

NANCY B. WHITE
General Attorney

BellSouth Telecommunications, Inc.
150 South Monroe Street
Suite 400
Tallahassee, Florida 32301
(404) 335-0710

UNRECORDED
FILE COPY

November 13, 1995

Mrs. Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

RE: Docket No. 950985A-TP

Dear Mrs. Bayo:

Enclosed please find an original and fifteen copies of BellSouth Telecommunications, Inc.'s Direct Testimony of Robert C. Scheye in the captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served on the parties shown on the attached Certificate of Service.

Sincerely,

Nancy B. White (BH)

Nancy B. White

Enclosures

cc: All Parties of Record
A. M. Lombardo
R. G. Beatty
R. D. Lackey

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

90

DOCUMENT NUMBER-DATE

11221 NOV 13 95

FPSC-RECORDS/REPORTING

CERTIFICATE OF SERVICE
Docket No. 950985A-TP

I HEREBY CERTIFY that a copy of the foregoing has been
furnished by Federal Express this 13th day of November, 1995 to:

RICHARD H. BRASHEAR
ALLTELL FLORIDA, INC.
206 WHITE STREET
LIVE OAK, FL 32060
904-364-2517

DANIEL V. GREGORY
QUINCY TELEPHONE COMPANY
107 W. FRANKLIN STREET
QUINCY, GL 32351
904-875-5214

F. B. POAG
CENTRAL TELEPHONE COMPANY
OF FLORIDA
555 LAKE BORDER DRIVE
APOPKA, FL 32703
407-889-6405

JOHN H. VAUGHAN
ST. JOSEPH TELEPHONE AND
TELEGRAPH COMPANY
502 5TH STREET
PORT ST. JOE, FL 32456
904-229-7221

LAURIE A. MAFFETT
FRONTIER COMMUNICATIONS OF
THE SOUTH, INC.
180 SOUTH CLINTON AVENUE
ROCHESTER, NY 14646
716-777-5125

FERRIN SEAY
FLORALA TELEPHONE
COMPANY, INC.
522 N. 5TH STREET
FLORALA, AL 36442
334-858-3211

BEVERLY Y. MENARD
GTE FLORIDA, INC.
106 EAST COLLEGE AVENUE
SUITE 1440
TALLAHASSEE, FL 32301
813-224-4825

LYNN B. HALL
VISTA-UNITED
TELECOMMUNICATIONS
P.O. BOX 10180
LAKE BUENA VISTA, FL 32830
407-827-2210

A. D. LANIER
GULF TELEPHONE COMPANY
115 W. DREW STREET
PERRY, FL 32347
904-584-0900

JODIE DONOVAN
TCG SOUTH FLORIDA
1133 21ST STREET, NW
SUITE 400
WASHINGTON, DC 20036

ROBERT M. POST, JR.
INDIANTOWN TELEPHONE
SYSTEM, INC.
16001 S.W. MARKET STREET
INDIANTOWN, FL 34956
407-597-3113

MICHAEL W. TYE
AT&T
106 EAST COLLEGE AVENUE
SUITE 1410
TALLAHASSEE, FL 32301
904-425-6360

JOHN T. MCGLEW
N.E. FLORIDA TELEPHONE
COMPANY, INC.
130 N. 4TH STREET
MACCLENNY, FL 32063
904-259-2261

ROBIN D. DUNSON, ESQ.
1200 PEACHTREE STREET, NE
PROMENADE I, ROOM 4038
ATLANTA, GEORGIA 30309

RICHARD D. MELSON
HOPPING GREEN SAM & SMITH
123 S. CALHOUN STREET
TALLAHASSEE, FL 32301
904-222-7500

PATRICK K. WIGGINS
INTERMEDIA COMMUNICATIONS OF
FLORIDA, INC.
WIGGINS & VILLACORTA
501 EAST TENNESSEE STREET, #B
TALLAHASSEE, FL 32308
904-222-1534

FLOYD SELF
MCCAW COMMUNICATIONS
MESSER, VICKERS, CAPARELLO,
MADSEN, LEWIS, GOLDMAN & METZ
215 S. CALHOUN STREET, #701
TALLAHASSEE, FL 32301
904-222-0720

BOB ELIAS
FLORIDA PUBLIC SERVICE
COMMISSION
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399
904-613-6189

1 BELLSOUTH TELECOMMUNICATIONS, INC.
2 DIRECT TESTIMONY OF ROBERT C. SCHEYE
3 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
4 DOCKET NO. 950985A-TP
5 NOVEMBER 13, 1995

6
7 Q. Please state your name, address and position with
8 BellSouth Telecommunications, Inc. ("BellSouth" or
9 "The Company").

10

11 A. My name is Robert C. Scheye and I am employed by
12 BellSouth Telecommunications, Inc., as a Senior
13 Director in Strategic Management. My address is
14 675 West Peachtree Street, Atlanta, Georgia
15 30375.

16

17 Q. Please give a brief description of your background
18 and experience.

19

20 A. I began my telecommunications company career in
21 1967 with the Chesapeake & Potomac Telephone
22 Company after graduating from Loyola College with
23 a Bachelor of Science in Economics. After several
24 regulatory positions in C&P, I moved to AT&T in
25 1979, where I was responsible for the FCC Docket

1 dealing with competition in the long distance
2 market. In 1982, with divestiture, this
3 organization became responsible for implementing
4 the MFJ requirements related to nondiscriminatory
5 access charges. In 1984, this organization became
6 part of the divested regional companies' staff
7 organization known as Bell Communications
8 Research. I joined BellSouth in 1988 as a
9 Division Manager responsible for jurisdictional
10 separations and other FCC related matters. In
11 1993, I moved to the BellSouth Strategic
12 Management organization, where I have been
13 responsible for various issues, including local
14 exchange interconnection, unbundling and resale.

15

16 Q. What is the purpose of your testimony?

17

18 A. The purpose of my testimony is to describe
19 BellSouth's local interconnection plan and why it
20 is appropriate for Continental Cablevision. My
21 testimony will specifically respond to the issues
22 raised by Mr. A. R. Schleiden on behalf of
23 Continental Cablevision, Inc. in this docket. I
24 will also discuss the other factors that must be
25 considered when addressing local interconnection.

1 These factors include unbundling and universal
2 service.

3
4 Q. Has a formal issues list been released in Docket
5 No. 950985A-TP?

6
7 A. No, however, a formal issues list was agreed to by
8 all interested parties at the Florida Public
9 Service Commission (FPSC) Issues Identification
10 Workshop held on September 22, 1995 in Docket
11 950985-TP. This list was included in the
12 testimony filed by Continental Cablevision in this
13 proceeding. A copy of the FPSC issues list is
14 attached as RCS-1.

15
16 Q. Is there a relationship between local
17 interconnection and other local competition issues
18 such as universal service and unbundling?

19
20 A. Yes, local interconnection arrangements will be
21 significantly affected by the universal service
22 and carrier of last resort issues being addressed
23 in Florida Docket No. 950696-TP. Specifically,
24 the manner in which the current universal service
25 support mechanism is modified to include the

1 required ALEC support will affect the structure
2 and price level for local interconnection
3 arrangements. In addition, BellSouth's local
4 interconnection arrangements must also accommodate
5 the unbundled network components and capabilities
6 required by Florida Statutes. The extent to which
7 BellSouth agrees or is required to unbundle its
8 network facilities, functions and components, as
9 well as the prices it may charge for such
10 unbundled elements, may affect the types of local
11 interconnection arrangements and the pricing of
12 such arrangements. Because resale provides
13 another form of local exchange competition,
14 decisions associated with resale must also be
15 decided in conjunction with local interconnection.

16

17 Q. Has BellSouth made a proposal for local
18 interconnection that takes into account the
19 interrelationship between local interconnection
20 and the other local exchange competition issues?

21

22 A. Yes. BellSouth has made a proposal that reflects
23 the interrelationship between local
24 interconnection, interim universal service and
25 carrier of last resort support, temporary

1 telephone number portability, unbundling and
2 resale. This proposal has been accepted by
3 Teleport Communications Group, Inc. ("TCG"). A
4 copy of the Stipulation and Agreement entered into
5 with TCG and filed in Docket No. 950985-TP is
6 attached to my Direct Testimony as RCS-2. RCS-2
7 sets forth the various elements of BellSouth's
8 proposal. BellSouth believes that this proposal
9 is reasonable because it is a comprehensive
10 package which recognizes the interrelationship of
11 all of the local competition issues and addresses
12 these issues in a manner that is both logical and
13 reasonable. Because it is a total package, each
14 of the elements can be changed only if all of the
15 other elements are also changed.

