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November 10, 1995

Via Federal Express

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

Re: Resolution of Petition(s) to establish nondiscriminatory rates, terms, and conditions for interconnection involving local exchange companies and alternative local exchange companies pursuant to Section 364.162, Florida Statutes (Docket No. 950985A-TP)

Dear Mrs. Bayo:

Enclosed for filing, in accordance with the Order Establishing Procedure in the above docket, please find an original and fifteen (15) copies of the Direct Testimony of Timothy T. Devine on Behalf of Metropolitan Fiber Systems of Florida, Inc.

Also enclosed is an extra copy of this cover letter. Please date stamp the copy and return it in the enclosed self-addressed envelope.

Thank you for your attention to this matter.

Sincerely,

James C. Falvey
James C. Falvey

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BEFORE THE
FLORIDA
PUBLIC SERVICE COMMISSION

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Resolution of Petition(s) to establish)
nondiscriminatory rates, terms, and) Docket No. 950985A-TP
conditions for interconnection)
involving local exchange companies and) Filed: November 13, 1995
alternative local exchange companies)
pursuant to Section 364.162, Florida)
Statutes)

DIRECT TESTIMONY OF TIMOTHY T. DEVINE

ON BEHALF OF

METROPOLITAN FIBER SYSTEMS OF FLORIDA, INC.

Docket No. 950985A-TP

DOCUMENT NUMBER-DATE

11226 NOV 13 1995

FPSC-RECORDS/REPORTING

**DIRECT TESTIMONY OF TIMOTHY T. DEVINE
ON BEHALF OF
METROPOLITAN FIBER SYSTEMS OF FLORIDA, INC.
Docket No. 950985A-TP**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 **A.** My name is Timothy T. Devine. My business address is MFS
3 Communications Company, Inc. ("MFSCC"), 250 Williams St., Ste. 2200,
4 Atlanta, Georgia 30303.

5 **Q. WHAT IS YOUR POSITION WITH MFS?**

6 **A.** I am the Senior Director of External and Regulatory Affairs for the
7 Southern Region for MFS Communications Company, Inc., the indirect
8 parent company of Metropolitan Fiber Systems of Florida.

9 **Q. WHAT ARE YOUR RESPONSIBILITIES IN THAT POSITION?**

10 **A.** I am responsible for the regulatory oversight of commission dockets and
11 other regulatory matters and serve as MFS's representative to various
12 members of the industry. I am also responsible for coordinating co-carrier
13 discussions with Local Exchange Carriers within the Southern Region.

14 **Q. PLEASE DESCRIBE YOUR PREVIOUS PROFESSIONAL
15 EXPERIENCE AND EDUCATIONAL BACKGROUND.**

16 **A.** I have a B.S. in Political Science from Arizona State University and an
17 M.A. in Telecommunications Policy from George Washington University.
18 I began work in the telecommunications industry in April 1982 as a sales
19 representative for packet switching services for Graphnet, Inc., one of the
20 first value-added common carriers in the United States. From 1983 until

1 1987, I was employed at Sprint Communications Co., in sales, as a tariff
2 analyst, as a product manager, and as Manager of Product and Market
3 Analysis. During 1988, I worked at Contel Corporation, a local exchange
4 carrier, in its telephone operations group, as the Manager of Network
5 Marketing. I have been working for MFSCC and its affiliates since
6 January 1989. During this time period, I have worked in product
7 marketing and development, corporate planning, regulatory support, and
8 regulatory affairs. Most recently, from August 1994 until August 1995, I
9 have been representing MFSCC on regulatory matters before the New
10 York, Massachusetts, and Connecticut state commissions and was
11 responsible for the MFSCC Interim Co-Carrier Agreements with NYNEX
12 in New York and Massachusetts, as well as the execution of a co-carrier
13 Joint Stipulation in Connecticut.

14 **Q. PLEASE DESCRIBE THE OPERATIONS OF MFS**
15 **COMMUNICATIONS COMPANY, INC. AND ITS SUBSIDIARIES.**

16 **A.** MFSCC is a diversified telecommunications holding company with
17 operations throughout the country, as well as in Europe. MFS Telecom,
18 Inc., an MFSCC subsidiary, through its operating affiliates, is the largest
19 competitive access provider in the United States. MFS Telecom, Inc.'s

1 subsidiaries, including MFS/McCourt, Inc., provide non-switched,
2 dedicated private line and special access services.

3 MFS Intelenet, Inc. ("MFSI") is another wholly owned subsidiary
4 of MFSCC. It causes operating subsidiaries to be incorporated on a state-
5 by-state basis. MFSI's operating subsidiaries collectively are authorized to
6 provide switched interexchange telecommunications services in 48 states
7 and have applications to offer such service pending in the remaining states.
8 Where so authorized, MFSI's operating subsidiaries offer end users a
9 single source for local and long distance telecommunications services with
10 quality and pricing levels comparable to those achieved by larger
11 communications users. Apart from Florida, MFSI subsidiaries have been
12 authorized to provide competitive local exchange service in thirteen states.
13 Since July 1993, MFS Intelenet of New York, Inc. has offered local
14 exchange services in competition with New York Telephone Company.
15 MFS Intelenet of Maryland, Inc. was authorized to provide local exchange
16 services in competition with Bell Atlantic-Maryland, Inc. in April 1994 and
17 recently has commenced operations. On June 22, 1994, MFS Intelenet of
18 Washington, Inc. was authorized to provide local exchange services in
19 competition with US West Communications, Inc. On July 20, 1994, MFS

1 Intelenet of Illinois, Inc. was certificated to provide local exchange services
2 in competition with Illinois Bell Telephone Company and Central
3 Telephone Company of Illinois. MFS Intelenet of Ohio was certificated to
4 provide competitive local exchange service in competition with Ohio Bell
5 on August 3, 1995. MFS Intelenet of Michigan, on May 9, 1995, was
6 certificated to provide competitive local exchange service in competition
7 with Ameritech-Michigan. MFS Intelenet of Connecticut was dedicated to
8 provide local exchange service in competition with Southern New England
9 Telephone Company on June 28, 1995. MFS Intelenet of Texas, Inc. was
10 authorized to provide local exchange service in Texas in competition with
11 Southwestern Bell Telephone Company by Order signed on October 25,
12 1995. MFS Intelenet of Georgia, Inc. was authorized to provide
13 competitive local exchange service in Georgia on October 27, 1995. MFS
14 Intelenet of Pennsylvania, Inc. was authorized to provide local exchange
15 service in Pennsylvania by Order entered October 4, 1995. Finally, MFS
16 Intelenet of Massachusetts was certificated on March 9, 1994 to operate as
17 a reseller of both interexchange and local exchange services in the Boston
18 Metropolitan Area in competition with New England Telephone.

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS**
2 **COMMISSION?**

3 **A. Yes.** On August 14, 1995 and September 8, 1995, respectively, I filed
4 direct and rebuttal testimony in the universal service docket. *In re:*
5 *Determination of funding for universal service and carrier of last resort*
6 *responsibilities*, Docket No. 950696-TP. On September 1 and September
7 29, 1995, respectively, I filed direct and rebuttal testimony in the
8 temporary number portability docket. *In re: Investigation into temporary*
9 *local telephone portability solution to implement competition in local*
10 *exchange telephone markets*, Docket No. 950737-TP. On September 15
11 and September 29, 1995, respectively, I filed direct and rebuttal testimony
12 in the TCG Interconnection Petition docket. *Resolution of Petition(s) to*
13 *establish nondiscriminatory rates, terms, and conditions for interconnection*
14 *involving local exchange companies and alternative local exchange*
15 *companies pursuant to Section 364.162, Florida Statutes*, Docket No.
16 950985-TP.

17 **Q. ARE ANY OF THE PARTIES UPON WHOSE BEHALF YOU ARE**
18 **TESTIFYING CURRENTLY CERTIFICATED TO PROVIDE**
19 **SERVICE IN FLORIDA?**

1 **A.** Yes. Metropolitan Fiber Systems of Florida, Inc., a certificated
2 Alternative Access Vendor ("AAV") has notified the Commission of its
3 intent to provide switched local exchange service in Florida. The
4 Commission acknowledged this notification on September 12, 1995 and
5 MFS-FL has since been certificated as an alternative local exchange
6 company.

7 **I. PURPOSE AND SUMMARY**

8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
9 **PROCEEDING?**

10 **A.** The purpose of this testimony is to respond to the Amended Petition of
11 Continental and the Direct Testimony of A.R. (Dick) Schleiden filed by
12 Continental Cablevision, Inc. ("Continental") in this docket on October 20,
13 1995. MFS-FL finds that it is generally in agreement with Continental and
14 the interconnection arrangements it proposes. In particular, MFS-FL
15 supports Continental's proposal for a bill and keep system of reciprocal
16 compensation. The bill and keep method of reciprocal compensation is
17 administratively simple, avoids complex economic analysis which is at best
18 subject to further questioning, and is fair. What is more, bill and keep is

1 already the most commonly used method of reciprocal compensation
2 between LECs throughout the country.

3 MFS-FL also generally supports Continental's position that a
4 number of other interconnection arrangements are required to permit local
5 exchange competition to develop in Florida consistent with the intent of the
6 Legislature. In fact, MFS-FL is filing on the same date as this testimony
7 its own petition for interconnection arrangements in this docket. As
8 explained in the MFS-FL Petition and the testimony and exhibits attached
9 thereto, MFS-FL is also requesting a bill and keep system of reciprocal
10 compensation and many of the same interconnection arrangements proposed
11 by Continental. The MFS-FL Petition and the testimony and exhibits
12 attached thereto is attached to this Testimony as Exhibit TTD-1. As
13 explained more fully in the attached Exhibit TTD-1, MFS-FL proposes, in
14 addition to the interconnection arrangements proposed by Continental,
15 additional interconnection arrangements that are necessary for MFS-FL to
16 provide competitive local exchange service in Florida.

17 MFS-FL, like Continental, has been unable to reach agreement with
18 BellSouth regarding interconnection arrangements. MFS-FL was unable to
19 reach such an agreement because BellSouth insisted on basing any

1 interconnection or unbundling agreement on its own universal service
2 proposal. Through the attached Exhibit TTD-1, MFS-FL will also explain
3 its disagreements with the position of BellSouth in negotiations with MFS-
4 FL on each of the co-carrier issues, as well as its disagreements with the
5 Stipulation reached between BellSouth and TCG and filed in this docket on
6 October 17, 1995.

7 **II. CO-CARRIER ARRANGEMENTS REQUIRED FOR MFS-FL TO**
8 **COMPETE IN PROVIDING LOCAL EXCHANGE SERVICE IN**
9 **FLORIDA**

10 **Q. WHAT ARE THE CO-CARRIER ARRANGEMENTS THAT MFS-FL**
11 **RECOMMENDS BE ADOPTED FOR FLORIDA ALECS?**

12 **A.** MFS-FL believes that certain co-carrier requirements should apply equally
13 and reciprocally to all local exchange carriers, both ALECs and LECs.

14 The co-carrier arrangements that MFS-FL will need to provide service on
15 January 1, 1996, as listed in the attached proposed MFS-FL stipulation
16 dated November 8, 1995, are:

- 17 1) Number Resources Arrangements;
- 18 2) Meet-point Billing Arrangements, including Tandem Subtending;
- 19 3) Default Network Interconnection Architecture, Reciprocal Traffic
20 Exchange, and Reciprocal Compensation;
- 21 4) Shared Network Platform Arrangements;
- 22 5) Unbundled Exchange Service Arrangements; and

1 6) Local Telephone Number Portability Arrangements.
2 (Unbundled exchange service arrangements are addressed in the separate
3 MFS-FL Unbundling Petition; the five remaining co-carrier issues are
4 addressed in the attached MFS-FL interconnection Petition.) The MFS-FL
5 position on each of these issues is described in detail in its attached Exhibit
6 TTD-1. As noted, in many respects, MFS-FL agrees with the Continental
7 position on these issues, and particularly the Continental position that bill
8 and keep reciprocal compensation is the ideal method of compensation for
9 terminating access. In other respects, the MFS-FL position expands upon
10 and adds to the arrangements requested by Continental. Rather than
11 recapitulate the MFS-FL position on each of these issues, MFS-FL
12 incorporates and attaches to this testimony the petition, testimony, and
13 attachments filed in its own interconnection case.

14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

15 **A. Yes, it does.**

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

In re: Resolution of petition(s) to establish)
nondiscriminatory rates, terms, and conditions for) Docket No. 950985-TP
interconnection involving local exchange companies) Filed: November 13, 1995
and alternative local exchange companies pursuant to)
Section 364.162, Florida Statutes)

**PETITION OF METROPOLITAN FIBER SYSTEMS OF FLORIDA, INC.
FOR BELL SOUTH INTERCONNECTION RATES, TERMS, AND CONDITIONS**

Metropolitan Fiber Systems of Florida, Inc., through its undersigned counsel, and pursuant to Florida Administrative Code Rule 25-22.036(7), Section 364.162, Florida Statutes, and the Order Establishing Procedure in this docket, files this Petition for BellSouth to provide nondiscriminatory interconnection rates, terms, and conditions:

1. Metropolitan Fiber Systems of Florida, Inc. ("MFS-FL") is a certificated Alternative Access Vendor ("AAV"). The Commission recently recognized MFS-FL's request to provide competitive local exchange service as an alternative local exchange company ("ALEC"), effective January 1, 1996. The address of MFS-FL is:

Metropolitan Fiber Systems of Florida, Inc.
8830 N.W. 18th Terrace, America's Gateway Center
Miami, FL 33172

2. The individuals to notify in this proceeding are:

Timothy Devine
MFS Communications Company, Inc.
250 Williams St.
Suite 2200
Atlanta, GA 30303-1034
404/224-6115 (ph.)
404/224-6060 (fax)

Richard M. Rindler
James C. Falvey
SWIDLER & BERLIN, CHARTERED
3000 K Street, N.W.
Suite 300
Washington, D.C. 20007
202/424-7771 (ph.)
202/424-7645 (fax)

Statement of Interest and Negotiating History

3. Pursuant to Section 364.162, Florida Statutes, MFS-FL and BellSouth have 60 days to negotiate acceptable interconnection rates, terms, and conditions. If negotiations prove unsuccessful after 60 days, either party has the right to file a petition for nondiscriminatory interconnection rates, terms, and conditions. MFS-FL, by letter dated July 19, 1995, initiated negotiations with BellSouth.^{1/} More than 60 days have passed and, as discussed below, negotiations have not proven successful. MFS-FL therefore files this Petition requesting that the Commission require BellSouth to provide nondiscriminatory interconnection rates, terms, and conditions.

4. As evidenced by the correspondence attached hereto as Exhibit TTD-1, MFS-FL initiated negotiations with BellSouth by letter dated July 19, 1995. (Although negotiations

^{1/}These negotiations covered co-carrier arrangements in both Florida and Georgia.

were initially conducted on behalf of MFS-FL by Gary Ball, Timothy Devine took over the negotiations as Senior Director of Regulatory Affairs, Southern Region). Although both parties proposed stipulations, agreement could not be reached.

5. While as detailed below more progress was made on some issues than on others, the critical point on which agreement could not be reached was whether negotiations should address the issue of universal service/carrier of last resort recovery. MFS-FL took the position that an agreement could be reached on a number of interconnection and unbundling issues without reaching some of the more difficult issues, such as reciprocal compensation, and that issues such as universal service were being addressed in separate dockets. (In fact, MFS-FL affiliates have entered into agreements in Connecticut and Massachusetts on some but not all of the critical co-carrier issues.) BellSouth took the position that it would not enter into any interconnection or unbundling agreement unless MFS-FL agreed, as did Teleport Communications Group, Inc. ("TCG") in its Stipulation ("TCG Stipulation") (Joint Motion for Stay of Proceeding, at Attachment B, Docket No. 950985-TP (October 17, 1996)), to the BellSouth "alternative 1" universal service proposal. *See* Affidavit of Timothy Devine attached as Exhibit TTD-2.

6. This intransigent, all-or-nothing ultimatum was unreasonable to MFS-FL in light of: a) the substantial success of MFS-FL affiliates in other states in reaching agreement on a limited subset of the less contentious issues; b) the fact that BellSouth required agreement on its own terms to its universal service proposal; c) the universal service issue is more appropriately decided in the separate universal service docket where the issue has been more closely studied; and d) as indicated in the MFS-FL testimony in the universal service docket,

MFS-FL does not believe that any universal service mechanism is appropriate until a LEC demonstrates that a subsidy exists for a particular customer class or geographic area.

7. Although there appear to be issues upon which the parties might have agreed, no agreement was reached on *any* issue due to BellSouth's insistence on its own universal service mechanism. The BellSouth requirement that universal service be addressed in these negotiations was added at the eleventh hour, and served to game the negotiating process, leaving MFS-FL with no alternative but to file this Petition. The creation of this negotiating roadblock at the last minute strongly suggests that the Commission should closely monitor not only this initial process of establishing co-carrier arrangements, but the entire process of implementing the arrangements, as well.

8. MFS-FL is accordingly filing two petitions: this Petition for nondiscriminatory interconnection arrangements, and a second petition for the unbundling and resale of certain network features, functions, and capabilities. The Commission, pursuant to statute, should consolidate these two petitions in order to streamline the consideration of these petitions which both stem from the same negotiations with BellSouth. The statute states that: "If the commission receives one or more petitions relating to *both* interconnection and resale of services and facilities, the commission shall conduct separate proceedings for each." Fla. Stat. § 364.162 (emphasis added). The statute appears to provide for petitions from several different companies, based on separate negotiating histories, that would address *both* interconnection and unbundling issues. The statute merely requires that petitions from different companies be addressed in separate proceedings. MFS-FL has filed separate interconnection and unbundling petitions due to the establishment of two separate dockets, but

it would be entirely consistent with statute, and significantly more efficient, if the Commission were to consolidate these two MFS-FL petitions. Moreover, there would be no prejudice to BellSouth which would share in the efficiencies created by the consolidation.

Statement of Co-Carrier Arrangements
That MFS-FL Requires to Provide Service as an ALEC

9. In order to provide competitive local exchange service in Florida as an ALEC, MFS-FL requires certain "co-carrier" arrangements, *i.e.*, arrangements that will have to be established to allow MFS-FL and BellSouth to deal with each other on a reciprocal, non-discriminatory, and equitable basis. The term "co-carrier" signifies both that the two carriers are providing local exchange service within the same territory, and that the relationship between them is intended to be equal and reciprocal—that is, neither carrier would be treated as subordinate or inferior.

10. MFS-FL believes that certain co-carrier requirements should apply equally and reciprocally to all local exchange carriers, both ALECs and LECs. The co-carrier arrangements that MFS-FL will need to provide service on January 1, 1996, as listed in the attached proposed MFS-FL stipulation dated November 8, 1995 (attached as Exhibit TTD-4), are:

- 1) Number Resources Arrangements;
- 2) Meet-point Billing Arrangements, including Tandem Subtending;
- 3) Reciprocal Traffic Exchange and Reciprocal Compensation;
- 4) Shared Network Platform Arrangements;
- 5) Unbundled Exchange Service Arrangements; and
- 6) Local Telephone Number Portability Arrangements.

Unbundled Exchange Service Arrangements are addressed in the MFS-FL Unbundling Petition; the five remaining co-carrier issues are addressed in this Petition.

Statement of Issues on Which MFS-FL and BellSouth Have Reached Agreement

11. As noted above, although there appear to be issues upon which the parties might have agreed, as MFS-FL affiliates have signed stipulations with LECs in Massachusetts and Connecticut, no agreement was reached on *any* issue due to BellSouth's insistence on its own universal service mechanism.

Disputed Issues of Fact

12. MFS-FL has more fully described its positions on the co-carrier issues and its disputed issues of fact with BellSouth in its Direct Testimony in this proceeding. See Direct Testimony of Timothy Devine attached hereto. The following is a summary of these disputed issues of fact. MFS-FL will also attempt, where appropriate, to highlight differences with the terms agreed to by TCG in the TCG Stipulation.

13. Number Resources Arrangements: MFS-FL has proposed that it will order its own NXX's through the established industry guidelines. MFS-FL will establish rating points for these NXX's, and will list the numbers in the appropriate industry routing and rating guides. See MFS-FL Letters of July 19, 1995 and August 16, 1995^{2/}; BellSouth Letter of July 21, 1995. BellSouth also agreed to provide number resources to TCG. TCG Stipulation, Attachment B, at 4. Nonetheless, as noted, MFS-FL and BellSouth have not reached agreement on this issue.

^{2/}The Letter from Gary J. Ball to R.C. Scheye has a typewritten date of September 16, 1995. This date is incorrect. The correct date of this letter, which has been handwritten in on the copy provided in Exhibit TTD-1, is August 16, 1995.

14. Meet-point Billing Arrangements, Including Tandem Subtending: MFS-FL has proposed that, in accordance with the Meet-Point Billing and Provisioning Guidelines adopted by the Ordering and Billing Forum, it will interconnect with a BellSouth access tandem for the provision of switched access services to interexchange carriers. Except in instances of capacity limitations, BellSouth shall enable MFS-FL to subtend the BellSouth access tandem switch(es) nearest to the MFS-FL Rating Point associated with the NPA-NXX(s) to/from which the Switched Access Services are homed. In instances of capacity limitation at a given access tandem switch, MFS-FL shall be allowed to subtend the next-nearest ILEC access tandem switch in which sufficient capacity is available. Billing percentages for jointly provided services will be defined by the meet-points between the two carriers. MFS-FL prefers a single-bill approach for the provision of these services. It is MFS-FL's position, based on its experience in other states, that the carrier providing the end office switching (*i.e.*, MFS-FL) is the carrier that receives the residual interconnection charge ("RIC"). (A more comprehensive description of the MFS-FL proposal and differences with BellSouth are contained in the MFS-FL testimony.)

15. While as discussed in the Testimony, there are other minor differences on this issue, there are two primary differences. First, BellSouth would not treat MFS-FL as a co-carrier with respect to meet-point billing arrangements, proposing that instead of applying the OBF guidelines, separate meet-point billing guidelines apply to ALECs. Second, BellSouth believes that it should, as the tandem provider, bill the RIC. TCG acceded to this position in its Stipulation with TCG (Stipulation at 4-5), but MFS-FL does not believe that this is the equitable result. It is MFS-FL's position, based on its experience in other states, that the

carrier providing the end office switching (*i.e.*, MFS-FL) is the carrier that receives the RIC.

16. Reciprocal Traffic Exchange and Reciprocal Compensation. MFS-FL proposes that interconnection be accomplished through interconnection points, with each carrier responsible for providing trunking to the interconnection point for the hand off of combined local and toll traffic and each carrier responsible for completing calls to all end users on their networks. In order to establish interconnection points, carriers would pass both local and toll (intra- and interstate) traffic over a single trunk group, utilizing a percent local utilization ("PLU") factor (similar to the currently utilized percent interstate utilization ("PIU") factor) to provide the proper jurisdictional call types, subject to audit.

17. MFS-FL proposes that, within each LATA, MFS-FL and BellSouth would identify a wire center to serve as the Default Network Interconnection Point ("D-NIP") at which point MFS-FL and BellSouth would interconnect their respective networks for interoperability within that LATA.^{2/} Where MFS-FL and BellSouth interconnect at a D-NIP, MFS-FL would have the right to specify any of the following interconnection methods: a) a mid-fiber meet at the D-NIP or other appropriate point near to the D-NIP; b) a digital cross-connection hand-off, DSX panel to DSX panel, where both MFS-FL and BellSouth maintain such facilities at the D-NIP; or c) a collocation facility maintained by MFS-FL, BellSouth, or by a third party. (*See Testimony for further details*).

18. In extending network interconnection facilities to the D-NIP, MFS-FL would have the right to extend its own facilities or to lease dark fiber facilities or digital transport

^{2/}As MFS initiates Exchange Service Operations in additional LATAs, MFS-FL and BellSouth will use their best reasonable efforts to define an additional D-NIPs in each new LATA.

facilities from BellSouth or a third party, subject to the terms more fully described in the Testimony. Where an interconnection occurs via a collocation facility, no incremental cross-connection charges shall apply for the circuits. Upon reasonable notice, MFS-FL would be permitted to change from one interconnection method to another with no penalty, conversion, or rollover charges.

19. BellSouth proposed to interconnect with MFS-FL at the BellSouth tandem and/or wire center for originating/terminating local traffic within the LATA. BellSouth opposed the DNIP concept and preferred to utilize existing terminology to describe the new arrangements proposed by MFS-FL. BellSouth would not agree to a mid-fiber meet with MFS-FL. BellSouth would not agree to waive charges for the cross-connection of collocation facilities, and would apply current tariff charges for rearrangements, conversions, and rollovers. Exhibit TTD-1, October 6, 1995 Letter at 1. The latter is more stringent than BellSouth's agreement with TCG, which would consider each ALEC's interconnection reconfigurations "individually" as to the application of a charge. TCG Stipulation at 5. (The TCG Stipulation does not otherwise address interconnection in the same detail as MFS-FL has in its negotiations with BellSouth.) It appears from the record that BellSouth did not give much consideration to MFS-FL's proposal in this area.

20. Reciprocal Compensation. As discussed above, the BellSouth insistence on including universal service charges in the terminating compensation equation, contrary to the statutory framework created by the Legislature, proved to be the ultimate impediment to an agreement. Section 364.162 does not contemplate the inclusion of universal service charges in

interconnection negotiations. In fact, the drafters of the Legislation deliberately separated the issues of universal service charges and interconnection:

One of the provisions of the bill that has been questioned in terms of whether or not it will impede competition is whether or not it will impede competition is . . . the linking of the interconnection rate to a charge or surcharge or premium, as it has been called, to cover the cost of universal service and carrier of last resort. And there are people who argue that if you link those costs to interconnection, that the new entrant into the market will never be able to establish itself, because the cost of interconnection will be uneconomic. In an effort to address this issue, I and other providers, including the local exchange industry, have offered some language here that would, in fact, de-link these issues, interconnection and universal service and carrier of last resort.

Meeting of the House of Representatives Committee on Utilities and Telecommunications, Transcript at 22 (April 5, 1995). BellSouth's backdoor attempt to reassert this connection should not be concisced by the Commission. While MFS-FL strongly supports the maintenance of universal service, as (appropriately) discussed in the universal service docket, LECs have yet to demonstrate that a universal service exists in their current rate structure. MFS-FL will not agree to a universal service-related surcharge until such a subsidy has been demonstrated, and neither should the Commission.

21. MFS-FL proposed a bill and keep arrangement for several reasons. First and foremost, the BellSouth switched access proposal would not permit MFS-FL or other ALECs to compete in the local exchange market. As demonstrated in the Testimony, paying switched access in a flat-rate environment would lead to a price squeeze that would make it impossible for MFS-FL to compete. Moreover, the legitimacy of the current level of switched access rates has been questioned in the industry for years. Bill and keep, by contrast, is the most common current practice in the United States for reciprocal compensation between LECs.

22. In negotiations and in the TCG Stipulation, BellSouth has proposed that unequal compensation be paid as between BellSouth and ALECs. BellSouth proposed that the tariffed transport and local switching switched access rate elements be paid by both LECs and ALECs. Although BellSouth would not charge the RIC and the CCL switched access rate elements, it would still require that an amount equal to these elements be paid into a universal service fund. This universal service requirement, which is appropriately being addressed in a separate docket, was introduced into the MFS-FL interconnection negotiations at the eleventh hour, making it impossible for negotiations to continue. BellSouth also agreed to an interim modified bill and keep proposal in its TCG Stipulation, but in two years its proposed switched access rates would become effective. BellSouth also expects to be compensated separately when it performs an intermediary function, and proposed separate trunks for all types a traffic, a proposal clearly designed to increase costs for ALECs.

23. Given the flat-rated local exchange rates of BellSouth, payment of switched access as proposed by BellSouth would not permit economically viable local exchange competition. As discussed more fully in its Testimony, if MFS-FL must pay switched access rates and compete with BellSouth retail rates, the resulting price squeeze would render it impossible for ALECs such as MFS-FL to compete in the Florida local exchange market. Accordingly, efforts by BellSouth to impose additional costs on ALECs through the imposition of a number of additional charges — switched access interconnection charges, universal service surcharges, additional trunking costs, and interim number portability charges, etc. — must not be permitted in the co-carrier arrangements mandated by the Commission.

24. Shared Network Platform Arrangements. In order to interconnect effectively, customers must have access to essential ancillary functions of the network without regard to which carrier provides their dial tone or originates their call. In order to provide the full range of local exchange services to its customers, MFS-FL proposes that the following shared platform interconnection arrangements be provided:

A. Interconnection Between MFS and Other Co-Located Entities. BellSouth should enable MFS-FL to directly interconnect to any other entity which maintains a co-location facility at the same BellSouth wire center at which MFS-FL maintains a co-location facility as jointly directed by MFS-FL and the other entity.

B. 911 and E-911 systems. See attached Testimony.

C. Information Services Billing and Collection. MFS-FL should be able to deliver information services traffic originated over its exchange services to information service provided over BellSouth's information services platform. To the extent MFS-FL decides to provide a competitive information services platform, BellSouth should cooperate with MFS-FL to develop a LATA-wide NXX code(s) which may be used in conjunction with such platform billing.

D. Directory Listings and Directory Distribution. See attached Testimony.

E. Directory Assistance. BellSouth should include MFS-FL's listings in its Directory Assistance database, provide non-discriminatory MFS-FL branded and unbranded directory assistance service, and allow MFS-FL to license BellSouth's directory assistance database for use in providing directory assistance services.

F. Yellow Page Maintenance. BellSouth should work with MFS-FL to ensure that Yellow Page advertisements purchased by customers who switch their service to MFS-FL are maintained without interruption.

G. Transfer of Service Announcement. When end user customers switch local exchange carriers and do not retain their original telephone number, the party formerly providing service should provide a transfer of service announcement on the abandoned telephone number.

H. Coordinated Repair Calls. MFS-FL and BellSouth will follow certain procedures for handling misdirected repair calls.

I. Busy Line Verification and Interrupt. *See* attached Testimony.

J. Information Pages. BellSouth should include in the "Information Pages" or comparable section of its White Pages directories for areas serviced by MFS-FL, listings provided by MFS-FL for its installation, repair and customer service, and other information.

K. Operator Reference Database. *See* Stipulation dated November 8, 1995 containing most recent MFS-FL proposed co-carrier terms and conditions, attached as Exhibit TTD-4, and attached Testimony.

25. MFS-FL is amenable to entering into shared platform arrangements with BellSouth that are similar to those covered in the TCG Stipulation. Significantly, however, MFS-FL cannot agree to the pricing arrangements agreed to by TCG. With the exception of pricing issues, MFS-FL would agree to similar shared platform arrangements for 911/E-911, Directory Listings and Directory Distribution, Busy Line Verification/Emergency Interrupt Services, Number Resource Arrangements, and CCS Interconnection. The TCG Stipulation,

however, does not address a number of shared platform arrangements necessary to provide customers with seamless local exchange services including: (1) interconnection between MFS-FL and other co-located entities; (2) information services billing and collection; (3) directory assistance; (4) Yellow Page maintenance; (5) transfer of service announcements; (6) coordinated repair calls; (7) information pages; and (8) operator reference database.

26. Local Telephone Number Portability Arrangements. Although this issue is the subject of a separate proceeding, the recovery of charges for ported calls was deferred to this docket. As a co-carrier, MFS-FL proposes that, like any LEC, it should be entitled to the full switched access charges paid by interexchange carriers ("IXCs") when terminating a call. BellSouth, however, views IXC access charges to ALECs as yet another BellSouth revenue opportunity: it proposes that it be permitted to keep the difference between toll access charges it collects from IXCs and the local access charges it pays to MFS-FL. This proposal is unacceptable to MFS-FL in that, as a co-carrier, it has full rights to receive all revenues associated with its portion of provisioning switched access services.^{4/}

Basis for Relief

27. The ultimate facts and law that entitle MFS-FL to the requested relief are as follows:

28. Pursuant to statute, an ALEC has until August 31, 1995 to negotiate with a LEC a price for interconnection arrangements. Fla. Stat. § 364.162(3). If negotiations fail,

^{4/}Although the issue of pricing of interim number portability is being more fully addressed in the separate docket, MFS-FL supports pricing based on direct incremental cost with no contribution.

either party may petition the Commission for nondiscriminatory rates, terms, and conditions of interconnection. Negotiations to yield an interconnection agreement have failed, due to BellSouth's insistence on including the issue of universal service. MFS-FL is therefore entitled to petition and hereby does petition the Commission for nondiscriminatory rates, terms, and conditions of interconnection.

29. Pursuant to Section 25-22.036 of the Commission's Rules, MFS-FL's substantial interests are affected by the failure of negotiations. MFS-FL must establish co-carrier arrangements with BellSouth in order to provide competitive local exchange service to its customers in the territory served by BellSouth. Until such arrangements are established, MFS-FL cannot provide such service, nor will the Legislature be able to meet its goal of implementing local exchange competition in Florida.

