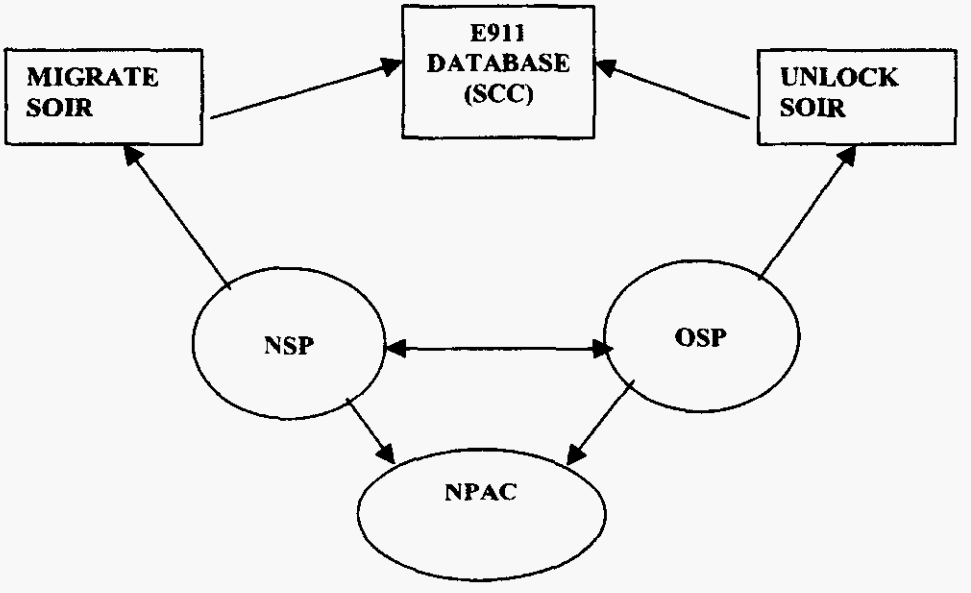
As mandated by the Telecommunications Act of 1996, subscribers, regardless of their current local service provider, will be able to choose the local service provider of their choice and retain their current telephone number.

The E911 database has been modified to accommodate this change so that the PSAP display reflects the current local service provider company. There are two new FOC (function of change) codes, U and M that accomplish this.

The current local service provider will issue a service order which will allow the TN record to be "unlocked" (U) or available. The new local service provider will issue an update on the TN to "lock" (M) the record with the information for the new company. Reports, shown in this tab are available to the CLEC for review and handling as appropriate.

The CLEC is **fully responsible** for submitting the needed U or M as appropriate to update the E911 database. In order to protect the integrity of the E911 data, SCC and BST has also implemented a validation process using the NPAC (Number Portability Administration Center) database to identify the correct dial tone owner. The U and M process, the error processes and the NPAC validation processes are discussed in detail in this tab.

The high level chart shown below depicts the LNP/E911 service order process:



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DAILY ERROR REPORT FORMAT

The error report is faxed daily to the CLEC for investigation and resolution. CLEC LNP E911 errors are resolved using the SOIR processes as outlined in the section for LNP error resolution.

```
ACT CODE M ERR1-755 UNABLE TO MIGRATE LOCKED REC     ERR2-     ERR3-
OSP BELSO
TN 101-555-3300     CUS CODE 999     CS C     TYPE SVC 0     BATCH #
57100120001-109
HOUSE # 111                          LOCATION
DIR        STREET MAPLE LN
COMMUNITY ANYTOWN                                  EXCH ANTN
STATE KY    TAR 00817
NAME SMITH, JACK                                   MAIN ACCOUNT
101-555-3300 SO# NP2T55
COMMENT
SO REC DATE 07-30-93
LAST MOD TNUSIPUS 07-30-93 22:58:02    CP DATE 07-30-93    USERID
```

The example shown depicts the 755 error that includes the OSP ID in the upper left corner. This information is provided for the CLEC as the NSP to determine why the record is not unlocked from the donor company. Other error codes do not contain this information and will be formatted as shown in Tab 6.

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LNP ERROR CODES AND CORRECTIVE ACTION

Error Code	Error Message	Occurs when...	Corrective Action for CLEC
751	Invalid function code	The incoming SOIR contains an invalid function code. Valid function codes are: C=CHANGE D=DELETE I=INSERT U=UNLOCK M=MIGRATE	If TN is in locked status • Resubmit the SOIR with valid function code If TN is in unlocked status • Resubmit SOIR with M FOC and any appropriate changed data
752	Invalid company ID	The incoming SOIR contains an invalid NENA ID	Resubmit the SOIR with a valid NENA ID
753	No record exists on unlock	The TN on the incoming unlock SOIR does not exist in the TN database	Determine if the correct TN was sent on the error record: • If correct, submit IFOC SOIR for TN and then resubmit unlock SOIR • If incorrect, submit E FOC SOIR to delete error record
754	No record exists on lock	The TN on the incoming Migrate SOIR does not exist in the database.	Determine if the error record TN is valid: • If valid, no action is necessary. Processing in the TN database will change the M FOC to an I FOC and insert the record. • If invalid, resubmit a E FOC SOIR to delete the error record
755	Unable to migrate locked record	The TN in the database for the incoming Migrate SOIR shows a locked status	Determine if the error record TN is valid: • If valid, contact the donor company to issue an unlock SOIR. The error record will process once the unlock SOIR is received. • If invalid, resubmit a E FOC SOIR to delete the error record
756	Company code mismatch on change	The NENA ID on the incoming C FOC SOIR does not match the NENA ID of the TN record in the database	Determine if the error record NENA ID is valid: • If valid, contact the donor company to issue an unlock SOIR and resubmit the SOIR as a M FOC with the appropriate changed data • If invalid, resubmit a E FOC SOIR to delete the error record
757	Company code mismatch on delete	The NENA ID on the incoming D FOC SOIR does not match the NENA ID of the TN record in the database	Determine if the error record NENA ID is valid: • If valid, contact the donor company to issue an unlock SOIR and resubmit the SOIR as a M FOC to migrate the record and the a subsequent D FOC to delete the TN record • If invalid, resubmit a E FOC SOIR to delete the error record

