

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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In Re: Request for Arbitration) DOCKET NO. 020919-TP
Concerning Complaint of AT&T)
Communications of the Southern)
States, LLC, Teleport)
Communications Group, Inc., and)
TCG South Florida for)
Enforcement of Interconnection)
Agreements with BellSouth)
Telecommunications, Inc.)

REBUTTAL TESTIMONY OF BILLY C. PEACOCK
ON BEHALF OF
AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC,
TELEPORT COMMUNICATIONS GROUP, INC., AND
TCG SOUTH FLORIDA, INC.
MARCH 14, 2003

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1 Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

2

3 A. My name is Billy C. Peacock. I am a District Manager in the Local
4 Services & Access Management organization of AT&T Corp.
5 ("AT&T"). My business address is P. O. Box 6994, Douglasville,
6 Georgia 30135.

7

8 Q. FOR WHOM ARE YOU FILING TESTIMONY IN THIS
9 PROCEEDING?

10

11 A. I am testifying on behalf of AT&T Communications of the Southern
12 States, LLC, Teleport Communications Group, Inc., and TCG of the
13 Carolinas, Inc. (collectively referred to as "AT&T").

14

15 Q. HAVE YOU PREVIOUSLY TESTIFIED IN OTHER REGULATORY
16 PROCEEDINGS?

17

18 A. Yes. I have testified in North Carolina regarding the same issues
19 that are pending in this proceeding.

20

21 Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR EDUCATION
22 AND EXPERIENCE.

23

24 A. I received a Bachelor of Business Administration degree from
25 Georgia State University in 1987 and a Masters of Business

1 Administration from Georgia State University in 1989. My twenty-
2 nine (29) year career in telecommunications began in October Of
3 1973 with South Central Bell in Jackson, Mississippi, where I held
4 positions in Operator Services, Industry Affairs and Public Affairs. I
5 joined AT&T in 1983 and have held positions in External Affairs,
6 State Government Affairs, Law & Government Affairs and Local
7 Services and Access Management. In March of 1999, I joined
8 AT&T's Local Services and Access Management organization to
9 lead AT&T's negotiation of new Interconnection Agreements
10 between AT&T and BellSouth Telecommunications Inc.
11 ("BellSouth") for AT&T's nine Southern Region states. I led a cross-
12 functional team whose objective was to negotiate contract terms
13 and conditions that allowed AT&T to obtain all the services,
14 features and functionalities guaranteed under the
15 Telecommunications Act of 1996 ("Act") and subsequent orders,
16 rules and implementing regulations of the Federal
17 Communications Commission ("FCC").

18
19 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

20
21 A. My testimony responds to the Direct Testimony filed by Elizabeth
22 R. A. Shiroishi on December 18, 2002, particularly regarding Ms.
23 Shiroishi's recollection of the "intent" of AT&T and BellSouth in
24 negotiating what constituted "Local Traffic" for purposes of

1 applying local reciprocal compensation rates to the transport and
2 termination of such "Local Traffic."

3
4 **ISSUE 2: DOES THE TERM "LOCAL TRAFFIC: AS USED IN**
5 **THE SECOND INTERCONNECTION AGREEMENT IDENTIFIED**
6 **IN AT&T'S COMPLAINT INCLUDE ALL "LATAWIDE" CALLS,**
7 **INCLUDING ALL CALLS ORIGINATED OR TERMINATED**
8 **THROUGH SWITCHED ACCESS ARRANGEMENTS AS**
9 **ESTABLISHED BY THE STATE COMMISSION OR FCC?**

10
11 **ISSUE 3: UNDER THE TERMS OF THE SECOND**
12 **INTERCONNECTION AGREEMENT, DO RECIPROCAL**
13 **COMPENSATION RATES AND TERMS APPLY TO CALLS**
14 **ORIGINATED OR TERMINATED THROUGH SWITCHED ACCESS**
15 **ARRANGEMENTS AS ESTABLISHED BY THE STATE**
16 **COMMISSION OR FCC?**

17
18 Q. WHAT QUALIFIES YOU TO TESTIFY REGARDING THE "INTENT"
19 OF AT&T AND BELL SOUTH IN THEIR NEGOTIATIONS AS TO
20 WHAT CONSTITUTED "LOCAL TRAFFIC"?

21
22 A. I led the AT&T negotiations team from start to finish regarding its
23 attempts to enter into Second Interconnection Agreement with
24 BellSouth in Florida and all other BellSouth states. As such, I was
25 present and participated in all negotiating sessions with BellSouth.

1 I also was responsible for informing other AT&T employees who
2 were not involved in negotiation meetings with BellSouth as to the
3 progress being made in the negotiations, including reviewing
4 language proposed by BellSouth and obtaining proposed changes
5 or approval of such language.

6
7 Q. WHO WERE THE OTHER MEMBERS OF THE AT&T NEGOTIATING
8 TEAM?

9
10 A. Ms. Roberta Stevens, Mr. Sam Benenati, Mr. Michael Karno, Esq.
11 and Ms. Roxanne Douglas, Esq.

12
13 Q. WAS MR. KING, WHO FILED DIRECT TESTIMONY ON BEHALF OF
14 AT&T IN THIS PROCEEDING ON JANUARY 15, 2003, ALSO A
15 MEMBER OF THE AT&T NEGOTIATIONS TEAM?

16
17 A. Not exactly. Although Mr. King was not a member of the AT&T
18 negotiations team which regularly met with BellSouth, he was one
19 of the AT&T managers charged with implementing various
20 provisions of Second Interconnection Agreement once it was
21 finalized with BellSouth. Thus, during negotiations I routinely
22 briefed Mr. King on the status of the negotiations and reviewed
23 BellSouth's proposed language with him. Again, I did this not only
24 to obtain Mr. King's comments, but also to receive his approval
25 regarding interconnection provisions for which he was responsible

1 from an implementation perspective. In other words, Mr. King was
2 one of several internal AT&T "clients" for whom I was negotiating
3 Second Interconnection Agreement with BellSouth.
4

5 Q. WITH RESPECT TO MR. KING'S SUBSEQUENT IMPLEMENTATION
6 RESPONSIBILITIES, WAS WHAT CONSTITUTED "LOCAL TRAFFIC"
7 AN IMPORTANT ISSUE TO AT&T IN ITS NEGOTIATIONS WITH
8 BELLSOUTH?

9
10 A. Definitely. The definition of "Local Traffic" established the traffic to
11 which the parties would apply local reciprocal compensation rates.
12 If traffic did not meet the definition of "Local Traffic," it would be
13 transported and terminated at higher switched access rates.
14

15 Q. WHAT IMPACT DID THE IMPORTANCE OF WHAT CONSTITUTED
16 "LOCAL TRAFFIC" HAVE ON YOUR NEGOTIATIONS WITH
17 BELLSOUTH?

18
19 A. Had AT&T not been able to successfully resolve the issue to
20 Mr. King's and AT&T's satisfaction, we would have been required to
21 arbitrate the issue with BellSouth in Florida and all other
22 Southern Region states.
23

1 Q. WAS BELLSOUTH AWARE OF THE IMPORTANCE TO AT&T OF
2 WHAT CONSTITUTED "LOCAL TRAFFIC" IN YOUR
3 NEGOTIATIONS?
4

5 A. Absolutely.
6

7 Q. WHAT WAS AT&T'S POSITION AND INTENT REGARDING WHAT
8 CONSTITUTED "LOCAL TRAFFIC?"
9

10 A. Ever since the passage of the Act, AT&T has been attempting to
11 obtain a definition of "Local Traffic" in its interconnection
12 negotiations with BellSouth and other incumbent local exchange
13 carriers ("ILEC's) which included all traffic within a "local transport
14 and access area" or "LATA" as defined in the Act. This was a well
15 known company-wide objective. Thus, in our interconnection
16 negotiations with BellSouth, we advised BellSouth that AT&T
17 wanted to define all intraLATA traffic as constituting "Local Traffic"
18 and accordingly, such "Local Traffic" would be transported and
19 terminated at local reciprocal compensation rates. Put another
20 way, we advised BellSouth that AT&T wanted to pay local
21 reciprocal compensation rates for the transport and termination of
22 what historically had been known as intraLATA traffic.
23

1 Q. RELATIVE TO YOUR NEGOTIATIONS WITH BELLSOUTH IN
2 FLORIDA, DID AT&T ARBITRATE IN FLORIDA OR ANY OTHER
3 STATE WHAT CONSTITUTES "LOCAL TRAFFIC"?

4
5 A. No. BellSouth agreed that intraLATA traffic would be compensated
6 at local reciprocal rates so we did not have to arbitrate the issue.
7 In this respect, AT&T did not ask this Commission to arbitrate
8 what constituted "Local Traffic" in its arbitration petition for
9 Second Interconnection Agreement filed on . For the Commission's
10 convenience, I have attached a copy of list of arbitration issues
11 with BellSouth as BCP Rebuttal Exhibit 1.

12
13 Q. WHAT WAS THE EXACT LANGAUAGE REGARDING
14 COMPENSATION FOR INTRALATA TRAFFIC TO WHICH
15 BELLSOUTH AGREED BEFORE AT&T FILED ITS ARBITRATION
16 PETITION?

