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December 24, 1997

Ms. Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Rm. 110
Tallahassee, Florida 32399-0850

RE: Docket Nos. 960846-TP

Dear Ms. Bayo:

Enclosed is an original and fifteen copies of Bellsouth Telecommunications, Inc.'s Response To Supplement To MCI's Motion To Compel Compliance, which we ask that you file in the captioned docket.

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

Sincerely yours,

Nancy B. White (kr)

Nancy B. White

Enclosures

cc: All Parties of Record
R. G. Beatty
A. M. Lombardo
William J. Ellenberg II

DOCUMENT NUMBER-DATE
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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by MCI)
Telecommunications Corporation) Docket No. 960846-TP
and MCI Metro Access Transmission)
Services, Inc. for arbitration of) Filed: 12/24/97
certain terms and conditions of a)
proposed agreement with BellSouth)
Telecommunications, Inc. concerning)
interconnection and resale under the)
Telecommunications Act of 1996.)
_____)

**BELLSOUTH TELECOMMUNICATIONS, INC.'S RESPONSE TO
SUPPLEMENT TO MCI'S MOTION TO COMPEL COMPLIANCE**

BellSouth Telecommunications, Inc. ("BellSouth") hereby files its Response to the Supplement to MCI's Motion to Compel Compliance, and states the following:

MCI's Supplement appears, in the main, to be a request that the Florida Public Service Commission ("Commission") consider all questions necessary to set the price in this proceeding for Unbundled Network Elements ("UNEs") that are purchased in combinations that replicate an existing BellSouth service. This consideration would, of course, include not only a decision on the contention of MCI that the price of the combinations¹ is set forth in the existing contract, but also on the contentions of BellSouth

¹ The frequently used names "UNE combination," "UNE platform" and "recombined elements" are all technically inaccurate since the contemplated arrangement often amounts to a party buying all elements that make up the subject BellSouth service in exactly the current combination. In other words, there is no unbundling per se. In an attempt to avoid the confusion sometimes engendered by these appellations, BellSouth will refer to the arrangement as a "combination."

that the price is not set forth in the agreement, and that this Commission should set the price in a way that is consistent with the principles of the Federal Telecommunications Act (the "Act") i.e., that BellSouth should not be compelled to sell the combination at a price that undercuts the resale price of the identical service. BellSouth agrees that all of these issues should be addressed in a single hearing.

At the same time, given the recent ruling by the Eighth Circuit Court of Appeals, there is no obligation upon the Act for BellSouth to provide a "platform" of elements that replicates an existing service. Thus, once the Eighth Circuit's Order becomes final, BellSouth's obligations in this regard will cease. Although BellSouth and other parties may attempt to voluntarily negotiate the sale of combinations in the future, it would likely not be within this Commission's jurisdiction to resolve any dispute that arises in that process. The simple reason for this is that this Commission would not have jurisdiction under the Act to arbitrate the terms and conditions of offerings that are not required by the Act.

BellSouth has, of course, taken the consistent position in this docket that the Commission should resolve all combination pricing issues in the docket in the context of a single hearing. Doing so will avoid the unnecessary procedural complexities and concomitant delay that would likely follow other possible approaches. Therefore, BellSouth has voluntarily taken

the position that all issues should be resolved in this docket, and has encouraged all other parties to likewise agree to this approach.

At the same time, BellSouth finds itself in its current position because a good faith effort on its part to sign an agreement that incorporated precisely what was required by the Orders of this Commission is now being used against it to argue that it voluntarily relinquished rights in a manner not required by the Orders. Given this, BellSouth is understandably sensitive to the possibility that its efforts to be cooperative in the instant matter could potentially be used against it in the future, either in this proceeding or otherwise.

Therefore, BellSouth wishes to make it completely clear that, by agreeing to the appropriate, albeit abbreviated, procedure of presenting all issues in a single hearing, it is not waiving any substantive rights to take appropriate legal positions in the future. More specifically, BellSouth is not acquiescing to any future efforts by MCI (or any other party whose contract contains similar "dispute resolution" language) to submit to this Commission matters that are not included within the agreement. Moreover, BellSouth is not waiving any jurisdictional issues that may arise in the future, either as to the provision of UNE combinations or otherwise.

Respectfully submitted this 24th day of December, 1997.

BELLSOUTH TELECOMMUNICATIONS, INC.

Robert G. Beatty (KE)

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**CERTIFICATE OF SERVICE
DOCKET NO. 960846-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by Federal Express this 24th day of December, 1997 to the following:

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