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Error Code	Error Message	Occurs when...	Corrective Action for CLEC
758	Company code mismatch on unlock	The NENA ID on the incoming U FOC SOIR does not match the NENA ID of the TN record in the database	Determine if the error record NENA ID is valid. If valid: • Contact the donor company to issue an unlock SOIR • Resubmit the SOIR as a M FOC to migrate the record • Resubmit a subsequent U FOC to unlock If invalid: • Resubmit a E FOC SOIR to delete the error record
760	Lock exceeds number of retries	The 755 error for a Migrate order is unsuccessful for 30 days	No action required. SCC will take appropriate action based on dial tone ownership as shown in NPAC. CLEC will receive notification of action taken for the TN on the weekly NPAC Validation report.
761	Pilot company code mismatch	The incoming SOIR for a subline TN has a different NENA ID than the main account NENA ID	Determine if the error record NENA ID for the TN is valid. If valid: • contact the donor company to issue an unlock SOIR on the main account TN • submit a M FOC SOIR for the main account If invalid: • resubmit a E FOC SOIR to delete the error record
762	NENA ID required for U or M FOC SOIR	The incoming U or M SOIR does not have a valid 3 to 5 digit NENA ID	Resubmit U or M SOIR with valid NENA ID
792	I FOC record exists with a different Company ID	The TN shown on the I FOC SOIR has a different NENA Company ID than the existing TN in the database	Verify the TN on the errored record: • If the TN is correct and is to be migrated, submit an E FOC on the error record SOIR and then resubmit a corrective SOIR with appropriate record changes as a M FOC • If the TN on the error record is incorrect, submit an E FOC to delete the error record.

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NPAC VALIDATION PROCESS

The business goal of E911/LNP is to accurately display to the PSAP the correct dial tone owner company information in case of an emergency call. In support of that business goal, SCC and BST implemented a LNP E911 process with reports to ensure that the dial tone ownership of the E911 database record is accurate in the event that the normal SOIR process is delayed. ***The new processes do not circumvent the CLEC's or BellSouth's responsibility to issue all appropriate Migrate and/or Unlock orders to SCC and to handle errors as they are received.***

A 755 Migrate error will now remain in an error status for a period of 30 days awaiting the corresponding unlock SOIR. This allows the donor and /or the recipient company additional time to receive and process the NPAC activate message and issue the corresponding record to SCC.

Once a 755 error has transitioned to a 760 error at the expiration of a 30-day interval, SCC will do an NPAC validation on the migrating TN. Based on the dial tone ownership as shown in NPAC, SCC will either (1) unlock the donor record so that the migrating record will be processed or (2) delete the 760 error caused by a migrating order that has not been activated in NPAC or (3) relock a record to the donor company or (4) change the company ID to the correct dial tone owner.

SCC will review all migrate and/or unlock service orders received after validation and processing for applicability.

NPAC VALIDATION REPORT

A report of NPAC validation activity has been developed for the CLECs' use in investigation and correction of their end user records to match the information as shown in NPAC. The report format, description of columns and suggested action for investigation is shown.

NPAC VALIDATION REPORT FORMAT

Delivered: xx/xx/xx **LNP/E911 NPAC VALIDATION REPORT** **Week of: xx/xx**
COMPANY ID: CLECX

Migrates Deleted	Delete Date	Migrates Completed	Migrate Date	Unlocked TNs	Unlock Date	Relocked TNs	Relock Date	NENA ID Changed	Date
206-555-0911	2/27/00	206-555-0911	2/27/00	206-555-0911	2/27/00	206-555-0911	2/27/00	206-555-0911	2/27/00
206-555-0911	2/27/00	206-555-0911	2/27/00	206-555-0911	2/27/00	206-555-0911	2/27/00	206-555-0911	2/27/00
206-555-0911	2/28/00	206-555-0911	2/28/00	206-555-0911	2/28/00	206-555-0911	2/28/00	206-555-0911	2/27/00
206-555-0911	2/28/00	206-555-0911	2/28/00			206-555-0911	2/28/00	206-555-0911	2/27/00
206-555-0911	2/29/00	206-555-0911	2/29/00			206-555-0911	2/29/00	206-555-0911	2/27/00
206-555-0911	2/29/00	206-555-0911	2/29/00			206-555-0911	2/29/00	206-555-0911	2/27/00
206-555-0911	3/1/00	206-555-0911	3/1/00			206-555-0911	3/1/00	206-555-0911	2/27/00
206-555-0911	3/1/00	206-555-0911	3/1/00			206-555-0911	3/1/00	206-555-0911	2/27/00
206-555-0911	3/2/00					206-555-0911	3/2/00	206-555-0911	2/27/00
206-555-0911	3/2/00					206-555-0911	3/2/00	206-555-0911	2/27/00

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NPAC VALIDATION REPORT COLUMN DESCRIPTIONS/SUGGESTED ACTION

1. MIGRATES DELETED/DELETE DATE:
Description: This column depicts a migrate TN 760 error that has been deleted by SCC (after aging 30 days) because the Migrating company is not shown as the dial tone owner after NPAC validation. This situation depicts a migrate record that has been sent to SCC but no LSR has been sent to the NPAC to generate an activate message by the Donor company. The deleted date indicates the date action was taken by SCC. The record remains locked to the Donor company.