30. The Commission has 120 days from the date of this filing to establish interconnection rates, terms, and conditions, as requested above by MFS-FL.

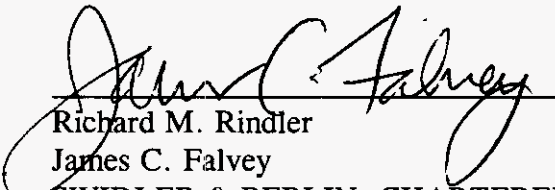
WHEREFORE, MFS-FL respectfully requests that the Commission, within 120 days from the date of this filing:

1. Enter an order granting MFS-FL the nondiscriminatory rates, terms, and conditions necessary for interconnection with the BellSouth network, including the co-carrier arrangements described in this Petition and the accompanying Testimony.

2. Grant MFS-FL such other relief as the Commission may deem necessary or appropriate.

Respectfully Submitted,

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Dated: November 10, 1995

**Petition of Metropolitan Fiber Systems of Florida, Inc.
For BellSouth Interconnection Rates, Terms, and Conditions
Docket No. 950985-TP
Filed: November 13, 1995**

**Metropolitan Fiber Systems of Florida, Inc.
List of Issues Upon Which the Parties Have Reached Agreement**

The parties have been unable to reach agreement on any issue because, as explained in the Direct Testimony of Timothy T. Devine in this docket, BellSouth has insisted that any interconnection agreement include BellSouth's universal service proposal. Metropolitan Fiber Systems of Florida, Inc. ("MFS-FL") has reached agreements on a subset of interconnection issues in other states, but has been unable to come to a similar agreement with BellSouth.

**Metropolitan Fiber Systems of Florida, Inc.
List of Issues That Are Unresolved**

Because BellSouth and MFS-FL have been unable to reach agreement on any issue, all of the issues listed in the attached MFS-FL Proposed List of Issues remain to be resolved in this proceeding.

**Petition of Metropolitan Fiber Systems of Florida, Inc.
For BellSouth Interconnection Rates, Terms, and Conditions
Docket No. 950985-TP
Filed: November 13, 1995**

**Metropolitan Fiber Systems of Florida, Inc.
Proposed List of Issues**

1. What are the appropriate interconnection rate structures for the exchange of local and toll traffic between Metropolitan Fiber Systems of Florida, Inc. ("MFS-FL") and BellSouth?
2. Should BellSouth tariff the interconnection rate(s)?
3. What are the appropriate technical and financial arrangements -- including interconnection architecture, traffic exchange, meet-point billing, and tandem subtending arrangements -- which should govern interconnection between MFS-FL and BellSouth?
4. What are the appropriate technical and financial (if any) arrangements to permit MFS-FL access to number resources on a nondiscriminatory basis?
5. How should number portability arrangements not adequately addressed in the temporary number portability docket (Docket No. 950737) be addressed, including:
 - a) which carrier should receive switched access payments on ported calls; and
 - b) how should outstanding provisioning and operational issues be addressed.
6. What are the appropriate technical and financial requirements for the exchange of intraLATA 800 traffic which originates from a MFS-FL customer and terminates to an 800 number served by other carriers?
7. Under what technical and financial arrangements should BellSouth permit MFS-FL to directly interconnect to any other entity which maintains a collocation facility at the same BellSouth wire center at which MFS-FL maintains a collocation facility?
8. a) What are the appropriate technical arrangements for the interconnection of MFS-FL's network to BellSouth's 911 provisioning network such that MFS-FL'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 MFS-FL customer information for inclusion in appropriate E911 databases?
 - c) What procedures should be in place for the timely updating of the Operator Reference Database from BellSouth to MFS-FL?
9. What technical and financial arrangements, including billing and collection, should govern the delivery of information services between MFS-FL and BellSouth?
 10. Under what terms and conditions should BellSouth be required to list MFS-FL's customers in its directory assistance database, provide non-discriminatory MFS-FL branded and unbranded directory assistance service, and allow MFS-FL to license BellSouth's directory assistance database for use in providing competitive directory assistance services?
 11. Under what terms and conditions should BellSouth be required to list MFS-FL's customers in its universal white and yellow pages directories; to publish and distribute these directories to MFS-FL's customers; and to work with MFS-FL to ensure that Yellow Page advertisements purchased by customers who switch their service to MFS-FL are maintained without interruption?
 12. Under what terms and conditions should end user customers that switch local exchange carriers and do not retain their original telephone number be provided a transfer of service announcement on the abandoned telephone number by the party formerly providing service?
 13. What procedures should BellSouth and MFS-FL follow for handling misdirected repair calls?
 14. What are the appropriate technical and financial requirements for operator traffic flowing between MFS-FL's operator services provider and BellSouth's operator services provider including busy line verification and emergency interrupt services?
 15. According to what guidelines should BellSouth be required to include in the "Information Pages" or comparable section of its White Pages directories for areas serviced by MFS-FL, and for MFS-FL to describe its installation, repair and customer service, and other information?
 16. What arrangements are necessary to ensure that MFS-FL can bill and clear credit card, collect, third party calls and audiotext calls?
 17. What arrangements are necessary to ensure the provision of CLASS/LASS services between MFS-FL's and BellSouth's interconnected networks?

**BEFORE THE
FLORIDA
PUBLIC SERVICE COMMISSION**

**Resolution of Petition(s) to establish)
nondiscriminatory rates, terms, and) Docket No. 950985-TP
conditions for interconnection)
involving local exchange companies and) Date: November 13, 1995
alternative local exchange companies)
pursuant to Section 364.162, Florida)
Statutes)**

**DIRECT TESTIMONY OF TIMOTHY T. DEVINE
ON BEHALF OF
METROPOLITAN FIBER SYSTEMS OF FLORIDA, INC.
Docket No. 950985-TP**

**DIRECT TESTIMONY OF TIMOTHY T. DEVINE
ON BEHALF OF
METROPOLITAN FIBER SYSTEMS OF FLORIDA, INC.
Docket No. 950985-TP**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 **A. My name is Timothy T. Devine. My business address is MFS**
3 **Communications Company, Inc. ("MFSCC"), 250 Williams St., Ste. 2200,**
4 **Atlanta, Georgia 30303.**

5 **Q. WHAT IS YOUR POSITION WITH MFS?**

6 **A. I am the Senior Director of External and Regulatory Affairs for the Southern**
7 **Region for MFSCC, the indirect parent company of Metropolitan Fiber**
8 **Systems of Florida.**

9 **Q. WHAT ARE YOUR RESPONSIBILITIES IN THAT POSITION?**

10 **A. I am responsible for the regulatory oversight of commission dockets and**
11 **other regulatory matters and serve as MFSCC's representative to various**
12 **members of the industry. I am also responsible for coordinating co-carrier**
13 **discussions with Local Exchange Carriers within the Southern Region.**

14 **Q. PLEASE DESCRIBE YOUR PREVIOUS PROFESSIONAL**
15 **EXPERIENCE AND EDUCATIONAL BACKGROUND.**

16 **A. I have a B.S. in Political Science from Arizona State University and an**
17 **M.A. in Telecommunications Policy from George Washington University. I**
18 **began work in the telecommunications industry in April 1982 as a sales**
19 **representative for packet switching services for Graphnet, Inc., one of the**

1 first value-added common carriers in the United States. From 1983 until
2 1987, I was employed at Sprint Communications Co., in sales, as a tariff
3 analyst, as a product manager, and as Manager of Product and Market
4 Analysis. During 1988, I worked at Contel Corporation, a local exchange
5 carrier, in its telephone operations group, as the Manager of Network
6 Marketing. I have been working for MFSCC and its affiliates since January
7 1989. During this time period, I have worked in product marketing and
8 development, corporate planning, regulatory support, and regulatory affairs.
9 Most recently, from August 1994 until August 1995, I have been
10 representing MFSCC on regulatory matters before the New York,
11 Massachusetts, and Connecticut state commissions and was responsible for
12 the MFSCC Interim Co-Carrier Agreements with NYNEX in New York and
13 Massachusetts, as well as the execution of a co-carrier Joint Stipulation in
14 Connecticut.

1 **Q. PLEASE DESCRIBE THE OPERATIONS OF MFS**
2 **COMMUNICATIONS COMPANY, INC. AND ITS SUBSIDIARIES.**

3 **A. MFSCC is a diversified telecommunications holding company with**
4 operations throughout the country, as well as in Europe. MFS Telecom,
5 Inc., an MFSCC subsidiary, through its operating affiliates, is the largest
6 competitive access provider in the United States. MFS Telecom, Inc.'s
7 subsidiaries, including MFS/McCourt, Inc., provide non-switched,
8 dedicated private line and special access services.

9 MFS Intelenet, Inc. ("MFSI") is another wholly owned subsidiary of
10 MFSCC. It causes operating subsidiaries to be incorporated on a state-by-
11 state basis. MFSI's operating subsidiaries collectively are authorized to
12 provide switched interexchange telecommunications services in 48 states and
13 have applications to offer such service pending in the remaining states.

14 Where so authorized, MFSI's operating subsidiaries offer end users a single
15 source for local and long distance telecommunications services with quality
16 and pricing levels comparable to those achieved by larger communications
17 users. Apart from Florida, MFSI subsidiaries have been authorized to
18 provide competitive local exchange service in twelve states. Since July
19 1993, MFS Intelenet of New York, Inc. has offered local exchange services

1 in competition with New York Telephone Company. MFS Intelenet of
2 Maryland, Inc. was authorized to provide local exchange services in
3 competition with Bell Atlantic-Maryland, Inc. in April 1994 and recently
4 has commenced operations. On June 22, 1994, MFS Intelenet of
5 Washington, Inc. was authorized to provide local exchange services in
6 competition with US West Communications, Inc. On July 20, 1994, MFS
7 Intelenet of Illinois, Inc. was certificated to provide local exchange services
8 in competition with Illinois Bell Telephone Company and Central Telephone
9 Company of Illinois. MFS Intelenet of Ohio was certificated to provide
10 competitive local exchange service in competition with Ohio Bell on August
11 3, 1995. MFS Intelenet of Michigan, on May 9, 1995, was certificated to
12 provide competitive local exchange service in competition with Ameritech-
13 Michigan. MFS Intelenet of Connecticut was dedicated to provide local
14 exchange service in competition with Southern New England Telephone
15 Company on June 28, 1995. MFS Intelenet of Texas, Inc. was authorized
16 to provide local exchange service in Texas in competition with Southwestern
17 Bell Telephone Company by Order signed on October 25, 1995. MFS
18 Intelenet of Georgia, Inc. was authorized to provide competitive local
19 exchange service in Georgia on October 27, 1995. MFS Intelenet of

1 Pennsylvania, Inc. was authorized to provide local exchange service in
2 Pennsylvania by Order entered October 4, 1995. Finally, MFS Intelenet of
3 Massachusetts was certificated on March 9, 1994 to operate as a reseller of
4 both interexchange and local exchange services in the Boston Metropolitan
5 Area in competition with New England Telephone.

6 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS**
7 **COMMISSION?**

8 A. Yes. On August 14, 1995 and September 8, 1995, respectively, I filed
9 direct and rebuttal testimony in the universal service docket. *In re:*
10 *Determination of funding for universal service and carrier of last resort*
11 *responsibilities*, Docket No. 950696-TP. On September 1 and September
12 29, 1995, respectively, I filed direct and rebuttal testimony in the temporary
13 number portability docket. *In re: Investigation into temporary local*
14 *telephone portability solution to implement competition in local exchange*
15 *telephone markets*, Docket No. 950737-TP. On September 15 and
16 September 29, 1995, respectively, I filed direct and rebuttal testimony in the
17 TCG Interconnection Petition docket. *Resolution of Petition(s) to establish*
18 *nondiscriminatory rates, terms, and conditions for interconnection involving*

1 *local exchange companies and alternative local exchange companies*
2 *pursuant to Section 364.162, Florida Statutes, Docket No. 950985-TP.*

3 **Q. ARE ANY OF THE PARTIES UPON WHOSE BEHALF YOU ARE**
4 **TESTIFYING CURRENTLY CERTIFICATED TO PROVIDE**
5 **SERVICE IN FLORIDA?**

6 **A. Yes.** Metropolitan Fiber Systems of Florida, Inc., a certificated Alternative
7 Access Vendor ("AAV") has notified the Commission of its intent to
8 provide switched local exchange service in Florida. The Commission
9 acknowledged this notification on September 12, 1995, and MFS-FL is now
10 a certificated alternative local exchange company.

11 **I. PURPOSE AND SUMMARY**

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
13 **PROCEEDING?**

14 **A. MFS-FL** has filed its interconnection petition in this docket, as well as a
15 parallel petition in the unbundling docket, because its negotiations with
16 BellSouth (and, to date, only BellSouth) have failed to yield acceptable co-
17 carrier arrangements, including an agreement on the pricing of
18 interconnection. (MFS-FL is currently negotiating with other major LECs
19 in Florida.) MFS-FL therefore is petitioning the Commission, in

1 accordance with Florida Statute Section 364.162, to establish
2 nondiscriminatory rates, terms, and conditions for interconnection.
3 CMFS-FL is currently negotiating with other major LECs in Florida.) This
4 testimony supplements the information contained in the Petition with respect
5 to the co-carrier arrangements required by MFS-FL to provide economically
6 viable competitive local exchange service in Florida. Principally, MFS-FL
7 could not come to an agreement with BellSouth because BellSouth insisted,
8 contrary to statute, that the universal service issue be addressed in these
9 negotiations. Moreover, BellSouth's proposal that MFS-FL pay switched
10 access terminating access rates would not permit MFS-FL to compete with
11 BellSouth in an environment where end-user pricing is flat-rated. In this
12 manner, and in other respects I discuss herein, the TCG interconnection
13 settlement with BellSouth is not acceptable to MFS-FL.

14 **Q. AS A THRESHOLD MATTER, WHAT IS "INTERCONNECTION"?**

15 **A.** The term "interconnection" is very broad and, for purposes of this
16 proceeding, it will be helpful to distinguish among several types of
17 interconnection. As a general matter, "interconnection" encompasses any
18 arrangement involving a connection among different carriers' facilities,
19 regardless of the form or purpose. For example, if one carrier resells a

1 second carrier's transmission or switching services instead of constructing
2 its own facilities to provide this service to the end user, the two carriers are
3 "interconnected." Except where the second carrier controls a bottleneck
4 facility, however, this form of interconnection of facilities is an optional and
5 voluntary business arrangement, since the first carrier could perform the
6 same function by adding facilities to its own network.

7 When two or more carriers are providing local exchange service,
8 however, a different type of interconnection becomes essential. In that case,
9 competing networks must be able to exchange traffic (including the
10 exchange of signaling and billing information, and access to other service
11 platforms that support local exchange service), because of the overriding
12 public interest in preserving universal connectivity. In short, every
13 telephone user in Florida must be able to call (and receive calls from) every
14 other user, regardless of which carrier provides each user with local
15 exchange service.

16 **Q. WHY IS INTERCONNECTION AN IMPORTANT ISSUE?**

17 **A.** It is important because today nearly every Florida business or residence that
18 has a telephone is connected to BellSouth's network. If MFS-FL customers
19 cannot place calls to, and receive calls from, customers of BellSouth, then

1 MFS-FL will be unable, as a practical matter, to engage in business in
2 Florida, even if it is authorized to do so as a matter of law. No one will
3 buy a telephone service that does not permit calling to all other numbers.
4 Moreover, even if MFS-FL customers can place calls to BellSouth
5 customers located in the same community, but only at excessive cost or with
6 inconvenient dialing patterns, poor transmission quality, or lengthy call set-
7 up delays, then MFS-FL will not be able to offer a service that customers
8 would be interested in using. Equitable co-carrier arrangements are
9 necessary before new entrants can compete in the provision of local
10 exchange service.

11 **Q. WHAT IS MEANT BY THE TERM "CO-CARRIER**
12 **ARRANGEMENTS"?**

13 **A.** By "co-carrier" arrangements, I refer to a variety of arrangements that will
14 have to be established to allow ALECs and BellSouth to deal with each other
15 on a reciprocal, non-discriminatory, and equitable basis. Once the basic
16 principles for such arrangements are established by the Commission, the
17 affected carriers should be directed to implement specific arrangements in
18 conformance with the principles. The term "co-carrier" signifies both that
19 the two carriers are providing local exchange service within the same

1 territory, and that the relationship between them is intended to be equal and
2 reciprocal—that is, neither carrier would be treated as subordinate or
3 inferior.

4 **Q. SPECIFICALLY WHAT CO-CARRIER ARRANGEMENTS ARE**
5 **REQUIRED FOR MFS-FL TO PROVIDE VIABLE COMPETITIVE**
6 **LOCAL EXCHANGE SERVICE?**

7 **A.** MFSI-FL believes that certain co-carrier requirements should apply equally
8 and reciprocally to all local exchange carriers, LECs and ALECs alike. The
9 Florida statute have recognized the necessity for such arrangements by
10 requiring LECs to negotiate both interconnection and unbundling
11 arrangements. Fla. Stat. § 364.162. The following are the co-carrier
12 arrangements required by MFS-FL: 1) Number Resources Arrangements;
13 2) Meet-point Billing Arrangements, including Tandem Subtending; 3)
14 Reciprocal Traffic Exchange and Reciprocal Compensation; 4) Shared
15 Network Platform Arrangements; 5) Unbundled Exchange Service
16 Arrangements; and 6) Local Telephone Number Portability Arrangements.
17 All of these issues will be addressed herein, with the exception of
18 unbundling the local loop which will be addressed in a separate parallel
19 petition and testimony.

1 **Q. SHOULD THE MFS-FL INTERCONNECTION AND UNBUNDLING**
2 **PETITIONS BE CONSOLIDATED?**

3 **A.** Yes. The Commission, pursuant to statute, should consolidate these two
4 petitions in order to streamline the consideration of these petitions which
5 both stem from the same negotiations with BellSouth. The statute states
6 that: "If the commission receives one or more petitions relating to both
7 interconnection and resale of services and facilities, the commission shall
8 conduct separate proceedings for each." Fla. Stat. § 364.162 (emphasis
9 added). The statute appears to provide for petitions from several different
10 companies, based on separate negotiating histories, that would address both
11 interconnection and unbundling issues. The statute merely requires that
12 petitions from different companies be addressed in separate proceedings.
13 MFS-FL has filed separate interconnection and unbundling petitions due to
14 the establishment of two separate dockets, but it would be entirely consistent
15 with statute, and significantly more efficient, if the Commission were to
16 consolidate these two MFS-FL petitions. Moreover, there would be no
17 prejudice to BellSouth which would share in the efficiencies created by the
18 consolidation. If the Petitions are not consolidated, Petitioner respectfully
19 requests that they be considered on a coordinated procedural schedule.

1 **Q. WAS THERE AGREEMENT ON ANY OF THESE CO-CARRIER**
2 **ISSUES WITH BELLSOUTH?**

3 **A.** BellSouth would not come to an agreement on any interconnection or
4 unbundling issue absent an agreement on universal service. Therefore,
5 while the parties appeared to be in agreement as to several issues, no formal
6 agreement was reached on any issue. The opportunity for an agreement on
7 a subset of interconnection issues was squandered by BellSouth's insistence
8 on including universal service.

9 **Q. WHY IS BELLSOUTH'S INSISTENCE ON INCLUDING THE ISSUE**
10 **OF UNIVERSAL SERVICE IN INTERCONNECTION**
11 **NEGOTIATIONS DIRECTLY CONTRARY TO THE**
12 **LEGISLATURE'S STATUTORY FRAMEWORK?**

13 **A.** BellSouth, by including the issue of universal service in interconnection
14 negotiations, has directly contravened the intent of the Legislature. The
15 statute states that negotiations shall address "mutually acceptable prices,
16 terms, and conditions of interconnection and for the resale of services and
17 facilities." Fla. Stat. § 364.162(1). The Legislature deliberately addressed
18 the issue of an interim universal service mechanism separately (Fla. Stat.
19 § 364.125), as reflected by the separate docket opened by the Commission.

1 The Legislature considered the BellSouth approach of linking universal
2 service and interconnection but rejected it:

3 One of the provisions of the bill that has been questioned in terms of
4 whether or not it will impede competition is whether or not it will
5 impede competition is . . . the linking of the interconnection rate to a
6 charge or surcharge or premium, as it has been called, to cover the
7 cost of universal service and carrier of last resort. And there are
8 people who argue that if you link those costs to interconnection, that
9 the new entrant into the market will never be able to establish itself,
10 because the cost of interconnection will be uneconomic. In an effort
11 to address this issue, I and other providers, including the local
12 exchange industry, have offered some language here that would, in
13 fact, de-link these issues, interconnection and universal service and
14 carrier of last resort.

15 Meeting of the House of Representatives Committee on Utilities and
16 Telecommunications, Transcript at 22 (April 5, 1995). By linking universal
17 service and interconnection, BellSouth is flouting the intent of the
18 Legislature.

1 **Q. HAS BELLSOUTH ISSUED AN INTERCONNECTION TARIFF**
2 **CONTRARY TO THE PROCEDURAL PROCESS ESTABLISHED BY**
3 **THE LEGISLATURE?**

4 **A. Yes. Contrary to the procedure established by the Legislature, BellSouth**
5 **has issued a tariff incorporating the provisions in the TCG Stipulation.**
6 **BellSouth's tariff is premature in light of the proceeding established by the**
7 **Legislature.**

8 **II. NUMBER RESOURCES ARRANGEMENTS**

9 **Q. WAS AGREEMENT REACHED ON THE ISSUE OF NUMBER**
10 **RESOURCES?**

11 **A. No. Although there appears to be some consistency between BellSouth and**
12 **MFS on this issue, agreement was not reached.**

13 **Q. AS A CO-CARRIER, TO WHAT NUMBER RESOURCES IS MFS-FL**
14 **ENTITLED?**

15 **A. As a co-carrier, MFS-FL is entitled to the same nondiscriminatory number**
16 **resources as any Florida LEC under the Central Office Code Assignment**
17 **Guidelines ("COCAG"). BellSouth, as Central Office Code Administrator**
18 **for Florida, should therefore support all MFS requests related to central**
19 **office (NXX) code administration and assignments in an effective and timely**

1 manner. MFS-FL and BellSouth will comply with code administration
2 requirements as prescribed by the Federal Communications Commission, the
3 Commission, and accepted industry guidelines. As contemplated by the
4 COCAG, MFS-FL will designate within the geographic NPA with which
5 each of its assigned NXX codes is associated, a Rate Center area within
6 which it intends to offer Exchange Services bearing that NPA-NXX
7 designation, and a Rate Center point to serve as the measurement point for
8 distance-sensitive traffic to or from the Exchange Services bearing that
9 NPA-NXX designation. MFS-FL will also designate a Rating Point for
10 each assigned NXX code. MFS-FL may designate one location within each
11 Rate Center as the Rating Point for the NPA-NXXs associated with that
12 Rate Center; alternatively, MFS-FL may designate a single location within
13 one Rate Center to serve as the Rating Point for all the NPA-NXXs
14 associated with that Rate Center and with one or more other Rate Centers
15 served by MFS within the same LATA.

16 **Q. IS THIS PROPOSAL GENERALLY CONSISTENT WITH THE**
17 **STIPULATION ENTERED INTO BETWEEN TCG AND**
18 **BELLSOUTH?**

1 A. Yes. *See* TCG Stipulation, Appendix B, at 4. (Although BellSouth and
2 TCG classified number resources as an unbundling issue, MFS-FL believes
3 that number resources are a fundamental right associated with
4 interconnection.)

5 **III. TANDEM SUBTENDING AND MEET-POINT BILLING**

6 **Q. WHAT IS MEANT BY TANDEM SUBTENDING?**

7 A. MFS-FL proposes that if BellSouth operates an access tandem serving a
8 LATA in which MFS-FL operates, it should be required, upon request, to
9 provide tandem switching service to any other carrier's tandem or end office
10 switch serving customers within that LATA, thereby allowing MFS-FL's
11 switch to "subtend" the tandem. This arrangement is necessary to permit
12 IXCs to originate and terminate interLATA calls on an ALEC's network
13 without undue expense or inefficiency. Similar arrangements already exist
14 today among LECs serving adjoining territories -- there are many instances
15 in which an end office switch operated by one LEC subtends an access
16 tandem operated by a different LEC in the same LATA.

17 **Q. HOW SHOULD INTERCARRIER BILLING BE HANDLED**
18 **WHEN TANDEM SUBTENDING ARRANGEMENTS ARE**
19 **USED?**

1 A. Where tandem subtending arrangements exist, LECs divide the local
2 transport revenues under a standard "meet-point billing" formula established
3 by the national standards group known as the Ordering and Billing Forum
4 ("OBF") and set forth in FCC and state tariffs. The same meet-point billing
5 procedures should apply where the tandem or end office subtending the
6 tandem is operated by an ALEC as in the case of an adjoining LEC.

7 MFS-FL and BellSouth should establish meet-point billing
8 arrangements to enable the new entrants to provide switched access
9 services^{1/} to third parties via a BellSouth access tandem switch, in
10 accordance with the Meet-Point Billing and Provisioning guidelines adopted
11 by the OBF.

12 Except in instances of capacity limitations, BellSouth should enable
13 MFS to subtend the BellSouth access tandem switch(es) nearest to the MFS
14 Rating Point associated with the NPA-NXX(s) to or from which the
15 switched access services are homed. In instances of capacity limitation at a
16 given access tandem switch, MFS-FL shall be allowed to subtend the next-

¹E.g., Feature Group B, Feature Group D, 800 access, and 900 access.

1 nearest BellSouth access tandem switch in which sufficient capacity is
2 available.

3 As I will discuss later in my Testimony, interconnection for the
4 meet-point arrangement will occur at the Designated Network
5 Interconnection Point ("D-NIP") at which point MFS-FL and BellSouth will
6 interconnect their respective networks for inter-operability within that
7 LATA. Common channel signaling ("CCS") will be utilized in conjunction
8 with meet-point billing arrangements to the extent such signaling is resident
9 in the BellSouth access tandem switch. ALECs and BellSouth should,
10 individually and collectively, maintain provisions in their respective federal
11 and state access tariffs sufficient to reflect this meet-point billing
12 arrangement.

13 **Q. WHAT PROVISIONS SHOULD APPLY FOR THE EXCHANGE OF**
14 **BILLING INFORMATION?**

15 **A. MFS-FL and BellSouth will in a timely fashion exchange all information**
16 **necessary to accurately, reliably and promptly bill third parties for switched**
17 **access services traffic jointly handled by MFS-FL and BellSouth via the**
18 **meet-point arrangement. Information will be exchanged in Electronic**
19 **Message Record ("EMR") format, on magnetic tape or via a mutually**

1 acceptable electronic file transfer protocol. Furthermore, MFS and
2 BellSouth should employ the calendar month billing period for meet-point
3 billing, and should provide each other, at no charge, the appropriate usage
4 data (i.e., call detail records, interstate/intrastate/intraLATA percent of use
5 factors, carrier name and billing address, carrier identification codes,
6 serving wire center designation, etc., associated with such switched access
7 traffic.)

8 **Q. HOW SHOULD BILLING TO THIRD PARTIES BE**
9 **ACCOMPLISHED?**

10 **A.** Initially, billing to third parties for the switched access services jointly
11 provided by MFS-FL and BellSouth via the meet-point billing arrangement
12 should be according to the single-bill/multiple tariff method. This method is
13 a standard offering by RBOCs. *See, e.g.,* NYNEX Tariff F.C.C. No. 1
14 Second Revised Page 2-45 § 2.4.7. Subsequently, billing to third parties for
15 the switched access services jointly provided by MFS-FL and BellSouth via
16 the meet-point arrangement shall be, at MFS-FL's preference, according to
17 the single-bill/single tariff method, single-bill/multiple-tariff method,
18 multiple-bill/single-tariff method, or multiple-bill/multiple-tariff method.
19 Should MFS-FL prefer to change among these billing methods, MFS-FL

1 would be required to notify BellSouth of such change in writing, 90 days in
2 advance of the date on which such change was to be implemented.

3 **Q. HOW WOULD SWITCHED ACCESS CHARGES TO THIRD**
4 **PARTIES BE CALCULATED?**

5 **A.** Switched access charges to third parties would be calculated utilizing the
6 rates specified in MFS-FL's and BellSouth's respective federal and state
7 access tariffs, in conjunction with the appropriate meet-point billing factors
8 specified for each meet-point arrangement either in those tariffs or in the
9 NECA No. 4 tariff. MFS-FL shall be entitled to the balance of the switched
10 access charge revenues associated with the jointly handled switched access
11 traffic, less the amount of transport element charge revenues to which
12 BellSouth is entitled pursuant to the above-referenced tariff provisions.
13 Significantly, this does not include the interconnection charge, which is to
14 be remitted to the end office provider, which in this case would be MFS-FL.

15 Where MFS-FL specifies one of the single-bill methods, BellSouth
16 shall bill and collect from third parties, promptly remitting to MFS-FL the
17 total collected switched access charge revenues associated with the jointly-
18 handled switched access traffic, less only the amount of transport element
19 charge revenues to which BellSouth is otherwise entitled.

1 Meet-point billing will apply for all traffic bearing the 800, 888, or
2 any other non-geographic NPA which may be likewise designated for such
3 traffic in the future, where the responsible party is an IXC. In those
4 situations where the responsible party for such traffic is a LEC, full
5 switched access rates will apply.

6 **Q. WHAT ARE THE MAJOR DIFFERENCES OF BELLSOUTH WITH**
7 **RESPECT TO TANDEM SUBTENDING AND MEET-POINT**
8 **BILLING?**

9 **A.** There are two major differences. First, BellSouth would not treat MFS-FL
10 as a co-carrier with respect to meet-point billing arrangements, proposing
11 that instead of applying the OBF guidelines, separate meet-point billing
12 guidelines apply to ALECs. There is no reason that ALEC co-carriers
13 should not be treated pursuant to the same guidelines that apply to all other
14 LECs. If competition is to develop in the Florida local exchange market,
15 and if "nondiscriminatory" arrangements are to be established, the
16 Commission must adopt rules that provide the same billing procedures for
17 both LECs and ALECs.

18 Second, BellSouth believes that it should, as the tandem provider,
19 bill the residual interconnection charge ("RIC"). TCG acceded to this

1 position in its Stipulation with BellSouth (TCG Stipulation at 4-5), but this is
2 completely inconsistent with arrangements between LECs and arrangements
3 established with competitive carriers in other states, including New York
4 and Massachusetts. It is MFS-FL's position, based on its experience in
5 other states, that the carrier providing the end office switching (*i.e.*,
6 MFS-FL) is the carrier that receives the RIC.

7 Third, BellSouth would only offer multiple bill, single tariff billing,
8 and would not consider alternative preferences of MFS-FL. This insistence
9 will make it impossible for MFS-FL and other ALECs to choose the most
10 efficient billing system for its purposes. As noted below in the context of
11 the discussion of "bill and keep" compensation, the implementation of
12 billing systems entails significant costs for ALECs. If BellSouth imposes its
13 preferred method of billing, additional, unnecessary costs will be imposed
14 upon ALECs.

15 **IV. RECIPROCAL TRAFFIC EXCHANGE AND RECIPROCAL**
16 **COMPENSATION**

17 **A. Traffic Exchange Arrangements**

18 **Q. WHAT TRAFFIC EXCHANGE ARRANGEMENTS MUST BE**
19 **ESTABLISHED FOR THE EXCHANGE OF LOCAL TRAFFIC?**

1 A. To effectuate the exchange of traffic, MFS-FL proposes that interconnection
2 be accomplished through interconnection points, with each carrier
3 responsible for providing trunking to the interconnection points for the hand
4 off of combined local and toll traffic and each carrier responsible for
5 completing calls to all end users on their network. In order to establish
6 interconnection points, carriers would pass both local and toll traffic over a
7 single trunk group, utilizing a percent local utilization ("PLU") factor
8 (similar to the currently utilized percent interexchange utilization ("PIU")
9 factor) to provide the proper jurisdictional call types, and subject to audit.
10 (As I discuss below, BellSouth's proposal that it must "have sufficient
11 information to make a determination as to whether the traffic is local or toll"
12 (TCG Stipulation at 5) is an open-ended invitation for BellSouth to charge
13 higher switched access rates for traffic that is in fact local traffic.)

