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May 21, 2001

Mrs. Blanca S. Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 000649-TP (MCI Arbitration)

Dear Ms. Bayó:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s Statement Regarding Disputed Issues, 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,

James Meza III
James Meza III (KA)

cc: All Parties of Record
Marshall M. Criser III
R. Douglas Lackey
Nancy B. White

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**CERTIFICATE OF SERVICE
Docket No. 000649-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via

(*) Facsimile and U.S. Mail this 21st day of May, 2001 to the following:

Patricia Christensen (*)
Staff Counsel
Division of Legal Services
Florida Public Service Commission
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Dulaney L. O'Roark III (#)
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Six Concourse Parkway
Suite 3200
Atlanta, GA 30328


James Meza III
James Meza III (KA)

(#) Signed Protective Agreement

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition by MCImetro Access)	
Transmission Services LLC and MCI WorldCom)	
Communications, Inc. for Arbitration of Certain)	Docket No. 000649-TP
Terms and Conditions of a Proposed Agreement)	
with BellSouth Telecommunications, Inc.)	
Concerning Interconnection and Resale Under the)	
Telecommunications Act of 1996.)	Filed: May 21, 2001

BELLSOUTH'S STATEMENT REGARDING DISPUTED ISSUES

BellSouth Telecommunications, Inc. ("BellSouth") submits this Statement Regarding Disputed Issues. BellSouth and MCIWorldCom ("MCI") have negotiated in good faith to incorporate into the interconnection agreement the findings of the Florida Public Service Commission (the "Commission") in Order No. PSC-01-0824-FOF-TP (the "Order") and to negotiate the remainder of the open issues in the agreement, but the parties have been unable to agree on language with respect to five (5) sections of the interconnection agreement. This Statement identifies each issue still subject to dispute in the interconnection agreement between the parties and describes BellSouth's proposed resolution of each issue, including BellSouth's rationale for its proposed resolution. Some of the issues in dispute concern recent Commission orders and judicial decisions adopted subsequent to the parties' arbitration, the effect of which should be reflected in the parties' interconnection agreement. The remaining issues in dispute were part of the arbitration and were addressed in the Commission's Order. Nevertheless, WorldCom refuses to include language in the final agreement that reflects the rulings or the

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Commission or the FCC and applicable courts. BellSouth respectfully requests that the Commission adopt BellSouth's proposed language on each remaining issue.

1. **Issue Description:** What language should be included in the parties' interconnection agreement regarding how MCIm should be permitted to route access traffic?

Arbitration Issue 42: Should MCIm be permitted to route access traffic directly to BellSouth end offices or must it route such traffic to BellSouth's access tandem?

Contract Location:

Attachment 4, Section 2.3.7

BellSouth's Proposed Language:

MCIm shall not be permitted to commingle local and access traffic on a single trunk and route access traffic directly to BellSouth end offices. MCIm shall route its access traffic to BellSouth access tandem switches via access trunks.

BellSouth's Rationale and Substantive Position:

The Commission fully arbitrated this issue and set forth its decision in Section XXII of the Order. The Commission stated at the end of its decision regarding this issue, "In this case, we find that BellSouth's established process of routing access traffic on access trunks should be continued. Therefore, we find that *WorldCom shall not be permitted to commingle local and access traffic on a single trunk and route access traffic directly to BellSouth end offices. WorldCom shall route its access traffic to BellSouth access tandem switches via access trunks.*" Order at 97-98. (emphasis added). BellSouth has proposed language in the parties' final agreement which reproduces the Commission's ordered language verbatim (other than replacing MCIm with WorldCom). Nevertheless, MCIm refuses to agree to that language.

In its final proposal, MCIIm suggested that the language be made mutual. That is that neither party shall be permitted to commingle local and access traffic on a single trunk and route access traffic directly to the other party's end office, and that both parties shall route access traffic to the other party's switch via access trunks. MCIIm's language, aside from being contrary to the clear and plain language of the order, is nonsensical. BellSouth is solely a local exchange carrier and does not originate access traffic. In addition, MCIIm did not raise the issue of how BellSouth's traffic should be routed, and such issue was not a part of the arbitration proceeding. Therefore, there is no evidence in the record that would support MCIIm's suggested language. MCIIm should not be permitted to add language to the interconnection agreement at this late date that was not a subject of the arbitration and that has not been further addressed or clarified by any subsequent Commission or FCC order or judicial decision. BellSouth respectfully requests that the Commission approve BellSouth's proposed language, as it includes the Commission's ordered language verbatim.