16

17 Q. What is (are) the appropriate interconnection rate
18 structure, rates or other arrangements for the
19 exchange of local and toll traffic between ALECs
20 and BellSouth? [Issue No. 1]

21

22 A. BellSouth supports a local interconnection plan
23 that includes the following components:

24

25 - Compensation arrangements for terminating traffic

- 1 on BellSouth and ALEC networks;
- 2 - A default to the toll access model if local calls
3 cannot be distinguished from toll calls;
- 4 - Charges for local interconnection that are based
5 on the switched access rate structure and rate
6 levels (the level and components may vary based on
7 the universal service mechanism that is adopted);
8 and
- 9 - A transitional structure that will eventually
10 merge all interconnection plans (local, toll,
11 independent company, cellular/wireless) into one
12 common structure.

13

14 BellSouth's plan recognizes that, in the future,
15 carriers will not be able to distinguish between
16 different types of calls and carriers. The
17 arrangements existing today were predicated on the
18 Modification of Final Judgment (MFJ) requirements
19 and BellSouth's ability to distinguish between the
20 types of traffic and class of carrier terminating
21 on its network. Under the MFJ, BellSouth is
22 required by law to charge access on all long
23 distance calls. Once local competition is
24 permitted, however, ALECs will begin terminating
25 both local and toll traffic on BellSouth's

1 network. This, coupled with the impacts of number
2 portability and the assignment of NXX codes to
3 ALECs, will result in BellSouth's inability to
4 differentiate among the types of traffic
5 terminating on its network. Thus, one
6 comprehensive structure and a uniform price for
7 all types of calls and carriers should be the
8 ultimate goal. Many issues are likely to arise in
9 reaching that goal, including the issue of cost
10 recovery.

11

12 Q. Why will number portability and the assignment of
13 NXX codes result in BellSouth being unable to
14 distinguish the types of traffic being terminated
15 on its network?

16

17 A. First, with location number portability, end users
18 will be able to move from one area to another and
19 still retain their same telephone numbers.

20 Therefore, it will be impossible for BellSouth to
21 know if an end user is calling a point within the
22 traditional local calling area. If this happens,
23 the concept of Local Calling Areas will become
24 virtually meaningless.

25

1 Second, NXXs assigned to ALECs may be deployed in
2 a completely different manner from the way
3 BellSouth utilizes its own NXXs. For example, an
4 ALEC may use an NXX for an area greater than a
5 BellSouth Local Calling Area, such as a whole
6 LATA, the entire state, or multiple states.
7 Assignment of NXXs in such a manner will make it
8 impossible for BellSouth to tell whether a call to
9 or from such NXXs is a "traditional local" call or
10 a "traditional long distance" call.

11

12 Q. What is BellSouth's position regarding the bill
13 and keep arrangement proposed by Continental
14 Cablevision?

15

16 A. BellSouth does not support adoption of the bill
17 and keep arrangement proposed by Continental
18 Cablevision for several reasons. First, bill and
19 keep does not recognize the different types of
20 technical interconnection arrangements that may
21 exist. Under a bill and keep arrangement, ALECs
22 will not be encouraged to provide efficient
23 functionality internal to their own networks.
24 Rather, ALECs will be encouraged to use the
25 efficiencies inherent to BellSouth's network,

1 functionalities for which BellSouth would not be
2 compensated. For example, under a bill and keep
3 arrangement, ALECs may decide to interconnect
4 their end offices with BellSouth's tandems, rather
5 than building their own tandems because there will
6 be no financial incentive to make this investment.

7
8 By contrast, under BellSouth's proposed structure,
9 BellSouth will be encouraged to provide
10 functionality to ALECs that will allow them to
11 operate efficiently because BellSouth will be
12 compensated. Where there is no compensation, and
13 the carriers do not share equally in providing the
14 necessary overall capabilities, a significant
15 disincentive will exist for one carrier to provide
16 functionality to the other. By example, state and
17 federal regulators, through the restructure of
18 access transport and collocation, have created
19 additional competition for both transport and
20 tandem switching. If no one is directly
21 compensated for providing these functions, it is
22 highly unlikely that any party would be motivated
23 to provide them.

24
25 Second, bill and keep also does not eliminate the

1 need for billing and administrative systems,
2 contrary to Mr. Schleiden's testimony. There will
3 still be a need to hand off toll and 800 traffic
4 to IXCs, to LECs (for intraLATA toll only), and to
5 ALECs, which requires the billing of switched
6 access rates. Because ALECs will bill switched
7 access to many different carriers, BellSouth's
8 proposal of applying switched access elements for
9 local interconnections places no additional
10 billing requirements on the ALECs.

11
12 Third, it is suggested that bill and keep is
13 appropriate because it is the arrangement used
14 today for the exchange of traffic between
15 BellSouth and independent companies. This is not
16 an accurate statement. Today, except for some
17 extended calling service arrangements, BellSouth
18 and the other LECs in Florida compensate each
19 other with terminating access charges.
20 Additionally, the traditional arrangements between
21 independent companies and BellSouth arose from
22 very different circumstances than those existing
23 between the ALECs and BellSouth. For example,
24 historically, independent companies served
25 geographic territories different from BellSouth

1 and therefore, did not compete for the same
2 customers as BellSouth. Moreover, these
3 interconnection arrangements were typically end
4 office to end office. Attempting to use such
5 arrangements in the competitive environment
6 envisioned by the statute would be comparable to
7 suggesting that LECs and IXCs ought to pool their
8 access and toll revenues.

9

10 Q. Should tariffs be filed for local interconnection
11 [Issue No. 2]?

12

13 A. Yes. Following the completion of negotiations, or
14 upon receiving an order from the Commission,
15 BellSouth intends to file prices for its local
16 interconnection arrangements by tariff. This will
17 ensure that the prices for local interconnection
18 will be available to all ALECs on a
19 non-discriminatory basis.

20

21 Q. What are the appropriate technical and financial
22 arrangements which should govern interconnection
23 between ALECs and BellSouth for the delivery of
24 calls originated and/or terminated from carriers
25 not directly connected to an ALECs network? [Issue

1 No. 3]

2

3 A. BellSouth is considering the need for providing an
4 intermediary function that would allow calls to
5 transit from one carrier's network through
6 BellSouth's network to another carrier's network.
7 These situations may require certain "meet point
8 billing" arrangements where each carrier would
9 bill its portion of the interconnection
10 arrangement to the other carrier. While there can
11 be many permutations involving both local and toll
12 traffic, these should be manageable. It should be
13 emphasized, however, that all parties to such an
14 arrangement must agree on both the technical and
15 financial arrangements to assure a seamless
16 configuration in which all parties are properly
17 compensated.

18

19 Q. What are the appropriate technical and financial
20 requirements for the exchange of intraLATA 800
21 traffic which originates from an ALEC customer and
22 terminates to an 800 number served by BellSouth?

23 [Issue No. 4]

24

25 A. It is BellSouth's position that, during at least

1 the initial phase of local exchange competition,
2 the amount of traffic at issue will be minimal.
3 While BellSouth provides minimal intraLATA 800
4 services, ALECs may opt not to provide a
5 comparable service, further reducing the potential
6 volume of traffic. There will be a need for
7 procedures to be established for the exchange of
8 data in both directions for billing purposes
9 between the two parties involved. Given the
10 minimal amount of traffic involved, it is
11 BellSouth's opinion that the parties can resolve
12 this issue.

13

14 Q. What are the appropriate technical arrangements
15 for the interconnection of an ALEC's network to
16 BellSouth's 911 provisioning network such that
17 ALEC's customers are ensured the same level of 911
18 service as they would receive as a customer of
19 BellSouth? What procedures should be in place for
20 the timely exchange and updating of ALEC customer
21 information for inclusion in appropriate E911
22 databases? [Issue No. 5]

23

24 A. Each ALEC must provide its own facilities or lease
25 facilities from BellSouth that will connect the

1 trunk side of the ALEC's end office to the
2 BellSouth 911 tandem serving the calling
3 customer's Public Safety Answering Point (PSAP).
4 The trunks must be capable of carrying Automatic
5 Number Identification (ANI) to the 911 tandem.
6 The trunk facility must conform with ANSI
7 T1.405-1989 (Interface Between Carriers and
8 Customer Installations - Analog voice Grade
9 Switched Access). The trunk interface between the
10 ALEC end office and the BellSouth tandem may be
11 either a 2-wire analog interface or a digital DS1
12 interface. A minimum of two trunks are required
13 and additional trunks may be required depending on
14 the volume of traffic.