17
18 A. In Attachment 3, Section 6, Interconnection Compensation, at
19 Section 6.1.1, Compensation for Local and IntraLATA toll,
20 BellSouth agreed to the following language:

21
22 "Except as provided in this Attachment [3], the Parties
23 shall bill each other reciprocal compensation in
24 accordance with the standards set forth in this
25 Agreement for all local and intraLATA toll traffic-

1 originated by one Party and terminated to the other
2 Party. Such traffic shall be recorded and transmitted
3 to AT&T in accordance with Attachment 6 of this
4 Agreement. Reciprocal compensation for the transport
5 and termination of local and intraLATA toll traffic shall
6 be charged at rates specified in Exhibit A of this
7 Attachment.”

8
9 Q. WHAT TYPE OF RATES WERE INCLUDED ON EXHIBIT A TO
10 ATTACHMENT 3?

11
12 A. Exhibit A contains only “Local Interconnection” or local reciprocal
13 compensation rates; it does not contain any switched access rates.
14 For the Commission’s convenience, I have attached a copy of
15 Attachment 3 (including its Exhibit A) which was filed by AT&T in
16 its arbitration petition as BCP Rebuttal Exhibit 2.

17
18 Q. DID THE LANGUAGE SET FORTH ABOVE IN SECTION 6.1.1 OF
19 ATTACHMENT 3 REMAIN IN SECOND INTERCONNECTION
20 AGREEMENT THAT WAS EVENTUALLY EXECUTED BY AND
21 BELLSOUTH?

22
23 A. No.

24
25 Q. WHY NOT?

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A. After AT&T filed its arbitration petition, and even while the arbitration proceedings were taking place, AT&T continued to negotiate with BellSouth regarding those issues which were still unresolved and were in the process of being arbitrated. The goal was to resolve as many issues as possible, and when issues were resolved after AT&T's petition had been filed, AT&T and BellSouth would advise the Commission of such resolution and thus remove the issues from the arbitration proceeding. Two local compensation pricing issues which were included in AT&T's arbitration petition, but which the parties continued to negotiate after AT&T filed its arbitration petition, were "Issue 1: Should BellSouth be permitted to treat calls to internet service providers ("ISP's") as non-local traffic for purposes of reciprocal compensation? (Local Interconnection, Attachment 3, Section 6.1.3);" and "Issue 16: What is the treatment of outbound traffic voice calls over internet protocol ("VOIP") telephony, as it pertains to reciprocal compensation? (Local Interconnection, Attachment 3, Section 6.1.9)." With respect to Issue 1, AT&T and BellSouth agreed upon "placeholder" language to be included in Second Interconnection Agreement for Issue 1 relative to ISP traffic and removed it from the arbitration proceeding once the FCC issued its April 27, 2001 ISP Order on Remand regarding ISP traffic (discussed further below). (This "placeholder" language was needed because AT&T and BellSouth had yet to agree to exact

1 language regarding the FCC's April 27, 2001 Order on Remand).
2 With respect to Issue 16, AT&T and BellSouth agreed upon
3 language that states that the parties would abide by any future
4 FCC order or rule regarding IP telephony after the Commission
5 issued its arbitration order which adopted AT&T's position relative
6 to VOIP calls. Thus the language in Section 6.1.1 of Attachment 3
7 was changed to reflect the parties' agreement regarding these two
8 issues.

9
10 Q. WHAT WAS THE DISPUTE REGARDING ISP TRAFFIC AS
11 DESCRIBED IN AT&T'S ARBITRATION PETITION?

12
13 A. AT&T argued that calls to ISP's should be treated as "Local Traffic"
14 and transported and terminated at local reciprocal compensation
15 rates. BellSouth argued that the FCC had determined that calls to
16 ISP's to be "interstate in nature" and, therefore should not be
17 treated as "Local Traffic" for purposes of applying local reciprocal
18 compensation rates.¹

19
20 Q. HOW DID THE PARTIES EVENTUALLY RESOLVE THIS DISPUTE?

21
22 A. On April 27, 2001, while the parties were still negotiating, the FCC
23 released its Order on Remand and Report and Order in CC Docket
24 No. 96-98 and 99-68 ("ISP Order on Remand"). The parties

¹ See Attachment B, Issues for Arbitration Between AT&T and BellSouth, at Page 1, Issue 1, BellSouth Position, filed with AT&T's arbitration petition and attached hereto as BCP Rebuttal Exhibit 3.

1 eventually agreed to implement the FCC's ISP Order on Remand
2 regarding the treatment of ISP traffic in Second Interconnection
3 Agreement. The language reflecting such agreement was reflected
4 in Section 5.3.1.1 of Attachment 3 of Second Interconnection
5 Agreement. It provides:

6 "For the treatment of local and ISP bound traffic in
7 this Agreement, the Parties agree to implement the
8 FCC's Order on Remand and Report and Order in CC
9 Docket No. 96-98 and 99-68 released April 27, 2001
10 ("ISP Order on Remand"). The Parties further agree to
11 amend this agreement, within sixty (60) days of
12 execution, to incorporate language reflecting the FCC
13 ISP Order on Remand. At such time as that
14 amendment is finalized, the Parties agree to work
15 cooperatively to "true-up" compensation amounts
16 consistent with the terms of the amended language
17 from the effective date of the FCC ISP Order on
18 Remand to the date the amendment is finalized. The
19 Parties do not agree on the rates to apply to ISP bound
20 traffic between the end of the term of the preceding
21 agreement and June 14, 2001, the effective date of the
22 FCC's ISP Order on Remand. In this Section, the
23 Parties express their intent to file negotiated language
24 to incorporate the FCC's ISP Order on Remand. If the
25 Parties are unable to agree on this language

1 addressing this issue by the time the language is due
2 to be filed, the Parties will file their respective proposed
3 language with the appropriate Commission for
4 resolution. Until final contract language is agreed
5 upon or ordered, the Parties agree not to re-rate or bill
6 each other for ISP bound calls between the end of the
7 of the term of the preceding interconnection agreement
8 and June 14, 2001. Additionally, the Parties agree to
9 apply a "LATAwide" local concept to this Attachment 3,
10 meaning that traffic that has been traditionally been
11 treated as intraLATA toll traffic will now be treated as
12 local for intercarrier compensation purposes, except
13 for those calls that are originated or terminated
14 through switched access arrangements as established
15 by the State Commission or FCC."

16
17 Q. WHAT WAS THE DISPUTE REGARDING VOIP CALLS AS
18 DESCRIBED IN AT&T'S ARBITRATION PETITION?

19
20 A AT&T argued that VOIP calls should not be subject to any
21 compensation until the FCC issued rules regarding these calls.
22 BellSouth argued that these calls were consistent with traditional
23 long distance calling and thus were to be transported and

1 terminated at switched access rates and not at local reciprocal
2 compensation rates as “Local Traffic.”²

3
4 Q. HOW DID THE PARTIES RESOLVE THIS DISPUTE?

5
6 A. The parties eventually “agreed to disagree” whether VOIP calls
7 constituted switched access traffic and agreed to abide by any
8 applicable subsequent FCC order(s) regarding such calls. The
9 language reflecting such agreement was reflected in Section 5.3.3
10 of Attachment 3 of Second Interconnection Agreement. It provides,
11 among other things:

12
13 “The Parties have been unable to agree as to whether
14 Voice Over Internet Protocol (“VOIP”) transmissions
15 which cross local calling area boundaries constitute
16 Switched Access Traffic. Notwithstanding the
17 foregoing, and without waiving any rights with respect
18 to either Party’s position as to the jurisdictional nature
19 of VOIP, the Parties agree to abide by an effective and
20 applicable FCC rules and orders regarding the nature
21 of such traffic and the compensation payable by the
22 Parties for such traffic, if any; provided however, that
23 any VOIP transmission which originates in one LATA
24 and terminates in another LATA (i.e., the end to end

² See Attachment B, Issues for Arbitration Between AT&T and BellSouth, at Page 8, Issue 16, BellSouth Position, filed with AT&T’s arbitration petition and attached hereto as BCP Rebuttal Exhibit 4.

1 points of the call), shall not be compensated as Local
2 Traffic. This Section is interrelated to Section 5.3.1.1.”

3
4 Q. AGAIN, HOW DID THE PARTIES RESOLVING THESE TWO ISSUES
5 IMPACT WHAT CONSTITUTED “LOCAL TRAFFIC” UNDER
6 SECOND INTERCONNECTION AGREEMENT?

7
8 A. As is apparent from the foregoing discussion, both issues involved
9 “jurisdictional” questions, meaning whether such traffic or calls
10 constituted “Local Traffic” or switched access traffic. Thus when it
11 came time to draft language relative to these issues, in addition to
12 the specific language for each issue, BellSouth eventually also
13 proposed the following language in Section 5.3.1.1 of Attachment 3
14 that “[a]dditionally, the Parties agree to apply a “LATAwide” local
15 concept to this Attachment 3, meaning that traffic that has been
16 traditionally treated as intraLATA toll traffic will now be treated as
17 local for intercarrier compensation purposes, except for those calls
18 that are originated or terminated through switched access
19 arrangements as established by the ruling regulatory body.”

20
21 Q. AT THIS TIME, WAS MS. SHIROISHI INVOLVED IN THE
22 NEGOTIATIONS?

