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May 24, 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. 990649-TP (UNE Docket)

Dear Ms. Bayó:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s Opposition to MCI WorldCom, Inc.'s and AT&T Communications of the Southern States, Inc.'s Motion to Require BellSouth to Authorize Use of its BSTLM, to Force Verizon to Provide Data and Inputs for the BSTLM, and to Continue the Hearing, 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

DOCUMENT NUMBER-DATE

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**CERTIFICATE OF SERVICE
Docket No. 990649-TP**

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

(*) Facsimile and U.S. Mail this 24th day of May, 2001 to the following:

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(+) Signed Protective Agreement

219337

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into)
Pricing of Unbundled Network) Docket No. 990649-TP
Elements)
_____) Filed: May 24, 2001

**BELLSOUTH TELECOMMUNICATIONS, INC.'S OPPOSITION TO MCI
WORLDCOM, INC.'S AND AT&T COMMUNICATIONS OF THE SOUTHERN
STATES, INC.'S MOTION TO REQUIRE BELLSOUTH TO AUTHORIZE USE
OF ITS BSTLM, TO REQUIRE VERIZON TO PROVIDE DATA AND INPUTS
FOR THE BSTLM, AND TO CONTINUE THE HEARING**

BellSouth Telecommunications, Inc. ("BellSouth") files this opposition to MCI WorldCom, Inc.'s ("WorldCom") and AT&T Communications of the Southern States, Inc.'s ("AT&T") Motion to Require BellSouth to Authorize Use of Its BSTLM, to Require Verizon to Provide Data and Inputs for the BSTLM, and to Continue the Hearing. The Florida Public Service Commission ("Commission") should deny WorldCom's and AT&T's motion for the following reasons:

1. In Phase II of this docket, BellSouth filed a cost model called BellSouth Loop Model ("BSTLM") to aid in the determination of the appropriate cost for unbundled network elements ("UNEs") in BellSouth's Florida service territory. The Commission has completed Phase II of the docket involving BellSouth and is about to begin Phase III, which involves Verizon. BellSouth is not a participant in Phase III. AT&T's and WorldCom's motion attempts to force BellSouth to authorize them to use the BSTLM to develop costs for Verizon and to critique Verizon's cost study in Phase III.

2. BellSouth expended a tremendous amount of capital, both financial and human, to develop the BSTLM. The BSTLM is a BellSouth asset, no

different than BellSouth's network, buildings, or other company property. With this motion, AT&T and WorldCom are asking this Commission to order BellSouth to provide its competitors with its valued property at no charge and without any type of remuneration. Significantly, AT&T and WorldCom have cited no statute or Commission rule that authorizes the Commission to make such an order. For this reason alone, the motion should be denied. In addition, the request should be denied because forcing BellSouth to give away its valuable property may constitute an impermissible takings, in violation of the United States and Florida Constitutions.

3. Moreover, the BSTLM is proprietary and confidential within BellSouth. As admitted by AT&T and WorldCom, in Phase II, BellSouth sought full and complete protection for this valuable asset by requiring AT&T and WorldCom to enter into a non-disclosure agreement and by seeking confidential classification from the Commission. BellSouth was, of course, willing to allow its adversaries to examine the model and to offer criticism of it. An order requiring BellSouth to authorize its competitors to use the BSTLM in subsequent phases of this proceeding where BellSouth is not even a participant undermines these efforts. Additionally, recognizing the confidential and proprietary nature of the BSTLM, AT&T and WorldCom offer in the motion to enter into "another non-disclosure agreement for use of the BSTLM for Phase III regarding Verizon." Motion at ¶ 6. This offer, however, does not cure the loss of the confidential and proprietary status of the BSTLM if their motion is granted because Verizon would not be a party to such an agreement. Indeed, AT&T and WorldCom admit in

their motion that Verizon will be given an opportunity “to respond to the ALEC testimony,” which necessarily will require that Verizon be given access to the BSTLM.

Also, since Verizon has its own model, it will necessarily have to explain why the BSTLM is inappropriate for use in Phase III and bring as many criticisms as possible against it so as to convince the Commission to use its own model. Consequently, BellSouth would have to participate in Phase III to defend its model and its contentions that there are certain ways in which to use the BSTLM (for instance, using different scenarios to develop rates for different UNEs). Neither the Commission, BellSouth, nor any other party contemplated that BellSouth would have to participate in Phase III, the purpose of which is to determine UNE costs for Verizon and not BellSouth.

4. Finally, AT&T and WorldCom have provided no legitimate reason why this Commission should grant their motion.

a. First, they argue that it would be “expeditious” for the Staff to use the BSTLM in Phase III. Motion at ¶ 4. This argument is directly contradicted by this very motion because AT&T and WorldCom also request a continuance of Phase III “to evaluate the inputs and process the results of the BSTLM.” Motion at ¶ 8. One has to question how the use of the BSTLM would be “expeditious” when its use requires AT&T and WorldCom to seek an indefinite continuance of Phase III, especially in light of the fact that in this proceeding, the ALECs have continuously

argued that UNE rates should be established in Florida as soon as possible and without delay.

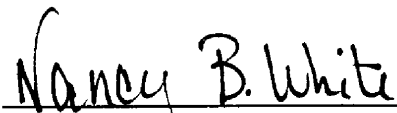
b. Second, AT&T and WorldCom argue that the “Commission has already approved use of the BSTLM as a tool for determining forward-looking UNE prices.” Motion at ¶ 4. However, AT&T and WorldCom have presented no evidence to suggest that Verizon’s cost model is improper or deficient or would not be beneficial to the Commission. In fact, BellSouth understands that several other state Commissions have accepted and used Verizon’s cost model in establishing UNE prices for Verizon. Further, there can be no doubt that throughout this proceeding, all of the parties contemplated and intended that each ILEC would present its own cost model. Now, because AT&T does not like Verizon’s cost study, they want to change the rules of the game. While AT&T and WorldCom may have a right to cross-examine and cast doubt upon Verizon’s cost study and model, they do not have a right to use BellSouth’s proprietary and confidential property in presenting their case.

5. BellSouth supports Verizon’s Opposition to AT&T’s and WorldCom’s motion.

WHEREFORE, for the foregoing reasons, BellSouth respectfully requests that the Commission deny AT&T’s and WorldCom’s Motion to Require BellSouth to Authorize Use of Its BSTLM, to Require Verizon to Provide Data and Inputs for the BSTLM, and to Continue the Hearing.

Respectfully submitted this 24th day of May, 2001.

BELLSOUTH TELECOMMUNICATIONS, INC.



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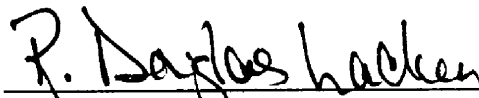
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