2. **Issue Description: Whether BellSouth or MCIIm may select the demarcation point within BellSouth's central office.**

Issue Resolved by Subsequent FPSC Order and Court of Appeals Decision

Contract Location

Attachment 5, Section 2.14

BellSouth's Proposed Language:

2.1.4 Demarcation Point. BellSouth shall designate the point of demarcation between MCIIm's collocated equipment and BellSouth's equipment. BellSouth shall use its best efforts to designate the closest Technically Feasible demarcation point to MCIIm's collocation space that is available. No cross connect charges shall

apply at the time MCI's certified vendor provides the necessary connection(s) from its collocation space to such demarcation point ("TIE cable/pairs"). However, cross connect charges, as set forth in Attachment 1, will apply when BellSouth, upon receipt of an order from MCI for BellSouth services and/or interconnection, connects such services from BellSouth's termination to the demarcation point. Each party will be responsible for maintenance and operation of all equipment/facilities on its side of the demarcation point. For circuits and loops that BellSouth normally terminates on a BellSouth conventional distributing frame, the demarcation point shall be a common block on the BellSouth designated conventional distributing frame. MCI shall be responsible for providing, and MCI's BellSouth Certified Vendor shall be responsible for installing and properly labeling/stenciling, the common block, and necessary cabling. For DS-1 and DS-3 cross connections, the demarcation point shall be on a DSX frame. For fiber cross connections, the demarcation point shall be on an LGX frame. MCI or its agent must perform all required maintenance to equipment/facilities on its side of the demarcation point, and may self-provision cross-connects that may be required within the collocation space to activate service requests. As used in this section, "conventional distributing frame" means an MDF or IDF normally used by BellSouth to terminate its circuits.

BellSouth's Rationale and Substantive Position:

The Commission has addressed the issue of where the demarcation point should be and who should designate the demarcation point in its generic collocation order. *In re: Petition of Competitive Carriers for Commission Action to Support Local Competition in BellSouth Telecommunication, Inc.'s Service Territory*, Order No. PSC-00-0941-FOF-TP, Docket No. 981834-TP, May 11, 2000 at 46. In that order, the Commission said that the parties are free to negotiate any demarcation point but in the absence of agreement between the parties, the default would be a point at the perimeter of the collocation space, **designated by BellSouth**. BellSouth and MCI have agreed that the demarcation point should be on one of various frames and the issue remaining is which party should designate the frame in the event that there is more than one technically feasible demarcation point. BellSouth believes that the Commission has already resolved this

issue in determining that the ILEC has the right to designate the demarcation point in its generic docket. As further evidence of the ILEC's right to designate the demarcation point, there is nothing in the 1996 Act or the FCC Rules that allows the CLEC to choose the point of demarcation between the ILEC's network and the CLEC's collocation arrangement. Moreover, the Circuit Court of Appeals for the District of Columbia, in *GTE Service Corp. v. Federal Communications Commission*, 205 F.3d 416 (D.C. Cir. 2000), addressed the issue of which party (that is, the ILEC or the CLEC) has the right to designate where collocation occurs in the ILEC's premises. The Court determined that this right should belong to the ILEC: to permit the CLEC to designate where collocation occurs in an ILEC's premises may amount to an unnecessary taking of an ILEC's premises. *Id.* at 425. The right to designate the collocation site (that is, where within the BellSouth central office a given collocation arrangement will be located) and to designate where that collocation arrangement terminates (i.e. the demarcation point) falls squarely within BellSouth's responsibility and is essential if BellSouth is to control and manage the space within its central offices in the most efficient manner and to the benefit of all CLECs. By permitting BellSouth to designate the demarcation point, BellSouth (the party charged with administering the available space within its central offices) can ensure that space is efficiently administered to the greatest benefit of BellSouth and all CLECs.

For clarification, MCIIm has added some new language to its proposal for the demarcation point providing that BellSouth may designate the demarcation point provided that "BellSouth's right to designate the demarcation point shall not affect MCIIm's right to designate any technically feasible interconnection points within the

Premises. BellSouth shall provide cross connects from the interconnection point(s) designated by MCIIm to the demarcation points designated by BellSouth.”

There are two issues raised by this newly proposed language. First, MCIIm does not have the right to designate an interconnection point within the Premises for purposes of collocation. When the chosen *method* of interconnection is collocation, the FCC has clearly stated that the interconnection point for a collocation arrangement is the point “at which the fiber optic cable carrying an interconnector’s circuits can enter the incumbent LECs premises.” 47 C.F.R. 51.323 (d)(1). Where at least two entry points exist for BellSouth’s facilities, BellSouth is required to permit “at least two such interconnection points.” 47 C.F.R. 51.323 (d)(2). When collocation is the method chosen by the CLEC to obtain interconnection, the FCC expressly distinguished this from the interconnection point requirements of 47 C.F.R. 51.305, electing, rather, to specify a precise interconnection point for collocation arrangements.

3. **Issue Description: Whether BellSouth must permit MCIIm to place within BellSouth’s central office all equipment used or useful for interconnection or access to unbundled network elements, or whether BellSouth must permit only that equipment necessary for interconnection or access to unbundled network elements.**

Issue Resolved by Subsequent FPSC Order and Court of Appeals Decision

Contract Location

Attachment 5, Section 7.1.1

BellSouth’s Proposed Language:

BellSouth shall permit the collocation of any type of equipment necessary for interconnection or access to unbundled network elements.