Action: Migrating company should verify that the TN is their valid customer. If so, a new LSR should be generated to the NPAC and a new migrate order submitted to SCC.

2. MIGRATES COMPLETED/MIGRATE DATE:
Description: This column depicts a TN 760 migrate error that aged 30 days. SCC has validated the TN in NPAC as belonging to the Migrating company, manually unlocked the record, and processed the migrate record for transition to the new dial tone owner. The unlocking of the record is completed without validation of the Donor company. The migrate date indicates the date action was taken by SCC.

Action: TNs migrated from 760 errors do not require additional action by the Migrating company.

3. UNLOCKED TNs/UNLOCK DATE:
Description: This column depicts a Donor company TN that has been unlocked by SCC based on validation in NPAC. NPAC shows that the TN dial tone owner is now the migrating company. The unlock action by SCC was completed without any unlock order received from the Donor company. The unlock date indicates the date action was taken by SCC.

Action: Investigate to determine why the unlock order was not sent to SCC.

4. RELOCKED TNs/RELOCK DATE:
Description: This column depicts TNs that were in an unlocked status and no migrate order had been received within the 30-day window. Based on SCC's NPAC validation, the Donor company is still the dial tone owner. The relock date indicates the date action was taken by SCC.

Action: No action required.

5. NENA ID CHANGED/DATE:
Description: This column depicts a Donor company TN that has been unlocked for 30 days. SCC has validated in NPAC the dial tone owner of this TN to be another CLEC other than the Donor company. Based on this NPAC validation, SCC's action is to change only the Company ID to that of the Recipient company/dial tone owner. However, no migrate record was received by SCC from the Recipient company. The date indicates the date action was taken by SCC.

Action: Investigate and send a migrate order to SCC to ensure the customer record information is accurate. Without a migrate order, the customer address information will remain that of the old donor company.

The new processes do not circumvent the CLEC's or BellSouth's responsibility to issue all appropriate Migrate and/or Unlock orders to SCC and to handle errors as they are received.

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TAB 8

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ADDRESS VERIFICATION REQUEST

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AVR LOG 5

AVR COVER LETTER 5

AVR FOLLOW-UP LETTER AND TELEPHONE CALLS 6

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ADDRESS VERIFICATION REQUESTS PROCESS FLOW

The Address Verification Request (AVR) is initiated by SCC and/or the CLEC to forward address discrepancies to the E911 Coordinator when service orders for CLEC subscriber accounts are rejected due to invalid street information or when there is a CLEC address discrepancy that has been indicated on a PSAP Inquiry. Telephone contact with the E911 Coordinator and/or subscriber may be necessary to resolve these discrepancies.

It is recommended that the following procedures be followed when administering AVRs to the E911 Coordinator.

- An AVR should be handled via telephone when there is working telephone service at the address in question. Every effort must be made to resolve the discrepancy as quickly as possible.
- When mailing multiple AVRs, attach an AVR Cover Letter.
- Maintain an AVR Log and follow-up on outstanding AVRs every two(2) weeks.
- Send a follow-up letter if a response is not received within two(2) weeks.
- Make a telephone call if response is not received within two(2) weeks.

This process should be used only when the CLEC has investigated the discrepancies and is reasonably sure that no action is necessary on the part of the CLEC. It may be advisable for the CLEC to call their customers to assist in obtaining current street address information before issuing an AVR to the E911 Coordinator for investigation. If investigation determines that CLEC subscriber records are erroneous, it is the responsibility of the CLEC to submit a corrected SOIR

If investigation determines that the problem is a result of MSAG records that need to be added or changed, the AVR is sent to E911 Coordinator to initiate a MSAG ledger to SCC. Once the MSAG update has been made by SCC, the AVR will be returned to the CLEC by either SCC or the E911 Coordinator noting the changes made. The CLEC subscriber record(s) may then be retransmitted.

The CLEC is responsible for the ordering of AVR forms and must use the format as described in this tab.

The AVR form with field descriptions, preparation procedures and administration are covered in this document.

E911 ADDRESS VERIFICATION REQUEST (AVR) FORM

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E911 Address Verification Request

Date	County/City/Parish	Prepared by	Telco Name	Serial Number

For Telephone Company Use Only

Verification of Service Order Error _____ MSAG Ledger # _____ Other, See Comments ☐

☐ AVR Handled Via Mail (Please Verify)

☐ Directional ☐ Community ☐ Other
☐ Street Name ☐ Range
☐ Street Not in MSAG ☐ O/E/B
☐ Customer At ☐ ESN

☐ AVR Handle Via Telephone

Authorized By _____

Date _____ Time _____

* The date for this AVR was input into the MSAG as noted. If changes are required return this form with your corrections within ten days.

Existing MSAG Entry

Directional			Street Name		State
Low Range	**High Range**	**O/E/B**	**Community**	**ESN**	****Exchange**

Comments

For County/City Parish Response ☐ Insert ☐ Change ☐ Delete

Desired MSAG Entry

Directional			Street Name		State
Low Range	**High Range**	**O/E/B**	**Community**	**ESN**	****Exchange**

Comments

Date Received	Date Returned if Appropriate	Authorized by

For CLEC Use ➡	Received	Referred to SCC if Appropriate		Clerks Initials
For SCC Use ●	Received	Input to MSAG	Returned to CLEC	Clerks Initials

**Input Not Required By County/City/Parish

The field descriptions are shown on the following pages.