14 MFS-FL proposes that, within each LATA served, MFS-FL and
15 BellSouth would identify a wire center to serve as the interconnection point
16 (as MFS-FL defines herein Default Network Interconnection Point
17 ("D-NIP")) at which point MFS-FL and BellSouth would interconnect their
18 respective networks for inter-operability within that LATA. Where MFS-
19 FL and BellSouth interconnect at a D-NIP, MFS-FL would have the right to

1 specify any of the following interconnection methods: a) a mid-fiber meet at
2 the D-NIP or other appropriate point near to the D-NIP; b) a digital cross-
3 connection hand-off, DSX panel to DSX panel, where both MFS-FL and
4 BellSouth maintain such facilities at the D-NIP; or c) a collocation facility
5 maintained by MFS-FL, BellSouth, or by a third party. In extending
6 network interconnection facilities to the D-NIP, MFS-FL would have the
7 right to extend its own facilities or to lease dark fiber facilities or digital
8 transport facilities from BellSouth or a third party. Such leased facilities
9 would extend from any point designated by MFS-FL on its own network
10 (including a co-location facility maintained by MFS at a BellSouth wire
11 center) to the D-NIP or associated manhole or other appropriate junction
12 point. MFS-FL would also have the right to lease such facilities from
13 BellSouth under the most favorable tariff or contract terms BellSouth offers.

14 Where an interconnection occurs via a collocation facility, no
15 incremental cross-connection charges would apply for the circuits. Upon
16 reasonable notice, MFS-FL would be permitted to change from one
17 interconnection method to another with no penalty, conversion, or rollover
18 charges.

1 Although one meet-point is the minimum necessary for connectivity,
2 more than one meet-point could be established if mutually acceptable, but
3 should not be mandated. Moreover, if an additional mutually acceptable
4 meet-point is established, the cost of terminating a call to that meet-point
5 should be identical to the cost of terminating a call to the D-NIP. Any two
6 carriers could establish specialized meet-points to guarantee redundancy. To
7 ensure network integrity and reliability to all public switched network
8 customers, it is desirable to have at least two meet-points. In this way, if
9 one set of trunks is put out of service for any reason, such as a failure of
10 electronic components or an accidental line cut, traffic could continue to
11 pass over the other set of trunks and the impact upon users would be
12 minimized. Each carrier should be responsible for establishing the
13 necessary trunk groups from its switch or switches to the D-NIP(s).

14 At a minimum, each carrier should be required to establish facilities
15 between its switch(es) and the D-NIP in each LATA in sufficient quantity
16 and capacity to deliver traffic to and receive traffic from other carriers.

17 **Q. IS THE USE OF A D-NIP OR NEUTRAL INTERCONNECTION**
18 **POINT STANDARD PRACTICE IN THE INDUSTRY?**

1 A. Yes. The concept of a neutral interconnection point was adopted at least by
2 the Connecticut Department of Utility Control in its recent interconnection
3 proceeding. Investigation into the unbundling of Southern New England
4 Telephone's Local Communications Network, Connecticut Docket
5 No. 94-10-02, Order, at 85 (Sept. 22, 1995).

6 **Q. HOW DOES MFS-FL'S D-NIP PROPOSAL MAXIMIZE THE**
7 **EFFICIENCY OF THE NETWORK?**

8 A. MFS-FL's proposal permits the interconnecting parties—who understand
9 their networks best and have the greatest incentive to achieve
10 efficiencies—to determine where interconnection should take place. At the
11 same time, minimum interconnection requirements are established to ensure
12 that interconnection will take place between all carriers. MFS-FL opposes
13 any interconnection plan that mandates too specifically where
14 interconnection should take place. If carriers are not given flexibility as to
15 where they can interconnect, inefficiencies will result. MFS-FL would
16 therefore oppose any proposal that does not permit carriers to maximize the
17 efficiency of their networks.

1 **Q. WHAT DOES MFS PROPOSE WITH RESPECT TO TRUNKING,**
2 **SIGNALING, AND OTHER IMPORTANT INTERCONNECTION**
3 **ARRANGEMENTS?**

4 **A. BellSouth should exchange traffic between its network and the networks of**
5 **competing carriers using reasonably efficient routing, trunking, and**
6 **signaling arrangements. ALECs and BellSouth should reciprocally**
7 **terminate LATA-wide traffic^{2/} originating on each other's network, via two-**
8 **way trunking arrangements. These arrangements should be jointly**
9 **provisioned and engineered.**

10 Moreover, each local carrier should be required to engineer its
11 portion of the transmission facilities terminating at a D-NIP to provide the
12 same grade and quality of service between its switch and the other carrier's
13 network as it provides in its own network. At a minimum, transmission
14 facilities should be arranged in a sufficient quantity to each D-NIP to
15 provide a P.01 grade of service. MFS-FL and BellSouth should use their
16 best collective efforts to develop and agree upon a Joint Interconnection

²The term "LATA-wide traffic" refers to calls between a user of local exchange service where the new entrant provides the dial tone to that user, and a user of a BellSouth-provided local exchange service where BellSouth provides the dial tone to that user and where both local exchange services bear NPA-NXX designations associated with the same LATA.

1 Grooming Plan prescribing standards to ensure that trunk groups are
2 maintained at this grade of service. Carriers should provide each other the
3 same form and quality of interoffice signaling (*e.g.*, in-band, CCS, etc.) that
4 they use within their own networks, and SS7 signaling should be provided
5 where the carrier's own network is so equipped. (A more detailed
6 description of these proposed arrangements is described in the proposed
7 MFS-FL Stipulation, included in Exhibit TTD-1 to the MFS-FL Petition.
8 Proposed MFS-FL Stipulation at 13-14).

9 ALECs should provide LEC-to-LEC CCS to one another, where
10 available, in conjunction with LATA-wide traffic, in order to enable full
11 inter-operability of CLASS features and functions. All CCS signaling
12 parameters should be provided, including automatic number identification,
13 originating line information, calling party category, charge number, etc.
14 BellSouth and MFS-FL should cooperate on the exchange of Transactional
15 Capabilities Application Part ("TCAP") messages to facilitate full inter-
16 operability of CCS-based features between their respective networks. CCS
17 should be provided by Signal Transfer Point-to-Signal Transfer Point
18 connections. Given that CCS will be used cooperatively for the mutual
19 handling of traffic, link facility and link termination charges should be

1 prorated 50% between the parties. For traffic for which CCS is not
2 available, in-band multi-frequency, wink start, and E&M channel-associated
3 signaling will be forwarded. The Feature Group D-like ("FGD-like")
4 trunking arrangements used by either party to terminate LATA-wide traffic
5 may also be employed to terminate any other FGD traffic to that party,
6 subject to payment of the applicable tariffed charges for such other traffic,
7 *e.g.*, interLATA traffic.

8 In addition to transmitting the calling party's number via SS7
9 signaling, the originating carrier should also be required to transmit the
10 privacy indicator where it applies. The privacy indicator is a signal that is
11 sent when the calling party has blocked release of its number, either by per-
12 line or per-call blocking. The terminating carrier should be required to
13 observe the privacy indicator on calls received through traffic exchange
14 arrangements in the same manner that it does for calls originated on its own
15 network.

16 Each carrier should be required to provide the same standard of
17 maintenance and repair service for its trunks terminating at the D-NIP as it
18 does for interoffice trunks within its own network. Each carrier should be
19 required to complete calls originating from another carrier's switch in the

1 same manner and with comparable routing to calls originating from its own
2 switches. In particular, callers should not be subject to diminished service
3 quality, noticeable call set-up delays, or requirements to dial access codes or
4 additional digits in order to complete a call to a customer of a different
5 carrier.

6 **Q. HOW SHOULD MFS-FL COMPENSATE BELLSOUTH FOR**
7 **TRANSITING TRAFFIC?**

8 **A.** MFS-FL should only be required to pay for the BellSouth intermediary
9 function of transiting traffic in the limited circumstances in which two
10 ALECs that are not cross-connected at the D-NIP and do not have direct
11 trunks utilize BellSouth trunks to transit traffic. In all cases, ALECs should
12 have an opportunity to cross-connect. In fact, the New York Commission
13 has ordered that ALECs shall be permitted to cross-connect in serving wire
14 centers where more than one ALEC is collocated. New York Case
15 No. 94-C-0095, Order Instituting framework for Directory Listings, Carrier
16 Interconnection, and Intercarrier compensation (September 27, 1995). In
17 those instances where MFS-FL must pay for this intermediary function, it
18 should pay the lesser of: 1) BellSouth's interstate or intrastate switched

1 access per minute tandem switching element; or 2) a per minute rate of
2 \$0.002.

3 **Q. WHY SHOULD CARRIERS BE REQUIRED TO USE TWO-WAY**
4 **TRUNKING ARRANGEMENTS?**

5 **A.** Carriers should be required to interconnect using two-way trunk groups
6 wherever technically feasible. Use of two-way trunking arrangements to
7 connect the networks of incumbent LECs is standard in the industry.
8 Two-way trunk groups represent the most efficient means of interconnection
9 because they minimize the number of ports each carrier will have to utilize
10 to interconnect with all other carriers.

11 **Q. SHOULD INCUMBENT CARRIERS AND NEW ENTRANTS BE**
12 **REQUIRED TO PROVIDE BLV/I TRUNKS TO ONE ANOTHER?**

13 **A.** MFS-FL and BellSouth should provide LEC-to-LEC Busy Line Verification
14 and Interrupt ("BLV/I") trunks to one another to enable each carrier to
15 support this functionality. MFS-FL and BellSouth should compensate one
16 another for the use of BLV/I according to the effective rates listed in
17 BellSouth's federal and state access tariffs, as applicable.

18 **Q. HOW DID BELL SOUTH'S TRAFFIC EXCHANGE PROPOSAL**
19 **DIFFER FROM THAT OF MFS-FL?**

1 A. BellSouth proposed to interconnect with MFS-FL at each BellSouth tandem
2 and/or wire center for originating/terminating local traffic within the LATA.
3 BellSouth opposed the D-NIP concept and would utilize existing
4 terminology to describe the new arrangements proposed by MFS-FL.
5 BellSouth would not agree to a mid-fiber meet-point with MFS-FL.
6 BellSouth would not agree to waive charges for the cross-connection of
7 collocation facilities, and would apply current tariff charges for
8 rearrangements, conversions, and rollovers. October 6, 1995 Letter,
9 Exhibit TTD-1 at 1. This latter proposal is more stringent than BellSouth's
10 agreement with TCG, which would consider each ALEC's interconnection
11 reconfigurations "individually" as to the application of a charge. TCG
12 Stipulation at 5. (The TCG Stipulation does not otherwise address
13 interconnection in the same detail as MFS-FL has in its negotiations with
14 BellSouth.) BellSouth does not appear to be close to agreement with
15 MFS-FL on much of the MFS-FL traffic exchange proposal.

16 **B. Reciprocal Compensation**

17 **Q. WHY IS EQUAL AND RECIPROCAL COMPENSATION CRITICAL**
18 **TO THE DEVELOPMENT OF LOCAL EXCHANGE COMPETITION**
19 **IN FLORIDA?**

1 A. Equal and reciprocal compensation arrangements for exchange of local
2 traffic, including traffic traditionally known as intraLATA toll traffic, will
3 be critical to the success or failure of local competition. The level of these
4 charges will have a considerably more dramatic impact on ALECs than on
5 BellSouth. While virtually all of the traffic originated by ALEC customers
6 will terminate on BellSouth's network, only a small percentage of calls
7 placed by BellSouth customers will terminate on an ALEC's network. If
8 "bill and keep" is not adopted, ALECs will be affected much more seriously
9 than BellSouth. The compensation scheme for interconnection that is
10 established in this proceeding can determine a significant portion of an
11 ALEC's cost of doing business and is therefore critical to ensuring that the
12 business of providing competitive local exchange service in Florida is a
13 viable one.

14 **Q. WHY DOES MFS-FL ADVOCATE THAT COMPETITORS UTILIZE**
15 **A "BILL AND KEEP" SYSTEM OF RECIPROCAL**
16 **COMPENSATION?**

17 A. The "bill and keep" method of reciprocal compensation is administratively
18 simple, avoids complex economic analysis which is at best subject to further
19 questioning, and is fair. What is more, bill and keep is already the most

1 commonly used method of reciprocal compensation between LECs
2 throughout the country.

3 **Q. HOW DOES "BILL AND KEEP" WORK?**

4 **A.** Under the "bill and keep" method of reciprocal compensation for
5 interconnection, each carrier would be compensated in two ways for
6 terminating local calls originated by customers of other carriers. First, each
7 carrier would receive the reciprocal right to receive termination of local
8 calls made by its own customers to subscribers on the other carrier's
9 network without cash payment, often referred to as payment "in kind." In
10 addition, the terminating carrier is compensated for call termination by its
11 own customer, who pays the terminating carrier a monthly fee for service,
12 including the right to receive calls without separate charge.

13 **Q. WHAT ARE THE ADVANTAGES OF "BILL AND KEEP"?**

14 **A.** One of the principal advantages of bill and keep, as compared with the per-
15 minute switched access charges advocated by BellSouth, is that it
16 economizes on costs of measurement and billing. Additionally, since
17 BellSouth now has flat-rated residential service, BellSouth may have to put
18 measurement systems in place to monitor outbound traffic in order to
19 measure and audit BellSouth outbound calling. With present technology,

1 carriers are unable to measure the number of local calls that they terminate
2 for any other given carrier. Measurement and billing costs could
3 significantly increase the TSLRIC of the switching function for terminating
4 traffic and could result in higher prices for consumers.

5 **Q. WHAT IS THE IMPACT OF THIS INCREASED COST STEMMING**
6 **FROM MEASUREMENT AND BILLING OF PER-MINUTE**
7 **TERMINATION FEES?**

8 **A.** The overall impact on the cost of providing local exchange service could be
9 devastating for both business and residential consumers. In order for this
10 significantly increased cost of providing local exchange service to be
11 justified, there would have to be a very large imbalance in traffic to make
12 such measurement worthwhile for society. Moreover, the costs of
13 measurement would create entry barriers and operate to deter competition,
14 since they would be added to entrants' costs for nearly all calls (those
15 terminated on the BellSouth's network), while being added only to a small
16 fraction of BellSouth calls (those terminated on an ALEC's network).

17 **Q. WHAT OTHER ADVANTAGES TO "BILL AND KEEP" DO YOU**
18 **PERCEIVE?**

1 A. The bill and keep method of compensation also provides incentives to
2 carriers to adopt an efficient network architecture, one that will enable the
3 termination of calls in the manner that utilizes the fewest resources. A
4 compensation scheme in which the terminating carrier is able to transfer
5 termination costs to the originating carrier reduces the incentive of the
6 terminating carrier to utilize an efficient call termination design.

7 **Q. HAS BILL AND KEEP BEEN ADOPTED IN OTHER STATES?**

8 A. The use of the bill and keep method of compensation as long as traffic is
9 close to being in balance (within 5%) has been adopted by the Michigan
10 Public Service Commission. Likewise, the Iowa Utilities Board ordered use
11 of the bill and keep method of compensation on an interim basis, pending
12 the filing of cost studies. The Washington Utilities and Transportation
13 Commission also adopted bill and keep in an order recently adopted.
14 Finally, the California Public Utilities Commission recently endorsed bill
15 and keep on an interim basis:

16 "In the interim, local traffic shall be terminated by the LEC for the
17 CLC [Competitive Local Carrier] and by the CLC for the LEC over
18 the interconnecting facilities described in this Section on the basis of
19 mutual traffic exchange. Mutual traffic exchange means the

1 exchange of terminating local traffic between or among CLCs and
2 LECs, whereby LECs and CLCs terminate local exchange traffic
3 originating from end users served by the networks of other LECs or
4 CLCs without explicit charging among or between said carriers for
5 such traffic exchange."

6 *Order Instituting Rulemaking on the Commission's Own Motion into*
7 *Competition for Local Exchange Service, R.95-04-043, I.95-04-044,*
8 *Decision 95-07-054 (Cal. P.U.C., July 25, 1995). Other states,*
9 *including Texas (Texas Public Utility Regulatory Act of 1995) and*
10 *Connecticut (Connecticut Docket No. 94-10-02, Order*
11 *(Sept. 22, 1995)).*

12 **Q. HAS "BILL AND KEEP" BEEN SUCCESSFULLY INSTITUTED BY**
13 **INCUMBENT LECS?**

14 **A.** While BellSouth opposes the bill and keep method of compensation
15 proposed by its potential competitors, incumbent LECs throughout the
16 United States have endorsed this compensation method by employing it with
17 other LECs. "Bill and keep" arrangements and similar arrangements that
18 approximate "bill and keep" are common throughout the United States
19 between non-competing LECs in exchanging extended area service calls.

1 **Q. DOES MFS HAVE GOOD REASON TO BELIEVE THAT TRAFFIC**
2 **WILL BE IN BALANCE BETWEEN BELLSOUTH AND ALECS?**

3 **A.** Yes. Although incumbents often argue that, if traffic is not in balance
4 between two carriers, "bill and keep" is an imperfect method of
5 compensation, this theory is discredited by MFS-FL's experience in New
6 York, where MFS-FL is terminating more calls from NYNEX customers
7 than NYNEX is terminating from MFS-FL customers. In the face of
8 evidence that it is terminating more minutes of intercarrier traffic in New
9 York than the incumbent LEC, and hence would profit from a compensation
10 system that measures usage, MFS-FL's support for the bill and keep method
11 of compensation is all the more credible.

12 **Q. WHAT HAS BELLSOUTH PROPOSED FOR TERMINATING**
13 **ACCESS RATES IN NEGOTIATIONS WITH MFS-FL AND IN THE**
14 **TCG STIPULATION?**

15 **A.** In negotiations and in the TCG Stipulation, BellSouth has proposed that
16 unequal compensation be paid as between BellSouth and ALECs. This is a
17 direct result of its unacceptable insistence that the issue of universal service
18 be considered in this docket, despite the fact that BellSouth has yet to
19 establish the existence of a universal service subsidy. BellSouth proposed

1 that the tariffed transport and local switching switched access rate elements
2 be paid by both LECs and ALECs. Although BellSouth would not charge
3 the RIC and the CCL switched access rate elements, it would still require
4 that an amount equal to these elements be paid into a universal service fund.
5 BellSouth agreed to an interim modified bill and keep proposal in its TCG
6 Stipulation, but in two years its proposed switched access rates would
7 become effective.

8 **Q. WHY WILL BASING TERMINATING ACCESS ON SWITCHED**
9 **ACCESS MAKE IT IMPOSSIBLE FOR ALECS TO COMPETE?**

10 **A.** Given the flat-rated local exchange rates of BellSouth, payment of switched
11 access as proposed by BellSouth would not permit economically viable local
12 exchange competition. If MFS-FL must pay switched access rates and
13 compete with BellSouth retail rates, the resulting price squeeze would render
14 it impossible for ALECs such as MFS-FL to compete in the Florida local
15 exchange market. Accordingly, efforts by BellSouth to impose additional
16 costs on ALECs through the imposition of a number of additional, often
17 excessive, charges — switched access interconnection charges, universal
18 service surcharges, additional trunking costs, unbundled loop charges, and

1 interim number portability charges, etc. — must not be permitted in the
2 co-carrier arrangements mandated by the Commission.

3 **Q. DIDN'T TCG IN FACT DEMONSTRATE IN ITS**
4 **INTERCONNECTION PETITION THAT SWITCHED ACCESS**
5 **RATES ARE UNACCEPTABLE?**

6 **A.** Yes. TCG itself has aptly demonstrated that ALECs cannot compete with
7 BellSouth in the local exchange market if forced to pay switched access rates
8 for terminating access. TCG Testimony at 33. The TCG comparison of flat
9 rates charged by BellSouth to residential customers with usage-based rates
10 charged by BellSouth to competitors for terminating access demonstrates a
11 classic price squeeze. It is by virtue of this simple price squeeze that
12 BellSouth will ensure that competition does not take root in Florida.
13 Significantly, as the TCG Chart demonstrates, particularly in a flat-rate
14 environment, the price squeeze is most acute for larger customers. Thus,
15 ALECs will have an even more difficult time competing for customers with
16 800 monthly minutes of use than for customers with 600 or 460 minutes of
17 use. TCG Testimony at 33. This makes the price squeeze a particularly
18 effective means of crippling competitors.

1 **Q. COULD YOU ELABORATE ON THE CONCEPT OF A PRICE**
2 **SQUEEZE?**

3 **A.** A price squeeze occurs where a firm with a monopoly over an essential
4 input needed by other firms to compete with the first firm in providing
5 services to end users sells the input to its competitor at a price that prevents
6 the end user competitor from meeting the end user price of the first firm,
7 despite the fact that the competitor is just as efficient as the first firm. A
8 price squeeze is anticompetitive and deters entry into the market because, by
9 raising entrants' costs, it forces an entrant who wishes to match the
10 incumbent's prices to absorb losses as a price of entry. Because of their
11 anticompetitive nature, price squeezes are condemned as contrary to the
12 public policy and prohibited by the antitrust laws. *See, e.g., United States*
13 *v. Aluminum Co. of America*, 148 F.2d 416, 437-38 (2d Cir. 1945); *Illinois*
14 *Cities of Bethany v. F.E.R.C.*, 670 F.2d 187 (D.C.Cir. 1981); *Ray v.*
15 *Indiana & Michigan Elect. Co.*, 606 F.Supp. 757 (N.D. Ind. 1984). The
16 Commission can ensure that a price squeeze will not be implemented by
17 applying imputation principles.

18 **Q. WOULD IT BE POSSIBLE FOR ALEC'S TO USE LOCAL**
19 **EXCHANGE SERVICE AS A LOSS-LEADER, BUT RECOUP THE**

1 **LOSS AND MAKE A PROFIT THROUGH OTHER SERVICES, SUCH**
2 **AS INTRALATA TOLL AND INTERLATA SERVICES?**

3 **A.** As has been recognized in other jurisdictions, if local exchange competition
4 is to succeed, competition must be possible in all segments of the local
5 exchange market, without cross-subsidization from other services. As the
6 Illinois Commerce Commission recently observed:

7 "The issue is not whether a new LEC ultimately can scrape
8 together revenues from enough sources to be able to afford
9 Illinois Bell's switched access charge. The crucial issue is
10 the effect of a given reciprocal compensation proposal on
11 competition. . . . [A]doption of Illinois Bell's [switched
12 access based] proposal and rationale would force new LECs
13 to adopt either a premium pricing strategy or use local calling
14 as a 'loss-leader'. That is not just or reasonable."

15 *Illinois Bell Telephone Proposed Introduction of a Trial of Ameritech's*
16 *Customers First Plan in Illinois*, Docket No. 94-0096, at 98 (Ill. Comm.
17 Comm'n., April 7, 1995). The Commission must ensure that inflated
18 pricing for interconnection does not preclude ALECs from achieving
19 operating efficiency by developing their own mixture of competitive

1 products over time, including if a LEC so opts, the provision of local
2 exchange service alone.

3 **Q. WHY IS A USAGE-BASED SWITCHED ACCESS RATE FOR ALECS**
4 **PARTICULARLY INAPPROPRIATE IN AN ENVIRONMENT IN**
5 **WHICH BELL SOUTH CHARGES ITS END-USER CUSTOMERS ON**
6 **A FLAT-RATE BASIS?**

7 **A.** As discussed above, the usage-based switched access rates proposed by
8 BellSouth result in a price squeeze, a result which is exacerbated at higher
9 calling volumes. Unless usage-based terminating access rates are set at
10 considerably lower levels, ALECs are forced to charge usage-based rates to
11 end-user customers to recover their costs. This precludes ALECs from
12 offering customers a choice of flat-rate or measured service, as Florida
13 LECs currently offer. Not only would ALECs be limited to measured usage
14 services but, as discussed above, even charging usage-based rates, ALECs
15 cannot begin to compete when paying switched access. Conversely, this
16 will have no effect on BellSouth because most BellSouth calls will terminate
17 on its own network, resulting in no reciprocal compensation payments by
18 BellSouth.

1 **Q. HOW WILL "BILL AND KEEP" PRECLUDE THE POSSIBILITY OF**
2 **A PRICE SQUEEZE?**

3 **A.** With "bill and keep" there is no possibility whatsoever of a price squeeze
4 for local calling. Perhaps the most likely and pernicious impediment to the
5 development of local exchange competition in Florida is a terminating access
6 rate that effects a price squeeze on ALECs. To the extent that "bill and
7 keep" precludes this possibility, the Commission should adopt this proposal
8 for terminating access in Florida.

9 **V. SHARED NETWORK PLATFORM ARRANGEMENTS**

10 **Q. WHAT ARE THE "SHARED PLATFORM" ARRANGEMENTS TO**
11 **WHICH YOU REFERRED EARLIER?**

12 **A.** There are a number of systems in place today that support the local
13 exchange network and provide customers with services that facilitate use of
14 the network. Some of these service platforms must be shared by competing
15 carriers in order to permit customers to receive seamless service. These
16 platforms include the following:

- 17 a. Interconnection Between MFS-FL and Other
18 Collocated Entities;
- 19 b. 911 and E-911 systems;

- 1 c. Information Services Billing and Collection;
- 2 d. Directory Listings and Distribution;
- 3 e. Directory Assistance Service;
- 4 f. Yellow Page Maintenance;
- 5 g. Transfer of Service Announcements;
- 6 h. Coordinated Repair Calls;
- 7 i. Busy Line Verification and Interrupt;
- 8 j. Information Pages; and
- 9 k. Operator Reference Database.

10 **Q. WHAT ARE MFS-FL'S VIEWS ON THE PROPOSED SHARED**
11 **PLATFORM ARRANGEMENTS IN THE TCG STIPULATION**
12 **AGREEMENT?**

13 **A.** With the exception of compensation issues, MFS-FL would be
14 amenable to entering into similar shared platform arrangements with
15 BellSouth. Specifically, MFS-FL agrees in principal with the TCG
16 Stipulation proposals made on the following shared platform
17 arrangements: (1) 911/E911 Access; (2) Directory Listings and
18 Directory Distributions; (3) Busy Line Verification/Emergency
19 Interrupt Services; (4) Number Resource Arrangements; (5) CLASS

1 Interoperability; (6) Network Design and Management; (7) Network
2 Expansion; and (8) Signaling. However, as I discussed at greater
3 length later in my testimony, MFS-FL does not agree with the
4 pricing of many of these arrangements.

5 The TCG Stipulation also does not address a number of
6 shared platform arrangements necessary to provide customers with
7 seamless local exchange services including: (1) interconnection
8 between MFS-FL and other collocated entities; (2) information
9 services billing and collection; (3) directory assistance; (4) Yellow
10 Page maintenance; (5) transfer of service announcements; (6)
11 coordinated repair calls; (7) information pages; and (8) operator
12 reference database.

13 I will address all of these shared platform arrangements in
14 further detail below.

15 **Q. WHAT STANDARDS SHOULD BE ADOPTED FOR**
16 **INTERCONNECTION BETWEEN MFS-FL AND OTHER**
17 **COLLOCATED FACILITIES?**

18 **A.** BellSouth should enable MFS-FL to directly interconnect to any
19 other entity which maintains a collocation facility at the same

1 BellSouth wire center at which MFS-FL maintains a collocation
2 facility, by effecting a cross-connection between those collocation
3 facilities, as jointly directed by MFS-FL and the other entity. For
4 each such cross-connection, BellSouth should charge both MFS-FL
5 and the other entity one-half the standard tariffed special access
6 cross-connect rate. BellSouth's proposal that normal tariff rates
7 apply for each interconnector that utilizes a collocation arrangement
8 would be a barrier to competition because ALECs would be required
9 to pay excessive rates for collocation arrangements. *See* Latham
10 Letter at 2 (October 6, 1995).

11 **Q. WHAT STANDARDS SHOULD BE ADOPTED FOR THE**
12 **PROVISION OF 911/E911 SERVICES?**

13 **A.** MFS-FL will need BellSouth to provide trunk connections to its 911/E-911
14 selective routers/911 tandems for the provision of 911/E911 services and for
15 access to all sub-tending Public Safety Answering Points ("PSAP").

16 Interconnection should be made at the Designated Network Interconnection

1 Point.^{3/} BellSouth must also provide MFS-FL with the appropriate common
2 language location identifier (“CLLI”) code and specifications of the tandem
3 serving area.

4 BellSouth should arrange for MFS-FL’s automated input and
5 daily updating of 911/E911 database information related to MFS-FL
6 end users. BellSouth must provide MFS-FL with the Master Street
7 Address Guide (“MSAG”) so that MFS-FL can ensure the accuracy
8 of the data transfer. Additionally, BellSouth should provide to
9 MFS-FL the ten-digit POTS number of each PSAP which sub-tends
10 each BellSouth selective router/9-1-1 tandem to which MFS-FL is
11 interconnected. Finally, BellSouth should use its best efforts to
12 facilitate the prompt, robust, reliable and efficient interconnection of
13 MFS-FL systems to the 911/E911 platforms.

14 **Q. WHAT ARRANGEMENTS SHOULD BE MANDATED FOR**
15 **INFORMATION SERVICES BILLING AND COLLECTION?**

³As discussed, the D-NIP is the correspondingly identified wire center at which point MFS-FL and BellSouth will interconnect their respective networks for inter-operability within that LATA.

1 A. Where a LEC chooses to offer caller-paid information services, such as 976-
2 XXXX services, customers of competing LECs in the same service territory
3 should have the ability to call these numbers. In this case, either the LEC
4 providing the audiotext service or its customer, the information provider,
5 rather than the carrier serving the caller, determines the price of the service.
6 Therefore, a co-carrier arrangement should provide that the originating
7 carrier will collect the information service charge as agent for the service
8 provider, and will remit that charge (less a reasonable billing and collection
9 fee) to the carrier offering the audiotext service. To the extent that any
10 charges apply for the reciprocal termination of local traffic, the originating
11 carrier should also be entitled to assess a charge for the use of its network in
12 this situation. This issue should be addressed in the context of the reciprocal
13 billing and collection arrangements.

14 MFS-FL will deliver information services traffic originated
15 over its Exchange Services to information services provided over
16 BellSouth's information services platform (*e.g.*, 976) over the
17 appropriate trunks. BellSouth should at MFS-FL's option provide a
18 direct real-time electronic feed or a daily or monthly magnetic tape
19 in a mutually-specified format, listing the appropriate billing listing

1 and effective daily rate for each information service by telephone
2 number. To the extent MFS-FL determines to provide a competitive
3 information services platform, BellSouth should cooperate with
4 MFS-FL to develop a LATA-wide NXX code(s) which MFS-FL may
5 use in conjunction with such platform. Additionally, BellSouth
6 should route calls to such platform over the appropriate trunks, and
7 MFS-FL will provide billing listing/daily rate information on terms
8 reciprocal to those specified above.

9 With respect to compensation issues, MFS-FL will bill and
10 collect from its end users the specific end user calling rates BellSouth
11 bills its own end users for such services, unless MFS-FL obtains
12 tariff approval from the Commission specifically permitting MFS-FL
13 to charge its end users a rate different than the rate set forth in
14 BellSouth's tariff for such services. MFS-FL will remit the full
15 specified charges for such traffic each month to BellSouth, less \$0.05
16 per minute, and less uncollectibles. In the event MFS-FL provides an
17 information service platform, BellSouth should bill its end users and
18 remit funds to MFS-FL on terms reciprocal to those specified above.

1 **Q. WHAT STANDARDS SHOULD APPLY TO DIRECTORY LISTINGS**
2 **AND DIRECTORY ASSISTANCE SERVICE?**

3 **A.** The public interest requires that persons be able to obtain telephone listing
4 information for a given locality by consulting only one printed directory or
5 one directory assistance operator. No useful purpose would be served by
6 publishing a separate directory of MFS-FL's customers. MFS-FL therefore
7 proposes that BellSouth include MFS-FL's customers' telephone numbers in
8 all its "White Pages" and "Yellow Pages" directory listings and directory
9 assistance databases associated with the areas in which MFS-FL provides
10 services to such customers, and will distribute such directories to such
11 customers, in the identical and transparent manner in which it provides those
12 functions for its own customers' telephone numbers. MFS-FL should be
13 provided the same rates, terms and conditions for enhanced listings (i.e.,
14 bolding, indention, etc.) as are provided to BellSouth customers.

15 Under MFS-FL's proposal, MFS-FL will provide BellSouth
16 with its directory listings and daily updates to those listings in an
17 industry-accepted format; BellSouth will provide MFS-FL a magnetic
18 tape or computer disk containing the proper format. MFS-FL and
19 BellSouth will accord MFS-FL's directory listing information the

1 same level of confidentiality which BellSouth accords its own
2 directory listing information, and BellSouth will ensure that access to
3 MFS-FL's customer proprietary confidential directory information
4 will be limited solely to those BellSouth employees who are directly
5 involved in the preparation of listings.

6 **Q. WHAT STANDARDS SHOULD BE ADOPTED FOR BUSY**
7 **LINE VERIFICATION AND INTERRUPT?**

8 **A.** MFS-FL and BellSouth should establish procedures whereby their
9 operator bureaus will coordinate with each other in order to provide
10 Busy Line Verification ("BLV") and Busy Line Verification and
11 Interrupt ("BLVI") services on calls between their respective end
12 users. BLV and BLVI inquiries between operator bureaus should be
13 routed over the appropriate trunks.