23
24 A. Yes. After we already had significant negotiations with BellSouth,
25 Ms. Shiroishi subsequently joined the BellSouth negotiations team

1 as BellSouth's local interconnection subject matter expert.
2 Thereafter, she also led BellSouth's intercarrier compensation
3 negotiations with AT&T.
4

5 Q. IN MS. SHIROISHI'S DIRECT TESTIMONY, AT PAGE 7, LINES 24-
6 25, SHE REFERS TO THE ABOVE LANGUAGE "EXCEPT FOR
7 THOSE CALLS THAT ARE ORIGINATED OR TERMINATED
8 THROUGH SWITCHED ACCESS ARRANGEMENTS AS
9 ESTABLISHED BY THE STATE COMMISSION OR FCC" AS AN
10 "EXCLUSION" THAT WAS "SPECIFICALLY WRITTEN IN ORDER TO
11 EXCLUDE FROM THE DEFINITION OF LOCAL CALLS THAT ARE
12 CONSIDERED SWITCHED ACCESS UNDER THE TARIFF." IS
13 THIS TESTIMONY CONSISTENT WITH WHAT MS. SHIROISHI OR
14 ANYONE ELSE FROM BELL SOUTH SAID ABOUT THIS LANGUAGE
15 DURING YOUR NEGOTIATIONS?
16

17 A. Absolutely not. Actually, the first time Ms. Shiroishi presented this
18 language it was slightly different from the language that was
19 eventually agreed to by the parties. She originated proposed "as
20 established by the ruling regulatory body." The language that was
21 eventually included in Second Interconnection Agreement states
22 "as established by the State Commission or FCC." The discussions
23 regarding BellSouth's proposed language were framed by the
24 arbitration issues that remained unresolved. These discussions
25 did not include any modification to include intraLATA traffic as

1 "Local Traffic." AT&T's understanding of BellSouth's proposed
2 language was that it was needed to prevent either AT&T (or any
3 Competing Local Provider ("CLP") which "opted-into" or adopted
4 this language under Section 252(i) of the Act) from representing
5 that ISP traffic and VOIP calls constituted "Local Traffic" for
6 purposes of applying local reciprocal compensation rates. My
7 discussions with Ms. Shiroishi and subsequent "red-lined contract
8 language changes" were focused on drafting language that met
9 BellSouth's concerns and obligated AT&T to abide by any state
10 commission or FCC Order regarding ISP traffic or VOIP calls.

11
12 Q. DID YOU DISCUSS MS. SHIROISHI'S EXPLANATION WITH
13 MR. KING?

14
15 A. Yes. I discussed Ms. Shiroishi's explanation with Mr. King and
16 others at AT&T and we agreed to accept the language, except that
17 we asked to change "ruling regulatory body" to "State Commission
18 or FCC." Importantly, at this time the Parties also had agreed to a
19 clear and unambiguous definition of "Switched Access Traffic"
20 (proposed by BellSouth) which did not include any intraLATA or
21 "LATAwide Traffic." Moreover, the justification for including
22 language regarding "switched access arrangements" (in order to
23 protect BellSouth from AT&T or other CLPs from representing that
24 ISP traffic or VOIP calls were "Local Traffic"), tracked perfectly the
25 definition of "Switched Access Traffic" in Section 5.3.3.

1 Furthermore, BellSouth offered, and AT&T agreed, to include
2 language in Section 5.3.3 (which includes the definition of
3 “Switched Access Traffic”) that this Section 5.3.3 was “interrelated”
4 to Section 5.3.1.1. As discussed above, Section 5.3.1.1 is that
5 Section of Second Interconnection Agreement where the parties
6 agreed “...to apply a LATAwide local concept to this Attachment
7 3...” Thus, when these two Sections are “read together” by virtue
8 of the “interrelated” language of Section 5.3.3, it is clear that the
9 definition of “Switched Access Traffic” (which is limited to
10 intrastate interLATA and interstate interLATA traffic) in Section
11 5.3.3 applies to the “exclusion” language regarding “switched
12 access arrangements” found in Section 5.3.1.1.

13
14 Q. WERE THERE OTHER CHANGES TO THE CONTRACT LANGUAGE
15 THAT SUPPORT THE PARTIES’ INTENT TO COMPENSATE
16 INTRALATA TOLL AS LOCAL TRAFFIC? IF SO, WHAT WERE
17 THOSE CHANGES?

18
19 A. Yes. The original “Switched Access Traffic” proposed by BellSouth
20 to AT&T read as follows:

21
22 “Switched Access Traffic is defined as telephone calls
23 requiring local transmission or switching services for
24 the purpose of the origination or termination of
25 **Telephone Toll Service...**”

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During the negotiations, and prior to reaching agreement on all Attachment 3 language, the Parties agreed to modify this sentence so that it read:

“Switched Access Traffic is defined as telephone calls requiring local transmission or switching services for the purpose of the origination or termination of ***Intrastate InterLATA and Interstate InterLATA...***”

BellSouth’s acceptance of this modification is yet further support for AT&T’s belief that intraLATA traffic was considered “Local Traffic” subject to local reciprocal compensation rates and was not subject to switched access rates.

Additionally, BellSouth had proposed to include the following language in Section 5.4 of Attachment 3 regarding compensation for IntraLATA Toll Traffic:

“IntraLATA Toll Traffic. IntraLATA Toll Traffic is defined as any telephone call that originates and terminates in the same LATA and is billed by the originating Party as a toll call.

1 Compensation for IntraLATA Toll Traffic. For
2 terminating its IntraLATA Toll Traffic on the other
3 Party's network, the originating Party will pay the
4 terminating Party's intrastate or interstate terminating
5 switched access tariff rates as set forth in the effective
6 intrastate or interstate access services tariff, whichever
7 is appropriate. The appropriate charges will be
8 determined by the routing of the call. If BellSouth or
9 AT&T is the other Party's end user's presubscribed
10 interexchange carrier or if an end user uses BellSouth
11 or AT&T as an interexchange carrier on a 101XXXX
12 basis, BellSouth or AT&T will charge the other Party
13 the appropriate tariff charges for originating switched
14 access services."

15
16 In an e-mail from Ms. Shiroishi to AT&T on July 18, 2001,
17 Ms. Shiroishi states, "Attached is the redline as a result of last
18 night's call. I realized we don't need the intraLATA stuff, so I've
19 redlined. Everything else that you accepted last night is shown as
20 accepted." In the redline version of the contract, the language
21 found on Page 18, lines 10-25, and Page 19, lines 1-3 [check
22 page when final], of my testimony in fact is shown as struck.

23
24 BellSouth's willingness to strike the very language that supports
25 its position in this proceeding (that intraLATA was subject to

1 switched access rates) supports AT&T's position that the parties
2 were in agreement to compensate such intraLATA traffic as "Local
3 Traffic."

4
5 Q. DID AT&T ACCEPT MS. SHIROISHI'S EXPLANATION IN GOOD
6 FAITH AND THUS AGREE TO HER "EXCLUSION" LANGUAGE?

7
8 A. Yes we did, after I explained Ms. Shiroishi's explanation to
9 Mr. King and others at AT&T.

10
11 Q. WHAT WOULD HAVE HAPPENED HAD MS. SHIROISHI
12 EXPLAINED, AS SHE TESTIFIES SHE DID, ON PAGE 7, LINES
13 24-25, THAT THE "EXCLUSION" LANGUAGE WAS "SPECIFICALLY
14 WRITTEN TO EXCLUDE FROM THE DEFINITION OF LOCAL
15 TRAFFIC CALLS THAT ARE CONSIDERED SWITCHED ACCESS
16 UNDER TARIFF," MEANING THAT AT&T WOULD HAVE BEEN
17 REQUIRED TO PAY SWITCHED ACCESS RATES FOR ALL
18 INTRALATA OR "LATAWIDE TRAFFIC"?

19
20 A. Obviously, given AT&T's corporate objective to have all intraLATA
21 traffic compensated at local reciprocal compensation rates, we
22 would never have agreed with such language. Instead, we would
23 have reverted back to the language agreed to by the parties before
24 AT&T filed its arbitration petition found in Section 6.1.1 of
25 Attachment 3 which stated that "[r]eciprocal compensation for the

1 transport and termination of local and intraLATA toll traffic shall
2 be charged at the rates specified in Exhibit A.” In other words, we
3 would have never agreed to pay switched access rates for
4 intraLATA traffic unless ordered to do by a state commission in an
5 arbitration—and we would have arbitrated the definition of “Local
6 Traffic” in every state in BellSouth’s territory.

7
8 Q. BEFORE FILING YOUR TESTIMONY IN THIS PROCEEDING, DID
9 YOU REVIEW ANY MEETING NOTES OR MINUTES OF
10 NEGOTIATIONS WITH BELLSOUTH?

11
12 A. Yes, although my recollection of what Ms. Shiroishi said about the
13 “exclusion” language is very clear, I did review AT&T’s meeting
14 notes from the June/July 2001 timeframe when we were
15 negotiating the ISP and VOIP issues. I found nothing in these
16 meeting notes that contradicted my recollection of Ms. Shiroishi’s
17 explanation regarding the “exclusion” language as I have testified
18 herein.

19
20 Q. IN THAT CASE, HOW DO YOU EXPLAIN MS. SHIROISHI’S
21 TESTIMONY AT PAGE 8, LINES 3-6, THAT THE PARTIES “...DREW
22 DIAGRAMS ON THE WHITEBOARD AND DISCUSSED THE ROLE
23 OF SWITCHED ACCESS ARRANGEMENTS AS OUTSIDE THE
24 DEFINITION OF LOCAL TRAFFIC?”