E911 ADDRESS VERIFICATION REQUEST (AVR) (Continued)

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Field Descriptions:

1. Date: Enter the date the form is prepared.

2. County/City/Parish: Enter the E911County/city/parish name.

3. Prepared By: Enter the name of the employee who prepares the form.

4. Tel Co. Name: Enter the CLEC Company name.

5. Serial Number: Enter the appropriate serial number. (Begin the first AVR of each year with the year, then the number of AVR sequence. For example, in 2000, the numbering begins with 00-001, 00-002, etc.)

*** * * FOR TELEPHONE COMPANY USE ONLY * * ***

6. Verification of: Check the appropriate box to reflect that the AVR was due to:
   a. A service order error.
   b. An MSAG Ledger (include ledger #).
   c. Other (explain in the comments section).

7. AVR Handled via Mail: Check the appropriate box for the specific reason the AVR is prepared.

8. AVR Handled via Telephone: Enter the name of the person authorizing the update, as well as the date and time discussed.

9. Existing MSAG Entry: Enter only current MSAG information that is being changed or deleted.

10. Directional: Enter the directional indicator, N, S, E, W, NE, NW, SE OR SW. If no direction, leave blank.

11. Street Name: Enter the name of the street including the standard thoroughfare designation (ST, AV, etc.)

12. State: Enter the standard abbreviation for the state.

13. Low Range: Enter the lowest number in the street address range. If there is only one numbered address in the range, the low number will equal the high number. If the range is unnumbered, enter a line.

14. High Range: Enter the highest number in the street address range. If there is only one numbered address in the rage, the low number will equal the high number. If the range is unnumbered, enter a line.

15. O/E/B: This describes the range. O = Only odd numbers in the range
    E = Only even numbers in the range
    B = Both odd and even numbers in the range.

16. Community: The name of the community in which the street and range exist.

17. ESN: Emergency Service Number.

*** * * FOR CLEC/SCC COMPANY USE ONLY * * ***

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18. Exchange: Entered by SCC when appropriate. This data represents the exchange area for the local exchange office. This field is left blank for CLEC.

19. Comments: Enter pertinent information not included elsewhere on the form.

*** * * FOR COUNTY/CITY/PARISH * * ***

20. Response: Check the appropriate box for your response: Insert, Change, Delete

21. Desired MSAG Entry: The E911 Coordinator will enter the MSAG information to be input into the system. (See #9 for explanation of fields.)

22. Comments: Any additional information is entered here.

23. Date Received: The date the form is received by the E911 Coordinator is entered here.

24. Date returned (I.A.): If the form is returned by the E911Coordinator, the date is entered here. The form does not have to be returned unless the AVR is being handled via mail or if changes are required on a AVR handled via telephone.

25. Authorized by: The E911 Coordinator's clerk's initials are entered here.

26. **FOR CLEC USE:**
Received: Enter the date the AVR is received from the county/parish.

Referred to SCC: Enter the date referred to SCC for MSAG update (I.A.)

Clerk's initials: Enter the initials of the CLEC representative who handled the form.

27. **FOR SCC USE:**
Received: The date the AVR is received from CLEC.

Input to MSAG: Enter the date the information is entered into the MSAG.

Returned to CLEC: The date returned to CLEC.

Analyst's initials: Enter the initials of the SCC analyst who handled the form.

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AVR LOG

CLEC AVR tracking is the responsibility of the CLEC. An example of the log and the explanation of the fields follows:

AVR LOG						
Serial Number	**Serial Name**	**Date Sent**	**Follow up Letter Sent**	**Telephone Call Made**	**Date Returned**	**Remarks**
①	②	③	④	⑤	⑥	⑦

Fields Identified

1. SERIAL NUMBER: The serial number of the AVR.
2. STREET NAME: The name of the street in jeopardy.
3. DATE SENT: The date the AVR is sent to E911 Coordinator.
4. TELEPHONE CALL MADE: The date the call is made to check status of AVR.
5. FOLLOW-UP LETTER SENT: The date the follow-up letter is mailed.
6. DATE RETURNED(I.A.): The date the AVR is returned, if appropriate.
7. REMARKS: Add remarks here as appropriate.

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AVR COVER LETTER

The AVR Cover Letter is included when multiple AVRs are sent to the county/city/parish. An example of this letter is shown below:

AVR COVER LETTER

DATE: _____ ①

TO: _____ ② FROM: _____ ③

_____ _____

_____ _____

The following AVRs are being sent to you to resolve. Each address listed represents potential Record Not Found or Misroute conditions in your database, should those customers call 911.

AVR SERIAL NUMBERS: ④ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

Please forward the resolved AVRs back as soon as possible, but no later than _____. ⑤

If I can assist in any way, please call me at _____. ⑥

Attachment (s):

Instructions for Completing the AVR Cover Letter

1. Date: Enter the date the AVRs are completed.
2. To: Enter the name and address of the E911 Coordinator contact.
3. From: Enter the name and address of the CLEC Supervisor.
4. AVR Serial Numbers: List the serial numbers of the AVRs to be forwarded to the E911 Coordinator. (For example, in 1997, the numbering begins with 97-001, 97-002, 97-003, etc.)
5. Date AVRs Must Be Returned: Enter the date two (2) weeks from the date the AVRs are mailed, or ten (10) days, if resolved via telephone conversation.
6. Telephone Number: Enter the E911 Assistant Manager's telephone number.

AVR FOLLOW-UP LETTER AND TELEPHONE CALLS

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An AVR Follow-Up Letter is forwarded to the E911 Coordinator after telephone attempts to handle the AVR have been unsuccessful. The date the AVR Follow-Up Letter is sent to the E911 Coordinator must be noted in the Follow-Up Letter Sent section of the AVR Log.