15
16 Procedures must be in place to handle
17 transmission, receipt, and daily updates of the
18 customer telephone number and the name and address
19 associated with that number. At least three data
20 files or databases are generally required to
21 provide data for display at the Public Service
22 Answering Position (PSAP). These are the
23 Master Street Address Guide (MSAG), the Telephone
24 Number (TN), and the Network Information (TN/ESN)
25 databases.

1

2 Q. What are the appropriate technical requirements
3 for operator traffic flowing between an ALEC's
4 operator services provider and BellSouth's
5 operator services provider including busy line
6 verification and emergency interrupt services?
7 [Issue No. 6]

8

9 A. A dedicated trunk group, either one way or two
10 way, is required from an ALEC's end office to the
11 BellSouth Operator Services System. The trunk
12 group can be the same as that used for Inward
13 Operator Services (busy line verification and
14 emergency interrupt services) and Operator
15 Transfer Service. Busy line verification and
16 emergency interrupt services are currently
17 tarified in the Access Service Tariff.

18

19 Q. Under what terms and conditions should BellSouth
20 be required to list ALEC customers in its
21 directory assistance database? [Issue No. 7]

22

23 A. If an ALEC desires to list its customers in
24 BellSouth's directory assistance database,
25 BellSouth will provide this service so long as

1 the ALEC provides BellSouth with the necessary
2 information in the format specified by BellSouth
3 to populate the database. To the extent that
4 additional costs are incurred by BellSouth to
5 store ALEC directory assistance information, ALECs
6 should be required to pay BellSouth these costs.

7

8 Q. Under what terms and conditions should BellSouth
9 be required to list ALEC customers in its
10 universal white and yellow page directories and to
11 publish and distribute these directories to ALEC
12 customers? [Issue No. 8]

13

14 A. As a general matter, it should be noted that
15 yellow page directories are not "universal"
16 because there are several competitive "yellow
17 pages" in existence. BellSouth, however, does
18 intend to list ALEC business customers in
19 BellSouth's yellow and white page directories, as
20 well as ALEC residence customers in BellSouth's
21 white page directories. The basic listings for
22 individual customers will be offered at no charge.
23 It is also BellSouth's intention to distribute
24 yellow and white page directories to ALEC
25 customers. Additional listing options (e.g.,

1 design listings) and the provision of directories
2 outside a customer's service area will be provided
3 to ALEC customers under the same terms, conditions
4 and rates offered to BellSouth customers.

5

6 Q. What arrangements are necessary to ensure that
7 ALECs can bill and clear credit card, collect,
8 third party calls and audiotext calls? [Issue No.
9 9]

10

11 A. All ALECs entering the market in the BellSouth
12 region have two options for handling their
13 non-sent paid traffic.

14

15 First, an ALEC may elect to have another Regional
16 Bell Operating Company (RBOC) serve as its
17 Centralized Message Distribution System (CMDS)
18 host. CMDS will provide the ALEC with the ability
19 to bill for its services when the messages are
20 recorded by a local exchange company. This would
21 include credit card, collect and third-party
22 calls.

23

24 Under this option, all messages that are
25 originated by the ALEC but billable by another

1 company, or that are originated by another company
2 and billable by the ALEC, will be sent through
3 that RBOC host for distribution. BellSouth would
4 not be involved in this scenario. If a call
5 originates in BellSouth territory, that is
6 billable by the ALEC, BellSouth would send that
7 message to Kansas City (where the CMDS system
8 resides). CMDS would forward the message to the
9 host RBOC who would then distribute it to the
10 ALEC. The reverse would be true for any ALEC
11 originated message that is billable to a BellSouth
12 customer. If the ALEC elects to purchase operator
13 and/or 800 database service from BellSouth, and
14 BellSouth is therefore recording messages on the
15 ALEC's behalf, BellSouth will send those messages
16 directly to the ALEC for rating. The ALEC would
17 then distribute the messages to the appropriate
18 billing company via its RBOC host.

19

20 The second option is that the ALEC may elect to
21 have BellSouth serve as its CMDS host. The only
22 requirement for this option is that the ALEC have
23 Regional Accounting Office status (RAO-status),
24 which means that the ALEC has been assigned its
25 own RAO code from Bellcore. When BellSouth

1 provides the CMDS host function, BellSouth will
2 send to the CMDS all messages that are originated
3 by an ALEC customer and that are billable outside
4 the BellSouth region. BellSouth will also forward
5 all messages that originate outside the BellSouth
6 region from CMDS to the ALEC for billing, where
7 applicable. This service will be provided via
8 contract between the two companies.

9
10 As for audiotext calls, N11 service is the only
11 service currently offered by BellSouth in its
12 General Subscriber Service Tariff specifically
13 tailored for audiotext customers. 976 service is
14 grandfathered. For an ALEC to be able to provide
15 N11 service to an audiotext customer, the ALEC
16 would have to translate the audiotext provider's
17 seven or ten digit local telephone number to the
18 appropriate N11 service three-digit code at the
19 ALEC's end office. Since the recording for that
20 call would be done at the ALEC's end office,
21 BellSouth would not be involved. The ALEC would
22 then have to make its own arrangement with the
23 audiotext provider for billing and collection of
24 N11 calls to the ALEC's customers. It should be
25 noted that BellSouth does not jointly provide N11

1 service with any other carrier anywhere in its
2 service region.

3

4 Q. What arrangements are necessary to ensure the
5 provision of CLASS/LASS services between BellSouth
6 and an ALEC's interconnected networks? [Issue No.
7 10]

8

9 A. Full Signaling System 7 (SS7) connectivity is
10 required between end offices to ensure the
11 provision of CLASS/LASS services between BellSouth
12 and an ALEC. BellSouth plans to unbundle SS7
13 signaling in its Switched Access Service tariff
14 and ALECs will be able to purchase this
15 connectivity as an unbundled service.

16

17 Q. What is the status of negotiations between
18 BellSouth and Continental Cablevision?

19

20 A. BellSouth has met with Continental Cablevision on
21 two occasions and discussed many of the issues
22 included in this proceeding. BellSouth has also
23 provided Continental Cablevision with additional
24 information to allow them to better assess local
25 interconnection issues. Although BellSouth has

1 offered Continental the same arrangements that
2 have been accepted by Teleport Communications
3 Group (TCG), no agreement has been reached at this
4 time between BellSouth and Continental.

5

6 Q. Could you please outline the arrangements for
7 local interconnection which were agreed to by
8 BellSouth and TCG, which has been identified as
9 RCS-2.

10

11 A. Yes. As stated earlier in my testimony,
12 relationships exist between local interconnection,
13 universal service, unbundling, telephone number
14 portability and resale. Therefore, it is
15 important that these issues be dealt with as a
16 whole, rather than in isolation.

17

18 The settlement entered into by BellSouth and TCG
19 represents a comprehensive plan that addresses
20 these issues in a manner that facilitates the
21 introduction and development of local exchange
22 competition as required by Chapter 364, Florida
23 Statutes. The settlement also resolves all
24 outstanding issues in Florida Docket No.
25 950985-TP, addressing the establishment, on an

1 interim basis, of nondiscriminatory rates, terms
2 and conditions for local interconnection pursuant
3 to Section 364.162, Florida Statutes; Docket No.
4 950696-TP, addressing the establishment of an
5 interim universal service/carrier of last resort
6 recovery mechanism pursuant to Section 364.025,
7 Florida Statutes; Docket No. 950737-TP, addressing
8 a temporary telephone number portability solution,
9 e.g., Remote Call Forwarding pursuant to Section
10 364.16(4), Florida Statutes; and Docket No.
11 950984-TP, addressing unbundling and resale of
12 local exchange telecommunications company network
13 features, functions and capabilities' pursuant to
14 Section 364.161, Florida Statutes. RCS-2 is a
15 comprehensive settlement because it recognizes the
16 interrelationship of the local competition issues.