1 A. Ms. Shiroishi is correct that the parties drew diagrams on a
2 whiteboard, but those diagrams involved our negotiations
3 regarding network architecture or "Point of Interconnection." As
4 this Commission will remember, this was a complex network
5 facilities issue that was a significant issue in the arbitration. It
6 was complex not only from the standpoint of understanding prior
7 orders from the FCC and other state commissions, but also from a
8 network architecture perspective, thus making it almost impossible
9 to discuss the issue without resorting to drawing diagrams.
10 Furthermore, the meeting notes which I reviewed confirmed that
11 such "whiteboard diagrams" were used by the parties in discussing
12 the network architecture or "Point of Interconnection" issue and
13 not to diagram what constituted "switched access arrangements."
14 Again, had Ms. Shiroishi diagramed that "switched access
15 arrangements" would have meant that AT&T would be paying
16 switched access rates for intraLATA traffic, we would have never
17 accepted her "exclusion" language.

18

19 Q. AT PAGE 8, LINES 11-13, WHAT IS THE RELEVANCE OF
20 MS. SHIROISHI'S TESTIMONY THAT "BELLSOUTH HAS MULTIPLE
21 INTERCONNECTION AGREEMENTS WITH ALECS CONTAINING
22 THE SAME DEFINITION OF LOCAL TRAFFIC AS IN THE AT&T
23 AGREEMENT, WHICH CONTAINS THE EXCLUSION FOR SWITCH
24 ACCESS ARRANGEMENTS," AND THAT NO OTHER ALEC

1 INTERPRETED THIS LANGUAGE IN THE MANNER AT&T IS
2 ATTEMPTING?

3
4 A. None, whatsoever, because Ms. Shiroishi failed to testify as to
5 whether any of these interconnection agreements with other CLP's
6 also contain the same definition of "Switched Access Traffic," the
7 same provisions regarding ISP traffic and VOIP calls, and the same
8 "interrelated" language found in Section 5.3.3, all as found in
9 Section Interconnection Agreement. She also provided no
10 testimony regarding the intent of BellSouth and the other CLP's
11 regarding any related interconnection negotiations (if such
12 negotiations even occurred).

13
14 Q. WHAT IS THE SIGNIFICANCE OF MS. SHIROISHI'S TESTIMONY
15 AT PAGE 9, LINES 1-4, THAT THE PARTIES' INTERCONNECTION
16 AGREEMENT FOR MISSISSIPPI HAS A DEFINITION OF "LOCAL
17 TRAFFIC" WHICH READS "LOCAL TRAFFIC MEANS ANY
18 TELEPHONE CALL THAT ORIGINATES AND TERMINATES IN THE
19 SAME LATA."

20
21 A. Rather than cast doubt on what the parties intended regarding
22 what constitutes "Local Traffic" under the Florida Second
23 Interconnection Agreement, the fact that the parties agreed to a
24 "LATAwide" definition in the Mississippi Second Interconnection
25 Agreement supports my contention that AT&T wanted a

1 "LATAwide" definition of "Local Traffic" from BellSouth as a matter
2 of corporate policy and that BellSouth was aware of AT&T's
3 corporate policy. Moreover, Ms. Shiroishi fails to tell the
4 Commission the whole story of the Mississippi Second
5 Interconnection Agreement. Most importantly, at the time that
6 interconnection agreement was negotiated and executed, the FCC
7 had not yet released its April 27, 2001, ISP Order on Remand. As
8 such, rather than arbitrate in Mississippi, BellSouth agreed to
9 have all ISP traffic compensated at negotiated compensation rates.
10 Having made that decision regarding ISP traffic, there was no need
11 to have the "exclusion" regarding what would happen if the FCC
12 subsequently decided that ISP traffic was interLATA traffic such to
13 access charges. For the Commission's convenience, I have
14 attached those relevant portions of the Mississippi agreement as
15 BCP Rebuttal Exhibit 5.

16
17 Q. ON PAGE 10, LINES 10-11, MS. SHIROISHI DISCUSSES THE
18 "INTERRELATED" LANGUAGE OF SECTION 5.3.3 (DEFINITION OF
19 SWITCHED ACCESS TRAFFIC) TO SECTION 5.3.1.1 (LATAWIDE
20 CONCEPT FOR "LOCAL TRAFFIC"), IMPLYING THAT THE
21 LANGUAGE "THIS SECTION IS INTERRELATED TO SECTION
22 5.3.1" DOES NOT APPLY TO "LOCAL TRAFFIC," BUT INSTEAD
23 ONLY APPLIES TO THE VOIP PROVISIONS IN SECTION 5.3.1. IS
24 THIS A CREDIBLE ARGUMENT?

1 A. No. A review of the entirety of Section 5.3.3 shows that
2 Ms. Shiroishi's "implication" that the "interrelated language" of
3 Section 5.3.3 applied only to VOIP calls violates all proper rules of
4 contract construction and interpretation. Importantly, the
5 "interrelated" language of Section 5.3.3 uses the term "Section"
6 with a capitol "S," meaning that **all of the language included in**
7 **Section 5.3.3 is interrelated to Section 5.3.1.1**, and not just
8 the last two sentences of the Section as implied by Ms. Shiroishi.

9
10 Q. AT PAGE 10, LINES 13-20, MS. SHIROISHI ALSO STATES THAT
11 THERE IS OTHER LANGUAGE IN ATTACHMENT 3 WHICH
12 "ADDRESS THE MIGRATION TO THIS NEW DEFINITION OF
13 LOCAL TRAFFIC," ASSERTING SOMEHOW THAT THE TYPES OF
14 TRUNKS USED BY AT&T GOVERNED WHETHER CERTAIN
15 TRAFFIC WOULD BE CONSIDERED "LOCAL TRAFFIC." ARE
16 THERE ANY PROVISIONS IN SECOND INTERCONNECTION
17 AGREEMENT WHICH STATE THAT WHETHER TRAFFIC IS
18 CONSIDERED "LOCAL TRAFFIC" IS DEPENDANT ON THE TYPES
19 OF TRUNKS USED TO TRANSPORT SUCH TRAFFIC?

20
21 A. Absolutely not. There is no language whatsoever in Second
22 Interconnection Agreement that makes what constitutes "Local
23 Traffic" dependent in any way on the use of any particular trunks.
24 Had BellSouth suggested such a provision, AT&T would have never
25 agreed to "convert" or "reconfigure" its network. Since 1996, AT&T

1 has designed its network to transport both local and long distance
2 calls over the same or related network facilities. What Ms.
3 Shiroishi is suggesting is that AT&T is required to transport all of
4 its "local calls" only over "local trunks" and all of its "long distance
5 calls" only over "long distance" trunks. This is inefficient and not
6 consistent with the intent of the Act to develop competition in an
7 efficient manner. Perhaps more importantly, the use of "local only"
8 and "long distance only" trunks is not required by Second
9 Interconnection Agreement despite any "implication" Ms. Shiroishi
10 might assert to the contrary.

11
12 Q. IN YOUR TESTIMONY, YOU HAVE REFERRED TO DIFFERENT
13 SECTIONS IN VARIOUS INTERCONNECTION AGREEMENTS
14 (BOTH FLORIDA AND MISSISSIPPI). HAVE YOU PREPARED A
15 DOCUMENT WHICH INCLUDES SUCH SECTIONS PLUS OTHER
16 RELATED INFORMATION?

17
18 A. Yes. For the Commission's convenience, I have attached this
19 document as BCP Rebuttal Exhibit 6.

20
21 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

22
23 A. Yes.

Florida

Issues for Arbitration between AT&T and BellSouth

	Issue	AT&T Position	BellSouth Position*
1.	Should calls to Internet service providers be treated as local traffic for the purposes of reciprocal compensation?	ISP calls should be treated as local traffic for purposes of reciprocal compensation. AT&T still incurs the cost of the ISP Traffic over its network. Additionally, such calls are treated as local under BellSouth's tariffs and the FCC has treated ISP Traffic as intrastate for jurisdictional separation purposes.	No. The FCC has definitively determined that ISP Traffic is interstate in nature. Therefore, such Traffic should not be treated as local for purposes of reciprocal compensation. The parties should track the minutes of ISP Traffic exchanged and true up the amount of compensation owed, if any, based on an effective rule promulgated by the FCC.
2.	What are the appropriate performance measurements and enforcement mechanisms that BellSouth should implement?	<p>For AT&T to ensure its customers receive service equal in quality to that received by BellSouth customers, BellSouth must establish that it offers non-discriminatory support for total service resale, use of unbundled network elements (UNE's), and access to OSS. BellSouth should be required to provide an effective performance measurement methodology that contains:</p> <ul style="list-style-type: none"> - A comprehensive set of comparative measurements that provides for disaggregation of its data to permit meaningful comparisons and full disclosure. - Business rules and calculations which reveal true performance and customer experiences. - A sound methodology for establishing benchmarks and designating appropriate retail analogs. - Statistical procedures that balance the possibility of concluding BellSouth favoritism exists when it does not with concluding there is no BellSouth favoritism when there is. - AT&T access to all the raw data that BellSouth uses for its ALEC performance reporting. 	<p>The Service Quality Measurements proposed by BellSouth incorporate all of the measurements and reporting intervals adopted by other commissions within the BellSouth region. These measurements, as well as the business rules utilized to calculate the measurements, represent a comprehensive look at the service provided to telecommunications carriers. BellSouth provides access to the raw data utilized to calculate the measurements and has worked hand in hand with AT&T and other telecommunications carriers in the development of an appropriate statistical methodology. BellSouth does not believe that the issue of appropriate, if any, enforcement mechanisms is an appropriate issue for arbitration and resolution by the FPSC. Without waiving its right to assert its legal position, BellSouth has voluntarily proposed enforcement mechanisms for inclusion in the AT&T/BellSouth Interconnection Agreement. The proposed enforcement mechanisms include the key, outcome oriented service quality measures required by state commissions in BellSouth's region and include either</p>

*The position stated in this column is based on BellSouth's position stated in its Responses to AT&T's Petition for Arbitration filed in Georgia, Tennessee, Mississippi and North Carolina.