If after two (2) weeks, the E911 Coordinator has not responded to the AVR Follow-up Letter, another telephone call should be made to the E911 Coordinator. The date the telephone call is made must be noted in the "Telephone Call Made" section of the AVR Log. An example of the AVR Follow-Up Letter is shown as follows:

AVR FOLLOW-UP LETTER

DATE: _____

TO: _____ FROM: _____

_____ _____

_____ _____

The following AVRs were sent to resolve and are still outstanding.

AVR SERIAL NUMBERS: _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

Each street listed could represent subscribers not included in the E911 database. The caller will have voice communication with your dispatchers, but your dispatchers will not have ALI information displayed. Therefore, you are urged to provide a response as soon as possible.

If I can assist in any way, please call me at_____.

FORMS

Blank forms are provided to be produced locally as needed.

1. AVR Verification Request
2. AVR Log
3. AVR Cover Letter
4. AVR Follow-Up Letter

E911 Address Verification Request

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Date	County/City/Parish	Prepared by	Telco Name	Serial Number

For Telephone Company Use Only

Verification of Service Order Error _____ MSAG Ledger #_____ Other, See Comments ☐

☐ AVR Handled Via Mail (Please Verify)

☐ Directional ☐ Community ☐ Other
☐ Street Name ☐ Range
☐ Street Not in MSAG ☐ O/E/B
☐ Customer At ☐ ESN

☐ AVR Handle Via Telephone

Authorized By _____

Date _____ Time _____

* The date for this AVR was input into the MSAG as noted. If changes are required return this form with your corrections within ten days.

Existing MSAG Entry

Directional			Street Name		State
Low Range	**High Range**	**O/E/B**	**Community**	**ESN**	****Exchange**

Comments

For County/City Parish Response ☐ Insert ☐ Change ☐ Delete

Desired MSAG Entry

Directional			Street Name		State
Low Range	**High Range**	**O/E/B**	**Community**	**ESN**	****Exchange**

Comments

Date Received	Date Returned if Appropriate	Authorized by

For CLEC Use ➡	Received	Referred to BOC if Appropriate		Clerks Initials
For SCC Use ➡	Received	Input to MSAG	Returned to NBEC	Clerks Initials

**Input Not Required By County/City/Parish

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AVR LOG

Serial Number	Serial Name	Date Sent	Follow up Letter Sent	Telephone Call Made	Referred to Marketing	Date Returned	Remarks

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AVR COVER LETTER

DATE: _____

TO: _____ FROM: _____

_____ _____

_____ _____

The following AVRs are being sent to you to resolve. Each address listed represents potential Record Not Found or Misroute conditions in your database, should those customers call 911.

AVR SERIAL NUMBERS: _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

Please forward the resolved AVRs back as soon as possible, but no later than _____.

If I can assist in any way, please call me at _____.

Attachment (s):

AVR FOLLOW-UP LETTER

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DATE: _____

TO: _____ FROM: _____

_____ _____

_____ _____

The following AVRs were sent to resolve and are still outstanding.

AVR SERIAL NUMBERS: _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

_____ _____ _____ _____

Each street listed could represent subscribers not included in the E911 database. The caller will have voice communication with your dispatchers, but your dispatchers will not have ALI information displayed. Therefore, you are urged to provide a response as soon as possible.

If I can assist in any way, please call me at_____.

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TAB 9

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PSAP INQUIRIES

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PSAP INQUIRY LOG 3

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- ALI RECORD NOT FOUND 4
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- ESN 4
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BLANK FORMS 5

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OVERVIEW

E911 is a critical emergency service. Therefore, any address condition that interferes with a caller reaching the appropriate PSAP, and having an accurate display, must be corrected as quickly as possible. For this reason, the E911 Inquiry Form has been developed as a tool for the PSAP attendants to use in reporting address problems encountered with the E911 system.

PSAP Inquiry Forms will be forwarded to the CLEC from either SCC or directly from the E911 Coordinator. The inquiry form should be logged by the CLEC when received. An inquiry log form and instructions are provided in this tab. Once the inquiry has been handled, it should be returned to the originator or to SCC as appropriate.

The E911 Inquiry Form is divided into five (5) sections. (sample on the following page)

GENERAL:	information relating to the PSAP attendant preparing the form
DATABASE:	problems relating to the ALI data displayed at the PSAP
REPAIR:	problems relating to the network or equipment
COMMENTS:	input of additional pertinent information
ACTION:	response section

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E911 PSAP INQUIRY FORM

E911 Inquiry

Maintenance Ledger Attached ☐ Yes ☐ No

PSAP Name	System Name	Serial #
Date of Call	Time of Call	Operator

Did You Transfer Call? ☐ No ☐ Yes If Yes, To

Did You Receive Transfer? ☐ No ☐ Yes If Yes, From

ANI TN	ALI TN

Database Reason For Inquiry (Check All Boxes That Apply Complete Form and Provide Form to 911 Coordinator)

1 ☐ ALI Record Not Found (Display Shows Record Not Found)

2 ☐ Wrong ALI Display of:

	Displayed	Should Be
☐ Name		
☐ Address		
☐ Location		
☐ Community		
☐ ESN		

3 ☐ Misroute ... ESN Displayed_____

4 ☐ Other_____

Comments

Repair Reason For Inquiry (Check All Boxes That Apply Report to Repair and Provide Form to 911 Coordinator For Records Only)

1 ☐ ANI Display
- ☐ No ANI
- ☐ Wrong ANI
- ☐ ANI Failure (911-000x or 000-0000)
- ☐ Anonymous Call

2 ☐ No ALI Display

3 ☐ Spurious Call (Caller Didn't Dial 911 - Static on Line)