17

18

19

20 Q. If Continental was willing to agree to the rates,
21 terms and conditions established in RCS-2, would
22 that change your testimony?

23

24 A. Yes. The terms and conditions of the arrangements
25 described in RCS-2 set forth a local

1 interconnection agreement whereby the exchange of
2 traffic between local exchange companies will be
3 reciprocal and compensation mutual. As set forth
4 in Attachment A to RCS-2, BellSouth's switched
5 access structure and traffic sensitive rates will
6 be used as the basis for compensation. If the
7 Commission adopts BellSouth's proposed interim
8 US/COLR support mechanism, the local
9 interconnection price will be \$0.01052 per minute
10 on average. To protect the parties against the
11 uncertainties associated with the potential
12 imbalance of traffic exchange, a 10% cap has been
13 included in the agreed upon arrangement. In
14 instances where an imbalance occurs, the usage
15 charged by one party cannot exceed the usage
16 charged by the other party by more than 10%.

17

18 Additionally, BellSouth will provide temporary
19 telephone number portability on the terms and
20 conditions and at the prices set forth in RCS-2.
21 Moreover, RCS-2 addresses the terms, conditions
22 and prices of network unbundling and resale. In
23 exchange for BellSouth's commitment to facilitate
24 local exchange competition in the manner described
25 in RCS-2, TCG has agreed to support BellSouth's

1 interim universal service/carrier of last resort
2 support mechanism - Alternative 1. As part of the
3 agreement, TCG's assessable retail revenues will
4 be zero for two-year period. The parties,
5 however, have recognized that, unless the
6 Commission adopts BellSouth's US/COLR support
7 proposal the local interconnection terms,
8 conditions and prices will have to be
9 renegotiated.

10

11 Q. Does this conclude your testimony?

12

13 A. Yes.

14

15

16

17

18

19

20

21

22

23

24

25

**Issues agreed upon during 950985-TP Issue ID
9/22/95**

1. What are the appropriate rate structures, interconnection rates, or other compensation arrangements for the exchange of local and toll traffic between Teleport and Southern Bell?
2. Should Southern Bell tariff the interconnection rate(s) or other arrangements?
3. What are the appropriate technical and financial arrangements which should govern interconnection between TCG and BellSouth for the delivery of calls originated and/or terminated from carriers not directly connected to TCG's network?
4. What are the appropriate technical and financial requirements for the exchange of intraLATA 800 traffic which originates from a TCG customer and terminates to an 800 number served by BellSouth?
5. a) What are the appropriate technical arrangements for the interconnection of TCG's network to BellSouth's 911 provisioning network such that TCG's customers are ensured the same level of 911 service as they would receive as a customer of BellSouth?
b) What procedures should be in place for the timely exchange and updating of TCG customer information for inclusion in appropriate E911 databases?
6. What are the appropriate technical requirements for operator traffic flowing between TCG's operator services provider and BellSouth's operator services provider including busy line verification and emergency interrupt services?
7. Under what terms and conditions should BellSouth be required to list TCG's customers in its directory assistance database?
8. Under what terms and conditions should BellSouth be required to list TCG's customers in its universal white and yellow pages directories and to publish and distribute these directories to TCG's customers?
9. What arrangements are necessary to ensure that TCG can bill and clear credit card, collect, third party calls and audiotext calls?
10. What arrangements are necessary to ensure the provision of CLASS/LASS services between TCG's and Southern Bell's networks?

Stipulation and Agreement

This Stipulation and Agreement is entered into by and between the undersigned parties to Docket No. 950985-TP, addressing the establishment, on an interim basis, of nondiscriminatory rates, terms and conditions for local interconnection pursuant to Section 364.162, Florida Statutes; Docket No. 950696-TP, addressing the establishment of an interim universal service/carrier of last resort recovery mechanism pursuant to Section 364.025, Florida Statutes; Docket No. 950737-TP, addressing a temporary telephone number portability solution, e.g., Remote Call Forwarding pursuant to Section 364.16(4), Florida Statutes; and Docket No. 950984-TP, addressing unbundling and resale of local exchange telecommunications company network features, functions and capabilities pursuant to Section 364.161, Florida Statutes.

It is the undersigned parties' intention and understanding that this comprehensive Stipulation and Agreement will establish the interim prices, terms, conditions and mechanisms necessary to facilitate the introduction and development of local exchange competition, as required by the above-referenced sections of Florida Chapter Law 95-403, and will dispose of all outstanding issues in the aforementioned dockets. This Stipulation and Agreement also sets forth the undersigned parties' agreement with respect to other matters which relate to the Petition filed by Teleport Communications Group, Inc. (TCG) in Docket No. 950985-TP.

BELLSOUTH TELECOMMUNICATIONS, INC.
FPSC DOCKET NO. 950985A-TP
WITNESS SCHEYE DIRECT TESTIMONY
EXHIBIT ___RCS-2
Page 2 of 37

The undersigned parties agree that the issues addressed in the aforementioned proceedings, which have been framed in response to the requirements of the above-referenced sections of Florida Chapter Law 95-403, shall be resolved as follows:

A. Local Interconnection - Docket No. 950985-TP

Section 364.162, Florida Statutes, provides that an ALEC shall have until August 31, 1995, or sixty (60) days, to negotiate with the LEC mutually acceptable prices, terms and conditions of interconnection and for the resale of services and facilities. The statute also provides that if the parties are not able to negotiate a price by August 31, 1995, or within sixty days, either party may petition the Commission to establish non-discriminatory rates, terms and conditions of interconnection and for the resale of services and facilities. Whether set by negotiation or by the Commission, interconnection and resale prices, rates, terms and conditions shall be filed with the Commission before their effective date.

The parties were unable to negotiate mutually acceptable prices, terms and conditions of interconnection by August 31, 1995, or within sixty days, and one party, Teleport Communications Group ("TCG"), has filed a petition with the Commission to establish the rates, terms and conditions for interconnection and the exchange of traffic with BellSouth. After further negotiations, however, the undersigned parties now agree to the following interim prices, terms and conditions for interconnection and the exchange of traffic:

BELLSOUTH TELECOMMUNICATIONS, INC.
FPSC DOCKET NO. 950985A-TP
WITNESS SCHEYE DIRECT TESTIMONY
EXHIBIT ___ RCS-2
Page 3 of 37

1. Local interconnection is defined as the delivery of local traffic to be terminated on each company's local network. The delivery of local traffic shall be reciprocal and compensation will be mutual. Each ALEC will pay BellSouth, and vice versa, unless it is mutually agreed that the administrative costs associated with local interconnection are greater than the net monies exchanged, in which case the parties will exchange local traffic on an in-kind basis; foregoing compensation in the form of cash or a cash equivalent. In the absence of an in-kind traffic exchange, the parties will compensate each other pursuant to BellSouth's intrastate switched network access rate elements. (See Attachment A which is incorporated herein by reference.) For purposes of charging for local interconnection, BellSouth will employ its intrastate switched network access service rate elements - exclusive of the Residual Interconnection Charge and the Carrier Common Line Charge - on a per minute of use basis for terminating local traffic. Each undersigned ALEC will have local interconnection rates that are no higher than those charged by BellSouth.
2. In order to mitigate the potential adverse impact on a local exchange provider (i.e., BellSouth or an ALEC) which might occur because of an imbalance of terminating local traffic between the local exchange providers, and to reflect the fact that terminating costs are associated with peak period demand, no local

BELLSOUTH TELECOMMUNICATIONS, INC.
FPSC DOCKET NO. 950985A-TP
WITNESS SCHEYE DIRECT TESTIMONY
EXHIBIT ___ RCS-2
Page 4 of 37

exchange provider will be required to compensate the other local exchange provider for more than one-hundred-ten percent (110%) of the minutes of use of the local exchange provider with the lower minutes of use in the same month. For example, if in a given month BellSouth has 10,000 minutes of local traffic terminated on an ALEC's local exchange network and the ALEC has 15,000 minutes of local traffic terminated on BellSouth's local exchange network, the ALEC would be required to compensate BellSouth for local interconnection on the basis of 11,000 terminating minutes (10,000 mins. x 110% = 11,000 mins.), and BellSouth would compensate the ALEC for 10,000 terminating minutes.