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Issues for Arbitration between AT&T and BellSouth

		<p>Further, BellSouth should adopt an appropriate system of self-enforcing consequences to assure that the competitive local telecommunications markets envisioned by the 1996 Act will be able to develop and survive. The consequences must provide BellSouth with incentives sufficient to prevent BellSouth from inhibiting competition through discriminatory treatment of ALECs. Such consequences must be immediately imposed upon a demonstration of poor BellSouth performance. A self-enforcing system of consequences is needed to assure that BellSouth has appropriate incentives to comply, on an ongoing basis, with its Section 251 obligations to provide ALECs with non-discriminatory support regardless of whether a section 271 application has been made or approved. AT&T proposes the AT&T Performance Incentive Plan as the enforcement mechanism.</p>	<p>benchmarks or retail analogs as standards. The mechanisms are designed to prevent BellSouth from backsliding on delivery of service to AT&T once BellSouth has attained interLATA authority from the FCC. The remedies proposed are meaningful remedies designed to be, if applied, of significant impact to BellSouth.</p>
<p>3.</p>	<p>Should BellSouth be required to adopt validation and audit requirements which will enable AT&T to assure the accuracy and reliability of the performance data BellSouth provides to AT&T, and upon which the FPSC will ultimately rely when drawing conclusions about whether BellSouth meets its obligations under the Act?</p>	<p>BellSouth should be required to have an independent audit conducted of its performance measurement systems, paid for by BellSouth. Additional annual audits should be conducted and paid for 50% by BellSouth and 50% among the ALECs participating in the audit. Additionally, AT&T may request additional audits when performance measures are changed or added, to be paid for by BellSouth.</p> <p>Additionally, audits of individual measures should be conducted. The cost of a "mini-audit" shall be paid by AT&T unless the audit determines that BellSouth is not in compliance with the terms of the Agreement.</p>	<p>BellSouth will agree to undergo a comprehensive audit of the aggregate level reports for both BellSouth and the ALECs for each of the next five (5) years (2000-2005), to be conducted by an independent third party. The results of that audit will be made available to all the parties subject to proper safeguards to protect proprietary information. This aggregate level audit includes the following specifications: (1) the cost shall be borne 50% by BellSouth and 50% by the ALECs; (2) the independent third party auditor shall be selected with input from BellSouth, the FPSC and the ALECs; and (3) BellSouth, the FPSC and the ALECs shall jointly determine the scope of the audit. More frequent audits</p>

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Issues for Arbitration between AT&T and BellSouth

			are not reasonable in view of the tremendous number of ALEC interconnection agreements into which BellSouth has entered.
4.	What does "currently combines" mean as that phrase is used in 57 C.F.R. §51.315(b)?	The Commission should allow AT&T to provide telecommunications services to any customer using any combination of elements that BellSouth routinely combines in its own network and to purchase such combinations at TELRIC rates. BellSouth should not be allowed to restrict AT&T from purchasing and using such combinations to only provide service to customers who currently receive retail service by means of the combined elements. This is the only interpretation of the term "currently combines" that is consistent with the nondiscrimination policy of the Act and which will promote rapid growth in competition in the local telephone market.	<p>In the FCC's <i>Third Report and Order</i>, the FCC confirmed that BellSouth presently has no obligation to combine network elements for ALECs when those elements are not currently combined in BellSouth's network. The FCC rules, 51.315(c)-(f), that purported to require incumbents to combine unbundled network elements were vacated by the Eighth Circuit Court of Appeals and were not appealed to or reinstated by the Supreme Court. The question of whether those rules should be reinstated is pending before the Eighth Circuit, and the FCC explicitly declined to revisit those rules at this time. <i>Third Report and Order</i>, ¶ 481.</p> <p>The FCC also confirmed that when unbundled network elements, as defined by the FCC, are currently combined in BellSouth's network, BellSouth cannot separate those elements except upon request. 47 C.F.R. § 51.315(b). For example, when a loop and a port are currently combined by BellSouth to serve a particular customer, that combination of elements must be made available to ALECs. According to the FCC, requesting carriers are entitled to obtain such combinations "at unbundled network element prices." <i>Id.</i> at ¶ 480.</p> <p>There is no legal basis for the FPSC to adopt an expansive view of "currently combined" so as to obligate BellSouth to combine elements for ALECs. As the FCC made clear in its <i>Third Report and Order</i>, Rule</p>

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Issues for Arbitration between AT&T and BellSouth

			51.315(b) applies to elements that are "in fact" combined. <i>See id.</i> ¶ 480 ("To the extent an unbundled loop is in fact connected to unbundled dedicated transport, the statute and our rule 51.315(b) require the incumbent to provide such elements to requesting carriers in combined form"). The FCC declined to adopt the definition of "currently combined," that would include all elements "ordinarily combined" in the incumbent's network. <i>Id.</i> (declining to "interpret rule 51.315(b) as requiring incumbents to combine unbundled network elements that are 'ordinarily combined' ...").
5.	Should BellSouth be permitted to charge AT&T a "glue charge" when BellSouth combines network elements?	BellSouth should not impose any additional charge on AT&T for any combination of network elements above the TELRIC cost of the combination.	See BellSouth's response to Issue 4, which is incorporated herein by reference as fully as if set out in its entirety.
6.	Under what rates, terms, and conditions may AT&T purchase network elements or combinations to replace services currently purchased from BellSouth tariffs? (UNEs, Attachment 2, Section 2.11)	Pursuant to FCC Orders, AT&T is permitted to purchase network elements and combinations to replace services currently purchased from BellSouth tariffs. The price to purchase network elements and combinations in such situations should be the TELRIC cost to do a record change in BellSouth's OSS, plus the recurring price of the appropriate network elements or combinations. BellSouth should not be permitted to place obstacles in the way of AT&T's ability to convert such services to network elements and combinations as easily and seamlessly as possible. Appropriate terms and conditions must also be ordered to ensure that AT&T is able to replace services with network elements/combinations of network elements.	Without waiver of its ability to avail itself of any available legal remedies, and in conformance to the guidelines set forth by the FCC in CC Docket No. 96-98 UNE Remand Orders dated Nov. 5, 1999 and Nov. 24, 1999, BellSouth will convert services currently purchased on a month to month basis by AT&T, or a BellSouth end user changing its service provider to AT&T, to the extent possible on a mechanized basis at a record change charge. As to services provided to AT&T or to a BellSouth end user changing its service provider to AT&T under a volume and term agreement or other contract basis, BellSouth will convert the services to the UNEs ordered by AT&T upon AT&T's payment of the appropriate early termination liabilities set forth in the volume and term agreement or contract.
7.	How should AT&T and	AT&T and BellSouth should	BellSouth offers interconnection

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	BellSouth interconnect their networks in order to originate and complete calls to end-users? (Local Interconnection, Attachment 3)	interconnect on an equitable basis, which is hierarchically equivalent, and not maintain the imbalanced situation where AT&T incurs the expense of connecting throughout BellSouth's network, while BellSouth incurs the much lower cost of connecting at the edge of AT&T's network. AT&T's proposal also avoids use of limited collocation space that is better used for other purposes such as interconnection to UNE loops and advanced services. AT&T's proposal requires the two parties to work out a transition plan to "groom" the two networks.	in compliance with the requirements of the FCC rules and regulations as well as any state statute or regulation. Interconnection can be through delivery of facilities to a collocation or fiber meet arrangement or through the lease of facilities. Interconnection for AT&T originated Traffic must be accomplished through at least one interface within the BellSouth LATA and may be at an access tandem or local tandem. BellSouth, at its option, may designate one or more interfaces on its network for the delivery of its originating traffic to AT&T. BellSouth should not be required to incur additional unnecessary cost as a result of the selection of interconnection points by AT&T. If AT&T requires BellSouth to haul BellSouth originating traffic from the originating local calling area to a point of interconnection outside that local calling area, AT&T should compensate BellSouth for its transport costs.
8.	What terms and conditions, and what separate rates if any, should apply for AT&T to gain access to and use BellSouth facilities to serve multi-unit installations?	BellSouth should cooperate with AT&T, upon request, in establishing a single point of interconnection on a case-by-case basis at multiunit installations. Where such points of interconnection do not exist, BellSouth should construct such single points of interconnection, and AT&T should be charged no more than its fair share, as one service provider using this facility, of the forward-looking price. The single point of interconnection should be fully accessible by AT&T technicians without the necessity of having a BellSouth technician present.	Without waiver of its ability to avail itself of any available legal remedies, BellSouth will perform in conformance with the guidelines of 47 CFR §51.319(a)(2)(E) as set forth by the FCC in CC Docket No. 96-98 UNE Remand Order.
9.	Should BellSouth provide local circuit switching at UNE rates to allow AT&T to serve the first three lines	Yes. Customers should be allowed to freely choose their local service provider regardless of the number of lines that customer purchases. AT&T is	No. If an end user in Density Zone 1 has four or more lines, AT&T is not entitled to purchase local circuit switching from BellSouth at UNE rates to serve