BellSouth's Rationale and Substantive Position

In an effort to avoid complicating the negotiation and arbitration proceedings, MCIIm and BellSouth agreed to address certain changes in the law subsequent to the arbitration decision being rendered. BellSouth and MCIIm have agreed on several changes resulting from the DC Circuit Court's decision in *GTE Service Corp.*, 205 F.3d at 426 and the Commission's decisions in general collocation docket (Docket No. 981834-TP); however, the parties have not resolved the issue of what equipment BellSouth must permit in the collocation space. In accordance with the *GTE Service Corp.* decision, BellSouth proposed deleting the FCC's prior language "used and useful" and replacing it with the term "necessary". The DC Circuit Court held that there was no justification for requiring an ILEC to permit collocation of equipment "used or useful" for interconnection or accessing UNEs and, rather, held that only equipment "necessary" for interconnection and accessing UNEs should be required. *Id.* at 423. The DC Circuit Court vacated the FCC's "used or useful" rule. The Commission in its generic collocation order deferred to the FCC requirements for what equipment an ILEC was required to allow. Since, subsequent to the *GTE Services Corp.* decision, the FCC currently only requires collocation of equipment "necessary" for interconnection or accessing UNEs, BellSouth believes that this change should be incorporated into the agreement. MCIIm insists on including the term "used or useful". BellSouth feels that the Commission has already adequately reviewed and determined this issue in Docket No. 981834-TP and requests that the Commission require WorldCom to make this adjustment to the language.

4. **Issue Description: Whether BellSouth is required to permit co-carrier cross connects.**

Issue Resolved by Subsequent FPSC Order and Court of Appeals Decision

Contract Location:

Attachment 5, Section 7.2

BellSouth's Proposed Language:

BellSouth proposes deleting the language in Section 7.2, including its subsections 7.2.1 and 7.2.2, as BellSouth is no longer required to make available co-carrier cross connects.

BellSouth's Rationale and Substantive Position

In an effort to avoid complicating the negotiation and arbitration proceedings, MCI and BellSouth agreed to address certain changes in the law subsequent to the arbitration decision being rendered. BellSouth and MCI have agreed on several changes resulting from the DC Circuit Court of Appeals decision in *GTE Service Corp.* and the Commission's Order No. PSC-00-2190-PCO-TP in the generic collocation docket (Docket No. 981834-TP); however, the parties have been unable to resolve the issue of co-carrier cross connects. In accordance with the above-mentioned authority, BellSouth proposed deletion of the co-carrier cross connect language. Both decisions acknowledged that the ILEC is not required to permit co-carrier cross connects because co-carrier cross connects are not necessary for interconnection to BellSouth's network or for accessing UNEs as required by the Act. Despite the Commission Staff again addressing this issue in the BellSouth/AT&T arbitration recommendation (Docket No. 000731-TP), wherein Staff recognized that the Commission has previously held that co-carrier cross connects are not required, MCI insists on including these provisions in the agreement and raising

this issue to ~~the~~ Commission. BellSouth feels that the Commission has already adequately reviewed and determined this issue in Order No. PSC-00-2190-PCO-TP in Docket No. 981834-TP and requests that the Commission require MCIIm to remove the language from the agreement.

5. Issue Description: What language should be included in the parties' interconnection agreement regarding the billing records BellSouth should provide to MCIIm?

Arbitration Issue 95: Should BellSouth be required to provide MCIIm with billing records with all EMI standard fields?

Contract Location:

Attachment 8, Section 5

BellSouth's Proposed Language:

BellSouth shall continue to provide MCIIm customer usage data in the same format that it currently provides. Further, BellSouth shall provide MCIIm with billing records in the standard EMI format with all EMI standard fields.

BellSouth's Rationale and Substantive Position:

The Commission addressed this issue in Section XLI of the Order. In the final paragraph addressing this issue, the Commission stated,


“We find that concerns over the type and format of the billing records can be reduced, if not totally eliminated, by deciding that the parties adhere to an industry-standard EMI format, with all EMI standard fields. Therefore, we find that BellSouth shall be required to provide WorldCom with billing records in the industry-standard EMI format, with all EMI standard fields.

BellSouth's proposed language tracks the language of the Commission's order regarding this issue. MCIIm, on the other hand, has proposed almost 20 pages of contract language specifying records that should be provided. While some of MCIIm's language

does comply with EMI industry standards, not all of the language is in compliance with such standards. Further, there is no evidence in the record to substantiate MCI's language or to enable the Commission to determine whether MCI's language does in fact comport with EMI standards. BellSouth is fully willing to provide billing records to MCI "in the industry-standard EMI format, with all EMI standard fields," per the Commission's order. However, MCI should not be permitted to include language in the interconnection agreement that was not presented to the Commission in the arbitration and that does not comply with the order of the Commission with respect to this issue.

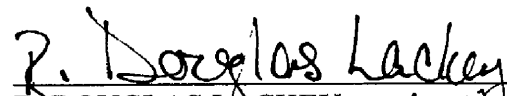
Respectfully submitted this 21st day of May, 2001.

BELLSOUTH TELECOMMUNICATIONS, INC.



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