14 BellSouth has proposed that BLV and BLVI services be
15 provided via its existing tariffs. *See* Latham Letter at 2 (October 6,
16 1995). (The TCG Stipulation did not address compensation.) As
17 long as those tariffed rates are reasonable, MFS-FL will find them
18 acceptable.

1 **Q. WHAT STANDARDS SHOULD BE ADOPTED FOR DIRECTORY**
2 **ASSISTANCE?**

3 **A. At MFS-FL's request, BellSouth should: (1) provide to MFS-FL operators**
4 or to an MFS-FL-designated operator bureau on-line access to BellSouth's
5 directory assistance database, where such access is identical to the type of
6 access BellSouth's own directory assistance operators utilize in order to
7 provide directory assistance services to BellSouth end users; (2) provide to
8 MFS-FL unbranded directory assistance service which is comparable in
9 every way to the directory assistance service BellSouth makes available to
10 its own end users; (3) provide to MFS-FL directory assistance service under
11 MFS-FL's brand which is comparable in every way to the directory
12 assistance service BellSouth makes available to its own end users; (4) allow
13 MFS-FL or an MFS-FL-designated operator bureau to license BellSouth's
14 directory assistance database for use in providing competitive directory
15 assistance services; and (5) in conjunction with (2) or (3), above, provide
16 caller-optional directory assistance call completion service which is
17 comparable in every way to the directory assistance call completion service
18 BellSouth makes available to its own end users. If call completion services

1 were to be resold, BellSouth should be required to provide calling detail in
2 electronic format for MFS-FL to rebill the calling services.

3 **Q. WHAT STANDARDS SHOULD BE ADOPTED FOR YELLOW PAGE**
4 **MAINTENANCE AND TRANSFER OF SERVICE**
5 **ANNOUNCEMENTS?**

6 **A.** With regard to Yellow Page maintenance, BellSouth should work
7 cooperatively with MFS-FL to ensure that Yellow Page
8 advertisements purchased by customers who switch their service to
9 MFS-FL (including customers utilizing MFS-FL-assigned telephone
10 numbers and MFS-FL customers utilizing co-carrier number
11 forwarding) are maintained without interruption. BellSouth should
12 allow MFS-FL customers to purchase new yellow pages
13 advertisements without discrimination, at non-discriminatory rates,
14 terms and conditions. BellSouth and MFS-FL should implement a
15 commission program whereby MFS-FL may, at MFS-FL's
16 discretion, act as a sales, billing and collection agent for Yellow
17 Pages advertisements purchased by MFS-FL's exchange service
18 customers.

1 When an end user customer changes from BellSouth to MFS-FL, or
2 from MFS-FL to BellSouth, and does not retain its original telephone
3 number, the party formerly providing service to the end user should provide
4 a transfer of service announcement on the abandoned telephone number.
5 This announcement will provide details on the new number to be dialed to
6 reach this customer. These arrangements should be provided reciprocally,
7 free of charge to either the other carrier or the end user customer.

8 **Q. WHAT STANDARDS SHOULD BE ADOPTED FOR COORDINATED**
9 **REPAIR CALLS, INFORMATION PAGES AND OPERATOR**
10 **REFERENCE DATABASE?**

11 **A.** With respect to misdirected repair calls, MFS-FL and BellSouth should
12 educate their respective customers as to the correct telephone numbers to
13 call in order to access their respective repair bureaus. To the extent the
14 correct provider can be determined, misdirected repair calls should be
15 referred to the proper provider of local exchange service in a courteous
16 manner, at no charge, and the end user should be provided the correct
17 contact telephone number. Extraneous communications beyond the direct
18 referral to the correct repair telephone number should be strictly prohibited.

1 In addition, MFS-FL and BellSouth should provide their respective repair
2 contact numbers to one another on a reciprocal basis.

3 BellSouth should include in the "Information Pages" or comparable
4 section of its White Pages Directories for areas served by MFS-FL, listings
5 provided by MFS-FL for MFS-FL's calling areas, services installation,
6 repair and customer service and other information. Such listings should
7 appear in the manner and likenesses as such information appears for
8 subscribers of the BellSouth and other LECs.

9 BellSouth should also be required to provide operator reference
10 database ("ORDB") updates on a monthly basis at no charge in order to
11 enable MFS-FL operators to respond in emergency situations.

12 **VI. LOCAL TELEPHONE NUMBER PORTABILITY ARRANGEMENTS**

13 **Q. WHAT ASPECTS OF NUMBER PORTABILITY WERE NOT**
14 **ADDRESSED IN THE SEPARATE NUMBER PORTABILITY**
15 **PROCEEDING?**

16 **A.** The interim number portability stipulation explicitly delayed the issue of
17 "compensation for termination of ported calls and the entitlement to
18 terminating network access charges on ported calls." Number Portability
19 Stipulation at 3. To the extent that the majority of ALEC customers will

1 initially be former LEC customers utilizing interim number portability, this
2 is a critical issue for MFS-FL and other ALECs. Switched access and local
3 compensation should apply regardless of whether a call is completed using
4 interim number portability. MFS-FL believes that this is the only approach
5 consistent with the Commission's goal of introducing competition in the
6 local exchange market.

7 **Q. WHICH CARRIER SHOULD COLLECT THE CHARGES FOR**
8 **TERMINATION OF TRAFFIC ON ITS NETWORK WHEN A CALL**
9 **IS RECEIVED VIA NUMBER RETENTION?**

10 **A.** Only if the customers' carrier collects these revenues will competition be
11 stimulated by interim number portability. Allowing the incumbent LEC to
12 retain toll access charges for calls terminated to a retained number belonging
13 to a customer of another carrier would have three adverse consequences.
14 First, it would reward the incumbent LEC for the lack of true local number
15 portability, and therefore provide a financial incentive to delay true number
16 portability for as long as possible. Second, it would help reinforce the
17 incumbent LEC bottleneck on termination of interexchange traffic, and
18 thereby stifle potential competition in this market. Third, it would impede
19 local exchange competition by preventing new entrants from competing for

1 one significant component of the revenues associated with that service,
2 namely toll access charges.

3 MFS does not subscribe to the LEC conventional wisdom that access
4 charges "subsidize" local exchange service, since there is no evidence that
5 the forward-looking economic cost of the basic local exchange service
6 exceeds its price as a general matter (aside from special circumstances such
7 as Lifeline, where a subsidy may exist). Nonetheless, access charges clearly
8 provide a significant source of revenue -- along with subscriber access
9 charges, local flat-rate or usage charges, intraLATA toll charges, vertical
10 feature charges, and perhaps others -- that justify the total cost of
11 constructing and operating a local exchange network, including shared and
12 common costs. It is unrealistic to expect ALECs to make the substantial
13 capital investment required to construct and operate competitive networks if
14 they will not have the opportunity to compete for all of the services
15 provided by the LECs and all of the revenues generated by those services.
16 As long as true local number portability does not exist, the new entrants'
17 opportunity to compete for access revenue would be severely restricted if
18 they had to forfeit access charges in order to use interim number portability
19 arrangements.

1 **Q. SHOULD COMPENSATION ARRANGEMENTS FOR THE**
2 **EXCHANGE OF LOCAL OR TOLL TRAFFIC BETWEEN LECS**
3 **VARY DEPENDING ON WHETHER INTERIM NUMBER**
4 **PORTABILITY WAS IN PLACE ON A GIVEN CALL?**

5 **A.** No. Temporary number portability is a technical arrangement that will
6 permit competition to take root in Florida. The purpose of temporary
7 number portability is to permit new entrants to market their services to
8 customers by permitting customers to retain their phone numbers when
9 switching to a new provider. Because it is necessary to bring to the public
10 the benefits of competition at this time, temporary number portability
11 benefits all callers, and has absolutely nothing to do with compensation.
12 These issues should not be mixed, and compensation should not vary
13 depending on whether temporary number portability is in place or not.

14 **Q. WHAT COMPENSATION ARRANGEMENT SHOULD APPLY TO**
15 **REDIRECTED CALLS UNDER TEMPORARY NUMBER**
16 **PORTABILITY?**

17 **A.** BellSouth should compensate MFS-FL as if the traffic had been terminated
18 directly to MFS-FL's network, except that certain transport elements should
19 not be paid to MFS-FL to the extent that BellSouth will be transporting the

1 call on its own network. Thus, for LATA-wide calls originating on
2 BellSouth's network and terminating on MFS-FL's network, the effective
3 inter-carrier compensation structure at the time the call is placed should
4 apply. Traffic from IXCs forwarded to MFS-FL via temporary number
5 portability should be compensated by BellSouth at the appropriate
6 intraLATA, interLATA-intrastate, or interstate terminating access rate less
7 those transport elements corresponding to the use of the BellSouth network
8 to complete the call. In other words, BellSouth should receive entrance
9 fees, tandem switching, and part of the tandem transport charges. MFS-FL
10 should receive local switching, the RIC, the CCL, and part of the transport
11 charge. (The pro-rata billing share to be remitted to MFS-FL should be
12 identical to the rates and rate levels as non-temporary number portability
13 calls.) BellSouth will bill and collect from the IXC and remit the
14 appropriate portion to MFS-FL.

15 **Q. HAS BELLSOUTH AGREED TO THIS POSITION?**

16 **A.** No. In negotiations with MFS-FL, BellSouth has taken the position that
17 BellSouth will retain switched access charges on ported interLATA calls that
18 terminate through the BellSouth network. October 6, 1995 Latham Letter at
19 2. This is also the position that TCG agreed to with BellSouth. TCG

1 Stipulation at 12. As I have discussed, this position would deprive ALECs
2 of significant revenues and impede the development of competition in
3 Florida.

4 **Q. ARE THERE ANY OTHER INTERIM NUMBER PORTABILITY**
5 **ISSUES THAT ARE UNLIKELY TO BE ADDRESSED IN THE**
6 **SEPARATE PROCEEDING?**

7 **A. Yes. The details of how a request for interim number portability will be**
8 **processed and billed were not addressed. MFS-FL believes that the**
9 **Commission should address these issues in this proceeding to ensure that**
10 **interim number portability is implemented efficiently and without dispute.**
11 **MFS-FL attaches as Exhibit TTD-3 its proposal for these "Co-Carrier**
12 **Number Forwarding Arrangements" which has previously been distributed**
13 **to the parties to the interim number portability docket. The Commission**
14 **should adopt these procedures to facilitate the introduction of interim**
15 **number portability in Florida.**

16 **VII. THE STIPULATION BETWEEN BELLSOUTH AND TCG**

17 **Q. BY WAY OF SUMMARY, COULD YOU EXPLAIN THE**
18 **PROVISIONS OF THE TCG STIPULATION THAT MFS-FL FINDS**

1 **ACCEPTABLE AND THOSE THAT MFS-FL FINDS**
2 **UNACCEPTABLE?**

3 A. While certain aspects of the TCG Stipulation are acceptable to MFS-FL, the
4 agreement includes a number of provisions, such as the universal service
5 proposal, that MFS-FL believes would seriously impede the development of
6 competition in Florida.

7 Q. **WHAT ARE THE SHORTCOMINGS OF THE RECIPROCAL**
8 **COMPENSATION ARRANGEMENT AGREED TO BY MFS-FL?**

9 A. The greatest shortcoming is that an ALEC must accept BellSouth's universal
10 service proposal in order to come to an agreement on compensation. TCG
11 Stipulation at 1, 6, 9-11. These issues were specifically de-linked by the
12 Legislature, and yet BellSouth is holding interconnection negotiations in
13 abeyance unless it can force an agreement on universal service. As
14 MFS-FL has explained at length in the proceeding which appropriately
15 addresses the issue of universal service, BellSouth has never demonstrated
16 that there is a universal service subsidy. Until such a demonstration is
17 made, BellSouth should not be permitted to game the process of good faith
18 interconnection negotiations by interjecting this irrelevant issue.

1 The TCG Stipulation also holds out the false promise of modified bill
2 and keep compensation, but then replaces bill and keep with switched access
3 after two years. TCG Stipulation at 3. During the first two years of
4 competition, traffic flows for ALECs will be at their lowest. Accordingly,
5 the use of bill and keep for two years is of limited value. When traffic
6 flows begin to significantly increase after the two year mark, an ALEC will
7 then be forced to pay full switched access rates, rates which are likely to
8 result in a price squeeze and which have not been demonstrated by
9 BellSouth to be anywhere close to the cost of terminating a call.

10 **Q. DOES THE TCG STIPULATION RECOGNIZE THE BENEFITS OF A**
11 **BILL AND KEEP MECHANISM?**

12 **A.** Yes. Surprisingly, the TCG Stipulation recognizes that bill and keep is an
13 effective method of compensation between LECs and ALECs. TCG
14 Stipulation at 3. TCG and BellSouth would exchange traffic on an in-kind
15 basis if "it is mutually agreed that the administrative costs associated with
16 local interconnection are no greater than the net monies exchanged." *Id.*
17 Thus, the TCG Stipulation also recognizes the primary reason for adopting
18 bill and keep, the need to avoid the unnecessary administrative costs of
19 exchanging compensation. For these same reasons, the Commission should

1 adopt bill and keep, not only for the first two years, but on a permanent
2 basis.

3 **Q. IS THE CHARGE FOR INTERMEDIARY FUNCTIONS IN THE TCG**
4 **STIPULATION ACCEPTABLE TO MFS-FL?**

5 **A.** As I have explained, such a charge (TCG Stipulation at 4) should only be
6 assessed by BellSouth for transiting traffic when two ALECs that are not
7 cross-connected at the D-NIP and do not have direct trunks utilize BellSouth
8 trunks to transit traffic. In all cases, ALECs should have an opportunity to
9 cross-connect. In those instances where MFS-FL must pay for this
10 intermediary function, it should pay the lesser of: 1) BellSouth's interstate
11 or intrastate switched access per minute tandem switching element; or 2) a
12 per minute rate of \$0.002.

13 **Q. IS THE PROVISION PERMITTING BELLSOUTH TO RECOVER**
14 **THE RIC WHEN IT PROVIDES THE INTERMEDIARY TANDEM**
15 **FUNCTION ACCEPTABLE?**

16 **A.** No. This provision (TCG Stipulation at 4-5) is completely inconsistent with
17 the established meetpoint billing arrangements between LECs in other states.
18 It is MFS-FL's position, based on its experience in other states, that the

1 carrier providing the end office switching (*i.e.*, MFS-FL) is the carrier that
2 receives the RIC.

3 **Q. IS THE PROVISION REQUIRING THAT THE ALEC PROVIDE**
4 **SUFFICIENT INFORMATION TO DETERMINE WHETHER**
5 **TRAFFIC IS LOCAL OR TOLL REASONABLE?**

6 **A.** No. This provision (TCG Stipulation at 5) opens the possibility that
7 significant amounts of traffic will be treated as toll rather than local traffic,
8 and could deprive TCG of compensation for terminating access. There is no
9 limit on BellSouth's resort to this provision, and no standard that TCG must
10 meet. Moreover, this system represents a departure from the typical system
11 of determining the nature of traffic. Currently, IXCs utilize a system of
12 Percent Interstate Use ("PIU") monitoring, subject to audit by LECs, to
13 determine whether traffic is inter- or intrastate. In states that have
14 addressed this issue, a similar system of ALEC Percent Local Use ("PLU")
15 monitoring, subject to audit, has been implemented. BellSouth's attempt to
16 shift the burden of proof to ALEC's on this issue would put MFS-FL and
17 other ALECs in an untenable position.

18 **Q. WHAT ARE THE SHORTCOMINGS OF THE STIPULATION'S**
19 **NUMBER PORTABILITY PROPOSAL?**

1 A. As is the case with universal service, this issue was never intended to be the
2 subject of interconnection negotiations. The appropriate docket to address
3 this issue is the number portability docket. Because TCG is not even a party
4 to that docket, it arrived at its agreement (TCG Stipulation at 11) without
5 the benefit of the record in that docket. One of the principal issues in that
6 docket was establishing the cost of providing interim number portability,
7 and ensuring that pricing reflected the underlying cost. There is no
8 indication in the TCG Stipulation that any relationship to cost was ever
9 considered in arriving at pricing. Any decision on this issue should be
10 based on the record already established in the separate docket. As I have
11 discussed earlier in my testimony, ALECs would also be deprived under the
12 TCG Stipulation of significant switched access revenues for ported calls.
13 The TCG Stipulation also fails to address key operational issues for the
14 provisioning of interim number portability, as I have discussed.

15 **Q. DOES MFS-FL AGREE WITH THE DISPUTE RESOLUTION TERMS**
16 **AGREED TO IN THE TCG STIPULATION?**

17 A. Yes, MFS-FL generally agrees that there should be a dispute resolution
18 mechanism in place to handle such disputes. TCG Stipulation at 12. MFS-

1 FL would add that any such mechanism should be streamlined in order to
2 ensure the timely and efficient resolution of disputes.

3 **Q. IS THE TCG STIPULATION PROPOSAL FOR THE PROVISION OF**
4 **911/E911 SERVICES SATISFACTORY?**

5 **A.** MFS-FL would be amenable to entering into a similar agreement for
6 the provision of 911/E911 services. However, the TCG Stipulation
7 does not address the issue of compensation. MFS-FL proposes that
8 the pricing of the provision 911/E-911 services be based on LRIC.

9 **Q. IS THE TCG STIPULATION PROPOSAL ON DIRECTORY**
10 **LISTINGS AND DISTRIBUTION SATISFACTORY?**

11 **A.** MFS-FL would find the TCG Stipulation on directory listings and
12 distribution generally acceptable as long as it incorporated the provisions
13 discussed above.

14 Again, however, that the TCG Stipulation does not address
15 the issue of compensation. In this regard, BellSouth has stated that it
16 would not pay MFS-FL a royalty on the sale of directory listings.

17 *See* Latham Letter 2 (October 6, 1995). MFS-FL submits that
18 BellSouth should remit a royalty payment for sales of any bulk
19 directory lists to third parties, where such lists include MFS-FL

1 customer listings. Such royalty payments should be in proportion to
2 the number of MFS-FL listings to BellSouth listings contained in the
3 list purchased by the third party, less 10% which BellSouth may
4 retain as sales commission.

5 **Q. WHY SHOULD BELLSOUTH BE REQUIRED TO REMIT A**
6 **ROYALTY PAYMENT TO MFS-FL?**

7 **A.** BellSouth receives tangible benefits when it lists MFS-FL's
8 customers in its directories. First, BellSouth receives some revenues
9 that could be directly attributed to MFS-FL's customer listings.
10 These include (a) revenues from the sale of directory listings to third
11 parties, including, but not limited to, publishers of competing
12 directories (since the price BellSouth charges is a function of the
13 number of listings sold); (b) revenues from the sale of copies of its
14 directories to other telephone companies and to out-of-area
15 customers, since the price BellSouth charges for each directory is a
16 function of the number of pages in the directory; and (c) revenues
17 from additional directory assistance calls received as a result of
18 placing competitors' listings in the directory assistance database.

1 Second, in addition to these direct revenues, BellSouth will receive
2 potentially much more significant indirect economic benefits from the
3 presence of competitors' listings in its directories. As the Commission is
4 well aware, the publication of Yellow Pages directories is a very profitable
5 enterprise for BellSouth, as it is for most other LECs nationwide. I believe
6 that one factor that contributes significantly to these profits is the
7 completeness of the listings; that is, the fact that nearly every resident and
8 business in a given geographic area (except those with unlisted or
9 unpublished numbers) can be found in the BellSouth directories. The
10 Yellow Pages are frequently bound together with the White Pages and
11 therefore naturally benefit from this factor. Customers find the BellSouth
12 directories convenient because they are so complete and advertisers value
13 them as an advertising medium precisely because consumers find them so
14 convenient. If end users of BellSouth's competitors were not listed in these
15 directories, they would lose some of their value to advertisers. At first, of
16 course, the loss of value would be trivial because competitors will likely
17 have a negligible share of the market. Over time, however, as competitors
18 gain a larger market share, BellSouth would have a serious problem if its
19 directories did not list a significant number of residents and businesses.

1 Another publisher might choose to enter the market and compile a more
2 complete directory by purchasing listings from BellSouth and each of its
3 competitors. Once this threat materialized, BellSouth would no longer be in
4 a position to demand that competitors pay to list their users; rather, it would
5 have to pay the competitors for their listings in order to preserve the market
6 position of its Yellow Pages.

7 **Q. WHAT ARE MFS-FL'S VIEWS ON THE TCG STIPULATION**
8 **PROPOSAL FOR INTRALATA 800 TRAFFIC?**

9 **A.** MFS-FL agrees that BellSouth should compensate ALECs for the
10 origination of 800 traffic terminated to BellSouth pursuant to the
11 ALEC's originating switched access charges including data-base
12 queries. MFS-FL, however, takes issue with the proposal that
13 BellSouth and ALECs will mutually provide appropriate records in
14 the standard ASR format for a fee of \$0.015 per record. MFS-FL
15 believes that there should not be such a fee because it will increase
16 prices for end users. Also, BellSouth should be required to handle
17 database queries and routing of 800 calls. Of course, BellSouth will
18 be compensated for these queries by billing the IXC's switched
19 access. LECs and ALECs will be required to reciprocally exchange

1 significant amounts of information on a number of issues as
2 competition develops. Therefore, these records should be
3 reciprocally exchanged without any fees.

4 **Q. WHAT ARE MFS-FL'S VIEWS ON THE TCG STIPULATION**
5 **PROPOSALS FOR NETWORK DESIGN AND MANAGEMENT**
6 **AND NETWORK EXPANSION?**

7 **A.** MFS-FL agrees with the TCG Stipulation proposal that BellSouth
8 and ALECs should work together to install and maintain reliable
9 interconnected telecommunications networks. Specifically,
10 cooperative efforts should include, *inter alia*, the exchange of
11 appropriate information concerning network changes that impact
12 services to local service providers, maintenance contact numbers and
13 escalation procedures. In addition, BellSouth and ALECs should
14 work cooperatively to apply sound network management principles
15 by invoking appropriate network management controls such as call
16 gapping to alleviate or prevent network congestion. MFS-FL also
17 agrees that BellSouth should not charge rearrangement,
18 reconfiguration, disconnect, or other non-recurring fees associated

1 with the initial reconfiguration of each carrier's interconnection
2 arrangements.

3 With regard to network expansion, MFS-FL agrees that
4 BellSouth and ALECs should review engineering requirements and
5 establish forecasts for trunk utilization. New trunk groups should be
6 implemented as dictated by engineering requirements for both
7 BellSouth and the ALEC.

8 **Q. WHAT ARE MFS-FL'S VIEWS ON THE TCG STIPULATION**
9 **PROPOSALS FOR CLASS INTEROPERABILITY AND**
10 **SIGNALING?**

11 **A. MFS-FL agrees that BellSouth and ALECs should provide Common**
12 **Channel Signaling ("CCS") to one another, where available, in**
13 **conjunction with all the appropriate trunk groups. LECs should**
14 **cooperate on the exchange of Transactional Capabilities Application**
15 **Part ("TCAP") messages to facilitate full interoperability of**
16 **CCS-based features between their respective networks, including all**

1 CLASS features and functions.^{4/} All CCS signaling parameters
2 should be provided including automatic number identification
3 ("ANI"), originating line information ("OLI") calling party
4 category, charge number, etc. All privacy indicators should be
5 honored. Network signaling information such as Carrier
6 Identification Parameter (CCS platform) and CIC/OZZ information
7 (non-CCS environment) should be provided wherever such
8 information is needed for call routing or billing. For traffic for
9 which CCS is not available, in-band multi-frequency (MF), wink
10 start, E&M channel-associated signaling with ANI should be
11 forwarded. BellSouth and ALECs should also establish company-
12 wide CCS interconnections STP-to-STP. Such interconnections
13 should be made at the D-NIP and other points, as necessary.

⁴"CLASS Features" (also called "Vertical Features") include: Automatic Call Back; Automatic Recall; Call Forwarding Busy Line/Don't Answer; Call Forwarding Don't Answer; Call Forwarding Variable; Call Forwarding - Busy Line; Call Trace; Call Waiting; Call Number Delivery Blocking Per Call; Calling Number Blocking Per Line; Cancel Call Waiting; Distinctive Ringing/Call Waiting; Incoming Call Line Identification Delivery; Selective Call Forward; Selective Call Rejection; Speed Calling; and Three Way Calling/Call Transfer.

1 Finally, BellSouth should offer use of its signaling network on an
2 unbundled basis at tariffed rates.

3 **Q. DOES MFS-FL HAVE ANY COMMENT ON THE PROVISIONS OF**
4 **THE TCG STIPULATION IN SECTIONS F THROUGH N?**

5 **A. MFS-FL generally does not have any comment on these provisions except to**
6 **the extent that they incorporate BellSouth's and TCG's views on certain**
7 **issues, such as universal service. I have expressed MFS-FL's views on**
8 **universal service and other issues in other portions of this testimony, and in**
9 **my testimony in related Florida dockets.**

10 **Q. ARE THERE OTHER ISSUES TO BE ADDRESSED WITH RESPECT**
11 **TO THE TCG STIPULATION?**

12 **A. Yes. The unbundling petition and testimony will address the issue of**
13 **unbundled loops, including the manner in which this issue was addressed in**
14 **the TCG Stipulation.**

15 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

16 **A. Yes, it does.**

July 19, 1995

Mr. Tom Hamby
BellSouth
125 Perimeter Center West
Atlanta, Georgia 30346

Dear Tom:

In preparation for the upcoming Co-carrier meeting between MFS and BellSouth, I have prepared the following outline of MFS's proposed arrangements for the co-provision of local exchange services.

I. Number Assignments - MFS will order its own NXX's through the established industry guidelines. MFS will establish rating points for these NXX's, and will list the numbers in the appropriate industry routing and rating guides.

II. Tandem Subtending/Meet-point Billing - Under established industry guidelines, MFS will interconnect with a BellSouth access tandem for the provision of switched access services to interexchange carriers. MFS will negotiate the appropriate billing percentages for jointly provided transport services. MFS prefers a single-bill approach for the provision of these services. Included in this arrangement is the routing of 800 calls originated by an MFS end user.

III. Interconnection and Reciprocal Compensation - This defines the physical arrangements that MFS and BellSouth will configure to exchange local and toll traffic, and the financial arrangements associated with such arrangements. Existing switched access charges are not appropriate for the termination of local traffic because these rates greatly exceed the long run incremental cost of terminating traffic, and in many cases exceed the retail rate of local calling services.

A. Interconnection of Networks - MFS proposes that interconnection of networks be accomplished through meet points. Each carrier will be responsible for providing trunking to the meet point for the hand off of combined local and toll traffic, and be responsible for completing calls to all end user on their networks at the appropriate interconnection rate.

Mr. Tom Hamby

July 19, 1995

Page 2

B. Shared trunk groups - Carriers will pass both toll and local traffic over a single trunk group. A percent local utilization factor will be used to provide the proper local vs. toll percentage, subject to audit.

C. Pricing of interconnection arrangements - MFS proposes that a Bill and Keep, or mutual exchange, arrangement be utilized for the termination of local calls until the long run incremental cost of terminating calls is developed. Under this arrangement, the local portion of traffic completed by the other carrier is not billed. Toll traffic will be billed under the appropriate state or interstate access rates.

IV. Shared Platform Arrangements - The following shared platform arrangements are necessary to provide the full range of necessary local exchange services. MFS would like to explore, where possible, the ability to update appropriate databases by electronic means.

A. Interconnection to 911 systems - Provides for the establishment of trunking between MFS and established 911 hubs for the proper routing of calls.

B. 911 database access - Provides for the update of established ALI databases for the inclusion of new entrant customers.

C. Directory Listings - Provides that new entrants customers are provided the same free initial listing in the existing Bell white and yellow pages as they would receive as a Bell end user.

D. Directory Publishing and Delivery - Provides that new entrant customers are provided the same free service for the delivery of white pages as they would receive as a Bell end user.

E. Directory Assistance Database - Provides that new entrant customers are included in the existing Bell Directory Assistance Database.

F. Access to the Master Street Access Guide (MSAG) - This provides emergency service numbers and information for the correct routing of 911 calls.

G. Interconnection of Operator Service Platforms for the provision of Busy Line Verification and Interrupt Services.

H. Billing Arrangements for Mass Announcement Services

Mr. Tom Hamby
July 19, 1995
Page 3

V. Unbundling - Unbundling refers to the utilization of components of BellSouth's presently tariffed services. MFS's initial unbundling proposal is to begin utilization of loop facilities between a BellSouth central office and a customer premises. Unbundling will require the utilization of collocation for intrastate services, and the utilization of digital loop carrier systems within the collocation arrangements. Loop pricing should be appropriately discounted from the retail price for bundled dial tone line services.

VI. Interim Number Portability - MFS proposes that a remote call forwarding approach be utilized, with SS7 signalling to allow the utilization of certain Class features, until such a point where full number portability is made available. No charge should be applied, with the agreement that MFS would provide the same arrangement back to BellSouth at no charge.

I look forward to discussing these issues with you at the meeting. Please call me at (212) 843-3056 if you would like to discuss any of these issues before hand.

Sincerely,

Gary J. Ball
Director of Regulatory Affairs

06-11-95 04:14 PM

07:27:05 THU 10:41 FAX

07:28/85 13:39 404 224 8080

MFS

MFS ATLANTA, GA

0002/003



R. C. Sebary
Senior Director
Strategy Development Core Business

Room 11A15
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375
(404) 420-8327

July 21, 1995

Gary Ball
MFS
33 Whitehall Street
New York, New York 10004

Post-It Fax Note	7671	Date	8/11/95	# of pages	2
To	TIM D'NINE	From	Loy Meade		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #		Fax #			

Dear Gary:

I believe our July 20th meeting was productive and provides a good basis for further discussions. As you requested I am responding to the points you outlined in your July 19th letter to Tom Hamby. The following information summarizes the discussion we had on these issues.

- I. Number Assignments: MFS anticipates using NNX codes in a manner consistent with BellSouth's local calling area definitions. BellSouth will work with MFS to meet this intent to best assure NNX codes are conserved.
- II. Tandem Subbanding/Meet Point Billing: BST will provide tandem switching to allow switched access between an MFS end office and an interexchange carrier. BellSouth will bill its rate elements to the interexchange carrier and assumes MFS will do likewise. However, if BellSouth and MFS cannot agree on which rate elements each should bill, resulting in the possibility that the interexchange carrier will not be properly billed, BellSouth would suggest that the interexchange carrier and MFS connect directly. -MFS indicated that it may wish to also have BellSouth provide intermediary switching between MFS and other local exchange carriers. Because these are potentially complex arrangements, further discussion is appropriate.
- III. Interconnection and Reciprocal Compensation: As discussed, BellSouth believes a differential in compensation is appropriate until a properly defined universal service fund is implemented. With a USF, BellSouth anticipates comparable rates for the exchange of traffic. Unlike some other companies, BellSouth believes local interconnection, toll access, cellular access and independent company interconnection arrangements will be transitioned to a consistent plan as traffic types become indistinguishable. In terms of trunking arrangements, additional discussion by engineering personnel from our respective companies should provide solutions that are mutually acceptable.

in other words, we don't want to have to meet GTE or United on our own after COC.

- IV. **Shared Platform Arrangements:** Currently, the Georgia legislation requires unbundling of features and functions equal to that authorized by the FCC. The Georgia PSC may require additional unbundling if it deems it to be appropriate. While BellSouth is still working on some of the items suggested by MFS, no specific issues exist at this time. Further work is needed to define prices and the details of several of the items mentioned in your letter. However, at this time, our positions seem to be consistent.
- V. **Unbundling:** The issue of digital loop carrier is still being investigated to determine whether it can be technically provided. BellSouth believes that special access and private line tariffs already offer an unbundled loop and providing a comparable loop at a different price will result in tariff arbitrage.
- VI. **Interim Number Portability:** BellSouth will provide remote call forwarding as requested by MFS at an appropriate charge. To the extent BellSouth purchased remote call forwarding from MFS, it would anticipate paying comparable rates. BellSouth will explore how CLASS features can be provided using SS7 signaling with remote call forwarding.

Hopefully, this information summarizes our July 20th discussion. I also look forward to our follow up meeting scheduled for August 18th starting around 11:00 AM. Originally we had planned on August 17th but a conflict arose and I left a message at your office moving the meeting one day. If this is inconvenient, please let me know so we can reschedule.

Sincerely,



cc: Jim Forbes - MFS
Tom Hamby - BellSouth
Richard Robertson - BellSouth
Nancy Sims - BellSouth



Communications Company, Inc.