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	provided to a customer located in Density Zone 1 as determined by NECA Tariff No. 4 in effect on January 1, 1999 ("Density Zone 1")?	entitled to purchase local circuit switching at UNE rates to provide service to customers in Density Zone 1 for the first, second, and third lines purchased by such customers even if those customers have four lines or more.	that end user.
10.	Should BellSouth preclude AT&T from purchasing local circuit switching from BellSouth at UNE rates when a Density Zone 1 existing AT&T customer with 1-3 lines increases its lines to 4 or more? (UNEs, Attachment 2, Section 6.3.1.3 and 6.3.1.4)	No. In a level competitive environment, customer services and rates should not be negatively impacted by BellSouth's election to increase AT&T's costs of providing local service simply because the customer adds a fourth line to its location.	Yes. Once an end user has four lines to the location, AT&T is not entitled to purchase local circuit switching at UNE rates from BellSouth to provide any lines to that end user, regardless of whether it is line 1, 2, 3, or 4.
11.	Should BellSouth be allowed to aggregate lines provided to multiple locations of a single customer to restrict AT&T's ability to purchase local circuit switching at UNE rates to serve any of the lines of that customer? (UNEs, Attachment 2, Section 6.3.1.3 and 6.3.1.4)	No. The total number of lines served to all of the customers' locations should not be aggregated. If a customer, for example, has several locations, each served by 3 lines or less, AT&T should be entitled to purchase local circuit switching from BellSouth to serve each of the locations.	Yes. All of the lines provided to a customer end-user, including those at every end-user location (where an end-user has multiple locations), can be aggregated to restrict BellSouth's obligation to provide circuit switching at UNE rates.
12.	Should AT&T be permitted to charge tandem rate elements when its switch serves a geographic area comparable to that served by BellSouth's tandem switch? (Local Interconnection, Attachment 3, Section 1.3)	Yes. When AT&T's switches serve a geographic area comparable to that served by BellSouth's tandem switch, then AT&T should be permitted to charge tandem rate elements.	AT&T must demonstrate to the FPSC that (1) its switch serves a comparable geographic area and (2) the switch performs functions similar to those performed by BellSouth's tandem switch. Simply being capable of serving a comparable geographic area or of performing tandem switching functions is not sufficient evidence.
13.	What are the appropriate means for BellSouth to provide unbundled local loops for provision of DSL service when such loops are provisioned on digital loop carrier facilities? (UNEs, Attachment 2, Section	When existing loops are provisioned on digital loop carrier facilities, and AT&T requests such loops in order to provide xDSL service, BellSouth should provide AT&T with access to other loops or subloops so that AT&T may provide xDSL service to a customer.	In the case where an existing loop is provisioned on a BellSouth digital loop carrier facility, and the existing loop cannot provide xDSL capable service, BellSouth is not required to provide AT&T alternative loops to allow AT&T to provide the service over that loop. AT&T would be required

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	3.11.2)		to purchase an xDSL capable loop through a separate and distinct ordering process.
14.	What coordinated cut-over process should be implemented to ensure accurate, reliable and timely cut-overs when a customer changes local service from BellSouth to AT&T? (UNEs, Attachment 2, Section 3.8 et seq.)	The coordinated cut-over process proposed by AT&T should be implemented to ensure accurate, reliable, and timely cut-overs. BellSouth's proposed process does not ensure that customers switching from BellSouth to AT&T receive the same treatment that BellSouth customers receive. Moreover, BellSouth does not follow its own process.	The coordinated cut-over process proposed by BellSouth does ensure accurate, reliable and timely cut-overs. BellSouth's current SQMs measure BellSouth's performance in this area and sufficiently demonstrate that AT&T customers switching from BellSouth receive non-discriminatory treatment.
15.	Should AT&T local calls that use BellSouth's switching UNE be subject to "bill and keep" compensation arrangement, even though reciprocal compensation will be paid for terminating local calls not using BellSouth's UNE switch? (Local Interconnection, Attachment 3, Section 4.10; Billing & Recording, Attachment 6, Section 2.1.6; Exhibit E and Attachment 3, Section 4.10)	Due to the complexities and expense of recording and billing for reciprocal compensation on UNE-switched calls, AT&T believes that bill and keep should be used for local calls originated from and terminated to AT&T when it uses BellSouth's UNE switching. Other telecommunication carriers who originate or terminate calls to AT&T end-users served by UNE switching will be unable to determine that such calls went to AT&T as opposed to BellSouth. All call records will continue to look like they were made to BellSouth.	When the end user of a facilities-based ALEC calls an AT&T local end user where AT&T is not providing its own facilities, but rather is using a UNE-P purchased from BellSouth to terminate the call, BellSouth should be permitted to charge AT&T for the UNEs AT&T uses, and AT&T should then charge the originating ALEC reciprocal compensation for terminating the call for the ALEC (or enter into a bill and keep arrangement with the ALEC). When AT&T terminates a call using BellSouth's local switching, BellSouth will provide the necessary recorded information to enable AT&T to bill the other carriers the charges those carriers have incurred. When AT&T leases circuit switching from BellSouth AT&T is entitled to all revenues associated with that functions, including the revenues associated with terminating calls for other carriers and is obligated in turn to pay BellSouth for the network elements used.

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16.	What is the appropriate treatment of outbound voice calls over Internet protocol ("IP") telephony, as it pertains to reciprocal compensation? (Local Interconnection, Attachment 3, Section 6.1.9)	Until the FCC issues rules on how IP Traffic is to be treated, no restrictions should be imposed. Further, there is no way to measure and record such Traffic as requested by BellSouth. In any event, this is not a proper subject for negotiation in an interconnection agreement.	IP telephony is utilized in a manner consistent with traditional long-distance calling. Therefore, due to the increasing use of IP technology to transport voice long distance Traffic, it is important to specify in the Agreement that Voice over the Internet Protocol Traffic is switched access Traffic and not local Traffic.
17.	In calculating Percent Local Usage (PLU) for purposes of reciprocal compensation, should AT&T be allowed to report the Traffic on a monthly, rather than quarterly, basis? (Local Interconnection, Attachment 3, Section 6.1.11)	Yes. BellSouth should be required to continue its current practice of calculating the PLU on a monthly basis. As AT&T enters the local market, and local usage increases, it remains necessary that BellSouth not change the current practice which has been adequate to this point. BellSouth proposes changing to a quarterly basis, which AT&T opposes.	BellSouth offered to accept PLU reporting on an otherwise than quarterly basis (i.e. monthly) for a period of 12 months or until the PLU stabilizes when AT&T: (1) gains a large customer whose addition would have an impact on the PLU; (2) opens a new calling area; or (3) begins marketing in a new area. Otherwise, PLU would be reported quarterly, which is consistent with industry practice.
18.	What are the appropriate intervals for the delivery of collocation space to AT&T? (Collocation, Attachment 4, Section 6.4). (AT&T anticipates that this issue will be settled based on the FPSC's Order on Collocation in Docket Nos. 981834-TP and 990321-TP)	FCC rules require that BellSouth provide collocation within intervals no greater than the best practice intervals of other ILECS. Accordingly, BellSouth should provide collocation within the following intervals: (1) virtual and cageless: 60 calendar days; and (2) Physical (caged): 30 calendar days if AT&T does the construction; and 90 calendar days if BellSouth does the construction. In the event of unforeseen circumstances, BellSouth should apply to the FPSC for suspension of or relief from the intervals.	BellSouth has proposed an interval of no greater than 100 calendar days for the provision of physical collocation arrangements under ordinary conditions. Such a proposal is reasonable and necessary.
19.	When AT&T and BellSouth have adjoining facilities in a building outside BellSouth's central office, should AT&T be able to purchase cross connect facilities to connect to BellSouth or other ALEC networks without having to collocate in BellSouth's	Yes. When BellSouth and AT&T facilities are in close proximity, in order to achieve network efficiency, AT&T should be able to cross connect its network directly from its space to BellSouth's space without having to purchase collocation space from BellSouth.	No. AT&T's proposal has the effect of expanding the definition of premises beyond that which is required by the FCC regulations or that which is necessary. AT&T simply wishes to take advantage of its former corporate ownership of BellSouth. BellSouth's agreement to AT&T's terms would cause BellSouth to provide AT&T with more favorable treatment than

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	portion of the building? (Collocation, Attachment 4, Section 1.6) (AT&T anticipates that this issue will be settled based on the FPSC's Order on Collocation in Docket Nos. 981834-TP and 990321-TP.)		other new entrants.
20.	Is conducting a statewide investigation of criminal history records for each AT&T employee or agent being considered to work on a BellSouth premises a security measure that BellSouth may impose on AT&T? (Collocation, Attachment 4, Section 11.1, 11.2, 11.4, 11.5)	No. These requirements are unreasonable and are inconsistent with the examples of measures found by the FCC to be reasonable, e.g. ID badges, security cameras, cabinet enclosures, and separate central building entrances. Such requirements are excessive, increasing collocation costs without providing additional protection to BellSouth. Moreover, such requirements are discriminatory as applied to AT&T. Further, AT&T is willing to indemnify BellSouth, on a reciprocal basis, for any bodily injury or property damage caused by AT&T's employees or agents.	Yes. BellSouth performs criminal background checks on its employees prior to hiring and as such can require AT&T to do the same in order for AT&T to have unescorted access to the central offices and other premises that house the public switched network. Such security requirements are reasonable in light of the assets being protected as well as the number of new entrants and other telecommunications carriers relying on the integrity and reliability of BellSouth's network. AT&T's offer to indemnify BellSouth for bodily injury or property damage is not sufficient in light of the asset at risk.
21.	Unless otherwise specified, where Attachment 4 regarding collocation refers to days, should those days be calendar days or business days? (Collocation, Attachment 4) (AT&T anticipates that this issue will be settled based on the FPSC's Order on Collocation in Docket Nos. 981834-TP and 990321-TP.)	Days should be calendar days. Business day intervals are inherently longer and less predictable than calendar day intervals, thereby delaying delivery of collocation space within a reasonable timeframe.	Unless otherwise specified (for example, see BellSouth's response to Issue 18, days should be business days. Given the nature and complexity of the tasks to be completed, business days are reasonable.