3. BellSouth will provide intermediary tandem switching and transport to connect the end user of an ALEC to the end user of another ALEC, a LEC other than BellSouth, or wireless telecommunications service provider for the purpose of making a local call. When BellSouth provides this intermediary function, it will bill a \$.002 per minute charge over and above its local interconnection charge that applies when a BellSouth end user is involved.
4. When BellSouth or an ALEC provides intermediary functions for network access, i.e., between an IXC and an ALEC, the ALEC and BellSouth will each provide their own network access service elements on a meet-point basis. Each carrier will bill its own network access service rate elements to the IXC. BellSouth or

BELLSOUTH TELECOMMUNICATIONS, INC.
FPSC DOCKET NO. 950985A-TP
WITNESS SCHEYE DIRECT TESTIMONY
EXHIBIT ___RCS-2
Page 5 of 37

the ALEC will bill the residual interconnection charge ("RIC") to the IXC when either provides the intermediary tandem function.

5. Whenever BellSouth delivers traffic to an ALEC for termination on the ALEC's network, if BellSouth cannot determine whether the traffic will be local or toll because of the manner in which the ALEC uses NNX codes, BellSouth will not compensate the ALEC for local interconnection but will, instead, charge the ALEC originating intrastate network access service charges unless the ALEC can provide BellSouth with sufficient information to make a determination as to whether the traffic is local or toll. Provided, however, that the ALEC has access to a sufficient quantity of numbering sources. In the event the ALEC cannot determine whether traffic delivered to BellSouth is local or toll, then the same provisions shall also apply.
6. BellSouth has proposed an interim universal service/carrier of last resort mechanism in testimony and exhibits submitted by A.J. Varner and P.F. Martin, dated August 14, 1995, in Docket No. 950696-TP. The adoption of Alternative 1, as described in the testimony and exhibits, would allow BellSouth to eliminate the carrier common line and residual interconnection rate elements from intrastate switched access rates (and interstate if the same plan were adopted by the FCC

BELLSOUTH TELECOMMUNICATIONS, INC.
FPSC DOCKET NO. 950985A-TP
WITNESS SCHEYE DIRECT TESTIMONY
EXHIBIT ___ RCS-2
Page 6 of 37

for Florida).¹ The rates for local interconnection and terminating switched network access associated with intrastate toll calls (and interstate, if adopted by the FCC) would be identical and the undersigned parties could terminate all traffic regardless of its jurisdiction at the same rates notwithstanding Section 364.16(3)(a), Florida Statutes. However, if BellSouth's proposed Alternative 1, as modified by this Stipulation and Agreement, i.e., the ALEC's assessable revenues for the period January 1, 1996 through December 31, 1997, will be zero, is not adopted by the Commission and the intrastate terminating switched access rates consequently differ from the local interconnection rates, the parties recognize that the local interconnection arrangements agreed to herein are not appropriate and are null and void. In that event, the parties will begin to negotiate different local interconnection arrangements as expeditiously as possible. These negotiations should include some interim arrangements that could become effective on January 1, 1996, while further negotiations or Commission proceedings, if necessary, continue. The parties stipulate and agree that the terms, conditions and prices ultimately ordered by the Commission, or negotiated by the parties, will be effective retroactive to January 1, 1996.

¹ Even with the elimination of the CCL and RIC elements from the intrastate switched network access service, there will be a \$.0012 per minute residual amount in the interstate switched network access rates.

BELLSOUTH TELECOMMUNICATIONS, INC.
FPSC DOCKET NO. 950985A-TP
WITNESS SCHEYE DIRECT TESTIMONY
EXHIBIT ___ RCS-2
Page 7 of 37

Because the undersigned parties lack sufficient data with respect to the volumes of local terminating traffic being delivered to each LEC and ALEC, the prices, terms and conditions of local interconnection agreed to herein are deemed transitional and are to remain in effect for a two (2) year period ending December 31, 1997, and the undersigned parties agree to renegotiate the prices, terms and conditions prior to the end of the two (2) year period, based on specific traffic data. This period can be extended for up to six months if an ALEC is unable to operate because the ALEC is unable to obtain the necessary local interconnection arrangements, NNXs, etc. from BellSouth in a timely fashion.

The undersigned parties stipulate and agree that the local interconnection and traffic arrangements agreed to herein are interim and that the parties, no later than July 1, 1997, shall commence negotiations with regard to the terms, conditions and prices of interconnection arrangements to be effective beginning January 1, 1998. If the parties are unable to satisfactorily negotiate new interconnection terms, conditions and prices within 90 days, any party may petition the Commission to establish appropriate interconnection arrangements. The parties will encourage the Commission to issue its order by not later than December 31, 1997. In the event the Commission does not issue its order prior to January 1, 1998, or if the parties continue to negotiate the interconnection arrangements beyond January 1, 1998, the parties stipulate and agree that the terms, conditions and prices ultimately ordered by the Commission.

or negotiated by the parties. will be effective retroactive to January 1, 1998. Until the revised interconnection arrangements become effective, the parties shall continue to exchange traffic.

It is further understood and agreed that TCG and BellSouth shall jointly petition the Commission for a stay of this proceeding, but if the Commission does not grant the stay expeditiously TCG will dismiss without prejudice its petition filed with the Commission in this docket.

B. Unbundling and Resale of Local Exchange Telecommunications Company Network Features, Functions and Capabilities - Docket No. 950984-TP

Section 364.161, Florida Statutes, requires each LEC, upon request, to unbundle each of its network features, functions and capabilities, including access to signaling data-bases, systems and routing process, and offer them to any other telecommunications provider requesting such features, functions or capabilities for resale to the extent technically and economically feasible and at prices that are not below cost. The statute also requires that the parties first negotiate the terms, conditions and prices of any feasible unbundling request. If the parties cannot reach a satisfactory resolution within 60 days, either party may petition the Commission to arbitrate the dispute and the Commission shall make a determination within 120 days.

The undersigned parties have now satisfactorily resolved the terms, conditions and prices of those network features, functions and capabilities that are technically and economically feasible of unbundling as set forth in Attachment B which is incorporated herein by reference. It is understood by the parties that the list of network features, functions and capabilities is not

exhaustive and the parties commit to cooperate in the negotiation of additional network features, functions and capabilities as the parties' future needs require.

C. Universal Service/Carrier of Last Resort - Docket No. 950696-TP

Section 364.025, Florida Statutes, requires the Commission to establish an interim universal service/carrier of last resort ("US/COLR") recovery mechanism by January 1, 1996. This interim mechanism is to be applied in a manner that ensures that each alternative local exchange company ("ALEC") contributes its fair share of the local exchange telecommunications company's ("LEC's") recovery of investment in fulfilling its carrier of last resort obligations and the maintenance of universal service objectives. The statute further provides that the Commission shall ensure that the interim mechanism, which is to remain in effect, if necessary, until the implementation of a permanent mechanism, but not later than January 1, 2000, ensures the maintenance of universal service through a carrier of last resort, but does not impede the development of residential consumer choice or create an unreasonable barrier to competition.

The undersigned parties stipulate and agree that the interim universal service/carrier of last resort (US/COLR) recovery mechanism proposed by BellSouth (Alternative 1) in the direct testimony and associated exhibits of BellSouth's witnesses Alphonso J. Varner and Peter F. Martin, dated August 14, 1995, as modified by this Stipulation and Agreement, is an acceptable alternative under the requirements of Florida law concerning the interim US/COLR mechanism. Notwithstanding the foregoing, the parties are entering this Stipulation and Agreement as a result of negotiations and compromise and for the purpose of facilitating the development of local

exchange competition as intended by the Florida Legislature. Accordingly, the parties in no way waive their right to petition the Commission pursuant to Section 364.025(3), Florida Statutes. In the event the BellSouth-proposed US/COLR recovery mechanism - Alternative 1 - is adopted and implemented by the Commission, each ALEC payment required thereby will be based upon its proportionate share of assessable revenues.² The undersigned parties also agree that, in order to assure that the proper amounts of assessable revenues are being reported and the associated amounts of assessments are being collected, the Commission shall periodically audit each telecommunications service provider's appropriate records.

The undersigned parties agree for purposes of determining payments from the ALECs for the period January 1, 1996 through December 31, 1997, the assessable revenues will be zero and no payments will be due. Thereafter, each ALEC will be billed under the BellSouth-proposed US/COLR recovery mechanism. The undersigned parties agree that for the period after December 31, 1997, the parties may renegotiate the foregoing provisions to the extent permitted by Florida law and Commission rules.