REGULATORY AFFAIRS DEPARTMENT
33 WHITEHALL STREET, 15TH FLOOR
NEW YORK, NEW YORK 10004
TEL. (212) 843-3052
FAX (212) 843-3060

(Actually August 16)

September 16, 1995

R.C. Scheye
BellSouth Telecommunications
Room 11A15
675 West Peachtree Street, N.E.
Atlanta, GA 30375

Dear Bob,

Thank you for your response to the initial meeting between MFS and BellSouth. Since our initial meeting, MFS has reorganized its regulatory group. Tim Devine is now the Senior Director of Regulatory Affairs for the Southern Region, and will be taking over the responsibility of negotiations for local service beginning at the August 18th meeting. As I will not be in attendance, I felt it appropriate to clarify some of the points of agreement and disagreement that occurred in the first meeting. Please send me a clarifying response if any of the statements below are not an accurate portrayal of our meeting, or of BellSouth's position on any of these issues.

I. Number Assignments - There appear to be no disagreements regarding the ability of MFS to obtain its own NXX codes through the established industry guidelines.

II. Tandem Subtending/Meet-point Billing - The key area of disagreement appears to be in which carrier will bill the residual interconnection charge (RIC). It is MFS' position (and has been its experience in other states) that the carrier providing the end office switching, (in this case MFS), is the carrier that receives the RIC. BellSouth disagrees, and would like to bill and collect the RIC itself.

III. Interconnection and Reciprocal Compensation - Regarding physical interconnection, there was a general agreement between the two parties to identify meet-points for the exchange of local traffic, and that both toll and local traffic can be passed over a single trunk group utilizing a percent local utilization factor (PLU). In terms of the rates that carriers will pay each other for the termination of local calls, BellSouth has suggested that its tariffed transport and local switching rate elements will be used as a reciprocal rate between carriers, and that the RIC and the carrier common line charge be used as an interim means of funding universal service and be charged by BellSouth only. While MFS shares BellSouth's concern for the preservation of universal service, it is our understanding that this issue will be separately dealt with in regulatory proceedings in both Georgia and Florida, and that negotiating universal service funding was not

contemplated in either state's recently passed legislation. As such, MFS would like to focus on the interconnection rate only, with the assumption that universal service funding will be dealt with in the appropriate regulatory proceedings. Regarding the proposal for local switching, it is MFS' understanding that BellSouth's currently tariffed rate for local switching is approximately \$.008 per minute of use, tandem switching is .0007, and transport is .00004 per mile and .00036 fixed. As Georgia and Florida has flat-rate calling for both business and residential customers, it is clear that these rates are far too high to facilitate local exchange competition. Additionally, it is widely acknowledged throughout the industry and by regulators that current switched access rates are not cost-based, and in fact far exceed costs. For all of these reasons, MFS proposes a bill and keep arrangement as the most appropriate reciprocal compensation plan.

IV. Shared Platform Arrangements - There was general agreement regarding the co-provision of 911 service, although no specific arrangements relating to 911 funding have been discussed. Regarding directory listings, BellSouth has agreed to provide a free initial listing of MFS customers in its white and yellow pages, free listing in the directory assistance database, as well as free publishing and delivery of books. Both parties agreed to further research issues relating to the Master Street Address Guide (MSAG), Busy Line Verification and Interrupt, and Billing Arrangements for Mass Announcement Services such as 511 service.

V. Unbundled Local Loops - BellSouth has agreed to provide unbundled loops assuming a MFS-provided digital loop carrier system can be utilized in a virtual collocation arrangement. For your information, MFS will conclude a technical trial with Bell Atlantic at the end of August which demonstrates the feasibility of utilizing unbundled loops in a virtual collocation arrangement. Additionally, MFS is also working with Ameritech on the same issue. Regarding pricing, while MFS has not reviewed the rates in BellSouth's private line tariff, it has been MFS' experience that, in most cases, the tariffed rate of a private line service exceeds the tariffed rate of a bundled dial tone business or residence line. If this is the case, applying such rates for unbundled loops will place MFS in a price squeeze, in that it would be paying more for the unbundled loops than it would be allowed to recover through end user retail rates. MFS proposes that the rate for an unbundled loop not exceed its proportion of the total bundled dial tone rate for a measured business line (one that does not have usage built in), until such a time as the forward looking costs of loops are determined.

VI. Interim Number Portability - BellSouth has agreed to provide remote call forwarding functionality as a means of providing interim number portability, and has agreed to route calls over the same trunk groups as other traffic on an SS7 basis. Regarding the collection of terminating access charges, BellSouth has proposed to keep the difference between toll access charges it collects from IXCs, and the local access charges it would pay to MFS. MFS disagrees, in that it has full rights to receive all revenues associated with its piece of provisioning switched access services. Additionally, BellSouth has not proposed any pricing for utilizing interim number portability outside of its tariffed retail rate. MFS believes such pricing is inappropriate, and proposes instead that MFS and BellSouth reciprocally provide interim number portability to one another without charge.

Additionally, you mentioned some possible issues relating to CLASS services in terms of

transmitting appropriate information, such as privacy indicators, between carriers to allow the interoperability of these services. It has been MFS' experience in other states that there are no impediments to full CLASS interoperability between carriers.

I hope this has been an accurate assessment of our first meeting. Please call me at (212) 843 - 3056 if you would like to discuss any of these issues before the August 18th meeting.

sincerely,



Gary J. Ball

- cc: T. Devine
- A. Harris
- J. Forbes
- D. Caruso
- L. Mead
- T. Hamby
- N.Sims
- R. Robertson

**BellSouth - Local Interconnection
Negotiating Process**

*BellSouth, WATS
Meeting
August 19*

Overall Fact Finding Team

- Bob Scheye (404) 420-8327
- Richard Robertson (205) 977-5690
- State Regulatory Vice President -
Varies by State
- Other Organizations and Function-
provided on an as needed basis

**Network Issues: Contact Vic Atherton
(205) 977-5041**

Trunking Issues

- George Jung
- Nancy Kallus
- Art Lane
- Bill McAllister
- Rob McKibben
- Jim Pritchett

Signaling Issues

- Russ Arsaga
- Jane Raulerson
- Stan Spillers

Number Portability Issues

- Loraine Beyer
- Steve Ottaway
- Gary Robert
- Neil Russo

Loop Issues

- Sharon Irwin
- John Jackson
- Ed Jones
- Jane Raulerson

**911 Services Issues: Contact Evelyn Parks
(404) 529-2527**

- Sandra Hall
- Carl Jackson
- Doug Kennedy
- Bill Marczak
- Ron Pardue
- Gary Robert
- Brenda Slonneger

**Unbundled Features and Functions Issues:
Contact Jerry Latham (205) 977-2213
CMDS AND ITORP**

- Stephanie Reardon
- Tim Yelton

Collocation

- Pam Tipton

800 Data Base

- Eibert Balch

Access To Numbers

- Harry Coleman

Switching and Ports

- TBD

Operator Services Issues:

Contact Barbara Watson (404) 529-7466

- Jeff Anderson
- David Rose

**Ordering, Billing, and Repair Services
Issues: Contact Gloria Calhoun
(404) 529-5579**

- Sherry Brannon
- Jane Raulerson
- Dana Simerson
- Ed Welch
- Shirley Wilcox

Other Issues Not Described Above:

**Contact Bob Scheye (404) 420-8327 or your
BellSouth Account Representative**

MFS Communications Systems, Inc.
606 Lake Caroline Drive
Ruther Glen, Va. 22546

Fax Cover Sheet

DATE:	8/22/95	TIME:	5:36 PM EST
TO:	Bob Scheye BellSouth	PHONE:	(404) 420-8327
		FAX:	(404) 420-0031
FROM:	C. Loyall Meade Director, Implementation	PHONE:	(804)448-4825
		VOICE MAIL:	(703)506-2057
RE:	MFS Contact List	FAX:	(804)448-4952

Number of pages including cover sheet 2

Comments

Bob,

We enjoyed meeting with you last week. Attached, as promised, is MFS' contact list for the Co-carrier/Local Interconnection issues, which corresponds with the BellSouth list you provided at the meeting. As discussed, we will begin making some introductory calls to your team members within the next several days.

Looking forward to working with you and your organization.



MFS Communications - BellSouth Co-Carrier Issues

***** MFS Team Members *****

⇒ Regulatory Affairs	Tim Devine	(404)224-6115
⇒ General/Regional Implementation	Loy Meade	(804)448-4825
⇒ Local Implementation	TBD	
⇒ Trunking 800 Database	Caroleann Hardenstein	(201) 524-9574
⇒ Signalling	Wolfgang Schesing	(201)938-7328
⇒ Number Portability	Pamela Kenworthy	(201)938-7387
⇒ Access to Numbers	Suzanne Yerdon	(201)938-7346
⇒ Loop Issues	Charlie Wehnes	(201)524-9556
⇒ Collocation Switching and Ports	Bob McCausland	(708)203-2505
⇒ 911 Issues	Steve Fitzgerald	(617)946-2017
⇒ CMDS and ITORP Ordering and Billing Issues	Chuck Polizzotti	(201)524-9523
⇒ Operator Services Directory Services	Nancy Nocella	(201)938-7388



Communications

**EXTERNAL & REGULATORY AFFAIRS
SOUTHERN REGION**

250 Williams Street, Suite 2200

Atlanta, GA 30303

Voice (404) 224-6000-6115

Fax #: (404) 224-6060

FACSIMILE COVER PAGE

Date: 9-15-95

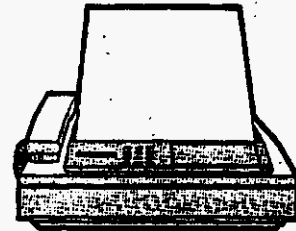
To: Bob Scheye

Co: BellSouth

Fax #: 404-420-0031

From: Tim Devine

Subj.: GA & FL Draft Agreement



Message ...

Dear Bob - per my voice mail
I would like to use the
attached to facilitate our
discussion Monday. Thanks Tim

No. of Pages (including Cover) 28

**CO-CARRIER STIPULATION
AND AGREEMENT**

The Parties, each of which currently provides or intends to provide Exchange Services over their own respective switching networks in the State of _____, agree pursuant to this Stipulation and Agreement to extend certain arrangements to one another as described and according to the terms, conditions and pricing specified hereunder. The Parties enter into this agreement without prejudice to any positions they have taken previously, or may take in the future in any legislative, regulatory, or other public forum.

I. RECITALS & PRINCIPLES

WHEREAS, universal connectivity between common carriers is the defining characteristic of the public switched telecommunications network in which all common carriers participate; and

WHEREAS, absent such connectivity the utility of communications services to individual consumers and to society as a whole would be severely and unnecessarily diminished; and

WHEREAS, encouraging fair, efficient and reasonable connectivity of networks has been identified as being in the public interest and as a guiding principle of U.S. telecommunications policy throughout this century¹; and

WHEREAS, the events of the last three decades have made it abundantly clear that competition in communications markets has been highly beneficial to consumers and society as a whole; and

WHEREAS, it is now possible and eminently desirable to extend the benefits of competition to the local exchange services market; and

WHEREAS, the most basic prerequisite for the mere introduction of local exchange competition is the establishment of certain arrangements between and among incumbent and entrant local exchange carriers; and

WHEREAS, in order that the greatest possible benefits should accrue to consumers and society, such arrangements must: (1) allow the natural development of full, fair, efficient and effective local exchange competition; (2) allow each carrier to recognize and respond to competitive market incentives to configure robust, high quality, least-cost, efficient networks, to innovate, to optimize overall operations, to improve total customer service and customer responsiveness; and (3) ensure optimal inter-operability and service transparency to all end users; regardless of the carrier from which the end user chooses to receive service; and

¹ Beginning at least with the "Kingsbury Commitment of 1913", wherein the Bell System, in a bid to stave off anti-trust action, committed to the United States Attorney General to, among other things, connect its networks with those of independent telephone companies.

CO-CARRIER STIPULATION AND AGREEMENT

WHEREAS, in order for efficiency and fairness to uphold in these arrangements, it is essential that each incumbent and entrant local exchange carrier be allowed the greatest possible flexibility and discretion to develop its own basic business strategies -- especially with respect to network design, technology and capital choice and deployment, management of operating expenses, product offerings and product packaging -- and should take sole responsibility for, and bear all risks associated with its own strategies and decisions in these areas; and

WHEREAS, no carrier should be in a position to shift any burdens arising from its own unilateral decisions and strategies in these areas onto its competitors, nor be able to confiscate from a competitor any benefits arising from that competitor's own unilateral decisions and strategies; and

WHEREAS, in the service of maximum inter-operability, each incumbent and entrant local exchange carrier should be able to efficiently, flexibly, and robustly exchange traffic and signaling with every other carrier operating in the same area at well-defined and standardized points of mutually agreed interconnection;

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ELEC and ILEC hereby covenant and agree as follows:

II. DEFINITIONS

- A. "Automatic Number Identification" or "ANI" refers to the number transmitted through the network identifying the calling party.
- B. "Central Office Switch", "Central Office" or "CO" means a switching entity within the public switched telecommunications network, including but not limited to:

"End Office Switches" which are Class 5 switches from which end user Exchange Services are directly connected and offered.

"Tandem Office Switches" which are Class 4 switches which are used to connect and switch trunk circuits between and among Central Office Switches.

Central Office Switches may be employed as combination End Office/Tandem Office switches (combination Class 5/Class 4).

- C. "CLASS Features" (also called "Vertical Features") include: Automatic Call Back; Automatic Recall; Call Forwarding Busy Line/Don't Answer; Call Forwarding Don't Answer; Call Forwarding Variable; Call Forwarding - Busy Line; Call Trace; Call Waiting; Call Number Delivery Blocking Per

**CO-CARRIER STIPULATION
AND AGREEMENT**

Call; Calling Number Blocking Per Line; Cancel Call Waiting; Distinctive Ringing/Call Waiting; Incoming Call Line Identification Delivery; Selective Call Forward; Selective Call Rejection; Speed Calling; and Three Way Calling/Call Transfer.

- D. "Co-Location" or "Co-Location Arrangement" is an interconnection architecture method in which one carrier extends network transmission facilities to a wire center/aggregation point in the network of a second carrier, whereby the first carrier's facilities are terminated into equipment installed and maintained in that wire center by or on the behalf of the first carrier for the primary purpose of interconnecting the first carrier's facilities to the facilities of the second carrier.
- E. "Common Channel Signaling" or "CCS" means a method of digitally transmitting call set-up and network control data over a special network fully separate from the public switched network that carries the actual call.
- F. "Cross Connection" means an intra-wire center channel connecting separate pieces of equipment including equipment between separate co-location facilities.
- G. "DS-1" is a digital signal rate of 1.544 Mbps (Mega Bit Per Second).
- H. "DS-3" is a digital signal rate of 44.736 Mbps.
- I. "DSX panel" is a cross-connect bay/panel used for the termination of equipment and facilities operating at digital rates.
- J. "Entrant Local Exchange Carrier" or "ELEC" means a LEC which is not the current or former Incumbent Local Exchange Carrier in any geographic area.
- K. "Exchange Message Interface" or "EMI" is the standard used for exchange of telecommunications message information between local exchange carriers and interexchange carriers. Data is provided between companies via unique record layouts that contain customer billing information, account summary and tracking analysis.
- L. "Exchange Message Record" or "EMR" is the standard used for exchange of telecommunications message information among Local Exchange Carriers for billable, non-billable, sample, settlement and study data.
- M. "Exchange Service" refers to all basic access line, PBX trunk, Centrex/ESSX-like services, ISDN services, or any other services offered

**CO-CARRIER STIPULATION
AND AGREEMENT**

to end users which provide end users with a telephonic connection to, and a unique telephone number address on, the public switched telecommunications network, and which enable such end users to place or receive calls to all other stations on the public switched telecommunications network.

- N. "Incumbent Local Exchange Carrier" or "ILEC" means a LEC which is currently or was previously the exclusive LEC in a given geographic area.
- O. "Interconnection" means the connection of separate pieces of equipment, transmission facilities, etc., within, between or among networks. The architecture of interconnection may include several methods including, but not limited to co-location arrangements and mid-fiber meet arrangements.
- P. "Interexchange Carrier" or "IXC" means a provider of stand-alone interexchange telecommunications services.
- Q. "Interim Number Portability" or "INP" means the transparent delivery of Local Telephone Number Portability ("LTNP") capabilities, from a customer standpoint in terms of call completion, and from a carrier standpoint in terms of compensation, through the use of direct inward dial ("DID") and/or remote call forwarding ("RCF") capabilities between networks.
- R. "ISDN" means Integrated Services Digital Network; a switched network providing end-to-end digital connectivity for the simultaneous transmission of voice and data. Basic Rate Interface-ISDN (BRI-ISDN) provides for digital transmission of two 64 Kbps bearer channels and one 16 Kbps data channel (2B + D). Primary Rate Interface-ISDN (PRI-ISDN) provides for digital transmission of 8 2B + D channel sets.
- S. "Line Side" refers to an end office switch connection that has been programmed to treat the circuit as an local line connected to a ordinary telephone station set. Line side connections offer only those transmission and signaling features appropriate for a connection between an end office and an ordinary telephone station set.
- T. "Link Element" or "Link" is a component of an Exchange Service; for purposes of general illustration, the "Link Element" is the transmission facility (or channel or group of channels on such facility) which extends from a Main Distribution Frame, DSX-panel, or functionally comparable piece of equipment in an ILEC end office wire center, to a demarcation or connector block in/at a customer's premises. Traditionally, links were provisioned as 2-wire or 4-wire copper pairs running from the end office

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distribution frame to the customer premise; however, a link may be provided via other media, including radio frequencies, as a channel on a high capacity feeder/distribution facility which may in turn be distributed from a node location to the customer premise via a copper or coax drop facility, etc. Links fall into the following categories:

"2-wire analog voice grade links" will support analog transmission of 300-3000 Hz, repeat loop start or ground start seizure and disconnect in one direction (toward the end office switch), and repeat ringing in the other direction (toward the end user). This link is commonly used for local dial tone service.

"2-wire ISDN digital grade links" will support digital transmission of two 64 Kbps bearer channels and one 16 Kbps data channel. This is a 2B + D basic rate interface Integrated Services Digital Network (BRI-ISDN) type of loop which will meet national ISDN standards.

"4-wire DS-1 digital grade links" will support full duplex transmission of isochronous serial data at 1.544 Mbps. This T-1/DS-1 type of loop provides the equivalent of 24 voice grade/DS0 channels.

- U. "Local Exchange Carrier" or "LEC" means any carrier that provides facility-based Exchange Services utilizing a switch it owns or substantially controls in conjunction with unique central office codes assigned directly to that carrier. This includes both Incumbent Local Exchange Carriers ("ILEC") and Entrant Local Exchange Carriers ("ELEC").
- V. "Local Telephone Number Portability" or "LTNP" means the technical ability to enable an end user customer to utilize its telephone number in conjunction with any exchange service provided by any Local Exchange Carrier operating within the geographic number plan area with which the customer's telephone number(s) is associated, regardless of whether the customer's Chosen Local Exchange Carrier is the carrier which originally assigned the number to the customer, without penalty to either the customer or its chosen local exchange carrier.
- W. "Main Distribution Frame" or "MDF" is the primary point at which outside plant facilities terminate within a wire center, for interconnection to other telecommunications facilities within the wire center.
- X. "Mid-Fiber Meet" is an interconnection architecture method whereby two carriers meet at a fiber splice in a junction box.

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- Y. "Network Data Mover" describes a File Transfer Protocol for sending/receiving data files.
- Z. "Numbering Plan Area" or "NPA" is also sometimes referred to as an area code. This is the three digit indicator which is defined by the "A", "B", and "C" digits of each 10-digit telephone number within the North American Numbering Plan ("NANP"). Each NPA contains 800 possible NXX Codes. There are two general categories of NPA, "Geographic NPAs" and "Non-Geographic NPAs". A "Geographic NPA" is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that geographic area. A "Non-Geographic NPA", also known as a "Service Access Code" or "SAC Code" is typically associated with a specialized telecommunications service which may be provided across multiple geographic NPA areas; 800, 900, 700, and 888 are examples of Non-Geographic NPAs.
- AA. "NXX", "NXX Code", "Central Office Code" or "CO Code" is the three digit switch entity indicator which is defined by the "D", "E", and "F" digits of a 10-digit telephone number within the North American Numbering Plan ("NANP"). Each NXX Code contains 10,000 station numbers. Historically, entire NXX code blocks have been assigned to specific individual local exchange end office switches.
- BB. "On-Line Transfer" means the transferring of an incoming call to another telephone number without the call being disconnected.
- CC. "Permanent Number Portability" or "PNP" means the use of a database solution to provide fully transparent LTNP for all customers and all providers without limitation.
- DD. "Plain Old Telephone Service Traffic" or "POTS traffic" refers to calls between two or more Exchange Service users, where both Exchange Services bear NPA-NXX designations associated with the same LATA.
- EE. "Port Element" or "Port" is a component of an Exchange Service; for purposes of general illustration, the "Port" is a line card and associated peripheral equipment on an ILEC end office switch which serves as the hardware termination for the customer's exchange service on that switch and generates dial tone and provides the customer a pathway into the public switched telecommunications network. Each Port is typically associated with one (or more) telephone number(s) which serves as the customer's network address. Port categories include:

"2-wire analog line port" is a line side switch connection employed to provide basic residential and business type Exchange Services.

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"2-wire ISDN digital line port" is a Basic Rate Interface (BRI) line side switch connection employed to provide ISDN Exchange Services.

"2-wire analog DID trunk port" is a direct inward dialing (DID) trunk side switch connection employed to provide incoming trunk type Exchange Services.

"4-wire DS-1 digital DID trunk port" is a direct inward dialing (DID) trunk side switch connection employed to provide the equivalent of 24 analog incoming trunk type Exchange Services.

- FF. "Rate Center" means a geographic area which a LEC has identified as the area within which it will provide Exchange Services bearing a particular NPA-NXX designation. Rate Centers are used to rate distance sensitive calls inbound to the Exchange Services bearing a given NPA-NXX designation.
- GG. "Rating Point" means a location which a LEC has designated on its own network as the homing point for traffic inbound to Exchange Services provided by the LEC which bear a certain NPA-NXX designation. Pursuant to Bellcore Practice BR 795-100-100, the Rating Point may be an "End Office" location, or a "LEC Consortium Point of Interconnection". Pursuant to that same Bellcore Practice, examples of the latter shall be designated by a common language location identifier (CLLI) code with (x)KD in positions 9, 10, 11, where (x) may be any alphanumeric A-Z or 0-9.
- HH. "Reference of Calls" refers to a process in which calls are routed to an announcement which states the new telephone number of an end user.
- II. "Service Control Point" or "SCP" is the node in the signaling network to which informational requests for service handling, such as routing, are directed and processed. The SCP is a real time database system that, based on a query from the SSP, performs subscriber or application-specific service logic, and then sends instructions back to the SSP on how to continue call processing.
- JJ. "Signal Transfer Point" or "STP" performs a packet switching function that routes signaling messages among SSPs, SCPs and other STPs in order to set up calls and to query databases for advanced services.
- KK. "Switched Access Service" means the offering of facilities for the purpose of the origination of termination of non-POTS traffic to or from Exchange Services offered in a given area. Switched Access Services

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include: Feature Group A, Feature Group B, Feature Group D, 800 access, and 900 access.

LL. "Trunk Side" refers to a central office switch connection that is capable of, and has been programmed to treat the circuit as connecting to another switching entity, for example a private branch exchange ("PBX") or another central office switch. Trunk side connections offer those transmission and signaling features appropriate for the connection of switching entities, and can not be used for the direct connection of ordinary telephone station sets.

MM. "Wire Center" means a building or space within a building which serves as an aggregation point on a given carrier's network, where transmission facilities and circuits are connected or switched.

III. DEFAULT NETWORK INTERCONNECTION ARCHITECTURE

LECs shall interconnect their networks as necessary to effect the Co-Carrier Arrangements identified in Parts V., VI., VII, and IX. Any two or more LECs shall be free to employ whatever network interconnection architecture and at whatever points as the may mutually agree, provided that each LEC makes available the same arrangements to each other LEC operating within the same areas. Notwithstanding any mutual agreements which may be established between carriers regarding the architecture of network interconnection arrangements they may voluntarily establish between their networks, each LEC shall minimally make available to each other LEC interconnection arrangements conforming to the default network interconnection architecture defined below:

- A. Each LATA within which at least one ELEC provides exchange services, shall be divided into one or more Default Network Interconnection Districts ("D-NID").
- B. Within each D-NID, a single Default Network Interconnection Point ("D-NIP") shall be designated and established as a point at which all LECs operating within the corresponding D-NID may interconnect to all other LECs operating within that D-NID.
- C. Initial D-NIDs shall correspond to the geographic area served by a single ILEC access tandem.² Within each initial D-NID, the ILEC wire center housing the ILEC access tandem shall be designated as an initial D-NIP.

² *i.e.*, an area comprised of all the exchange areas served by end office switches which subtend a given access tandem for the provision of switched access services to interexchange carriers.

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- D. D-NIDs and D-NIPs shall be renewed every 36 months, subject to the following process:
1. Beginning no later than 24 months after adoption of the then-current D-NIDs and D-NIPs, all LECs operating in a given LATA shall meet to renew or revise the D-NID and D-NIP configuration for that LATA, specifically with respect to number of D-NIDs, D-NID boundaries and location of D-NIPs.
 2. Decisions to renew or revise will require unanimous assent of all LECs operating in the LATA. Upon reaching a unanimous decision to renew or revise, all LECs shall implement such decision within 30 days, unless the LECs unanimously agree to implement on some other date.
 3. In the event the LECs are unable to reach a unanimous decision to renew or revise, or to extend discussions within 90 days of initially opening discussions, any single LEC shall have the right to petition the Public Utility Commission to resolve the issue.
 4. The Commission shall provide notice to the parties, convene a hearing to receive evidence from the interested parties, and make a determination within 90 days of receiving such petition. In making such a determination, the Commission shall be limited to: (1) renewing the existing D-NIDs and D-NIPs; or (2) approving and imposing an alternate D-NID/D-NIP plan which has been sponsored by one of the parties, and for which the Commission finds that the weight of the record demonstrates that such plan is more consistent with the public interest than any others presented during the course of its hearing. In no case however, shall the Commission approve a plan which would create a larger number of D-NIDs and D-NIPs than exist at the time of the hearing. Commission decisions shall be implemented by all LECs within 30 days of issuance of the Commission's decision.
- E. Where an ELEC and an ILEC interconnect at a D-NIP, ELEC shall have the right to specify any of the following interconnection methods:
1. a mid-fiber meet at the D-NIP, or in a manhole or other appropriate junction point near to or just outside the D-NIP;
 2. a digital cross-connection hand-off, DSX panel to DSX panel, where both the ELEC and the ILEC maintain such facilities at the D-NIP;

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3. a co-location facility maintained by ELEC, or by a 3rd-party with whom ELEC has contracted for such purposes, at an ILEC wire center, where such wire center has been designated as the D-NIP; or
 4. a co-location facility maintained by ILEC, or by a 3rd-party with whom ILEC has contracted for such purposes, at an ELEC wire center, where such wire center has been designated as the D-NIP.
- G. In extending network interconnection facilities to the D-NIP, ELEC shall have the right to extend its own facilities or to lease dark fiber facilities or digital transport facilities from ILEC or from any 3rd-party, subject to the following terms:
1. Such leased facilities shall extend from any point designated by ELEC on its own network (including a co-location facility maintained by ELEC at an ILEC wire center) to the D-NIP or associated manhole or other appropriate junction point.
 2. Where ELEC leases such facilities from ILEC, ELEC shall have the right to lease under the most favorable tariff or contract terms ILEC offers.
- H. Where an interconnection occurs via a co-location facility, no incremental cross-connection charges shall apply for the traffic exchange circuits.
- I. Upon reasonable notice, ELEC may change from one of the interconnection methods specified above, to one of the other methods specified above, with no penalty, conversion, or rollover charges.

IV. NUMBER RESOURCE ARRANGEMENTS

- A. Nothing in this agreement shall be construed to in any manner limit or otherwise adversely impact any LEC's right to request and be assigned central office (NXX) codes pursuant to the Central Office Code Assignment Guidelines³.
- B. As contemplated by the Central Office Code Assignment Guidelines, each LEC shall designate within the geographic NPA with which each of its assigned NXX codes is associated, a Rate Center area within which it intends to offer Exchange Services bearing that NPA-NXX designation.

³ Last published by the Industry Numbering Committee ("INC") on November 16, 1994, as IL-94/11-013.

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- C. Each LEC will also designate a Rating Point for each assigned NXX code. A LEC may designate one location within each Rate Center as the Rating Point for the NPA-NXXs associated with that Rate Center; alternatively, the LEC may designate a single location within one Rate Center to serve as the Rating Point for all the NPA-NXXs associated with that Rate Center and with one or more other Rate Centers served by the LEC within the same LATA.
- D. To the extent any ILEC serves as Central Office Code Administrator for a given region, the ILEC will support all other LEC requests related to central office (NXX) code administration and assignments in an effective and timely manner.
- E. All LECs will comply with code administration requirements as prescribed by the Federal Communications Commission, the Public Utilities Commission, and accepted industry guidelines.
- F. It shall be the responsibility of each LEC to program and update its own switches and network systems to recognize and route traffic to each other LEC's assigned NXX codes at all times. No party shall impose any fees or charges whatsoever on any other carrier for such activities.

V. MEET-POINT BILLING ARRANGEMENTS

A. Description

- 1. Each ELEC may at its sole option and discretion establish meet-point billing arrangements with an ILEC in order to provide Switched Access Services to third parties via an ILEC access tandem switch, in accordance with the Meet-Point Billing and Provisioning guidelines adopted by the Ordering and Billing Forum, except as modified herein.
- 2. Except in instances of capacity limitations, ILEC shall allow ELEC to sub-tend the ILEC access tandem switch(es) nearest to the ELEC Rating Point(s) associated with the NPA-NXX(s) to/from which the Switched Access Services are homed. In instances of capacity limitation at a given access tandem switch, ELEC shall be allowed to sub-tend the next-nearest ILEC access tandem switch in which sufficient capacity is available.
- 3. Except in those instances where ELEC and ILEC have negotiated mutually-agreeable alternative network interconnection arrangements, interconnection for the meet-point arrangement shall occur at the D-NIP nearest to the ILEC access tandem.

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4. Common channel signalling ("CCS") shall be utilized in conjunction with meet-point billing arrangements to extent that such signaling is resident in the ILEC access tandem switch.
5. ELEC and ILEC will use their best reasonable efforts, individually and collectively, to maintain provisions in their respective federal and state access tariffs, and/or provisions within the National Exchange Carrier Association ("NECA") Tariff No. 4, or any successor tariff, sufficient to reflect this meet-point billing arrangement.
6. ELEC and ILEC will in a timely fashion exchange all information necessary to accurately, reliably and promptly bill third parties for Switched Access Services traffic jointly handled by ELEC and ILEC via the meet-point arrangement.⁴ Information shall be exchanged in Electronic Message Interface format.

B. Compensation

- A. At ELEC's option, billing to 3rd-parties⁵ for the Switched Access Services jointly provided by ELEC and ILEC via the meet-point arrangement shall be according to the single-bill/single tariff method, single-bill/multiple-tariff method, multiple-bill/single-tariff method, or multiple-bill/multiple-tariff method.
- B. Where ELEC specifies one of the single-bill methods, ILEC shall calculate the charges to 3rd-parties utilizing the rates specified in ELEC' and ILEC's respective federal and state access tariffs, in conjunction with the appropriate meet-point billing percentage factors specified for each meet-point arrangement either in those tariffs or in the NECA No. 4 tariff. ILEC shall bill and collect from 3rd-parties, promptly remitting to ELEC the total collected meet-point revenues associated with the jointly handled switched access traffic, less that percentage of local transport element charges⁶ to which ILEC is entitled pursuant to the above-referenced tariff provisions.

⁴ Including, as necessary, call detail records, interstate/intrastate/intraLATA percent of use factors, carrier name and billing address, carrier identification codes, serving wire center designation, etc., associated with such switched access traffic.

⁵ Including any future ILEC separate interexchange subsidiaries.

⁶ For purposes of clarification, this does not include the interconnection charge, which is to be remitted to the end office provider, which in this case would be ELEC.

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VI. RECIPROCAL TRAFFIC EXCHANGE ARRANGEMENT

A. Description

LECs shall reciprocally terminate POTS calls originating on each others' networks. Except in those instances where two (or more) LECs have negotiated mutually-agreeable alternative network interconnection arrangements, reciprocal traffic exchange shall occur as follows:

1. LECs shall make available to each other interconnection facilities for the reciprocal exchange of POTS traffic at each D-NIP. The POTS reciprocal traffic exchange facilities established between any two LECs shall be configured as two separate trunk groups, whereby the first LEC shall utilize the first trunk group to terminate traffic to the second LEC, and the second LEC shall utilize the second trunk group to terminate traffic to the first LEC.
2. The connections between the interconnection trunk groups shall be made at a DS-1 or multiple DS-1 level (including SONET) and shall be jointly-engineered to an objective P.01 grade of service.
3. Initial connections shall be made at an aggregate network level per D-NIP, such that a single trunk group shall be established in each direction between the two LEC networks at each D-NIP, unless otherwise agreed to by the two LECs.