4 ☐ Other

Comments

For Telco Use Only

Action
- ☐ Trouble Cleared As of _____
- ☐ Investigation Concluded. No Action Required as of _____
- ☐ Trouble Referred to Repair on _____
- ☐ Trouble Referred to ICO on _____
- ☐ Trouble Referred to Other on _____

Comments

Part 1- Resolution Copy Part 2 - File Copy Part 3 - Customer Copy

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PSAP INQUIRY LOG

The following is an example of a PSAP Inquiry Log and instructions for completion:

PSAP INQUIRY LOG

RESPONSE CODE

County/City/Parish_____
Month/Year_____

1 - Trouble Cleared, Enter Date
2 - No Trouble Found
3 - Referred to Repair

SERIAL NUMBER	DATE RECEIVED IN AFIG	NPA TELEPHONE NUMBER	E911 CALL DATE	ACTION TAKEN	DATE RETURNED	RESP CODE
①	②	③	④	⑤	⑥	⑦

Instructions For Completion

1. Serial Number — Enter the serial number assigned by the E911 Customer
2. Date Received — Enter the date the Inquiry was received
3. NPA/Telephone Number — Enter the customer's NPA and telephone being referred on the Inquiry
4. 911 Call Date — Enter the date of the 911 call
5. Action taken — Enter the action taken to handle the inquiry
6. Date Returned — Enter the date the Inquiry was returned to SCC
7. Response Code — Enter the appropriate response code as follows:
   1-Trouble Cleared, Enter date
   2-No trouble found
   3-Referred to repair

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PSAP INQUIRY FLOW

PSAP Inquiry Forms will be forwarded to the CLEC either directly from the E911 Coordinator or from SCC as appropriate. The inquiry form should be logged by the CLEC and the disposition noted. An inquiry log form and instructions are provided in this tab. Once the inquiry has been resolved, it should be returned to the originator or to SCC as appropriate. PSAP Inquiries returned to SCC should be sent to:

FAX: 888-778-7876
SCC Communications, Inc.
BellSouth Data Analyst
6285 Lookout Road
Boulder, CO 80301-3343

PSAP INQUIRY INVESTIGATION PROCEDURES

ALI RECORD NOT FOUND

The CLEC should investigate to determine why the TN record is not in the database. If the TN is found on the NRF report, check to see if the TN is valid. If valid, a SOIR should be sent to insert the TN record into the E911 database. If it is determined that the TN record is in the TN error file, a corrective SOIR should be sent to resolve the error. Once resolved, check action: "Trouble cleared as of (enter date) and return the form to the originator.

WRONG ALI DISPLAY OF:

The E911 Coordinator will complete the "Should be" section detailing correct information on the E911 Inquiry form, when the ALI displays incorrect information. The CLEC should investigate the discrepancies and make the appropriate database updates as described below:

- ADDRESS – COMMUNITY – LOCATION

Investigate as necessary with the E911 Coordinator to determine the correct address including a check for MSAG validity. Update the address information for the TN record by submitting a corrected SOIR with the valid information. Once resolved, check action: "Trouble cleared as of (enter date) and return the PSAP Inquiry to the originator or SCC, as appropriate.

If no change is needed to the TN record, check action: "Investigation Completed. No action required as of" (enter date) and return the PSAP Inquiry to the originator or SCC, as appropriate.

Return the original Inquiry to SCC.

ESN

Compare the ESN on the TN record to the MSAG ESN, for the address. If the ESNs match, forward the inquiry to SCC for further investigation noting action taken in the comment field.

If the ESN for the TN record does not match the ESN for the MSAG, submit a corrective SOIR record with the valid address. Check action: "Trouble cleared as of (enter date) and return the PSAP Inquiry to the originator or SCC, as appropriate.

If the MSAG is incorrect, issue an Address Verification Request (AVR) to the E911 Coordinator requesting a MSAG ledger for the appropriate change be forwarded to SCC. The E911 Inquiry should indicate the AVR sent in the comment section of the Inquiry. Check action: "Trouble cleared as of (enter date) and return the PSAP Inquiry to the originator or SCC, as appropriate.

MISROUTES

A misroute indicates the E911 call routed to the wrong PSAP. Routing is determined by the ESN associated with the matching address record in the MSAG database. Investigate as necessary with the E911 Coordinator to determine

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the correct address and submit a SOIR with the corrected address information. Check action: "Trouble cleared as of (enter date) and return the PSAP Inquiry to the originator or SCC, as appropriate.

If it is determined that the address for the TN record and the MSAG match, check action: "Trouble referred to other on (enter date)" and return to SCC for further investigation. If is determined that a correction in the TN record is necessary, SCC will contact the CLEC for a new SOIR to be sent.

BLANK FORMS

Blank Forms may be reproduced locally as needed.

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E911 INQUIRY LOG

County/City/Parish_____
Month/Year_____

RESPONSE CODE

1 - Trouble Cleared, Enter Date
2 - No Trouble Found
3 - Referred to Repair

SERIAL NUMBER	DATE RECEIVED IN AFIG	NPA TELEPHONE NUMBER	E911 CALL DATE	ACTION TAKEN	DATE RETURNED TO C/C/P	RESP CODE

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TAB 10

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NO RECORD FOUND (NRF)

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NO RECORD FOUND (NRF) REPORT SCHEDULE 1

NO RECORD FOUND (NRF) REPORT LAYOUT 2

NO RECORD FOUND (NRF) INVESTIGATION 3

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OVERVIEW

A No Record Found (NRF) condition occurs when a subscriber calls 911 and the system is unable to retrieve the database information and/or no information exists. The purpose of a NRF investigation is to:

- identify the reason a NRF occurred
- take corrective action to update the database, as necessary.