The undersigned parties agree to use their best efforts to persuade the Commission to adopt BellSouth's proposed interim US/COLR recovery mechanism - Alternative 1, as modified by this Stipulation and Agreement. The undersigned parties also agree to use their best efforts

² Assessable revenues means revenues associated with the ALEC's provision of basic local telecommunications services - as defined in Section 364.02(2), Florida Statutes - and their associated vertical or ancillary services. Assessable revenues do not include ALEC revenues received from basic local telecommunications services offered at a price comparable to the incumbent LEC's or Lifeline service or from local interconnection and network access services.

to persuade the Commission and the Legislature to establish a permanent US/COLR recovery mechanism at the earliest possible date; provided, however, that such efforts shall not be construed or used as an admission by the undersigned parties concerning the necessity for a permanent US/COLR recovery mechanism.

D. Temporary Telephone Number Portability - Docket No. 950737-TP

At the Commission's regular agenda conference held on September 12, 1995, the Commission approved the Stipulation and Agreement of the parties to Docket No. 950737-TP, which addressed every issue relating to the implementation of a temporary telephone number portability solution, except the price to be charged for the temporary telephone number portability solution and the advantages and disadvantages of Remote Call Forwarding. The undersigned parties agree that the Commission-approved Stipulation and Agreement shall be incorporated herein by reference and be attached to this Stipulation and Agreement as Attachment C.

With regard to the price to be paid for remote call forwarding, which is the temporary telephone number portability solution to be implemented January 1, 1996, the undersigned parties agree to pay \$1.50 per line, per month, plus a non-recurring charge of no more than \$25.00 per order for remote call forwarding used between carriers. For additional paths, the undersigned parties agree to pay \$.75 per month, per additional path, plus a non-recurring charge of no more than \$25.00 per order. To the extent location portability is involved, i.e.,

movement of the customer to a different location, the rates applicable to end users for remote call forwarding would be charged.

In the event that an ALEC and the interexchange carriers have direct connections (i.e., no BellSouth tandem is involved) for all traffic except for terminating traffic through remote call forwarding (necessitating the inclusion of a BellSouth tandem), then the access revenues associated with these calls will be due to the ALEC.

E. Resolution of Disputes

The undersigned parties agree that if any dispute arises as to the interpretation of any provision of this Stipulation and Agreement or as to the proper implementation of any of the matters agreed to in this Stipulation and Agreement the parties will petition the Commission for a resolution of the dispute. However, each undersigned party reserves any rights it may have to seek judicial review of any ruling made by the Commission concerning this Stipulation and Agreement.

F. Duration

This Stipulation and Agreement takes effect on October __, 1995, and remains in effect until each of the matters and issues addressed herein has been implemented or resolved as contemplated by the undersigned parties.

G. Representations

Each person signing this Stipulation and Agreement represents that he or she has the requisite authority to bind the party on whose behalf the person is signing. By signing this Stipulation and Agreement, each undersigned party represents that it agrees to each of the stipulations and agreements set forth herein. In the event there are parties to the aforementioned dockets that do not sign this Stipulation and Agreement, the comprehensive resolution of the issues set forth in this Stipulation and Agreement shall, nonetheless, be binding upon the undersigned parties. Each undersigned party commits to use its best efforts to persuade the Commission, prior to and during the hearings scheduled in the aforementioned dockets, to accept the stipulations agreed to by the undersigned parties. The undersigned parties further agree that, in the event the Commission does not adopt this Stipulation and Agreement in its entirety, the Stipulation and Agreement shall, nonetheless, be binding upon the parties as if it had been adopted by the Commission, except as set forth elsewhere in this Stipulation and Agreement. The undersigned parties also stipulate and agree that the Commission shall, immediately upon approval of this Stipulation and Agreement, close Docket Nos. 950737-TP, 950984-TP and 950985-TP. The undersigned parties further agree to request the Commission to keep open Docket No. 950696-TP solely for the purpose of: (1) implementing the adoption of BellSouth's proposed interim US/COLR recovery mechanism - Alternative 1 as modified by this Stipulation and Agreement; and (2) for purposes of satisfying the Legislature's mandate to the Commission to research the issue of a permanent US/COLR mechanism and to determine and recommend

a reasonable and fair mechanism for providing to the greatest number of customers basic local exchange telecommunications service at an affordable price.

H. Limitation of Use

The undersigned parties understand and agree that this Stipulation and Agreement was entered into to resolve issues and matters which are unique to the State of Florida because of regulatory precedent and legislative requirements. The undersigned parties therefore agree that none of the agreements and stipulations contained herein shall be proffered by an undersigned party in another jurisdiction as evidence of any concession or as a waiver of any position taken by another undersigned party in that jurisdiction or for any other purpose.

I. Waivers

Any failure by any undersigned party to insist upon the strict performance by any other entity of any of the provisions of this Stipulation and Agreement shall not be deemed a waiver of any of the provisions of this Stipulation and Agreement, and each undersigned party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Stipulation and Agreement.

J. Governing Law

This Stipulation and Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida, without regard to its conflict of laws principles.

K. Purposes

The undersigned parties acknowledge that this Stipulation and Agreement is being entered into for the purposes of complying with the requirements of Florida Chapter Law 95-403 with respect to negotiating the matters at issue in Docket Nos. 950737-TP, 950984-TP and 950985-TP; and in order to avoid the expense and uncertainty inherent in resolving the matters at issue in Docket No. 95696-TP. Neither this Stipulation and Agreement nor any action taken to reach, effectuate or further this Stipulation and Agreement may be construed as, or may be used as an admission by or against any party. Entering into or carrying out this Stipulation and Agreement or any negotiations or proceedings related thereto, shall not in any event be construed as, or deemed to be evidence of, an admission or concession by any of the undersigned parties, or to be a waiver of any applicable claim or defense, otherwise available, nor does it indicate that any party other than BellSouth believes that a universal service "subsidy" exists or is necessary beyond what has historically been recognized as a "toll-to-local" subsidy in the switched access charge rate design.

L. Arm's Length Negotiations

This Stipulation and Agreement was executed after arm's length negotiations between the undersigned parties and reflects the conclusion of the undersigned that this Stipulation and Agreement is in the best interests of all the undersigned parties.

M. Joint Drafting

The undersigned parties participated jointly in the drafting of this Stipulation and Agreement, and therefore the terms of this Stipulation and Agreement are not intended to be construed against any undersigned party by virtue of draftsmanship.

N. Single Instrument

This Stipulation and Agreement may be executed in several counterparts, each of which, when executed, shall constitute an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, this Stipulation and Agreement has been executed as of the
17 day of October, 1995, by the undersigned representatives for the parties hereto.

Teleport Communications Group, Inc.

BellSouth Telecommunications, Inc.

By: 
Authorized Representative

By: 
Authorized Representative

By: _____
Authorized Representative

By: _____
Authorized Representative

By: _____
Authorized Representative

By: _____
Authorized Representative

By: _____
Authorized Representative

By: _____
Authorized Representative

By: _____
Authorized Representative

ATTACHMENT A

BELLSOUTH FLORIDA - INTRASTATE
 SWITCHED ACCESS

Rate Elements	Proposed 11/04/95	With BellSouth Alternative 1 Proposal
Carrier Common Line		
Originating	\$0.01061	--
Terminating	\$0.02927	--
Transport ¹		
DS1 Local Channel - Entrance Facility	\$0.00062	\$0.00062
Residual Interconnection	\$0.005159	--
Switched Common Transport per minute of use per mile	\$0.00004	\$0.00004
Facilities Termination per MOU	\$0.00036	\$0.00036
Access Tandem Switching	\$0.00074	\$0.00074
Local Switching 2	\$0.00876	<u>\$0.00876</u> \$0.01052 ²

¹ Assumptions:

- Tandem Connection with Common Transport
- No Collocation
- DS1 local channel @ 9000 minutes per month and 24 voice grade equivalents

² If BellSouth's Alternative 1 proposal is adopted by the Florida Public Service Commission, this will also be the local interconnection rate.

ATTACHMENT B
UNBUNDLED NETWORK FEATURES, FUNCTIONS
AND CAPABILITIES

The parties to the Stipulation and Agreement have negotiated the following terms, conditions and prices relating to unbundled network features, functions and capabilities:

(1) Access to 911/E911 Emergency Network.