In those instances where the total traffic in either direction between the networks of two LECs (other than the ILEC with the greatest traffic in the LATA) is less than _____ per _____ for a sustained period of _____, the ILEC which carries the greatest amount of traffic within the LATA shall allow those two LECs to route traffic between their respective networks via the aggregate traffic exchange trunk groups each LEC maintains with the ILEC for the exchange of traffic with the ILEC. In such instances, ILEC shall route traffic between the two LECs as if the originating LEC network was a single switching entity within the ILEC's own network.

4. Whenever the total traffic in either direction between discrete switching entities in two separate LEC networks exceeds _____, per _____ for a sustained period of _____, disaggregated traffic exchange trunk group paths shall be established between those two switching entities at the option of either LEC. The interconnection architecture shall be the same as that which pertained for the aggregated connections.

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5. Each party shall deliver to each other party POTS traffic addressed to each NPA-NXX at the D-NIP associated with the D-NID in which the Rating Point associated with such NPA-NXX is located.
6. LECs will provide Common Channel Signalling (CCS) to one another, where and as available, in conjunction with all traffic exchanged at a D-NIP. LECs will cooperate on the exchange of TCAP messages to facilitate full inter-operability of CCS-based features between their respective networks, including all 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. For traffic for which CCS is not available, in-band multi-frequency (MF), wink start, E&M channel-associated signalling with ANI will be forwarded.
7. LECs shall establish company-wide CCS interconnections STP-to-STP. Such interconnections shall be made at one or more D-NIPs, as necessary.
8. Either party may, upon 60 days advance written notice to the other party, utilize a D-NIP arrangement to carry non-POTS traffic which would otherwise be carried to or from the same NPA-NXXs via Feature Group D ("FGD") Switched Access Service which that party would otherwise purchase from the other party. All non-POTS traffic carried over the traffic exchange arrangement shall be subject to the applicable tariffed FGD Switched Access charges which would otherwise apply to such traffic, as described below.

B. Compensation

1. A POTS call handed-off at the D-NIP corresponding to the D-NID in which the call is ultimately terminated, shall be exchanged on an in-kind basis, with no charges applying in either direction. No CCS-associated charges shall apply for the termination of POTS traffic.
2. A POTS call which is routed between two LECs via the aggregate traffic exchange trunk groups which each LEC maintains between its own network and the network of the largest ILEC operating in the LATA, shall be exchanged on an in-kind basis, with no charges applying in either direction between the two LECs at either end of the call. However, the LEC on whose network the call originated shall pay the ILEC the lesser of : (1) ILEC's interstate Switched

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Access Service per minute tandem switching rate element; (2) ILEC's intrastate Switched Access Service per minute tandem switching rate element; or (3) a per minute rate of \$0.002. Should non-POTS traffic be exchanged over such arrangements, in either direction, such traffic will be subject to the standard meet-point billing compensation and procedures which would otherwise apply.

3. FGD charges for non-POTS traffic carried over a D-NIP arrangement shall be calculated as follows:
 - a. FGD charges for non-POTS traffic shall be applied as if the D-NIP is the serving wire center for the FGD service.
 - b. Non-POTS traffic which would otherwise be subject to originating FGD charges will be rated and billed according to procedures which otherwise apply for the rating and billing of originating FGD traffic.
 - c. Non-POTS traffic which would otherwise be subject to terminating FGD charges will be rated and billed according to the procedures which otherwise apply for the rating and billing of terminating FGD traffic, with the following modifications:
 - (1) The initial written notification that non-POTS traffic will be carried over the D-NIP arrangement shall include percentage of use factors for POTS traffic, intrastate non-POTS traffic, and interstate non-POTS traffic (the sum of which should equal 100%) the party expects to terminate over the traffic exchange arrangement.
 - (2) The initial estimated percentages shall be employed by the billing party to rate and bill all traffic terminated over the D-NIP, beginning on the date on which non-POTS traffic is initially terminated over the D-NIP arrangement, up to and including the last day of the calendar quarter following the quarter in which such terminations were initiated.
 - (3) Beginning with the calendar quarter immediately following the calendar quarter in which termination of non-POTS traffic was initiated, by the 45th day of each new calendar quarter, the actual terminating

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traffic percentages from the immediately preceding calendar quarter shall be provided for application in the next following calendar quarter. The party receiving such traffic shall utilize these percentages in calculating the terminating traffic exchange charges, terminating intrastate FGD charges, and terminating interstate FGD charges due from the other party.

VII. SHARED NETWORK PLATFORM ARRANGEMENTS

A. Interconnection Between ELECs Co-Located in an ILEC Wire Center

1. Description

ILEC will enable any two ELECs to directly interconnect their respective networks, where both ELECs maintain co-location facilities at the same ILEC wire center, by effecting a cross-connection between those co-location facilities, as jointly directed by the two ELECs.

2. Compensation

For cross-connections between two ELEC co-location facilities in the same ILEC wire center, ILEC will charge each ELEC one-half the standard tariffed special access cross-connect rate.

B. 9-1-1/E9-1-1

1. Description

a. ELEC will interconnect to the ILEC 9-1-1/E-9-1-1 hub(s) serving the areas in which ELEC provides exchange services, for the provision of 9-1-1/E9-1-1 services and for access to all sub-tending Public Safety Answering Points.

b. Except in those instances where ELEC and ILEC have negotiated mutually-agreeable alternative network interconnection arrangements, interconnection shall be made at the D-NIP designated by ILEC for 9-1-1/E-9-1-1 interconnection.

c. ILEC and ELEC will arrange for the automated input and daily updating of 9-1-1/E-9-1-1 database information related to ELEC end users.

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- d. ILEC will use its best efforts to facilitate the prompt, robust, reliable and efficient interconnection of ELEC systems to the 9-1-1/E-9-1-1 platforms.

2. Compensation

[To be defined based on local 9-1-1 funding methodology and arrangements with independent LECs].

C. Information Services Billing and Collection

1. Description

- a. Except in those instances where ELEC and ILEC have negotiated mutually-agreeable alternative network interconnection arrangements, ELEC shall deliver information services traffic originated over ELEC's Exchange Services to information services provided over ILEC's information services platform (e.g., 976) over the reciprocal traffic exchange trunk groups interconnected at the D-NIP designated by the ILEC for receipt of such traffic.
- b. ILEC will at ELEC's option provide a direct real-time electronic feed or a monthly magnetic tape in a mutually-specified format, listing the appropriate billing listing and effective daily rate for each information service by telephone number.
- c. To the extent ELEC determines to provide a competitive information services platform, ILEC will cooperate with ELEC to develop a LATA-wide NXX code(s) which ELEC may use in conjunction with such platform. Additionally, ILEC shall route calls to such platform and ELEC will provide billing listing/daily rate information on terms reciprocal to those specified above.

2. Compensation

- a. ELEC will bill and collect from its end users the specific end user calling rates ILEC bills its own end users for such services, unless ELEC obtains tariff approval from the Public Utilities Commission ("PUC") specifically permitting ELEC to charge its end users a rate different than the rate set forth in ILEC's tariff for such services.

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- b. ELEC will remit the full specified charges for such traffic each month to ILEC, less \$0.05 per minute, and less uncollectibles.
- c. In the event ELEC provides an information service platform, ILEC shall bill its end users and remit funds to ELEC on terms reciprocal to those specified above.

D. Directory Listings and Directory Distribution

1. Description

The directory listings and distribution terms and rate specified in this section shall apply to listings of ELEC customer numbers falling within NXX codes directly assigned to ELEC, and to listings of ELEC customer telephone numbers which are retained by ELEC pursuant to Local Telephone Number Portability Arrangements described below.

- a. ILEC will include ELEC's customers' telephone numbers in its "White Pages" and "Yellow Pages" directory listings and directory assistance databases associated with the areas in which ELEC provides services to such customers, and will distribute such directories to such customers, in the identical and transparent manner in which it provides those functions for its own customers' telephone numbers.
- b. ELEC will provide ILEC with its directory listings and daily updates to those listings in a format required by ILEC; ILEC will provide ELEC a magnetic tape or computer disk containing the proper format.
- c. ELEC and ILEC will accord ELEC' directory listing information the same level of confidentiality which ILEC accords its own directory listing information, and ILEC shall ensure that access to ELEC's customer proprietary confidential directory information will be limited solely to those ILEC employees who are directly involved in the preparation of listings.

2. Compensation

- a. ILEC shall remit to ELEC a royalty payment for sales of any bulk directory lists to third parties, where such lists include ELEC customer listings.

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- b. Such royalty payments shall be in proportion to the number of ELEC listings to ILEC listings contained in the list purchased by the third party, less 10% which ILEC may retain as sales commission.

E. Directory Assistance (DA)

1. Description

At ELEC' request, ILEC will:

- a. provide to ELEC operators or to an ELEC-designated operator bureau on-line access to ILEC's directory assistance database, where such access is identical to the type of access ILEC's own directory assistance operators utilize in order to provide directory assistance services to ILEC end users;
- b. provide to ELEC unbranded directory assistance service ELEC which is comparable in every way to the directory assistance service ILEC makes available to its own end users;
- c. provide to ELEC directory assistance service under ELEC's brand which is comparable in every way to the directory assistance service ILEC makes available to its own end users;
- d. allow ELEC or an ELEC-designated operator bureau to license ILEC's directory assistance database for use in providing competitive directory assistance services; and/or
- e. in conjunction with VII.E.1.b. or VII.E.1.c., above, provide caller-optional directory assistance call completion service which is comparable in every way to the directory assistance call completion service ILEC makes available to its own end users.

2. Compensation

ILEC will charge ELEC:

- a. \$0.0__ per directory assistance database query.
- b. \$0.0_ per unbranded directory assistance call.

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- c. \$0.0_ per branded directory assistance call.
- d. \$ ___ for licensing of each directory assistance database.
- e. \$0.0_ per use of caller-optional directory assistance call completion.

F. Yellow Page Maintenance

ILEC will work cooperatively with ELEC to ensure that Yellow Page advertisements purchased by customers who switch their service to ELEC (including customers utilizing ELEC-assigned telephone numbers and ELEC customers utilizing co-carrier number forwarding) are maintained without interruption. ILEC will allow ELEC customers to purchase new yellow pages advertisements without discrimination, at non-discriminatory rates, terms and conditions. ILEC and ELEC will implement a commission program whereby ELEC may act as a sales, billing and collection agent for Yellow Pages advertisements purchased by ELEC's exchange service customers.

G. Transfer of Service Announcements

When an end user customer changes from ILEC to ELEC, or from ELEC to ILEC, and does not retain its original telephone number, the party formerly providing service to the end user will provide a transfer of service announcement on the abandoned telephone number. This announcement will provide details on the new number to be dialed to reach this customer. These arrangements will be provided reciprocally, free of charge to either the other carrier or the end user customer.

H. Coordinated Repair Calls

ELEC and ILEC will employ the following procedures for handling misdirected repair calls:

1. ELEC and ILEC will educate their respective customers as to the correct telephone numbers to call in order to access their respective repair bureaus.
2. To the extent the correct provider can be determined, misdirected repair calls will be referred to the proper provider of local exchange service in a courteous manner, at no charge, and the end user will be provided the correct contact telephone number. Extraneous

**CO-CARRIER STIPULATION
AND AGREEMENT**

communications beyond the direct referral to the correct repair telephone number are strictly prohibited.

3. ELEC and ILEC will provide their respective repair contact numbers to one another on a reciprocal basis.

I. Busy Line Verification and Interrupt

1. Description

Each LEC shall establish procedures whereby its operator bureau will coordinate with the operator bureaus of each other LEC operating in the LATA in order to provide Busy Line Verification ("BLV") and Busy Line Verification and Interrupt ("BLVI") services on calls between their respective end users. BLV and BLVI inquiries between operator bureaus shall be routed over the Reciprocal Traffic Exchange Trunk groups.

2. Compensation

Each LEC shall compensate each other LEC for BLV and BLVI inquiries according to the following rates:

	<u>per inquiry</u>
BLV	\$0. __
BLVI	\$0. __

VIII. UNBUNDLED EXCHANGE SERVICE ARRANGEMENTS

A. Description

ILEC shall immediately unbundle all its Exchange Services into two separate packages: (1) link element plus cross-connect element; and (2) port element plus cross-connect element. The following link and port categories shall be provided:

Link Categories

2-wire analog voice grade
2 wire ISDN digital grade
4-wire DS-1 digital grade

Port Categories

2-wire analog line
2-wire ISDN digital line
2-wire analog DID trunk
4-wire DS-1 digital DID trunk

CO-CARRIER STIPULATION AND AGREEMENT

ILEC shall unbundle and separately price and offer these elements such that ELEC will be able to lease and interconnect to whichever of these unbundled elements ELEC requires, and to combine the ILEC-provided elements with any facilities and services that ELEC may itself provide, in order to efficiently offer telephone services to end users, pursuant to the following terms:

1. Interconnection shall be achieved via co-location arrangements ELEC shall maintain at the wire center at which the unbundled elements are resident.
2. At ELEC' discretion, each link or port element shall be delivered to the ELEC co-location arrangement over an individual 2-wire hand-off, or in multiples of 24 over a digital DS-1 hand-off in any combination or order ELEC may specify.
3. All transport-based features, functions, service attributes, grades-of-service, install, maintenance and repair intervals which apply to the bundled service should apply to unbundled links.
4. All switch-based features, functions, service attributes, grades-of-service, and install, maintenance and repair intervals which apply to the bundled service should apply to unbundled ports.
5. ILEC will permit any customer to convert its bundled service to an unbundled service and assign such service to ELEC, with no penalties, rollover, termination or conversion charges to ELEC or the customer.
6. ILEC will bill all unbundled facilities purchased by ELEC (either directly or by previous assignment by a customer) on a single consolidated statement per wire center.
7. Where ILEC utilizes digital loop carrier ("DLC")⁷ technology to provision the link element of an bundled Exchange Service to an end user customer who subsequently determines to assign the link element to ELEC and receive Exchange Service from ELEC via such link, ILEC shall deliver such link to ELEC on an unintegrated basis, pursuant to ELEC' chosen hand-off architecture, without a degradation of end user service or feature availability.

⁷ See, Bellcore TR-TSY-000008, *Digital Interface Between the SLC-96 Digital Loop Carrier System and Local Digital Switch* and TR-TSY-000303, *Integrated Digital Loop Carrier (IDLC) Requirements, Objectives, and interface.*

**CO-CARRIER STIPULATION
AND AGREEMENT**

8. ILEC will permit ELEC to co-locate remote switching modules and associated equipment in conjunction with co-location arrangements ELEC maintains at an ILEC wire center, for the purpose of interconnecting to unbundled link elements.

B. Compensation

ILEC shall provide links and ports to ELEC at the following monthly recurring rates:

	<u>Price, each when delivered over:</u>	
	<u>an individual</u>	<u>a digital</u>
	<u>2-wire hand-off</u>	<u>DS-1 hand-off</u>
2-wire analog voice grade link	\$ _____	\$ _____
2 wire ISDN digital grade link	\$ _____	\$ _____
4-wire DS-1 digital grade link	\$ <u>n/a</u>	\$ <u>8</u>
2-wire analog line port	\$ _____	\$ _____
2-wire ISDN digital line port	\$ _____	\$ _____
2-wire analog DID trunk port	\$ _____	\$ _____
4-wire DS-1 digital DID trunk port	\$ <u>n/a</u>	\$ _____

IX. LOCAL TELEPHONE NUMBER PORTABILITY ARRANGEMENTS

A. Description

ILEC and ELEC will provide Local Telephone Number Portability ("LTNP") on a reciprocal basis between their networks to enable each of their end user customers to utilize telephone numbers associated with an Exchange Service provided by one carrier, in conjunction an Exchange Service

⁸ To be provided as a Special Access or Private Line DS-1 Channel Termination/Local Distribution Channel, subject to the most favorable tariff or contract terms for which ELEC is eligible, except in those situations where:

-- The ILEC offers its own end user customers a bundled DS-1 digital grade Exchange Service at a bundled rate which is less than the sum of the unbundled 4-wire DS-1 digital DID trunk port rate and the most favorable Channel Termination/Local Distribution Channel rate for which ELEC is eligible. In such instances, the ILEC shall provide 4-wire DS-1 digital grade links to ELEC at a rate less than or equal to the price of the bundled DS-1 digital grade Exchange Service less the unbundled 4-wire DS-1 digital DID trunk port rate, for ELEC's use in the provision of DS-1 digital grade Exchange Services.

and/or

-- The ILEC offers its own end user customers a bundled DS-1 digital grade Exchange Service with performance specifications (including, but not limited to, installation intervals, service intervals, service priority, bit-error rates, interruption/availability rates, quality or conditioning) superior to that provided for Special Access or Private Line Channel Terminations/Local Distribution Channels. In such instances, the ILEC shall provide the same or better performance characteristics to ELEC for all DS-1 ELEC purchases for use in the provision of DS-1 digital grade Exchange Services.

**CO-CARRIER STIPULATION
AND AGREEMENT**

provided by the other carrier, upon the coordinated or simultaneous termination of the first Exchange Service and activation of the second Exchange Service.

1. ELEC and ILEC will provide reciprocal LTNP immediately upon execution of this agreement via Interim Number Portability ("INP") measures. ILEC and ELEC will migrate from INP to a database-driven Permanent Number Portability ("PNP") arrangement as soon as practically possible, without interruption of service to their respective customers.
2. INP shall operate as follows:
 - a. A customer of Carrier A elects to become a customer of Carrier B. The customer elects to utilize the original telephone number(s) corresponding to the Exchange Service(s) it previously received from Carrier A, in conjunction with the Exchange Service(s) it will now receive from Carrier B. Upon receipt of a signed letter of agency from the customer assigning the number to Carrier B, Carrier A will implement one of the following arrangements:
 - (1) For the portability of telephone numbers which are not part of a DID number block, Carrier A will implement an arrangement whereby all calls to the original telephone number(s) will be forwarded to a new telephone number(s) designated by Carrier B. Carrier A will route the forwarded traffic to Carrier B via the mutual traffic exchange arrangements, as if the call had originated from the original telephone number and terminated to the new telephone number.
 - (2) For the portability of telephone numbers which are part of a DID number block, Carrier A will provide Carrier B an aggregated, digital DS-1 or higher grade DID trunk group at each D-NIP (interface to be achieved in the same manner as the traffic exchange trunk groups at each D-NIP), such that all inbound traffic to ported DID numbers will be delivered to Carrier B over this digital DID trunk facility. In order for a customer to port its DID numbers from Carrier A to Carrier B, the customer will be required to assign entire 20-number DID blocks to Carrier B.

**CO-CARRIER STIPULATION
AND AGREEMENT**

- b. Carrier B will become the customer of record for the original Carrier A telephone numbers subject to the INP arrangements. Carrier A will provide Carrier B a single consolidated master billing statement each month for all collect and 3rd-number billed calls associated with those numbers, with sub-account detail by retained number.
 - c. Carrier A will update its Line Information Database ("LIDB") listings for retained numbers, and restrict or cancel calling cards associated with those forwarded numbers, as directed by Carrier B.
 - d. Within two (2) business days of receiving notification from the customer, Carrier B shall notify Carrier A of the customer's termination of service with Carrier B, and shall further notify Carrier A as to the Customer's instructions regarding its telephone number(s). Carrier A will cancel the INP arrangements for the customer's telephone number(s). If the Customer has chosen to retain its telephone number(s) for use in conjunction with Exchange Services provided by Carrier A or by another LEC which participates in INP arrangements with Carrier A, Carrier A will simultaneously transition the number(s) to the customer's preferred carrier.
3. Under either an INP or PNP arrangement, ELEC and ILEC will deliver consolidated billing statements to one another in magnetic tape formats which are compatible with their respective systems in order to re-bill their end users for collect, calling card and 3rd-number billed calls. Additionally, ELEC and ILEC will implement a process to coordinate LTNP cut-overs with Unbundled Link conversions (as described in Paragraph VIII., above). ELEC and ILEC pledge to use their best efforts to ensure that LTNP arrangements will not be utilized in instances where a customer changes locations and would otherwise be unable to retain its number without subscribing to foreign exchange service.

B. Compensation

- 1. ELEC and ILEC shall provide LTNP (either INP or PNP) arrangements to one another at no charge, except for authorized collect, calling card and 3rd-number billed calls billed to the retained numbers. However, for all traffic forwarded between ELEC and ILEC in the manner described above, reciprocal compensation charges (pursuant to paragraph VI., above) and

**CO-CARRIER STIPULATION
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Switched Access charges (pursuant to each carrier's respective access tariffs), for POTS traffic and non-POTS traffic, respectively, shall be passed through as if the caller had directly dialed the new telephone number.

2. In INP arrangements, in order to effect this pass-through of reciprocal compensation and Switched Access charges to which each carrier would otherwise have been entitled if the ported traffic had been directly dialed to the new number, each carrier will be required to classify and include ported traffic in its quarterly percentage of use reports as POTS, intrastate non-POTS, or interstate non-POTS.

X. RESPONSIBILITIES OF THE PARTIES

- A. ILEC and ELEC agree to treat each other fairly, non-discriminatorily, and equally for all items included in this agreement, or related to the support of items included in this agreement.
- B. ELEC and ILEC will work cooperatively to minimize fraud associated with 3rd-number billed calls, calling card calls, or any other services related to this agreement.
- C. ELEC and ILEC agree to promptly exchange all necessary records for the proper billing of all traffic.
- D. For network expansion, ELEC and ILEC 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 ILEC and ELEC. ILEC and ELEC 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.
- E. There will be no re-arrangement, reconfiguration, disconnect, or other non-recurring fees associated with the initial reconfiguration of each carrier's traffic exchange arrangements upon execution of this agreement, other than the cost of establishing a new co-location arrangement where one does not already exist.
- F. ILEC shall assess no cross-connect fee on ELEC where ELEC establishes a meet-point billing connection, a D-NIP interconnection, or accesses a 911 or E911 port through a co-location arrangement at a ILEC wire center.

**CO-CARRIER STIPULATION
AND AGREEMENT**

XI. TERM

ELEC and ILEC agree to provide service to each other on the terms defined in this agreement for a period of _____ years from the date of execution of this agreement, or until standard arrangements are approved by the Public Utilities Commission, whichever occurs first. By mutual agreement, ELEC and ILEC may amend this agreement to extend the term of this agreement. Also by mutual agreement, ILEC and ELEC may jointly petition the appropriate regulatory bodies for permission to have this agreement supersede any future standardized agreements or rules such regulators might adopt or approve.

XII. INSTALLATION

ILEC and ELEC shall effectuate all the terms of this agreement by _____
—

XIII. NETWORK MAINTENANCE AND MANAGEMENT

ELEC and ILEC will work cooperatively to install and maintain a reliable network. ELEC and ILEC will exchange appropriate information (e.g., maintenance contact numbers, network information, information required to comply with law enforcement and other security agencies of the Government, etc.) to achieve this desired reliability.

ELEC and ILEC will work cooperatively to apply sound network management principles by invoking network management controls to alleviate or to prevent congestion.

XIV. OPTION TO ELECT OTHER TERMS

If, at any time while this agreement is in effect, either of the parties to this agreement provides arrangements similar to those described herein to a third party operating within the same LATAs as for which this agreement applies, on terms different from those available under this agreement (provided that the third party is authorized to provide local exchange services), then the other party to this agreement may opt to adopt the rates, terms, and conditions offered to the third party for its own reciprocal arrangements with the first party. This option may be exercised by delivering written notice to the first party. The party exercising its option under this paragraph must continue to provide services to the first party as required by this agreement, subject either to the rates, terms, and conditions applicable to the third party or to the rates, terms, and conditions of this agreement, whichever is more favorable to the first party.

RECEIVED

SEP 21 1995

Bob Scheye
Senior Director
Strategy Development Core Business

Room 11A15
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375
(404) 420-8327

September 19, 1995

Mr. Tim Devine
MFS
250 Williams Street
Suite 2200
Inforum Building
Atlanta, GA 30303

Dear Tim:

As we discussed, BellSouth is working toward filing local interconnection and unbundling tariffs in both Georgia and Florida later this year. The attached worksheet lists items and price ranges that could be included in these filings. We are requesting your input of demand forecasts for each of these items. **This information is intended for tariff filing purposes only and your company data will not be identified uniquely. Further, this information will not be used for any other purposes by BellSouth.**

We request that you keep this document confidential within your company and not share it outside your company for any reason. Please contact me at your convenience if you have any questions or concerns.

NOTE: Please provide data for Georgia and Florida separately. Simply write in Florida (where Georgia is shown) on the attachment if you are providing information for that state.



UNBUNDLED PRODUCTS AND SERVICES

EXISTING AND NEW SERVICE	RATE ELEMENTS		APPROXIMATE RATE LEVEL RANGE		INDIVIDUAL STATE DEMAND		
			RECURRING / PER	NON-RECURRING / PER	YR. 1	YR. 2	YR. 3
Unbundled Exchange Line Voice Grade Special Access Service Private Line Service	Local Channel - Per Point of Termination - Voice - 2W Local Channel - Per Point of Termination - Type 2230		\$25.00 /month-pt. of term.	\$275.00 / First / LC \$110.00 / Add'l / LC \$345.00 / First Term \$115.00 / Add'l Term			
			\$25.00 /month-pt. of term.				
Unbundled Exchange Port	Port - Residence Port - Business Port - Usage	new	\$1.75 - \$4.00 /month	-			
		new	\$4.00 - \$11.00 /month	-			
		new	\$0.02 /call \$0.02 /minute	-			
Number Portability-RCF	Residence Business		\$1.25 - \$4.00 /month	\$15.00 - \$25.00			
			\$1.25 - \$5.00 /month	\$25.00 - \$40.00			
Local Interconnection	Per Terminating Minute		\$0.020 - \$.045	-			
Trunking	Port Link Usage (Surrogate)		\$350.00 /month	-			
			\$150.00 /month	-			
		new	\$250.00 /month - link	-			
Number Services	DA Branding / per call DACC / per call DA Intercept / per call	new	\$0.05 /call	-			
		new	\$0.20 /call	-			
		new	\$0.30 /call	-			
Local Access Service	DA Service Call Directory Transport - Switched Common - Switched Common - Access Tandem Switching DA Interconnection		\$0.25 - \$0.35 /call	-			
			\$0.00030 /DA acc.svc.call	-			
			\$0.00004 /DA acc.svc.call ml.	-			
			\$0.00055 /DA acc.svc.call	-			
Local Database Service	OLEC STP Connecting to BST Regional STP OLEC SSP Equipped Switch Connecting to BST Local STP		\$0.0035 - \$0.0045 /query	-			
			\$0.0035 - \$0.0045 /query	-			

ST is neither obligated to provide these services nor to offer them at the rates indicated.
This information is for negotiating purposes only and shall be kept confidential. It cannot be used by either party in any evidentiary proceeding.

UNBUNDLED PRODUCTS AND SERVICES

EXISTING AND NEW SERVICE	RATE ELEMENTS		APPROXIMATE RATE LEVEL RANGE		INDIVIDUAL STATE DEMAND		
			RECURRING / PER	NON RECURRING / PER	YR. 1	YR. 2	YR. 3
Operator Services	Operator Call Handling	new new	- Live Operator Assisted	-			
	- Fully Automated		-				
	Operator Transfer Service		-				
	Inward Operator Services		-				
	- Verification		-				
	- Emergency Interrupt		-				
Collocation	Application Fee (per location)		-	\$2,848.30			
	Cable Installation Charge (per cable)		-	\$2,750.00			
	Cable Support Structure (per cable)		\$13.35	-			
	Cross Connect Per DS1		\$7.50	-			
	Cross Connect Per DS3		\$56.25	-			
	Floor Space			-			
	- per Square Foot		\$3.20	-			
	Power			-			
	- per Ampere		\$3.48	-			
	Training, per Trainee			-			
	- Living Expenses, per Day		-	\$136.67			
	- Labor Rate, 1st 1/2 hr. & ea. add'l 1/2 or fraction thereof:		-	\$36.40 - \$40.00			
	- Air Fare/Travel Expense, per Trip		-	\$555.00			
	Security Escort			-			
	- Basic Time, normally sched. work hours		-	\$25.00 - \$41.00			
- OT, outside of normally sched. work hours on a sched. work day		-	\$30.00 - \$48.00				
- Premium Time, outside of sched. work day		-	\$35.00 - \$55.00				

BST is neither obligated to provide these services nor to offer them at the rates indicated. This information is for negotiating purposes only and shall be kept confidential. It cannot be used by either party in any evidentiary proceeding.

UNBUNDLED PRODUCTS AND SERVICES

EXISTING AND NEW SERVICE	RATE ELEMENTS		APPROXIMATE RATE LEVEL RANGE		INDIVIDUAL STATE DEMAND		
			RECURRING / PER	NON RECURRING / PER	YR. 1	YR. 2	YR. 3
Non-Sent Paid Report System	Per Call		\$.05 - \$.15 / call	-			
LIDB Validation Service	LIDB Access CCS7 Signaling Terminations CCS7 Signaling Terminations LIDB Common Transport LIDB Validation NOTE: the PLU will be applied to the termination rates based on the percent of local usage.	PLU+ PLU+	PLU Based \$150.00 /month \$355.00 /month \$0.00030 /LIDB query \$0.03800 /LIDB query	- - - -			
White Page Listings	One per Customer		No Charge	-			
Centralized Message Distribution Service (CMDS)	Message Distribution Data Transmission		\$0.004 /message \$0.001 /message	- -			
Unbundled Loop Concentration			Under Development				
911 Service			Under Development				

BST is neither obligated to provide these services nor to offer them at the rates indicated.
This information is for negotiating purposes only and shall be kept confidential. It cannot be used by either party in any evidentiary proceeding.



**BELLSOUTH
STRATEGIC DEVELOPMENT CORE BUSINESS
11A15 Southern Bell Center
675 W. Peachtree Street, NE
Atlanta, GA 30375**

Date: 9-27-95

Number of pages including cover sheet 13

MESSAGE TO:

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Tim Devine

224-6060

FROM:

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REMARKS

Urgent

For your review

Reply ASAP

Please comment

**PRELIMINARY DRAFT
FOR DISCUSSION
PURPOSES ONLY**

9/25/95

**PRIVILEGED AND CONFIDENTIAL
SUBJECT TO THE ATTORNEY-CLIENT
PRIVILEGE AND WORK PRODUCT DOCTRINE**

Stipulation and Agreement

This Stipulation and Agreement is entered into by and between the undersigned parties to 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 pursuant to Section 364.16(4), Florida Statutes; 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; and Docket No. 950985-TP, addressing the establishment of nondiscriminatory rates, terms and conditions for local interconnection pursuant to Section 364.162, Florida Statutes.

It is the undersigned parties' intention and agreement that this comprehensive Stipulation and Agreement will establish the prices, terms, conditions and mechanisms necessary to facilitate the introduction and development of local exchange competition, as required by 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 matters which relate to the introduction of local competition but which are not addressed in Chapter law 95-403 or in any of the Commission's docketed proceedings.

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PRIVILEGE AND WORK PRODUCT DOCTRINE**

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

A. 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 until not later than January 1, 2000, does not impede the development of residential consumer choice or create an unreasonable barrier to competition.

The undersigned parties stipulate and agree to 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, in this docket. In the event this BellSouth-proposed US/COLR

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SUBJECT TO THE ATTORNEY-CLIENT
PRIVILEGE AND WORK PRODUCT DOCTRINE**

recovery mechanism is adopted and implemented by the Commission, each ALEC payment will be based upon its proportionate share of applicable revenues.¹ The undersigned parties agree for purposes of determining payments for the period January 1, 1996 through December 31, 1997, the applicable 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 provision 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, which efforts will include the undersigned parties, other than BellSouth, withdrawing their testimony and amending their prehearing statements to the extent such testimony and prehearing statements are inconsistent with this Stipulation and Agreement.

The undersigned parties further stipulate and agree that, except as provided for in Section 364.025(3), Florida Statutes, this interim US/COLR recovery mechanism shall remain in force and effect until the Florida Legislature establishes a permanent US/COLR recovery mechanism, but not later than January 1, 2000. The undersigned parties also agree to use their best efforts

¹ Applicable revenues means revenues associated with the ALEC's provision of basic local exchange services and their associated vertical or ancillary services, ~~and network costs~~

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**PRIVILEGED AND CONFIDENTIAL
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to persuade the Commission and the Legislature to establish a permanent US/COLR recovery mechanism at the earliest possible date.

B. 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. 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 A.

With regard to the price to be paid for remote call forwarding, which is the agreed-upon temporary telephone number portability solution, the undersigned parties agree to pay \$1. __ per line, per month, plus a non-recurring setup charge of \$ ____ per line equipped with, and \$ ____ per order for, remote call forwarding used for service provider telephone number portability. For additional paths, the undersigned parties agree to pay \$1. __ per month, per additional path, plus a non-recurring set-up charge of \$ ____ per additional path and \$ ____ per order. To the

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**PRIVILEGED AND CONFIDENTIAL
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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.