There are several reasons a record may not be available for retrieval:

- the record may be in an Error File
- the record may be "in the pipeline", between the time the subscriber has dial tone and the time the record is processed and entered into the database
- the record may not have been sent to be inserted into the database

NO RECORD FOUND (NRF) PROCESSING

Each PSAP in the region is served by a primary ALI processor and a secondary ALI processor. These processors alternate responses to ALI retrieval requests (bids) coming from the PSAP. Therefore, audit data, including NRF data, is found on the audit files from both the primary and secondary ALI processors. This data is combined to produce one NRF report.

NO RECORD FOUND (NRF) REPORT SCHEDULE

The NRF report will be generated every day, Sunday through Saturday. This report provides information about NRFs for investigation and is faxed daily to the CLEC. The following schedule has been developed for the distribution of daily NRF reports.

Fri/Sat/Sun's NRFs	NRF report distributed on Mon
Monday's NRFs	NRF report distributed on Tuesday
Tuesday's NRFs	NRF report distributed on Wednesday
Wednesday's NRFs	NRF report distributed on Thursday
Thursday's NRFs	NRF report distributed on Friday

The Fri/Sat/Sun NRF reports printed on Monday will provide separate totals for each day.

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NO RECORD FOUND (NRF) REPORT LAYOUT

The NRF report is separated by CLEC and by state and sorted by telephone number.

Following is an example of the NRF report and the cover sheet used for the fax:

DAILY NRF REPORT

RUN DATE: 2000-04-11 12:05:38 FOR COMPANY: BELLSOUTH MOBILITY

STATE	TN	BID DATE	COUNTY NAME	PSAP ID	STATUS
FL	(404) 555-1212	2000-04-10 14:32:41 MON	FULTON	C193-GAFULTONCO	OPENED
FL	(770) 529-2345	2000-04-10 15:23:01 MON	DEKALB	C145-GADEKALBCO	PENDERR

TOTAL NRFS: 2

The NRF Report includes:

Company	The name of the CLEC Company
Run Date	Date and time of NRF report creation
State	Two character state identifier
TN	The telephone number of the caller that resulted in the NRF, including NPA
Bid Date	Date, time and day of the week of the PSAP query (bid) that resulted in the NRF
County Name	The name of the county for the PSAP receiving the NRF
PSAP ID	2 character state identifier, 8-10 character PSAP name and 4 character PSAP ID of the agency that received the NRF
Status	SCC status of referral: OPENED, PENDERR, REF-LEC
Total NRFs	Total number of NRFs for report

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NO RECORD FOUND (NRF) REPORT INVESTIGATION

The CLEC will only be required to investigate and correct NRFs either not found in the E911 database or was in the error file at the time of the call.

The CLEC should:

- Determine if the TN should be in the E911 database.
  - If the TN should be in the database, a SOIR should be submitted to SCC to insert the TN or to resolve an outstanding error in the error file.
- Research why the record was not in the E911 database and take action to prevent further NRF occurrences.
- Advise SCC resolution action of NRF.

When all NRFs have been resolved and reported to SCC, the CLEC should file the NRF report and retain for a period of one (1) year from the date of the 911 call that resulted in the NRF.

All NRFs are initially assigned a system status of OPENED. This status may be changed by the SCC Data Analyst during an initial investigation prior to the NRF report being sent to the CLEC.

The status codes that will be sent on the report are:

PENDERR- the TN on the NRF report was found in the TN error file. The CLEC should refer to Tab6 of this document for resolution of the TN error.

REF-LEC- the TN is not found in the TN error file or in the TN database. The CLEC should investigate and submit the appropriate SOIR record to insert the subscriber data.

Once the CLEC has advised the SCC Data Analyst of the resolution, the status of the NRF TN will be changed to CLOSED, indicating that the TN has been successfully added to the E911 database, if appropriate.

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TAB 11

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ESCALATION PROCEDURES

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CONTACTING SCC DATA ANALYSTS 1

SCC DATA ANALYSTS BY STATE RESPONSIBILITY 2

Level One Escalation: SCC 3

Level Two Escalation: SCC 3

Level Three Escalation: BELLSOUTH CLEC E911 Implementation Manager 3

CLEC TN ERROR ESCALATION 3

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CLEC DATABASE ESCALATION PROCEDURES

The following procedures have been established for CLEC escalation of E911 database issues related to SCC management of E911 data. Examples of these issues include, but are not limited to MSAG problems, NPA/NXX loads/forms, reconciliations, etc.

The initial trouble/problem referral made by the CLEC should go to the SCC DIU Data Analyst. The escalation process will normally begin after a referral is made to the Data Analyst with unsatisfactory or no resolution.

CONTACTING SCC DATA ANALYSTS

To reach the SCC Data Analyst you may dial directly to the specific Analyst telephone number, if known, or you may dial toll-free, 1-888-584-3810. The telephone system will recognize the ANI from the state you are calling from and, when prompted, you would depress "1" to be connected to the state Data Analyst for that particular NPA.

When you are calling from a state outside the region or you want to speak to an analyst in a state other than the one you are calling from, your call can be transferred by the Analyst that you reach by depressing "1". The extensions for Analysts in the BellSouth region are shown on the following page.