For basic 911 service, BellSouth will provide a list consisting of each municipality in Florida that subscribes to Basic 911 service. The list will also provide the E911 conversion date and for network routing purposes a ten-digit directory number representing the appropriate emergency answering position for each municipality subscribing to 911 service. Each ALEC will arrange to accept 911 calls from its customers in municipalities that subscribe to Basic 911 service and translate the 911 call to the appropriate 10-digit directory number as stated on the list provided by BellSouth and route that call to BellSouth at the appropriate tandem or end office. When a municipality converts to E911 service, the ALEC shall discontinue the Basic 911 procedures and begin the E911 procedures.

For E911 service, the ALEC will connect the necessary trunks to the appropriate E911 tandem, including the designated secondary tandem. If a municipality has converted to E911 service, the ALEC will forward 911 calls to the appropriate E911 primary tandem, along with ANI, based upon the current E911 end office to tandem homing arrangement as provided by BellSouth. If the primary tandem trunks are not available, the ALEC will alternate route the call to the designated secondary E911 tandem. If the secondary tandem trunks are not available, the ALEC will alternate route the call to the appropriate Traffic Operator Position System (TOPS) tandem.

In order to ensure the proper working of the system, along with accurate customer data, the ALEC will provide daily updates to the E911 data-base. BellSouth will work cooperatively with the ALEC to define record layouts, media requirements, and procedures for this process.

In some instances BellSouth is responsible for maintenance of the E911 data-base and is compensated for performing these functions by either the municipality or the ALEC - for maintaining the ALEC's information. In no event, however, shall BellSouth be entitled to compensation from both parties for the same function.

(2) **Directory Listings and Directory Distribution.**

BellSouth will include ALEC's customers' primary listings in the white page (residence and business listings) and yellow page (business listings) directories, as well as the directory assistance data-base, as long as the ALEC provides information to BellSouth in a manner compatible with BellSouth's operational systems. BellSouth will not charge the ALECs to (a) print their customers' primary listings in the white pages and yellow page directories; (b) distribute directory books to their customers; (c) recycle their customers' directory books; and (d) maintain the Directory Assistance data-base. BellSouth will work cooperatively with the ALECs on issues concerning lead time, timeliness, format, and content of listing information.

(3) **IntraLATA 800 Traffic.**

BellSouth will compensate ALECs for the origination of 800 traffic terminated to BellSouth pursuant to the ALEC's originating switched access charges, including the data-base query. The ALEC will provide to BellSouth the appropriate records necessary for BellSouth to bill its customers. The records will be provided in a standard ASR format for a fee of \$0.015 per record. At such time as an ALEC elects to provide 800 services, the ALEC will reciprocate this arrangement. Should BellSouth be permitted to provide interLATA 800 services prior to the expiration of this Stipulation and Agreement, BellSouth will be responsible for

compensating the ALEC for the origination of such traffic as well on the same terms and conditions as described above.

(4) Number Resource Administration.

So long as BellSouth continues to act as the local administrator of the North American Numbering Plan, BellSouth will assign and administer Central Office Codes (NNX/NXX) consistent with the industry developed "Central Office Code (NNX/NXX) Assignment Guidelines." This document was last published by Bellcore on November 16, 1994 as IL-94/11-013.

(5) Busy Line Verification/Emergency Interrupt Services.

BellSouth and the ALECs shall mutually provide each other busy line verification and emergency interrupt services pursuant to tariff.

(6) Network Design and Management.

BellSouth and the ALECs will work cooperatively to install and maintain reliable interconnected telecommunications networks. A cooperative effort will include, but not be limited to, the exchange of appropriate information concerning network changes that impact services to the local service provider, maintenance contact numbers and escalation procedures. The interconnection of all networks will be based upon accepted industry/national guidelines for transmission standards and

traffic blocking criteria. BellSouth and the ALECs will work cooperatively to apply sound network management principles by invoking appropriate network management controls, i.e., call gapping, to alleviate or prevent network congestion. It is BellSouth's intention not to charge rearrangement, reconfiguration, disconnect, or other non-recurring fees associated with the initial reconfiguration of each carrier's interconnection arrangements. However, each ALEC's interconnection reconfigurations will have to be considered individually as to the application of a charge.

(7) **CLASS Interoperability.**

BellSouth and the ALECs will provide LEC-to-LEC Common Channel Signalling (CCS) to one another, where available, in conjunction with all traffic in order to enable full interoperability of CLASS features and functions. All CCS signalling parameters will be provided including automatic number identification (ANI), originating line information (OLI) calling party category, charge number, etc. All privacy indicators will be honored, and BellSouth and the ALECs will cooperate on the exchange of Transactional Capabilities Application Part (TCAP) messages to facilitate full inter-operability of CCS-based features between their respective networks.

(8) **Network Expansion.**

For network expansion, BellSouth and the ALECs will review engineering requirements on a quarterly basis and establish forecasts for trunk utilization. New trunk groups will be implemented as dictated by engineering requirements for both BellSouth and the ALEC. BellSouth and the ALEC are required to provide each other the proper call information (i.e., originated call party number and destination call party number, CIC, OZZ, etc.) to enable each company to bill accordingly.

(9) **Signaling.**

In addition to CLASS interoperability, as discussed above, BellSouth will offer use of its signaling network on an unbundled basis at tariffed rates. Signaling functionality will be available with both A-link and B-link connectivity.

STIPULATION AND AGREEMENT

Chapter 364.16(4), Florida Statutes, requires the Florida Public Service Commission to have a temporary service provider number portability mechanism in place on January 1, 1996. The statute further requires industry participants to form a number portability standards group by September 1, 1995 for the purpose of developing the appropriate costs, parameters, and standards for number portability. Negotiating the temporary number portability solution is one task that the group is to perform. This standards group was formed on July 26, 1995, and consists of the members listed on Attachment A to this agreement. If parties are unable to come to agreement on the temporary solution, the Florida Public Service Commission has reserved dates for an evidentiary proceeding under Chapter 120.57, Florida Statutes.

As a result of workshops held by the members of the standards group, an agreement has been reached as to the methods of providing temporary number portability. This Stipulation is entered into by and between the undersigned parties to Docket No. 950737-TP, Investigation into a Temporary Local Telephone Number Portability Solution to Implement Competition in Local Exchange Markets.

The parties agree that Chapter 364.16(4), Florida Statutes, requires a service provider temporary number portability solution. Service provider number portability allows an end user at a given location to change service from a local exchange

company (LEC) to an alternative local exchange company (ALEC) or vice versa, or between two ALECs, without changing local telephone numbers.

The parties further agree that a temporary service provider number portability mechanism that can be implemented in most LEC central offices at the present time is Remote Call Forwarding. With Remote Call Forwarding, a call to the old telephone number is first sent to the switch of the former local service provider, and then forwarded (ported) to the switch of the new local service provider. This is a temporary mechanism that can be implemented using existing switch and network technology. While remote call forwarding is not an appropriate solution to the issue of permanent number portability, the parties agree that it can be used as a temporary number portability mechanism.

The parties therefore agree that the LECs shall offer Remote Call Forwarding to certificated ALECs as a temporary number portability mechanism, effective January 1, 1996. Likewise, the parties agree that ALECs shall offer Remote Call Forwarding to LECs as a temporary number portability mechanism, effective on the date they begin to provide local exchange telephone service. All parties agree that the provision of reliable end user access to emergency services such as 911/E911 is necessary to protect the public health, safety and welfare. This stipulation is entered into with the understanding that Remote Call Forwarding does not provide technical impediments to the availability and reliable transfer of relevant information to 911/E911 systems.

All parties shall work together and with the 911 coordinators to successfully integrate the relevant ALEC information into the existing 911/E911 systems. The recurring price for Remote Call Forwarding will be on a per-line per-month basis and will be uniform throughout an individual LEC's existing service territory. The price charged by an individual LEC for Remote Call Forwarding shall not be below the costs of that LEC to provide Remote Call Forwarding for purposes of providing temporary number portability. The price charged for Remote Call Forwarding offered by an ALEC will mirror the price charged by the LEC.

The parties recognize that there are other related compensation issues that are not addressed in this agreement, including compensation for termination of ported calls and the entitlement to terminating network access charges on ported calls. These items will be negotiated by the parties, or resolved by the Commission, as local interconnection issues under Chapter 364.162.