C. 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, including the following:

- Local Telephone Number Portability
- Centralized Message Distribution Service (CMDS)
- Directory Assistance (DA)

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**PRIVILEGED AND CONFIDENTIAL
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PRIVILEGE AND WORK PRODUCT DOCTRINE**

- Access to Emergency Services (911)
- Access to 800 DataBase
- Access to Operator Services
- White Page Listings and Directories
- Signaling
- Access to Numbers
- Line Identification DATABASE Service (LIDB)
- Exchange Lines and Ports
- Access to Poles, Ducts and Conduits

D. 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

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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 of local interconnection. After further negotiations, however, the undersigned parties now agree to the following prices, terms and conditions of local interconnection:

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. For purposes of charging for local interconnection, BellSouth will employ its intrastate switched network access service traffic sensitive rate elements on a per minute of use basis for terminating local traffic. Each undersigned ALEC will have 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, no local exchange

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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 in 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.).

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 provides intermediary functions for network access, i.e., between an DXC 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

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own network access service rate elements to the IXC. BellSouth, however, will

• bill the residual interconnection charge ("RIC") to the IXC.

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.

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 ^{the undersigned} ALEC is unable to get into _{and} business because the ALEC _{is} unable to obtain trunks, NNXs, etc. from BellSouth in a timely fashion.

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It is further understood and agreed that TCG will dismiss its petition filed with the Commission in this docket.

E. Other Issues and Matters

In addition to the issues and matters relating to the introduction of local exchange competition addressed in Chapter Law 95-403, and identified in the aforementioned proceedings established by the Commission, there are other technical, and operational issues and matters relating to the introduction of local exchange competition which the undersigned parties are currently negotiating.

F. 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.

G. Liability for Damages

Nothing contained in this Stipulation and Agreement shall make any undersigned party liable for money damages nor shall this Stipulation and Agreement give rise to any action for

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the recovery of money damages from any undersigned party whether such action is brought by another undersigned party or by a third party. There are no intended or unintended third-party beneficiaries to this Stipulation and Agreement.

H. Duration

This Stipulation and Agreement takes effect on September __, 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, or until January 1, 2000, whichever occurs later.

I. 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.

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J. 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.

BELLSOUTH
TELECOMMUNICATIONS ®

South E511
3535 Colonnade Parkway
Birmingham, Alabama 35243

October 6, 1995

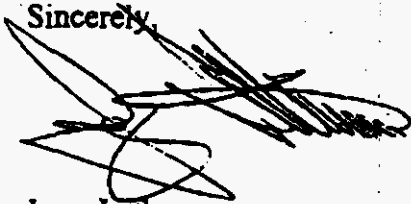
Tim Devine
MFS Communications Company, Inc.
250 Williams Street
Suite 2200
Atlanta, GA 30303

Dear Tim,

Bob Scheye asked me to send you our thoughts on the major issues concerning your proposed stipulation agreement. The attached comments are designed to provide clarification on BST's positions on the major points you listed, but may not include all of BST's concerns with your document.

After you have had a chance to review the attached, please give Bob Scheye a call to discuss in more detail. If you need to contact me, I can be reached at 205-977-2213.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry Latham", with a large, stylized flourish extending from the end of the signature.

Jerry Latham
Manager - Local Interconnection
Interconnection Marketing

Attachment

Issues for MFS Response

Definitions

- It should be noted that BST's interim number portability offering is not designed to provide service transparency.
- Initially, BST plans to provide a 2-wire voice grade unbundled loop and a 2-wire voice grade unbundled port.

Default Network Interconnection Architecture

- BST plans to interconnect with all ELECs at the BST tandem and/or wire center level for the purpose of originating/terminating local traffic to/from ELECs within a LATA. We are uncertain how a D-NID and a D-NIP correspond to BST's wire centers, tandems, LATAs, etc. and would prefer to use existing terminology to describe the interconnection arrangement.
- BST has no plans to offer a mid-fiber meet with any interconnector.
- BST does not plan to waive charges for the cross-connection of collocation facilities.
- Normal tariff charges should apply for rearrangements, conversions, rollovers, etc..

Meet-Point Billing Arrangements

- BST does not plan to use the OBF guidelines for OLEC interconnection and proposes a new document that is designed specifically for OLEC arrangements.
- BST would exchange records with OLECs using Exchange Message Record (EMR) format as opposed to Electronic Message Interface (EMI) format.
- BST plans to offer multiple bill, single tariff billing.
- Paragraph B.B. on page 12 should be deleted in its entirety.
- Footnote 6 on page 12 refers to the interconnection charge being remitted to the end office company. It is BST's intention to bill this as the tandem provider.

Reciprocal Traffic Exchange Arrangements

- BST does not support a bill-and-keep arrangement for local traffic exchange with OLECs and would expect to be compensated separately when it performs an intermediary function.
- BST and the OLEC would each provide a trunk for terminating local traffic to each other. Additional trunks would be required from the OLEC to BST for the provisioning of other types of traffic such as Operator Services, IXC, etc..
- When BST provides an intermediary function between an OLEC and another company for the purposes of completing local calls, BST proposes to charge the local interconnection charges plus an additional intermediary fee to the originating entity.

Issues for MFS Response

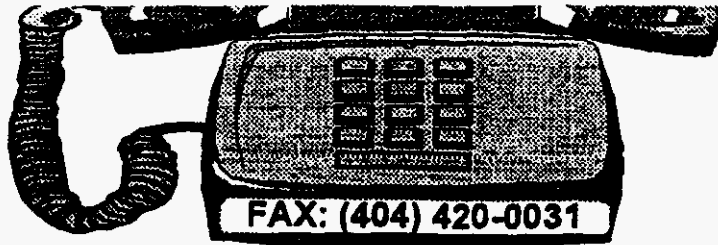
- BST plans to offer signaling interconnection at a tariffed rate to all interconnectors. This will include link and port elements. The port charge would initially be a flat-rated surrogate until BST could develop and bill a usage-sensitive charge.
- BST plans to charge the OLEC originating FGD access charges for non-local calls that are passed to the OLEC from a BST end-user that is located within the local calling area.

Shared Network Platform Arrangements

- Normal tariffed rates would apply for each interconnector that utilizes a collocation arrangement.
- BST does not offer Information Services Billing and Collections today and does not expect to offer this to the OLECs as a part of our unbundled tariff.
- BST does not plan to pay a royalty on the sale of directory listings.
- BST proposes to provide Busy Line Verification and Interrupt services via its existing tariffs.

Unbundled Exchange Service Arrangements

- BST will provide an unbundled 2-wire voice grade loop and a 2-wire analog port in its initial tariff filing package.
- BST proposes that an OLEC will not be allowed to combine an unbundled loop with an unbundled port when both elements are provided by BST.
- BST will interface with the OLECs at a DS-1 level for the purposes of delivering unbundled loops and ports to the OLEC's facilities.
- BST will work cooperatively to provide unbundled loops to the OLECs on an unintegrated basis where practicable. However, BST would like to better understand what MFS means by "unintegrated".
- BST's collocation tariff does not allow collocators to place switching equipment in a collocation space.
- BST will provide Remote Call Forwarding (RCF) and/or Direct Inward Dialing (DID) technology at a tariffed rate for OLECs wishing to port numbers from BST's network to the OLEC. BST will pay a terminating interconnection charge to the OLEC for these calls but will retain the switched access charges on interLATA calls that terminate through the BST network using RCF or DID.



BELLSOUTH
STRATEGIC DEVELOPMENT CORE BUSINESS
11A15 Southern Bell Center
675 W. Peachtree Street, NE
Atlanta, GA 30375

Date: 10-11-95

Number of pages including cover sheet 26

MESSAGE TO:

Tim Devine

Phone #:

Fax #:

224-6060

FROM:

Michelle Brightwell
(404) 529-5250

Lydia Hunlen
(404) 529-2659

David Meyers
(404) 614-4955

Bob Scheye
(404) 420-8327

Kathy Taylor
(404) 529-5220

Gloria Calhoun
(404) 529-5579

Lamar May
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Sara Murray
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Charlotte Shannon
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Krista Tillman
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Dwayne Crumley
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Ellen Mitchell
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Cindy Preston
(404) 529-5538

William Suitt
(404) 529-6125

Tom Woodliff
(404) 529-6177

Jan Hester
(404) 614-4945

REMARKS:

Urgent

For your review

Reply ASAP

Please comment

Empty box for remarks.

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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 agreement 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.

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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

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further negotiations, however, the undersigned parties now agree to the following interim prices, terms and conditions for interconnection and the exchange of traffic:

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 traffic sensitive 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 rates that are no higher than those charged by BellSouth.

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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 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.).
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.

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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. ~~For interstate traffic, however,~~ BellSouth or 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.

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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 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 local and intrastate toll (and interstate, potentially) traffic at the same rates notwithstanding Section 364.16(3)(a), Florida Statutes. However, if BellSouth's proposed Alternative 1 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 may not be appropriate and are null and void. In that event, the parties will begin to negotiate different local

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

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It is the undersigned parties' intention and understanding agreement 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.

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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. 950983-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

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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 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.).
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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. For interstate traffic, however, BellSouth or the ALEC will bill the residual interconnection charge ("RIC") to the IXC when either provides the intermediary tandem function.
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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.

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

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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 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

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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 ("LBC'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 until the implementation of a permanent mechanism, but not later than January 1, 2000, ensures the

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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, will meet 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.

The undersigned parties also agree that, in order to assure that the proper amounts of assessable

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 and network access 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.

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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 applicable 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. The undersigned parties also agree to use their best efforts to persuade the Commission and the Legislature to establish a permanent US/COLR recovery mechanism at the earliest possible date.

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

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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.

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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 September ___, 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

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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 herein. 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 that the Commission shall 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; 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.

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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.

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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.

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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 ___ day of _____, 1995, by the undersigned representatives for the parties hereto.

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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	--
Transport¹		
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.

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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.

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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,

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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

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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.

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(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

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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.

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(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.

AFFIDAVIT OF TIMOTHY T. DEVINE


I, Timothy T. Devine, do hereby swear as follows:

At approximately 4:15 p.m. on Monday, October 30, 1995 I received a voice mail message from Robert C. Scheye, Senior Director, BellSouth Telecommunications, Inc. which stated as follows:

Tim, this is Bob Scheye from BellSouth returning your call. If you want to make an alternate proposal for Florida, I'd certainly be willing to talk to you about it. Obviously, you know we're not going to be willing to agree to something that deviates a huge amount from that, but I don't know that we have to foreclose discussions. That agreement is predicated upon the universal service fund plan. If for some reason that plan doesn't go into effect, we're going to have to reconsider anyhow because that's the way it's written, so if you've got an alternate proposal that you'd like to put in the hopper that's at least in line with that thing to some degree, I think we ought to talk about it. I don't have any problem discussing it, so give me a call at your convenience at 420-8237.

Based on this voice mail, and conversations I have had with Mr. Scheye, it is my understanding at this date that BellSouth will require that its universal service proposal be a part of any interconnection or unbundling agreement with MFS-FL in Florida Docket 95-0985-TP or Florida Docket 95-0984-TP. Because MFS-FL does not believe that the inclusion of universal service issues is appropriate in either of these dockets, I have come to the conclusion at this date that MFS-FL and BellSouth will not reach a negotiated settlement in either of these dockets.

Dated: November 10, 1995



Timothy T. Devine
Senior Director, External and
Regulatory Affairs
MFS Communications Company, Inc.

CO-CARRIER NUMBER FORWARDING ARRANGEMENTS

Description Dominant Local Exchange Company ("DLEC") and Competitive Local Exchange Company ("CLEC") will provide Co-Carrier Number Forwarding ("CCNF") arrangements to one another on a reciprocal basis, as an interim measure to emulate true local number portability. The arrangement shall operate as follows:

- A customer of Carrier A elects to become a customer of Carrier B. The customer elects to utilize the original telephone number(s) corresponding to the exchange service(s) it previously received from Carrier A, in conjunction with the exchange service(s) it will now receive from Carrier B. Upon receipt of a signed letter of agency from the customer assigning the number to Carrier B, Carrier A will implement an arrangement, whereby all calls to the original telephone number(s) will be forwarded to a new telephone number(s) designated by Carrier B. Carrier A will route the forwarded traffic to Carrier B, via the mutual traffic exchange arrangements, as if the call had originated from the original telephone number and terminated to the new telephone number.
- Carrier B will become the customer of record for the original Carrier A telephone numbers subject to this arrangement, and will receive a single consolidated master billing statement each month for all collect and 3rd-number billed calls associated with those numbers, with sub-account detail by retained number. Carrier A will update its LIDB listings for retained numbers, and restrict or cancel calling cards associated with those forwarded numbers, as directed by Carrier B.

CLEC and DLEC will deliver consolidated billing statements to one another in magnetic tape formats which are compatible with their respective systems in order to re-bill their end users for collect, calling card and 3rd-number billed calls. Additionally, CLEC and DLEC will implement a process to coordinate CCNF cut-overs with Unbundled Link conversions (as described in Paragraph 1E., above). CLEC and DLEC pledge to use their best efforts to ensure that CCNF arrangements will not be utilized in instances where a customer changes locations and would otherwise be unable to retain its number without subscribing to foreign exchange service.

Compensation CLEC and DLEC shall provide this arrangement to one another at no charge, except for authorized collect, calling card and 3rd-number billed calls billed to the retained numbers. However, for all traffic forwarded by Carrier A to Carrier B via the method described above, Carrier A will compensate Carrier B as if the caller had directly dialed the new telephone number, as follows: (1) for CCNF'ed traffic from long distance carriers, Carrier A will pass through to Carrier B the full access revenues collected from interexchange carriers for such traffic; (2) for CCNF'ed POTS traffic, Carrier A will compensate Carrier B under the standard POTS reciprocal compensation plan which applies to non-CCNF'ed traffic. Carrier A will be required to classify and include forwarded traffic in its quarterly percentage of use reports as POTS, intrastate non-POTS, or interstate non-POTS.

FLORIDA CO-CARRIER STIPULATION AND AGREEMENT

The Parties, each of which currently provides or intends to provide Exchange Services over their own respective switching networks in the State of Florida, agree pursuant to this Stipulation and Agreement to extend certain arrangements to one another as described and according to the terms, conditions and pricing specified hereunder. The Parties enter into this agreement without prejudice to any positions they have taken previously, or may take in the future in any legislative, regulatory, or other public forum.

I. RECITALS & PRINCIPLES

WHEREAS, universal connectivity between common carriers is the defining characteristic of the public switched telecommunications network in which all common carriers participate; and

WHEREAS, absent such connectivity the utility of communications services to individual consumers and to society as a whole would be severely and unnecessarily diminished; and

WHEREAS, encouraging fair, efficient and reasonable connectivity of networks has been identified as being in the public interest and as a guiding principle of U.S. telecommunications policy throughout this century¹; and

WHEREAS, the events of the last three decades have made it abundantly clear that competition in communications markets has been highly beneficial to consumers and society as a whole; and

WHEREAS, it is now possible and eminently desirable to extend the benefits of competition to the local exchange services market; and

WHEREAS, the most basic prerequisite for the mere introduction of local exchange competition is the establishment of certain arrangements between and among incumbent and entrant local exchange carriers; and

WHEREAS, in order that the greatest possible benefits should accrue to consumers and society, such arrangements must: (1) allow the natural development of full, fair, efficient and effective local exchange competition; (2) allow each carrier to recognize and respond to competitive market incentives to configure robust, high quality, least-cost, efficient networks, to innovate, to optimize overall operations, to improve total customer service and customer responsiveness; and (3) ensure optimal inter-operability and service transparency to all end users, regardless of the carrier from which the end user chooses to receive service; and

¹ Beginning at least with the "Kingsbury Commitment of 1913", wherein the Bell System, in a bid to stave off anti-trust action, committed to the United States Attorney General to, among other things, connect its networks with those of independent telephone companies.

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FLORIDA CO-CARRIER STIPULATION AND AGREEMENT

WHEREAS, in order for efficiency and fairness to uphold in these arrangements, it is essential that each incumbent and entrant local exchange carrier be allowed the greatest possible flexibility and discretion to develop its own basic business strategies -- especially with respect to network design, technology and capital choice and deployment, management of operating expenses, product offerings and product packaging -- and should take sole responsibility for, and bear all risks associated with its own strategies and decisions in these areas; and

WHEREAS, no carrier should be in a position to shift any burdens arising from its own unilateral decisions and strategies in these areas onto its competitors, nor be able to confiscate from a competitor any benefits arising from that competitor's own unilateral decisions and strategies; and

WHEREAS, in the service of maximum inter-operability, each incumbent and entrant local exchange carrier should be able to efficiently, flexibly, and robustly exchange traffic and signaling with every other carrier operating in the same area at well-defined and standardized points of mutually agreed interconnection;

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ELEC and ILEC hereby covenant and agree as follows:

II. DEFINITIONS

- A. "Automatic Number Identification" or "ANI" refers to the number transmitted through the network identifying the calling party.
- B. "Central Office Switch", "Central Office" or "CO" means a switching entity within the public switched telecommunications network, including but not limited to:

"End Office Switches" which are Class 5 switches from which end user Exchange Services are directly connected and offered.

"Tandem Office Switches" which are Class 4 switches which are used to connect and switch trunk circuits between and among Central Office Switches.

Central Office Switches may be employed as combination End Office/Tandem Office switches (combination Class 5/Class 4).

- C. "CLASS Features" (also called "Vertical Features") include: Automatic Call Back; Automatic Recall; Call Forwarding Busy Line/Don't Answer; Call Forwarding Don't Answer; Call Forwarding Variable; Call Forwarding - Busy Line; Call Trace; Call Waiting; Call Number Delivery Blocking Per

FLORIDA CO-CARRIER STIPULATION AND AGREEMENT

Call; Calling Number Blocking Per Line; Cancel Call Waiting; Distinctive Ringing/Call Waiting; Incoming Call Line Identification Delivery; Selective Call Forward; Selective Call Rejection; Speed Calling; and Three Way Calling/Call Transfer.

- D. "Co-Location" or "Co-Location Arrangement" is an interconnection architecture method in which one carrier extends network transmission facilities to a wire center/aggregation point in the network of a second carrier, whereby the first carrier's facilities are terminated into equipment installed and maintained in that wire center by or on the behalf of the first carrier for the primary purpose of interconnecting the first carrier's facilities to the facilities of the second carrier.
- E. "Commission" means the Florida Public Service Commission (PSC).
- F. "Common Channel Signaling" or "CCS" means a method of digitally transmitting call set-up and network control data over a special network fully separate from the public switched network that carries the actual call.
- G. "Cross Connection" means an intra-wire center channel connecting separate pieces of telecommunications equipment including equipment between separate co-location facilities.
- H. "DID" means direct inward dialing.
- I. "DS-1" is a digital signal rate of 1.544 Mbps (Mega Bit Per Second).
- J. "DS-3" is a digital signal rate of 44.736 Mbps.
- K. "DSX panel" is a cross-connect bay/panel used for the termination of equipment and facilities operating at digital rates.
- L. "Electronic File Transfer" refers to any system/process which utilizes an electronic format and protocol to send/receive data files.
- M. "Entrant Local Exchange Carrier" or "ELEC" means a LEC which is not the current or former Incumbent Local Exchange Carrier in any geographic area.
- N. "Exchange Message Record" or "EMR" is the standard used for exchange of telecommunications message information among Local Exchange Carriers for billable, non-billable, sample, settlement and study data. EMR format is contained in BR-010-200-010 *CRIS Exchange Message*

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Record, a Bellcore document which defines industry standards for exchange message records.

- O. "Exchange Service" refers to all basic access line, PBX trunk, Centrex/ESSX-like services, ISDN services, or any other services offered to end users which provide end users with a telephonic connection to, and a unique telephone number address on, the public switched telecommunications network, and which enable such end users to place or receive calls to all other stations on the public switched telecommunications network.
- P. "Incumbent Local Exchange Carrier" or "ILEC" means a LEC which is currently or was previously the exclusive LEC in a given geographic area.
- Q. "Interconnection" means the connection of separate pieces of equipment, transmission facilities, etc., within, between or among networks. The architecture of interconnection may include several methods including, but not limited to co-location arrangements and mid-fiber meet arrangements.
- R. "Interexchange Carrier" or "IXC" means a provider of stand-alone interexchange telecommunications services.
- S. "Interim Number Portability" or "INP" means the transparent delivery of Local Telephone Number Portability ("LTNP") capabilities, from a customer standpoint in terms of call completion, and from a carrier standpoint in terms of compensation, through the use of existing and available call routing, forwarding, and addressing capabilities.
- T. "ISDN" means Integrated Services Digital Network; a switched network service providing end-to-end digital connectivity for the simultaneous transmission of voice and data. Basic Rate Interface-ISDN (BRI-ISDN) provides for digital transmission of two 64 Kbps bearer channels and one 16 Kbps data channel (2B+D). Primary Rate Interface-ISDN (PRI-ISDN) provides for digital transmission of twenty-three (23) 64 Kbps bearer channels and one 16 Kbps data channel (23 B+D).
- U. "Line Side" refers to an end office switch connection that has been programmed to treat the circuit as a local line connected to a ordinary telephone station set. Line side connections offer only those transmission and signaling features appropriate for a connection between an end office and an ordinary telephone station set.
- V. "Link Element" or "Link" is a component of an Exchange Service; for purposes of general illustration, the "Link Element" is the transmission

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facility (or channel or group of channels on such facility) which extends from a Main Distribution Frame, DSX-panel, or functionally comparable piece of equipment in an ILEC end office wire center, to a demarcation or connector block in/at a customer's premises. Traditionally, links were provisioned as 2-wire or 4-wire copper pairs running from the end office distribution frame to the customer premise; however, a link may be provided via other media, including radio frequencies, as a channel on a high capacity feeder/distribution facility which may in turn be distributed from a node location to the customer premise via a copper or coax drop facility, etc. Links fall into the following categories:

"2-wire analog voice grade links" will support analog transmission of 300-3000 Hz, repeat loop start or ground start seizure and disconnect in one direction (toward the end office switch), and repeat ringing in the other direction (toward the end user). This link is commonly used for local dial tone service.

"2-wire ISDN digital grade links" will support digital transmission of two 64 Kbps bearer channels and one 16 Kbps data channel. This is a 2B+D basic rate interface Integrated Services Digital Network (BRI-ISDN) type of loop which will meet national ISDN standards.

"4-wire DS-1 digital grade links" will support full duplex transmission of isochronous serial data at 1.544 Mbps. This T-1/DS-1 type of loop provides the equivalent of 24 voice grade/DS0 channels.

- W. "Local Exchange Carrier" or "LEC" means any carrier that provides facility-based Exchange Services utilizing a switch it owns or substantially controls in conjunction with unique central office codes assigned directly to that carrier. This includes both Incumbent Local Exchange Carriers ("ILEC") and Entrant Local Exchange Carriers ("ELEC").
- X. "Local Telephone Number Portability" or "LTNP" means the technical ability to enable an end user customer to utilize its telephone number in conjunction with any exchange service provided by any Local Exchange Carrier operating within the geographic number plan area with which the customer's telephone number(s) is associated, regardless of whether the customer's Chosen Local Exchange Carrier is the carrier which originally assigned the number to the customer, without penalty to either the customer or its chosen local exchange carrier.

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- Y. "Main Distribution Frame" or "MDF" is the primary point at which outside plant facilities terminate within a wire center, for interconnection to other telecommunications facilities within the wire center.
- Z. "Meet-Point Billing" or "MPB" refers to an arrangement whereby two LECs jointly provide the transport element of a switched access service to one of the LEC's end office switches, with each LEC receiving an appropriate share of the transport element revenues as defined by their effective access tariffs.
- AA. "MECAB" refers to the *Multiple Exchange Carrier Access Billing (MECAB)* document prepared by the Billing Committee of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECAB document, published by Bellcore as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of an access service provided by two or more LECs, or by one LEC in two or more states within a single LATA.
- BB. "MECOD" refers to the *Multiple Exchange Carriers Ordering and Design (MECOD) Guidelines for Access Services - Industry Support Interface*, a document developed by the Ordering/Provisioning Committee under the auspices of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECOD document, published by Bellcore as Special Report SR STS-002643, establish methods for processing orders for access service which is to be provided by two or more LECs.
- CC. "Mid-Fiber Meet" is an interconnection architecture method whereby two carriers meet at a fiber splice in a junction box.
- DD. "NANP" means the "North American Numbering Plan", the system of telephone numbering employed in the United States, Canada, and the Caribbean countries which employ NPA 809.
- EE. "Numbering Plan Area" or "NPA" is also sometimes referred to as an area code. This is the three digit indicator which is defined by the "A", "B", and "C" digits of each 10-digit telephone number within the North American Numbering Plan ("NANP"). Each NPA contains 800 possible NXX Codes. There are two general categories of NPA, "Geographic NPAs" and "Non-Geographic NPAs". A "Geographic NPA" is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that geographic area. A "Non-Geographic NPA", also known as a "Service Access Code" or

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"SAC Code" is typically associated with a specialized telecommunications service which may be provided across multiple geographic NPA areas; 800, 900, 700, and 888 are examples of Non-Geographic NPAs.

- FF. "NXX", "NXX Code", "Central Office Code" or "CO Code" is the three digit switch entity indicator which is defined by the "D", "E", and "F" digits of a 10-digit telephone number within the North American Numbering Plan ("NANP"). Each NXX Code contains 10,000 station numbers. Historically, entire NXX code blocks have been assigned to specific individual local exchange end office switches.
- GG. "On-Line Transfer" means the transferring of an incoming call to another telephone number without the call being disconnected.
- HH. "Permanent Number Portability" or "PNP" means the use of a database solution to provide fully transparent LTNP for all customers and all providers without limitation.
- II. "Plain Old Telephone Service Traffic" or "POTS traffic" refers to calls between two or more Exchange Service users, where both Exchange Services bear NPA-NXX designations associated with the same LATA or other authorized area (e.g., Extended Area Service Zones in adjacent LATAs). POTS traffic includes the traffic types that have been traditionally referred to as "local calling", as "extended area service (EAS)", and as "intraLATA toll".
- JJ. "Port Element" or "Port" is a component of an Exchange Service; for purposes of general illustration, the "Port" is a line card and associated peripheral equipment on an ILEC end office switch which serves as the hardware termination for the customer's exchange service on that switch and generates dial tone and provides the customer a pathway into the public switched telecommunications network. Each Port is typically associated with one (or more) telephone number(s) which serves as the customer's network address. Port categories include:

"2-wire analog line port" is a line side switch connection employed to provide basic residential and business type Exchange Services.

"2-wire ISDN digital line port" is a Basic Rate Interface (BRI) line side switch connection employed to provide ISDN Exchange Services.

"2-wire analog DID trunk port" is a direct inward dialing (DID) trunk side switch connection employed to provide incoming trunk type Exchange Services.

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"4-wire DS-1 digital DID trunk port" is a direct inward dialing (DID) trunk side switch connection employed to provide the equivalent of 24 analog incoming trunk type Exchange Services.

"4-wire ISDN digital DS-1 trunk port" is a Primary Rate Interface (PRI) trunk side switch connection employed to provide the ISDN Exchange Services.

- KK.** "Rate Center" means the specific geographic point and corresponding geographic area which have been identified by a given LEC as being associated with a particular NPA-NXX code which has been assigned to the LEC for its provision of Exchange Services. The "rate center point" is the finite geographic point identified by a specific V&H coordinate, which is used to measure distance-sensitive enduser traffic to/from Exchange Services bearing the particular NPA-NXX designation associated with the specific Rate Center. The "rate center area" is the exclusive geographic area which the LEC has identified as the area within which it will provide Exchange Services bearing the particular NPA-NXX designation associated with the specific Rate Center. The Rate Center point must be located within the Rate Center area.
- LL.** "Rating Point", sometimes also referred to as "Routing Point" means a location which a LEC has designated on its own network as the homing (routing) point for traffic inbound to Exchange Services provided by the LEC which bear a certain NPA-NXX designation. Pursuant to Bellcore Practice BR 795-100-100, the Rating Point may be an "End Office" location, or a "LEC Consortium Point of Interconnection". Pursuant to that same Bellcore Practice, examples of the latter shall be designated by a common language location identifier (CLLI) code with (x)KD in positions 9, 10, 11, where (x) may be any alphanumeric A-Z or 0-9. The Rating Point/Routing Point need not be the same as the Rate Center Point, nor must it be located within the Rate Center Area.
- MM.** "Reference of Calls" refers to a process in which calls are routed to an announcement which states the new telephone number of an end user.
- NN.** "Service Control Point" or "SCP" is the node in the signaling network to which informational requests for service handling, such as routing, are directed and processed. The SCP is a real time database system that, based on a query from the SSP, performs subscriber or application-specific service logic, and then sends instructions back to the SSP on how to continue call processing.

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- OO. "Signal Transfer Point" or "STP" performs a packet switching function that routes signaling messages among SSPs, SCPs and other STPs in order to set up calls and to query databases for advanced services.
- PP. "Synchronous Optical Network" or "SONET" means ...
- QQ. "Switched Access Service" means the offering of facilities for the purpose of the origination or termination of non-POTS traffic to or from Exchange Services offered in a given area. Switched Access Services include: Feature Group A, Feature Group B, Feature Group D, 800 access, and 900 access.
- RR. "Trunk Side" refers to a central office switch connection that is capable of, and has been programmed to treat the circuit as, connecting to another switching entity, for example a private branch exchange ("PBX") or another central office switch. Trunk side connections offer those transmission and signaling features appropriate for the connection of switching entities, and can not be used for the direct connection of ordinary telephone station sets.
- SS. "Wire Center" means a building or space within a building which serves as an aggregation point on a given carrier's network, where transmission facilities and circuits are connected or switched.

III. DEFAULT NETWORK INTERCONNECTION ARCHITECTURE

LECs shall interconnect their networks as necessary to effect the Co-Carrier Arrangements identified in Parts V., VI., VII., and IX. Any two or more LECs shall be free to employ whatever network interconnection architecture and at whatever points as they may mutually agree, provided that each LEC makes available the same arrangements to each other LEC operating within the same areas. Notwithstanding any mutual agreements which may be established between carriers regarding the architecture of network interconnection arrangements they may voluntarily establish between their networks, each LEC shall, upon request by any other LEC, minimally make available to that LEC interconnection arrangements conforming to the default network interconnection architecture defined below:

- A. In each LATA within which at least one ELEC provides Exchange Service, the ILEC wire center housing the ILEC tandem switch with the greatest traffic volume in the LATA shall be designated as the Default Network Interconnection Point ("D-NIP"). The D-NIP shall be the point at which all LECs providing Exchange Services within the LATA shall have the right to interconnect to all other LECs providing Exchange Services within the LATA.

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- B. Where an ELEC and an ILEC interconnect at a D-NIP, ELEC shall have the right to specify any of the following interconnection methods:
1. a mid-fiber meet at the D-NIP, or in a manhole or other appropriate junction point near to or just outside the D-NIP;
 2. a digital cross-connection hand-off, DSX panel to DSX panel, where both the ELEC and the ILEC maintain such facilities at the D-NIP;
 3. a co-location facility maintained by ELEC, or by a 3rd-party with whom ELEC has contracted for such purposes, at an ILEC wire center, where such wire center has been designated as the D-NIP; or
 4. a co-location facility maintained by ILEC, or by a 3rd-party with whom ILEC has contracted for such purposes, at an ELEC wire center, where such wire center has been designated as the D-NIP.
- C. In extending network interconnection facilities to the D-NIP, ELEC shall have the right to extend its own facilities or to lease dark fiber facilities or digital transport facilities from ILEC or from any 3rd-party, subject to the following terms:
1. Such leased facilities shall extend from any point designated by ELEC on its own network (including a co-location facility maintained by ELEC at an ILEC wire center) to the D-NIP or associated manhole or other appropriate junction point.
 2. Where ELEC leases such facilities from ILEC, ELEC shall have the right to lease under the most favorable tariff or contract terms ILEC offers.
- D. Where an interconnection occurs via a co-location facility, no incremental cross-connection charges shall apply for the circuits required by this agreement.
- E. Upon reasonable notice, ELEC may change from one of the interconnection methods specified above, to one of the other methods specified above, with no penalty, conversion, or rollover charges.

IV. NUMBER RESOURCE ARRANGEMENTS

- A. Nothing in this agreement shall be construed to in any manner limit or otherwise adversely impact any LEC's right to employ or to request and

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be assigned any NANP number resources including, but not limited to, central office (NXX) codes pursuant to the Central Office Code Assignment Guidelines².