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22.	What are the appropriate recurring and non recurring charges for the collocation items for which charges have not been established or are not TELRIC compliant as listed in Exhibit A to Collocation, Attachment 4 of AT&T's Proposed Interconnection Agreement. (Collocation, Attachment 4 and Exhibit A)	The FCC's TELRIC pricing rules require that BellSouth charge no more for any collocation than the TELRIC cost of collocation.	The appropriate rate is a cost-based rate calculated pursuant to a final FCC-compliant methodology.
23.	Has BellSouth provided sufficient customized routing in accordance with State and Federal law to allow it to avoid providing Operator Services/Directory Assistance ("OS/DA") as a UNE?	No. BellSouth does not provide AT&T adequate customized routing. BellSouth has not provided sufficient information on its untested AIN solution, including rates. If BellSouth's proposal is line class codes ("LCC's"), this solution may not be viable in every central office. Thus, until these methods are proven viable, AT&T may purchase OS/DA as an unbundled network element.	Yes. BellSouth has available both an AIN solution for customized routing as well as the LCC solution that was advocated by AT&T during the last round of arbitrations. AT&T participated in testing BellSouth's AIN customized routing solution.
24.	Should BellSouth be required to electronically process and provision customer specific orders for OS/DA if AT&T orders an unbranded or AT&T branded platform? (Attachment 7, Sections 3.20-3.24)	Yes. BellSouth should process and provision AT&T's customer specific orders at parity with BellSouth's processing and provisioning of its own customers orders.	See BellSouth's response to Issue 23, which is incorporated herein by reference as fully as if set out in its entirety. However, should the Commission resolve Issue 23 in AT&T's favor, BellSouth will only provide electronic processing and provisioning of AT&T's OS/DA orders to a BellSouth branded platform. Orders for an unbranded or AT&T branded platform must be processed manually. Any proposed electronic ordering methodology should be handled through the EICCP, not through an arbitration proceeding.
25.	What procedure should be established for AT&T to obtain loop-	BellSouth should accept from AT&T two types of orders, 1) an Infrastructure Provisioning Order	BellSouth has proposed a procedure whereby AT&T can order loop/port combinations

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	<p>port combinations (UNE-P) using both Infrastructure and Customer Specific Provisioning? (Attachment 7, Sections 3.20 – 3.24)</p>	<p>and 2) a Customer Specific Provisioning Order. The Infrastructure Provisioning Order (which consists of an Infrastructure Footprint Form and an Operator Services and Directory Assistance Questionnaire) notifies BellSouth of the common use of Network Elements and Combinations that AT&T will require geographically by End Office, Rate Center, LATA or State. The Footprint Order should be acknowledged within 24 hours and responded to within 5 business days thereafter. The Customer Specific Provisioning Order should be the LSR. LSRs for UNE-P should be received electronically, provided with ordering flow-through and provisioned at parity with BellSouth retail. Electronic LSRs with flow through ordering should be available for orders using either an unbranded or an AT&T branded platform.</p>	<p>using BellSouth OS/DA platform and AT&T branding. BellSouth is not opposed to AT&T making a one-time designation to BellSouth to have all of AT&T's end user calls routed to the appropriate OS/DA platform. AT&T, however, refuses to make a single designation and seeks instead a variety of OS/DA routing plans. Therefore, AT&T should be required to populate the appropriate Line Class Code on the LSR submitted to the LCSC. If AT&T decided upon, and communicated, a single OS/DA routing plan, then BellSouth could determine the appropriate Line Class Code and AT&T would not be required to provide such code on the LSR. AT&T will not, however, make such a designation.</p>
<p>26.</p>	<p>May the Interconnection Agreement contain conditions on the purchase of any BellSouth exchange?</p>	<p>The rates, terms, and conditions of this Agreement should govern the relationship between AT&T and the third party purchaser. BellSouth should not be permitted to remove the benefits of competition from a territory by selling it to another party that may assert a rural exemption or undermine AT&T's investment in competition by changing the rules. Further, AT&T should not be faced with the uncertainty of negotiating a completely new set of terms and conditions with another provider who purchases a BellSouth local exchange. Similarly, the FPSC should not be required to review new sets of terms and conditions each time there is a sale of a local exchange.</p>	<p>The contract language proposed by AT&T is unduly burdensome on BellSouth and any prospective purchaser of a BellSouth exchange. The requirements of the Act, specifically 47 USC §§251 (h), should apply.</p>
<p>27.</p>	<p>Should the Commission or a third party commercial arbitrator resolve disputes under the Interconnection</p>	<p>More issues will arise now that AT&T is entering the market and will need to be resolved quickly. These issues will be more business oriented and less policy</p>	<p>BellSouth has had experience with commercial arbitration in the resolution of disputes under interconnection agreements negotiated pursuant to 47 USC</p>

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Issues for Arbitration between AT&T and BellSouth

	Agreement?	oriented, and thus, more appropriately handled by commercial arbitrators. The parties should continue to have the right to resolve operational issues in a commercial forum on an expedited basis; thereby, limiting the customer-affecting impact of any such disputes.	§252 and has found such arbitration to be expensive and unduly lengthy in nature. The Eighth Circuit Court of Appeals in <i>Iowa Utilities Board</i> ruled that the FPSC is charged with the power to resolve disputes relating to interconnection agreements and BellSouth should not be forced to waive its right to seek resolution of such issues before the FPSC.
28.	What is the proper timeframe for either party to render bills for overdue charges? (Billing & Recording, Attachment 6, Section 1.2.3)	BellSouth should be required to continue its current practice of not rendering bills for charges more than one year old. BellSouth does not render bills to its own retail customers for charges more than one year old, and BellSouth should not bill AT&T, as a wholesale customer, any differently.	BellSouth should not be required by contract to waive its statutory right to collect charges for services provided but for which payment has not been received at any point during the applicable statute of limitations. Of course, such time period would also extend to AT&T's right to complain about a billing.
29.	What are the proper parameters sufficient to prevent fraudulent billing for reciprocal compensation? (Local Interconnection, Attachment 3, Section 6.1.2)	Attachment 3, Section 6.1.2, which is the language currently in place, sufficiently and adequately defines interconnection; thereby, prohibiting the fraudulent billing for reciprocal compensation. In the event that a contract term is breached, the proper recourse is Dispute Resolution.	The current Agreement does not adequately address the issues brought to light by the conduct of some new entrants in the marketplace and because of 47 USC §252(i), BellSouth must protect itself from such conduct and the language proposed by BellSouth is reasonable.
30.	Should the Change Control Process be sufficiently comprehensive to ensure that there are processes to handle, at a minimum the following situations: (OSS, Attachment 7, Exhibit A)	Yes. Change Control should apply to the entire range of transactions required between AT&T and BellSouth in order for AT&T to utilize Services and Elements. Both electronic and manual interfaces and processes are required to establish and maintain a business relationship with BellSouth and conduct day-to-day business transactions. A comprehensive Change Control Process should provide "cradle to grave" coverage of the life cycle of an interface or process, and its supporting documentation (such as specifications, business rules, methods, and procedures). Thus, implementation of new interfaces, management of interfaces in production (including defect correction), and the retirement of	The terms and conditions of the I-CCP, as well as the subjects to which it should apply, should be negotiated between the I-CCP committee members and cannot be properly arbitrated in a proceeding that involves only BellSouth and AT&T. Subject to this, BellSouth will respond to the individual items AT&T has identified through separate responses given below. To the extent such issues are arbitrated, the current I-CCP is more than adequate to serve the needs of the ALEC community and address AT&T's concerns.

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Issues for Arbitration between AT&T and BellSouth

		<p>interfaces should be addressed. Change Control should provide a normal process, an exception process, an escalation process, and a dispute resolution process with ultimate recourse to the Commission, mediation, or court adjudication. Additionally, a process by which the Change Control Process can be changed should be specified. The existing Electronic Interface Change Control Process (EICCP) and the Interim Change Control Process (I-CCP) BellSouth has proposed are not comprehensive. AT&T's proposal and the existing EICCP/I-CCP coverage are compared below.</p>			
		Situation	AT&T Proposal	EICCP/I-CCP AT&T's View	EICCP/I-CCP BellSouth's View
		a) introduction of new electronic interfaces?	Yes.	No.	This subpart is addressed in the I-CCP today.
		b) retirement of existing interfaces?	Yes.	No.	This subpart is addressed in the I-CCP today.
		c) exceptions to the process?	Yes.	No.	This subpart is addressed in the I-CCP today.
		d) documentation, including training?	Yes.	BellSouth may agree in theory, but has implemented all documentation changes unilaterally and outside the I-CCP.	BellSouth may agree in theory, but has implemented all documentation changes unilaterally and outside the EICCP.