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SCC DATA ANALYSTS BY STATE RESPONSIBILITY

State	Telephone
Florida	303-581-6082
	303 581 5770
	303-581-6081
	303-581-5778
	303 581-6037
	303-581-6032
N. Carolina	303-581-2243
	303-581-6055
	303-581-5676
	303-581-2254
S. Carolina	303-581-6070
	303-581-5723
	303-581-5634
Kentucky	303-581-6061
Mississippi	303-581-6011
	303-581-5629
Tennessee	303-581-6476
	303 581 6079
Alabama	303-581-6073
	303 581 6477
	303-581-6039
Georgia	303-581-5711
	303-581-6474
	303 581-6442
	303-581-5754
	303-581-5792
Louisiana	303-581-5731

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Level One Escalation: SCC

Alabama, Kentucky, Louisiana,
Joe Schumacher (303) 581-6093 Pager 1-800-PAGESCC PIN 9110216

Florida & Georgia,
Holly Stone (303) 581-2204 Pager 1-800-PAGESCC PIN 9110087

Mississippi, Tennessee North Carolina, South Carolina
Karen Francia (303) 581 6446 Pager 1-800 PAGE SCC PIN 911 0049

Level Two Escalation: SCC

Joe Schumacher (303) 581 6093 Pager 1-800-PAGESCC PIN 9110216
Mary Hester (303) 581-5685 Pager 1-800-PAGESCC PIN 9110039

Level Three Escalation: BELLSOUTH CLEC E911 Implementation Manager

BellSouth CLEC E911 Implementation Manager-Val Sapp (205) 321-2109

CLEC TN ERROR ESCALATION
SCC uses the TN Error escalation procedure described in Tab 6 of this guide when CLEC errors are not resolved in a timely or accurate manner.

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TAB 12

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FORMS

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E911 TANDEM IDENTIFICATION FORM 1

CLEC E911 NOTIFICATION FORM 2

ADDRESS VERIFICATION REQUEST 3

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E911 TANDEM IDENTIFICATION FORM

REV.: 10-01-00

TO: VAL SAPP	FROM:
VOICE: 205.321.2109	VOICE:
FAX: 205.321.4002	FAX:
EMAIL: valerie.sapp1@bridge.bellsouth.com	EMAIL:

To assist you in getting your 911 calls routed to the correct BST E911 tandem please fill out this form as shown and BST will supply you with the proper E911 tandem for use on the CLEC E911 NOTIFICATION FORM.

PLEASE LIST ALL YOUR NEW NPANXX(S) BELOW WHICH HAVE BEEN ASSIGNED - USE SEPARATE SHEET IF NECESSARY

1. PUT YOUR NPA
2. PUT YOUR NXX
3. PUT BST COMPARABLE NPA
4. PUT BST COMPARABLE NXX
5. BST WILL SUPPLY YOU THE CORRECT E911 TANDEM AND RETURN TO YOU
6. FILL OUT CLEC E911 NOTIFICATION FORM APPROPRIATLY AND FAX TO:

   SCC/BST SUPERVISOR / 1-888-778-7876

STATE	CLEC NPA	CLEC NXX	BST NPA	BST NXX	E911 TANDEM CLLI FOR USE ON E911 NOTIFICATION FORM	E911 TANDEM CLLI FOR USE ON ASR WHEN ORDERING TRUNKS

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CLEC E911 NOTIFICATION FORM

Revised: 10-01-00

FAX TO: 1-888-778-7876
ATTENTION: SCC/BELLSOUTH SUPERVISOR

ACTION (circle one) A-ADD C-CHANGE M-MSAG ONLY

TODAY'S DATE	
COMPANY NAME	
COMPANY ADDRESS	
CONTACT NAME:	
CONTACT TEL NUMBER	
TELCO ID/OCN	
NENA CO. IDENTIFIER	
EFFECTIVE DATE	
FAX NUMBER**	

**NOTE: THIS NUMBER WILL BE USED FOR MECHANICAL TRANSMISSION OF DAILY REPORTS

SERVCICE REQUEST FOR: (check ONE only: One STATE per sheet)

AL	FL	GA	KY	MS	LA	SC	NC	TN

PLEASE LIST YOUR NATIVE NPANXX's BELOW WHICH NEED TO BE ADDED TO THE E911 DATABASE

NPA	NXX	E911 TANDEM CLLI	NPA	NXX	E911 TANDEM CLLI

MSAG REQUEST:

MEDIA DESIRED: (circle ONE only) CD ROM MAG TAPE PAPER 3.5 FLOPPY*

*NOTE: FLOPPIES MAY ONLY BE ORDERED BY COUNTY, NOT BY CLLI

COUNTY NAMES OF SERVICE AREA OR E911 TANDEM CLLI (only)

1.	3.	5.
2.	4.	6.

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E911 ADDRESS VERIFICATION REQUEST

Date	County/City/Parish	Prepared by	Telco Name	Serial Number

For Telephone Company Use Only

Verification of Service Order Error _____ Other, See Comments ☐
MSAG Ledger # _ _____

☐ AVR Handled Via Mail (Please Verify)

☐ Directional ☐ Community ☐ Other
☐ Street Name ☐ Range
☐ Street Not in MSAG ☐ O/E/B
☐ Customer At ☐ ESN

☐ AVR Handle Via Telephone

Authorized By _____

Date _____ Time_____

* The date for this AVR was input into the MSAG as noted. If changes are required return this form with your corrections within ten days.

Existing MSAG Entry

Directional			Street Name		State
Low Range	**High Range**	**O/E/B**	**Community**	**ESN**	****Exchange**

Comments

For County/City Parish Response ☐ Insert ☐ Change ☐ Delete

Desired MSAG Entry

Directional			Street Name		State
Low Range	**High Range**	**O/E/B**	**Community**	**ESN**	****Exchange**

Comments

Date Received	Date Returned if Appropriate	Authorized by

For CLEC Use ➡	Received	Referred to SCC if Appropriate		Clerks Initials
For SCC Use ➡	Received	Input to MSAG	Returned to CLEC	Clerks Initials

**Input Not Required By County/City/Parish

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