The parties further agree that Flexible Direct Inward Dialing is an alternative temporary number portability mechanism. With Flexible Direct Inward Dialing, the number is routed to the switch of the former local service provider, which translates it to look like a direct inward dialed call terminating in the switch of the new local exchange provider. The parties recognize that Flexible Direct Inward Dialing involves certain technical and administrative issues that have not yet been fully addressed.

The parties agree that the LECs will continue to negotiate with the ALECs who desire to utilize Flexible Direct Inward Dialing as a method of providing temporary number portability to resolve any technical and administrative issues and to establish the prices, terms and conditions upon which Flexible Direct Inward Dialing will be offered. In the event the parties are unable to satisfactorily negotiate the price, terms and conditions, either party may petition the Commission which shall, within 120 days after receipt of the petition and after opportunity for a hearing, determine whether Flexible Direct Inward Dialing is technically and economically feasible and, if so, set nondiscriminatory rates, terms and conditions for Flexible Direct Inward Dialing. The prices and rates shall not be below cost.

Nothing in this Stipulation shall preclude the use of other feasible options for temporary number portability that may be developed in the future.

The parties further agree that the work of the number portability standards group will continue, under Chapter 364.16(4), Florida Statutes, to investigate and develop a permanent number portability solution.

(SIGNATURES BEGIN ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have executed this
Stipulation and Agreement as of the 30th day of August, 1995.

BELLSOUTH TELECOMMUNICATIONS, INC.
D/B/A SOUTHERN BELL TELEPHONE AND
TELEGRAPH COMPANY

By: *Percy H. Sims*

GENERAL TELEPHONE COMPANY OF FLORIDA,
INC.

By: _____

SPRINT/UNITED TELEPHONE COMPANY OF
FLORIDA

By: _____

SPRINT/CENTRAL TELEPHONE COMPANY OF
FLORIDA

By: _____

METROPOLITAN FIBER SYSTEMS OF FLORIDA,
INC.

By: _____

MCI METRO ACCESS TRANSMISSION SERVICES,
INC.

By: *Rio D. Mesa*

IN WITNESS WHEREOF, the parties have executed this
Stipulation and Agreement as of the 30th day of August, 1995.

BELLSOUTH TELECOMMUNICATIONS, INC.
D/B/A SOUTHERN BELL TELEPHONE AND
TELEGRAPH COMPANY

By: _____

GENERAL TELEPHONE COMPANY OF FLORIDA,
INC.

By:  _____

SPRINT/UNITED TELEPHONE COMPANY OF
FLORIDA

By: _____

SPRINT/CENTRAL TELEPHONE COMPANY OF
FLORIDA

By: _____

METROPOLITAN FIBER SYSTEMS OF FLORIDA,
INC.

By: _____

MCI METRO ACCESS TRANSMISSION SERVICES,
INC.

By: _____

08/30/95

12:43

HOPPING GREEN SAMS SMITH PA →

IN WITNESS WHEREOF, the parties have executed this
Stipulation and Agreement as of the 30th day of August, 1995.

BELLSOUTH TELECOMMUNICATIONS, INC.
D/B/A SOUTHERN BELL TELEPHONE AND
TELEGRAPH COMPANY

By: _____

GENERAL TELEPHONE COMPANY OF FLORIDA,
INC.

By: _____

SPRINT/UNITED TELEPHONE COMPANY OF
FLORIDA

By: F. B. Bog

SPRINT/CENTRAL TELEPHONE COMPANY OF
FLORIDA

By: F. B. Bog

METROPOLITAN FIBER SYSTEMS OF FLORIDA,
INC.

By: _____

MCI METRO ACCESS TRANSMISSION SERVICES,
INC.

By: _____

IN WITNESS WHEREOF, the parties have executed this
Stipulation and Agreement as of the 30th day of August, 1995.

BELLSOUTH TELECOMMUNICATIONS, INC.
D/B/A SOUTHERN BELL TELEPHONE AND
TELEGRAPH COMPANY

By: _____

GENERAL TELEPHONE COMPANY OF FLORIDA,
INC.

By: _____

SPRINT/UNITED TELEPHONE COMPANY OF
FLORIDA

By: _____

SPRINT/CENTRAL TELEPHONE COMPANY OF
FLORIDA

By: _____

METROPOLITAN FIBER SYSTEMS OF FLORIDA,
INC.

By:  _____

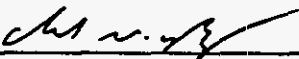
MCI METRO ACCESS TRANSMISSION SERVICES,
INC.

By: _____

TIME WARNER AXS

By: 

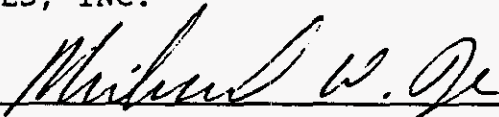
DIGITAL MEDIA PARTNERS

By: 

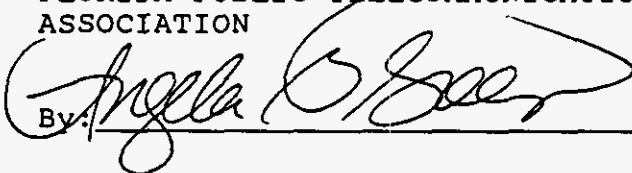
FLORIDA CABLE TELECOMMUNICATIONS
ASSOCIATION, INC.

By: 

AT&T COMMUNICATIONS OF THE SOUTHERN
STATES, INC.

By: 

FLORIDA PUBLIC TELECOMMUNICATIONS
ASSOCIATION

By: 

INTERMEDIA COMMUNICATIONS OF FLORIDA,
INC.

By: _____

SPRINT COMMUNICATIONS COMPANY,
LIMITED PARTNERSHIP

By: _____

ICI ADMIN. BELLSOUTH TELECOMMUNICATIONS, INC
FPSC DOCKET NO. 950985A-TP
WITNESS SCHEYE DIRECT TESTIMONY
EXHIBIT ___RCS-2
Page 35 of 37

TIME WARNER A&S

By: _____

DIGITAL MEDIA PARTNERS

By: _____

FLORIDA CABLE TELECOMMUNICATIONS
ASSOCIATION, INC.

By: _____

AT&T COMMUNICATIONS OF THE SOUTHERN
STATES, INC.

By: _____

FLORIDA PUBLIC TELECOMMUNICATIONS
ASSOCIATION

By: _____

INTERMEDIA COMMUNICATIONS OF FLORIDA,
INC.

By: Patricia A. Kuli

SPRINT COMMUNICATIONS COMPANY,
LIMITED PARTNERSHIP

By: _____

08/30/95 11:15 FAX 404 859 5174
08/30/95 10:13

SPRINT EX
HOPPING GREEN SAMS SMITH PH -

BELLSOUTH TELECOMMUNICATIONS, INC
FPSC DOCKET NO. 950985A-TP
WITNESS SCHEYE DIRECT TESTIMONY
EXHIBIT ___RCS-2
Page 36 of 37

TIME WARNER AXS

By: _____

DIGITAL MEDIA PARTNERS

By: _____

FLORIDA CABLE TELECOMMUNICATIONS
ASSOCIATION, INC.

By: _____

AT&T COMMUNICATIONS OF THE SOUTHERN
STATES, INC.

By: _____

FLORIDA PUBLIC TELECOMMUNICATIONS
ASSOCIATION

By: _____

INTERMEDIA COMMUNICATIONS OF FLORIDA,
INC.

By: _____

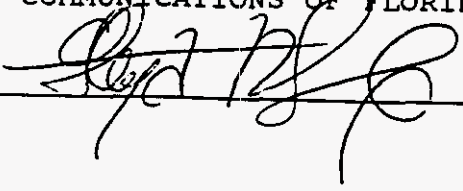
SPRINT COMMUNICATIONS COMPANY,
LIMITED PARTNERSHIP

By: Joey H. Key

BELLSOUTH TELECOMMUNICATIONS, INC.
FPSC DOCKET NO. 950985A-TP
WITNESS SCHEYE DIRECT TESTIMONY
EXHIBIT ___RCS-2
Page 37 of 37

MCCAW COMMUNICATIONS OF FLORIDA, INC.

By: _____

A handwritten signature in black ink, appearing to be "D. J. O.", is written over a horizontal line. The signature is stylized and cursive.