- B. As contemplated by the Central Office Code Assignment Guidelines, each LEC shall designate within the geographic NPA with which each of its assigned NXX codes is associated, a Rate Center area within which it intends to offer Exchange Services bearing that NPA-NXX designation, and a Rate Center point to serve as the measurement point for distance-sensitive traffic to/from the Exchange Services bearing that NPA-NXX designation.
- C. Each LEC will also designate a Rating Point for each assigned NXX code. A LEC may designate one location within each Rate Center as the Rating Point for the NPA-NXXs associated with that Rate Center; alternatively, the LEC may designate a single location within one Rate Center to serve as the Rating Point for all the NPA-NXXs associated with that Rate Center and with one or more other Rate Centers served by the LEC within the same LATA.
- D. To the extent any ILEC serves as Central Office Code Administrator for a given region, the ILEC will support all other LEC requests related to central office (NXX) code administration and assignments in an effective and timely manner.
- E. All LECs will comply with code administration requirements as prescribed by the Federal Communications Commission, the Public Service Commission, and accepted industry guidelines.
- F. It shall be the responsibility of each LEC to program and update its own switches and network systems to recognize and route traffic to each other LEC's assigned NXX codes at all times. No LEC shall impose any fees or charges whatsoever on any other LEC for such activities.

V. MEET-POINT BILLING ARRANGEMENTS

A. Description

1. Each ELEC may at its sole option and discretion establish meet-point billing arrangements with an ILEC in order to provide Switched Access Services to third parties via an ILEC access tandem switch, in accordance with the Meet-Point Billing

² Last published by the Industry Numbering Committee ("INC") as INC 95-0407-008, Revision 4/7/95, formerly ICCF 93-0729-010.

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guidelines adopted by, and contained in the Ordering and Billing Forum's MECAB and MECOD documents, except as modified herein.

2. Except in instances of capacity limitations, ILEC shall permit and enable ELEC to sub-tend the ILEC access tandem switch(es) nearest to the ELEC Rating Point(s) associated with the NPA-NXX(s) to/from which the Switched Access Services are homed. In instances of capacity limitation at a given access tandem switch, ELEC shall be allowed to sub-tend the next-nearest ILEC access tandem switch in which sufficient capacity is available.
3. Except in those instances where ELEC and ILEC have negotiated mutually-agreeable alternative network interconnection arrangements, interconnection for the meet-point arrangement shall occur at the D-NIP.
4. Common channel signalling ("CCS") shall be utilized in conjunction with meet-point billing arrangements to the extent such signaling is resident in the ILEC access tandem switch.
5. ELEC and ILEC will use their best reasonable efforts, individually and collectively, to maintain provisions in their respective federal and state access tariffs, and/or provisions within the National Exchange Carrier Association ("NECA") Tariff No. 4, or any successor tariff, sufficient to reflect this meet-point billing arrangement, including meet-point billing percentages.
6. As detailed in the MECAB document, ELEC and ILEC will in a timely fashion exchange all information necessary to accurately, reliably and promptly bill third parties for Switched Access Services traffic jointly handled by ELEC and ILEC via the meet-point arrangement.³ Information shall be exchanged in Electronic Message Record ("EMR") format, on magnetic tape or via a mutually acceptable electronic file transfer protocol.
7. ELEC and ILEC shall employ the calendar month billing period for meet-point billing, and shall provide each other, at no charge, the Usage Data.

³ Including, as necessary, call detail records, interstate/intrastate/intraLATA percent of use factors, carrier name and billing address, carrier identification codes, serving wire center designation, etc., associated with such switched access traffic.

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B. Compensation

1. At ELEC's option, billing to 3rd-parties⁴ for the Switched Access Services jointly provided by ELEC and ILEC via the meet-point arrangement shall be according to the single-bill/single tariff method, single-bill/multiple-tariff method, multiple-bill/single-tariff method, or multiple-bill/multiple-tariff method.
2. Switched Access charges to 3rd-parties shall be calculated utilizing the rates specified in ELEC's and ILEC's respective federal and state access tariffs, in conjunction with the appropriate meet-point billing factors specified for each meet-point arrangement either in those tariffs or in the NECA No. 4 tariff.
3. ELEC shall be entitled to the balance of the switched access charge revenues associated with the jointly handled switched access traffic, less the amount of transport element charge revenues⁵ to which ILEC is entitled pursuant to the above-referenced tariff provisions.
4. Where ELEC specifies one of the single-bill methods, ILEC shall bill and collect from 3rd parties, promptly remitting to ELEC the total collected switched access charge revenues associated with the jointly-handled switched access traffic, less only the amount of transport element charge revenues to which ILEC is otherwise entitled.
5. MPB will apply for all traffic bearing the 800, 888, or any other non-geographic NPA which may be likewise designated for such traffic in the future, where the responsible party is an IXC. In those situations where the responsible party for such traffic is a LEC, full switched access rates will apply.

VI. RECIPROCAL TRAFFIC EXCHANGE ARRANGEMENT

A. Description

LECs shall reciprocally terminate POTS calls originating on each others' networks. Except in those instances where two (or more) LECs have

⁴ Including any future ILEC separate interexchange subsidiaries.

⁵ For purposes of clarification, this does not include the interconnection charge, which is to be remitted to the end office provider, which in this case would be ELEC.

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negotiated mutually-agreeable alternative network interconnection arrangements, reciprocal traffic exchange shall occur as follows:

1. LECs shall make available to each other interconnection facilities for the reciprocal exchange of POTS traffic at the D-NIP. The POTS reciprocal traffic exchange facilities established between any two LECs shall be configured as two separate trunk groups, whereby the first LEC shall utilize the first trunk group to terminate traffic to the second LEC, and the second LEC shall utilize the second trunk group to terminate traffic to the first LEC.
2. The connections between the interconnection trunk groups shall be made at a DS-1 or multiple DS-1 level (including SONET) and shall be jointly-engineered to an objective P.01 grade of service.
3. Initial connections shall be made at an aggregate network level per D-NIP, such that a single trunk group shall be established in each direction between the two LEC networks, unless otherwise agreed to by the two LECs.

In those instances where the total traffic in either direction between the networks of two LECs (other than the ILEC with the greatest traffic in the LATA) is less than 2,000,000 per month for a sustained period of six (6) months, the ILEC which carries the greatest amount of traffic within the LATA shall allow those two LECs to route traffic between their respective networks via the aggregate traffic exchange trunk groups each LEC maintains with the ILEC for the exchange of traffic with the ILEC. In such instances, ILEC shall route traffic between the two LECs as if the originating LEC network was a single switching entity within the ILEC's own network.

4. Whenever the total traffic in either direction between discrete switching entities in two separate LEC networks exceeds 2,000,000, per month for a sustained period of three (3) months, disaggregated traffic exchange trunk group paths shall be established between those two switching entities at the option of either LEC. The interconnection architecture shall be the same as that which pertained for the aggregated connections.
5. Each party shall deliver to each other party POTS traffic at the D-NIP associated with the LATA in which the POTS traffic occurs.
6. LECs will provide Common Channel Signalling (CCS) to one another, where and as available, in conjunction with all traffic

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exchanged at the D-NIP. LECs 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, including all 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. Network signalling information such as Carrier Identification Parameter (CCS platform) and CIC/OZZ information (non-CCS environment) will be provided wherever such information is needed for call routing or billing. For traffic for which CCS is not available, in-band multi-frequency (MF), wink start, E&M channel-associated signalling with ANI will be forwarded.

7. LECs shall establish company-wide CCS interconnections STP-to-STP. Such interconnections shall be made at the D-NIP, as necessary.
8. Where any two LECs exchange traffic at the D-NIP, one LEC may request, and the second LEC shall provide within 60 days of receiving such request, a separated trunk group from the D-NIP to a specific end office or tandem switching entity in the network of the second LEC, in that the first LEC may utilize such separated trunk group in order to both terminate POTS traffic to points subtending that specific switch, and terminate and originate to such points non-POTS which would otherwise be terminated or originated to such switch via Feature Group ("FGD") Switched Access Services which the first LEC would otherwise purchase from the second LEC. All POTS traffic carried over such trunk group shall be subject solely to the compensation arrangements specified below for POTS traffic. All non-POTS traffic carried over such trunk group shall be subject solely to the applicable tariffed FGD Switched Access charges which would otherwise apply to such traffic, as described below.

B. Compensation

1. A POTS call handed-off at the D-NIP corresponding to the LATA in which the call occurs, shall be exchanged on an in-kind basis, with no charges, including CCS charges, applying in either direction.
2. A POTS call which is routed between two LECs via the aggregate traffic exchange trunk groups which each LEC maintains between its own network and the network of the largest ILEC operating in

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the LATA, shall be exchanged on an in-kind basis, with no charges applying in either direction between the two LECs at either end of the call. However, the LEC on whose network the call originated shall pay the ILEC the lesser of : (1) ILEC's interstate Switched Access Service per minute tandem switching rate element; (2) ILEC's intrastate Switched Access Service per minute tandem switching rate element; or (3) a per minute rate of \$0.002. Should non-POTS traffic be exchanged over such arrangements, in either direction, such traffic will be subject to the standard meet-point billing compensation and procedures which would otherwise apply.

3. FGD charges for non-POTS traffic carried together with POTS traffic over a separated trunk group shall be calculated as follows:
 - a. FGD charges for non-POTS traffic shall be applied as if the D-NIP is the serving wire center for the FGD service.
 - b. Non-POTS traffic which would otherwise be subject to originating FGD charges will be rated and billed according to procedures which otherwise apply for the rating and billing of originating FGD traffic.
 - c. Non-POTS traffic which would otherwise be subject to terminating FGD charges will be rated and billed according to the procedures which otherwise apply for the rating and billing of terminating FGD traffic, with the following modifications:
 - (1) The initial written request for separated trunk groups to a specific switching entity shall include percentage of use factors for POTS traffic, intrastate non-POTS traffic, and interstate non-POTS traffic (the sum of which should equal 100%) the requesting (first) LEC expects to terminate over the separated trunk group.
 - (2) The initial estimated percentages shall be employed by the second LEC to rate and bill all traffic terminated over the separated trunk group, beginning on the date on which non-POTS traffic is initially terminated over over such trunk group, up to and including the last day of the calendar quarter following the quarter in which such terminations were initiated.

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- (3) Beginning with the calendar quarter immediately following the calendar quarter in which termination of non-POTS traffic was initiated, the first LEC shall by the 45th day of each new calendar quarter provide to the second LEC the actual terminating traffic percentages from the immediately preceding calendar quarter shall be provided for application in the next following calendar quarter. The second LEC shall utilize these percentages in calculating the terminating traffic exchange charges, terminating intrastate FGD charges, and terminating Interstate FGD charges due from the first LEC.

VII. SHARED NETWORK PLATFORM ARRANGEMENTS

A. Interconnection Between ELECs Co-Located in an ILEC Wire Center

1. Description

ILEC will enable any two ELECs to directly interconnect their respective networks, where both ELECs maintain co-location facilities at the same ILEC wire center, by effecting a cross-connection between those co-location facilities, as jointly directed by the two ELECs.

2. Compensation

For cross-connections between two ELEC co-location facilities in the same ILEC wire center, ILEC will charge each ELEC one-half the standard tariffed special access cross-connect rate.

B. 9-1-1/E9-1-1

1. Description

- a. ELEC will interconnect to the ILEC 9-1-1/E-9-1-1 selective routers/911 tandems which serve the areas in which ELEC provides exchange services, for the provision of 9-1-1/E9-1-1 services and for access to all sub-tending Public Safety Answering Points ("PSAP"). ILEC will provide ELEC with the appropriate CLLI codes and specifications of the tandem serving area.

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- b. Except in those instances where ELEC and ILEC have negotiated mutually-agreeable alternative network interconnection arrangements, interconnection shall be made at the D-NIP.
- c. ILEC and ELEC will arrange for the automated input and daily updating of 9-1-1/E-9-1-1 database information related to ELEC end users. ILEC will provide ELEC with the Master Street Address Guide (MSAG) so that ELEC can ensure the accuracy of the data transfer. Additionally, ILEC shall provide to ELEC the ten-digit POTS number for each PSAP that sub-tends each ILEC selective router/9-1-1 tandem to which ELEC is interconnected.
- d. ILEC will use its best efforts to facilitate the prompt, robust, reliable and efficient interconnection of ELEC systems to the 9-1-1/E-9-1-1 platforms.

2. Compensation

No charges shall apply for the provision of 911/E911 services between ILECs and ELECs.

C. Information Services Billing and Collection

1. Description

- a. Except in those instances where ELEC and ILEC have negotiated mutually-agreeable alternative network interconnection arrangements, ELEC shall deliver information services traffic originated over ELEC's Exchange Services to information services provided over ILEC's information services platform (e.g., 976) over the reciprocal traffic exchange trunk groups interconnected at the D-NIP designated by the ILEC for receipt of such traffic.
- b. ILEC will at ELEC's option provide a direct real-time electronic feed or a daily or monthly magnetic tape in a mutually-specified format, listing the appropriate billing listing and effective daily rate for each information service by telephone number.
- c. To the extent ELEC determines to provide a competitive information services platform, ILEC will cooperate with ELEC to develop a LATA-wide NXX code(s) which ELEC

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may use in conjunction with such platform. Additionally, ILEC shall route calls to such platform and ELEC will provide billing listing/daily rate information on terms reciprocal to those specified above.

2. Compensation

- a. ELEC will bill and collect from its end users the specific end user calling rates ILEC bills its own end users for such services, unless ELEC obtains tariff approval from the Public Service Commission ("PSC") specifically permitting ELEC to charge its end users a rate different than the rate set forth in ILEC's tariff for such services.
- b. ELEC will remit the full specified charges for such traffic each month to ILEC, less \$0.05 per minute, and less uncollectibles.
- c. In the event ELEC provides an information service platform, ILEC shall bill its end users and remit funds to ELEC on terms reciprocal to those specified above.

D. Directory Listings and Directory Distribution

1. Description

The directory listings and distribution terms and rate specified in this section shall apply to listings of ELEC customer numbers falling within NXX codes directly assigned to ELEC, and to listings of ELEC customer telephone numbers which are retained by ELEC pursuant to Local Telephone Number Portability Arrangements described below.

- a. ILEC will include ELEC's customers' telephone numbers in its "White Pages" and "Yellow Pages" directory listings and directory assistance databases associated with the areas in which ELEC provides services to such customers, and will distribute such directories to such customers, in the identical and transparent manner in which it provides those functions for its own customers' telephone numbers.
- b. ELEC will provide ILEC with its directory listings and daily updates to those listings in an industry-accepted format; ILEC will provide ELEC a magnetic tape or computer disk containing the proper format.

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- c. ELEC and ILEC will accord ELEC' directory listing information the same level of confidentiality which ILEC accords its own directory listing information, and ILEC shall ensure that access to ELEC's customer proprietary confidential directory information will be limited solely to those ILEC employees who are directly involved in the preparation of listings.

2. Compensation

- a. ILEC shall remit to ELEC a royalty payment for sales of any bulk directory lists to third parties, where such lists include ELEC customer listings.
- b. Such royalty payments shall be in proportion to the number of ELEC listings to ILEC listings contained in the list purchased by the third party, less 10% which ILEC may retain as sales commission.

E. Directory Assistance (DA)

1. Description

At ELEC' request, ILEC will:

- a. provide to ELEC operators or to an ELEC-designated operator bureau on-line access to ILEC's directory assistance database, where such access is identical to the type of access ILEC's own directory assistance operators utilize in order to provide directory assistance services to ILEC end users;
- b. provide to ELEC unbranded directory assistance service ELEC which is comparable in every way to the directory assistance service ILEC makes available to its own end users;
- c. provide to ELEC directory assistance service under ELEC's brand which is comparable in every way to the directory assistance service ILEC makes available to its own end users;
- d. allow ELEC or an ELEC-designated operator bureau to license ILEC's directory assistance database for use in providing competitive directory assistance services; and/or

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- e. in conjunction with VII.E.1.b. or VII.E.1.c., above, provide caller-optional directory assistance call completion service which is comparable in every way to the directory assistance call completion service ILEC makes available to its own end users.

2. Compensation

ILEC will charge ELEC Long Run Incremental Cost (LRIC)--based rates for the following functionality:

- a. \$0.0__ per directory assistance database query.
- b. \$0.0_ per unbranded directory assistance call.
- c. \$0.0_ per branded directory assistance call.
- d. \$___ for licensing of each directory assistance database.
- e. \$0.0_ per use of caller-optional directory assistance call completion. (ILEC will provide calling and billing detail to ELEC in an acceptable format to ELEC for customer billing.

F. Yellow Page Maintenance

ILEC will work cooperatively with ELEC to ensure that Yellow Page advertisements purchased by customers who switch their service to ELEC (including customers utilizing ELEC-assigned telephone numbers and ELEC customers utilizing co-carrier number forwarding) are maintained without interruption. ILEC will allow ELEC customers to purchase new yellow pages advertisements without discrimination, at non-discriminatory rates, terms and conditions. ILEC and ELEC will implement a commission program whereby ELEC may, at ELEC's sole discretion, act as a sales, billing and collection agent for Yellow Pages advertisements purchased by ELEC's exchange service customers.

G. Transfer of Service Announcements

When an end user customer changes from ILEC to ELEC, or from ELEC to ILEC, and does not retain its original telephone number, the party formerly providing service to the end user will provide a transfer of service announcement on the abandoned telephone number. This announcement will provide details on the new number to be dialed to

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reach this customer. These arrangements will be provided reciprocally, free of charge to either the other carrier or the end user customer.

H. Coordinated Repair Calls

ELEC and ILEC will employ the following procedures for handling misdirected repair calls:

1. ELEC and ILEC will educate their respective customers as to the correct telephone numbers to call in order to access their respective repair bureaus.
2. To the extent the correct provider can be determined, misdirected repair calls will be referred to the proper provider of local exchange service in a courteous manner, at no charge, and the end user will be provided the correct contact telephone number. Extraneous communications beyond the direct referral to the correct repair telephone number are strictly prohibited.
3. ELEC and ILEC will provide their respective repair contact numbers to one another on a reciprocal basis.

I. Busy Line Verification and Interrupt

1. Description

Each LEC shall establish procedures whereby its operator bureau will coordinate with the operator bureaus of each other LEC operating in the LATA in order to provide Busy Line Verification ("BLV") and Busy Line Verification and Interrupt ("BLVI") services on calls between their respective end users. BLV and BLVI inquiries between operator bureaus shall be routed over the Reciprocal Traffic Exchange Trunk groups.

2. Compensation

Each LEC shall equally and reciprocally compensate each other LEC for BLV and BLVI inquiries according to the following LRIC-based rates:

	<u>per inquiry</u>
BLV	\$0. __
BLVI	\$0. __

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J. Information Pages

ILEC will include in the "Information Pages" or comparable section of its White Pages Directories for areas served by ELEC, listings provided by ELEC for ELEC's installation, repair and customer service and other information. Such listings shall appear in the manner and likenesses as such information appears for subscribers of the ILEC and other LECs.

K. Operator Reference Database (ORDB)

ILEC will provide the ELEC with monthly updates of the ILEC's Operator Reference Database (ORDB) in electronic format at no charge to enable ELECs to promptly respond to emergency agencies (i.e. fire, police, etc) in an timely fashion when emergencies occur.

VIII. UNBUNDLED EXCHANGE SERVICE ARRANGEMENTS

A. Description

ILEC shall immediately unbundle all its Exchange Services into two separate packages: (1) link element plus cross-connect element; and (2) port element plus cross-connect element. The following link and port categories shall be provided:

Link Categories

2-wire analog voice grade
2 wire ISDN digital grade
4-wire DS-1 digital grade

Port Categories

2-wire analog line
2-wire ISDN digital line
2-wire analog DID trunk
4-wire DS-1 digital DID trunk
4-wire ISDN DS-1 digital trunk

ILEC shall unbundle and separately price and offer these elements such that ELEC will be able to lease and interconnect to whichever of these unbundled elements ELEC requires, and to combine the ILEC-provided elements with any facilities and services that ELEC may itself provide, in order to efficiently offer telephone services to end users, pursuant to the following terms:

1. Interconnection shall be achieved via co-location arrangements ELEC shall maintain at the wire center at which the unbundled elements are resident.
2. At ELEC' discretion, each link or port element shall be delivered to the ELEC co-location arrangement over an individual 2-wire hand-

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- off, in multiples of 24 over a digital DS-1 hand-off in any combination or order ELEC may specify, or through other technically feasible and economically comparable hand-off arrangements requested by ELEC (e.g., SONET STS-1 hand-off).
3. All transport-based features, functions, service attributes, grades-of-service, install, maintenance and repair intervals which apply to the bundled service should apply to unbundled links.
 4. All switch-based features, functions, service attributes, grades-of-service, and install, maintenance and repair intervals which apply to the bundled service should apply to unbundled ports.
 5. ILEC will permit any customer to convert its bundled service to an unbundled service and assign such service to ELEC, with no penalties, rollover, termination or conversion charges to ELEC or the customer.
 6. ILEC will bill all unbundled facilities purchased by ELEC (either directly or by previous assignment by a customer) on a single consolidated statement per wire center.
 7. Where ILEC utilizes digital loop carrier ("DLC")⁶ technology to provision the link element of an bundled Exchange Service to an end user customer who subsequently determines to assign the link element to ELEC and receive Exchange Service from ELEC via such link, ILEC shall deliver such link to ELEC on an unintegrated basis, pursuant to ELEC' chosen hand-off architecture, without a degradation of end user service or feature availability.
 8. ILEC will permit ELEC to co-locate remote switching modules and associated equipment in conjunction with co-location arrangements ELEC maintains at an ILEC wire center, for the purpose of interconnecting to unbundled link elements.
 9. ILEC shall provide ELEC with an appropriate on-line electronic file transfer arrangement by which ELEC may place, verify and receive confirmation on orders for unbundled elements, and issue and track trouble-ticket and repair requests associated with unbundled elements.

⁶ See, Bellcore TR-TSY-000008, *Digital Interface Between the SLC-96 Digital Loop Carrier System and Local Digital Switch* and TR-TSY-000303, *Integrated Digital Loop Carrier (IDLC) Requirements, Objectives, and Interface*.

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B. Compensation

Prices for unbundled elements should be based on long run service incremental cost, should depart from cost in equal proportions, and should be imputed into the bundled service rates, such that the following pricing formulae are satisfied:

$$PB/CB = PL/CL = PP/CP = Pc/Cc$$

and

$$PB = PL + PP + Pc$$

Where:

- PB = Price of the bundled service (including all applicable discounts).
- CB = Long-run service incremental cost ("LRSIC") of the bundled service.
- PL = Price of the unbundled link element.
- CL = LRSIC of the unbundled link element.
- PP = Price of the unbundled port element.
- CP = LRSIC of the unbundled port element.
- Pc = Price of the unbundled cross-connect element.
- Cc = LRSIC of the unbundled cross-connect element.

ILEC shall provide links and ports to ELEC at the following monthly recurring rates:

	<u>Price, each when delivered over:</u>	
	<u>an individual</u>	<u>a digital</u>
	<u>2-wire hand-off</u>	<u>DS-1 hand-off</u>
2-wire analog voice grade link	\$ _____	\$ _____
2 wire ISDN digital grade link	\$ _____	\$ _____
4-wire DS-1 digital grade link	\$ <u>n/a</u>	\$ <u>7</u>

⁷ To be provided as a Special Access or Private Line DS-1 Channel Termination/Local Distribution Channel, subject to the most favorable tariff or contract terms for which ELEC is eligible, except in those situations where:

-- The ILEC offers its own end user customers a bundled DS-1 digital grade Exchange Service at a bundled rate which is less than the sum of the unbundled 4-wire DS-1 digital DID trunk port rate and the most favorable Channel Termination/Local Distribution Channel rate for which ELEC is eligible. In such instances, the ILEC shall provide 4-wire DS-1 digital grade links to ELEC at a rate less than or equal to the price of the bundled DS-1 digital grade Exchange Service less the unbundled 4-wire DS-1 digital DID trunk port rate, for ELEC's use in the provision of DS-1 digital grade Exchange Services.

and/or

-- The ILEC offers its own end user customers a bundled DS-1 digital grade Exchange Service (continued...)

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2-wire analog line port	\$ _____	\$ _____
2-wire ISDN digital line port	\$ _____	\$ _____
2-wire analog DID trunk port	\$ _____	\$ _____
4-wire DS-1 digital DID trunk port	\$ n/a	\$ _____
4-wire ISDN-PRI digital trunk port	\$ n/a	\$ _____

C. Process for Requests for Further Essential Facilities

In the event that an ELEC identifies a new essential facility or function that would facilitate its provision of a competitive basic local exchange service offering, it shall submit a written request to the Commission and the appropriate ILEC for the provision of that essential facility or function. This request shall contain the name of the requesting entity, the date of the request, and the specific type of unbundling requested. The ILEC shall file a tariff providing the new essential facility or function service offering within 60 days, or within 30 days it should file a statement with the Commission indicating why it would not be technologically practicable to provide the component as a separate service offering. Any provider whose request for the provision of an essential facility or function is denied or not acted upon in a timely manner may file a complaint in accordance with current Commission rules.

IX. LOCAL TELEPHONE NUMBER PORTABILITY ARRANGEMENTS

A. Description

ILEC and ELEC will provide Local Telephone Number Portability ("LTNP") on a reciprocal basis between their networks to enable each of their end user customers to utilize telephone numbers associated with an Exchange Service provided by one carrier, in conjunction an Exchange Service provided by the other carrier, upon the coordinated or simultaneous termination of the first Exchange Service and activation of the second Exchange Service.

1. ELEC and ILEC will provide reciprocal LTNP immediately upon execution of this agreement via Interim Number Portability ("INP") measures. ILEC and ELEC will migrate from INP to a database-driven Permanent Number Portability ("PNP") arrangement as soon

⁷ (...continued)

with performance specifications (including, but not limited to, installation intervals, service intervals, service priority, bit-error rates, interruption/availability rates, quality or conditioning) superior to that provided for Special Access or Private Line Channel Terminations/Local Distribution Channels. In such instances, the ILEC shall provide the same or better performance characteristics to ELEC for all DS-1 digital grade links ELEC purchases for use in the provision of DS-1 digital grade Exchange Services.

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as practically possible, without interruption of service to their respective customers.

2. INP shall operate as follows:
- a. A customer of Carrier A elects to become a customer of Carrier B. The customer elects to utilize the original telephone number(s) corresponding to the Exchange Service(s) it previously received from Carrier A, in conjunction with the Exchange Service(s) it will now receive from Carrier B. Upon receipt of a signed letter of agency from the customer assigning the number to Carrier B, Carrier A will implement one of the following arrangements:
 - (1) For the portability of telephone numbers which are not part of a DID number block, Carrier A will implement an arrangement whereby all calls to the original telephone number(s) will be forwarded to a new telephone number(s) designated by Carrier B. Carrier A will route the forwarded traffic to Carrier B via the mutual traffic exchange arrangements, as if the call had originated from the original telephone number and terminated to the new telephone number.
 - (2) For the portability of telephone numbers which are part of a DID number block, Carrier A will provide Carrier B an aggregated, digital DS-1 or higher grade DID trunk group at each D-NIP (interface to be achieved in the same manner as the traffic exchange trunk groups at each D-NIP), such that all inbound traffic to ported DID numbers will be delivered to Carrier B over this digital DID trunk facility. In order for a customer to port its DID numbers from Carrier A to Carrier B, the customer will be required to assign entire 20-number DID blocks to Carrier B.
 - b. Carrier B will become the customer of record for the original Carrier A telephone numbers subject to the INP arrangements. Carrier A will provide Carrier B a single consolidated master billing statement for all collect, calling card, and 3rd-number billed calls associated with those numbers, with sub-account detail by retained number. At Carrier B's sole discretion, such billing statement shall be

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delivered in real time via an agreed-upon electronic data transfer, or via daily or monthly magnetic tape.

- c. Carrier A will update its Line Information Database ("LIDB") listings for retained numbers, and restrict or cancel calling cards associated with those forwarded numbers, as directed by Carrier B.
 - d. Within two (2) business days of receiving notification from the customer, Carrier B shall notify Carrier A of the customer's termination of service with Carrier B, and shall further notify Carrier A as to the Customer's instructions regarding its telephone number(s). Carrier A will cancel the INP arrangements for the customer's telephone number(s). If the Customer has chosen to retain its telephone number(s) for use in conjunction with Exchange Services provided by Carrier A or by another LEC which participates in INP arrangements with Carrier A, Carrier A will simultaneously transition the number(s) to the customer's preferred carrier.
3. Under either an INP or PNP arrangement, ELEC and ILEC will implement a process to coordinate LTNP cut-overs with Unbundled Link conversions (as described in Paragraph VIII., above). ELEC and ILEC pledge to use their best efforts to ensure that LTNP arrangements will not be utilized in instances where a customer changes locations and would otherwise be unable to retain its number without subscribing to foreign exchange service.

B. Compensation

1. ELEC and ILEC shall provide LTNP (either INP or PNP) arrangements to one another at no charge, except for authorized collect, calling card and 3rd-number billed calls billed to the retained numbers. However, for all traffic forwarded between ELEC and ILEC in the manner described above, reciprocal compensation charges (pursuant to paragraph VI., above) and Switched Access charges (pursuant to each carrier's respective access tariffs), for POTS traffic and non-POTS traffic, respectively, shall be passed through as if the caller had directly dialed the new telephone number.
2. In INP arrangements, in order to effect this pass-through of reciprocal compensation and Switched Access charges to which each carrier would otherwise have been entitled if the ported

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traffic had been directly dialed to the new number, each carrier will be required to classify and include ported traffic in its quarterly percentage of use reports as POTS, intrastate non-POTS, or interstate non-POTS.

X. RESPONSIBILITIES OF THE PARTIES

- A. ILEC and ELEC agree to treat each other fairly, non-discriminatorily, and equally for all items included in this agreement, or related to the support of items included in this agreement.
- B. ELEC and ILEC will work cooperatively to minimize fraud associated with 3rd-number billed calls, calling card calls, or any other services related to this agreement.
- C. ELEC and ILEC agree to promptly exchange all necessary records for the proper billing of all traffic.
- D. For network expansion, ELEC and ILEC 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 ILEC and ELEC. ILEC and ELEC are required to provide each other the proper call information (e.g., originated call party number and destination call party number, CIC, OZZ, etc.) to enable each company to bill in a complete and timely fashion.
- E. There will be no re-arrangement, reconfiguration, disconnect, or other non-recurring fees associated with the initial reconfiguration of each carrier's traffic exchange arrangements upon execution of this agreement, other than the cost of establishing a new co-location arrangement where one does not already exist.
- F. ILEC shall assess no cross-connect fee on ELEC where ELEC establishes a meet-point billing connection, a D-NIP interconnection, or accesses a 911 or E911 port through a co-location arrangement at a ILEC wire center.

XI. TERM

ELEC and ILEC agree to provide service to each other on the terms defined in this agreement until superseded by another agreement or until standard arrangements are approved by the Public Service Commission, whichever occurs first. By mutual agreement, ELEC and ILEC may amend this agreement to extend the term of this agreement. Also by mutual agreement, ILEC and ELEC may jointly petition the appropriate regulatory bodies for permission to have

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AND AGREEMENT**

this agreement supersede any future standardized agreements or rules such regulators might adopt or approve.

XII. INSTALLATION

ILEC and ELEC shall effectuate all the terms of this agreement by within 90 days upon execution of this agreement.

XIII. NETWORK MAINTENANCE AND MANAGEMENT

ELEC and ILEC will work cooperatively to install and maintain a reliable network. ELEC and ILEC will exchange appropriate information (e.g., maintenance contact numbers, network information, information required to comply with law enforcement and other security agencies of the Government, etc.) to achieve this desired reliability.

ELEC and ILEC will work cooperatively to apply sound network management principles by invoking network management controls to alleviate or to prevent congestion.

XIV. OPTION TO ELECT OTHER TERMS

If, at any time while this agreement is in effect, either of the parties to this agreement provides arrangements similar to those described herein to a third party operating within the same LATAs (including associated Extended Area Service Zones in adjacent LATAs) as for which this agreement applies, on terms different from those available under this agreement (provided that the third party is authorized to provide local exchange services), then the other party to this agreement may opt to adopt the rates, terms, and conditions offered to the third party for its own reciprocal arrangements with the first party. This option may be exercised by delivering written notice to the first party. The party exercising its option under this paragraph must continue to provide services to the first party as required by this agreement, subject either to the rates, terms, and conditions applicable to the third party or to the rates, terms, and conditions of this agreement, whichever is more favorable to the first party.

XV. CANCELLATION, CONVERSION, NON-RECURRING OR ROLL-OVER CHARGES

Neither ELEC nor ILEC shall impose cancellation charges upon each other.

XVI. FORCE MAJEURE

[to be inserted]

CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of November, 1995, a copy of the foregoing documents, Docket No. 950985A-TP, was federal expressed to the following parties:

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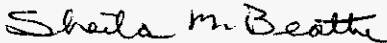
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