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Issues for Arbitration between AT&T and BellSouth

		Situation	AT&T Proposal	EICCP/I-CCP AT&T's View	EICCP/I-CCP BellSouth's View
		e) defect correction?	Yes.	Treatment of defects is being implemented into the I-CCP currently.	Defects are being implemented into the EICCP currently.
		f) emergency changes (defect correction)?	Yes.	BellSouth may agree in theory, but defects have been excluded from I-CCP.	The Type 1 system outages are defined in the interim change control process but are handled through the EC Support Help Desk.
		g) an eight step cycle, repeated monthly?	Yes.	No; an 11-step process executed three times a year is sufficient.	For non-Type 1 issues, BellSouth has an 11-step process in I-CCP today with variable inputs and outputs for each step.
		h) a firm schedule for notifications associated with changes initiated by BellSouth?	Yes	No.	BellSouth will provide 30-day notification for ALEC-impacting changes.
		i) a process for dispute resolution, including referral to state utility commissions or courts?	Yes.	No. BellSouth holds default power to implement or not implement any change, at its option.	The I-CCP contains a dispute resolution process. In the event that an issue is not resolved through the I-CCP's escalation process, BellSouth and the affected ALEC(s) will form a Joint Investigative Team of Subject Matter Experts. If the dispute cannot be resolved after this step, then either party may file an appropriate request for resolution of the dispute with the appropriate state commission.
		Situation	AT&T Proposal	EICCP/I-CCP AT&T's View	EICCP/I-CCP BellSouth's View

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Issues for Arbitration between AT&T and BellSouth

		j) a process for the escalation of changes in process?	Yes.	No.	BellSouth is implementing escalation procedures for the I-CCP.
31.	What should be the resolution of the following OSS issues currently pending in the change control process but not yet provided? (OSS, Attachment 7, Exhibit A)	The issues AT&T is bringing forward for arbitration have been at issue between the parties for various periods of time. The current EICCP process is hostage to BellSouth's default power to implement or not implement any change at its option. This default power exists because the EICCP process is not subject to regulatory oversight. Only arbitration provides AT&T with a means by which it can obtain the requested capabilities from BellSouth in an assured and timely manner. Further, in the absence of a binding methodology by which the industry can effect change, change can only be initiated by the actions of two parties which can then be expanded to incorporate others.			Issues such as those delineated in this issue should be resolved in the I-CCP. These are industry issues more properly resolved in another forum and not in this two-party arbitration.
	a) parsed customer service records for pre-ordering?	BellSouth should provide parsed customer service records for preordering pursuant to industry standards. AT&T needs this in order to fully integrate its ordering systems with BellSouth's and to obtain the functionality now available to BellSouth. BellSouth's internal systems parse the sections and fields of the CSR as needed to meet software program requirements precluding the need for service representatives to re-enter CSR information when processing orders. This item has been an industry standard since the publication of the LSOG3 guidelines.			Issues such as those delineated in this issue should be resolved in the I-CCP. These are industry issues more properly resolved in another forum and not in this two-party arbitration.
	b) ability to submit orders electronically for all services and elements?	BellSouth should provide the ability to submit orders electronically for all services and elements. Lack of electronic			Requests for changes or revisions to BellSouth's electronic interfaces to its OSS should be submitted through the

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Issues for Arbitration between AT&T and BellSouth

		<p>ordering increases the possibility of errors and increases costs. BellSouth reported order flow-through for business services for two years before taking the position that these requests do not flow through. BellSouth formerly claimed only that complex business requests did not flow through, but even then, BellSouth admits that its service representatives type their requests into a front end system (DOE or SONGS), which sends the request to SOCS, which then accepts valid requests and issues the required service orders. Examples of instances in which AT&T requires electronic ordering capability are the UNE Platform, handling of remaining service on partial migrations, use of LSR fields to establish proper billing accounts, ability to order xDSL loops, ability to order digital loops, ability to order complex directory listings, ability to order loops and LNP on a single order, and ability to change main account number on a single order.</p>	<p>I-CCP. This process allows BellSouth and the ALEC community to review, prioritize and manage changes and revisions to the electronic interfaces based on the needs of the ALEC participants. The ALEC participants control this process and the associated timelines. Although to BellSouth's knowledge no ALEC has submitted this request to the I-CCP, the I-CCP would be the appropriate forum to handle such a request.</p>
	<p>c) electronic processing after electronic ordering, without subsequent manual processing by BellSouth personnel?</p>	<p>BellSouth should provide electronic processing after electronic ordering. See (b), above. Examples of instances in which AT&T submits electronic orders that are subsequently processed manually include LNP, UNE-P with LCC, and migrations merging existing accounts, related orders. AT&T has submitted change control requests and participated in other discussions aimed at improving the subsequent manual process pending full automation. Examples include worklist mechanization and a Flow-through Mechanization Project.</p>	<p>Requests for changes or revisions to BellSouth's electronic interfaces to its OSS should be submitted through the I-CCP. This process allows BellSouth and the ALEC community to review, prioritize and manage changes and revisions to the electronic interfaces based on the needs of the ALEC participants. The ALEC participants control this process and the associated timelines. Although to BellSouth's knowledge no ALEC has submitted this request to the I-CCP, the I-CCP would be the appropriate forum to handle such a request.</p> <p>Non-discriminatory access to BellSouth's OSS does not mean</p>

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Issues for Arbitration between AT&T and BellSouth

			that all services and elements must be ordered electronically with no manual handling. Some services, such as complex services, require manual handling by BellSouth's account teams for BellSouth retail customers. Processing of requests for ALECs may also require some manual processing for these same functions. Local service requests for some types of services are submitted electronically but "fall out" by design for processing. Even though the requests by design "fall out" for processing, electronic submission of the request improves the overall efficiency and effectiveness of order processing.
32.	Should BellSouth provide AT&T with the ability to access, via EBI/ECTA, the full functionality available to BellSouth from TAFI and WFA? (OSS, Attachment 7)	Yes. TAFI is a non-integrateable interface so AT&T must make additional entries into its own maintenance and repair systems, while BellSouth need only make this entry once. EBI/ECTA is a machine-to-machine interface capable of integration but with limited functional capabilities. It is technically feasible to provide the full suite of TAFI functions via EBI/ECTA.	BellSouth provides AT&T with complete access to TAFI and has complied with the current standards for ECTA. Future enhancements to ECTA shall be through the EICCP.
33.	Should AT&T be allowed to share the spectrum on a local loop for voice and data when AT&T purchases a loop/port combination and if so, under what rates, terms, and conditions? (UNE's, Attachment 2, Section 3.10)	Yes. BellSouth's position that sharing of the spectrum on local loop/port combination is only permitted when BellSouth utilizes the portion of the spectrum to provide voice is discriminatory and anti-competitive. Any purchaser of local loops from BellSouth should be allowed to use the loop in providing both voice and data at the same time. There are no technical constraints to this arrangement. The Commission's ordering of such arrangements will further the deployment of advanced data services to all portions of the state, and will not be dependent on the deployment schedule of BellSouth alone.	No. BellSouth only will allow AT&T to share the spectrum on a local loop/port combination when BellSouth utilizes the portion of the spectrum to provide voice.

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34.	What Are the appropriate rates and charges for unbundled network elements and combinations of network elements?	Issues related to rates and charges will be taken up in Docket No. 990649-TP, as discussed in the Commission's orders.	Issues related to rates and charges will be taken up in Docket No. 990649-TP, as discussed in the Commission's orders.
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ATTACHMENT 3

LOCAL INTERCONNECTION

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LOCAL INTERCONNECTION

1 NETWORK INTERCONNECTION

1.1 The Parties shall provide interconnection with each other's network for the transmission and routing of telephone exchange service (local) and exchange access (intraLATA toll and switched access).

1.2 DISAGREE

AT&T PROPOSAL

For the purpose of accessing UNEs provided by BellSouth, BellSouth shall permit AT&T to interconnect with BellSouth at any technically feasible point, including tandems, end offices, designated points of interface (facility or switch) or customer premises. Nothing in this Attachment 3 shall limit AT&T's right to interconnect with BellSouth for access to UNEs. ~~BellSouth shall provide interconnection with BellSouth's network at any technically feasible point within BellSouth's network.~~

BST PROPOSAL

BellSouth shall provide interconnection with BellSouth's network at any technically feasible point within BellSouth's network.

1.3 DISAGREE

AT&T PROPOSAL

For the purpose of receiving Local Traffic, IntraLATA Toll Traffic, Transit Traffic and Meet Point Traffic (collectively "Interconnection Traffic") from the other party, the parties shall mutually agree to the quantity and location of the Points of Interconnection that each party will establish within each respective LATA. The Point of Interconnection ("POI") is the point at which the originating Party delivers its originated traffic to the terminating Party. The POI locations of one Party may be exactly the same, partially the same or completely different than the POI locations of the other Party.

In the event that the parties cannot reach mutual agreement as to the quantity of POIs, the default shall be the quantity of BellSouth tandems and AT&T tandems within the LATA.

In the event that the parties cannot reach mutual agreement as to the location of POIs, the default shall be the location of each Party's tandem switches.

For purposes of this Attachment 3, every AT&T switch is deemed to be a tandem switch. ~~AT&T shall provide interconnection to BellSouth at any mutually agreed upon point.~~

BST PROPOSAL

AT&T shall provide interconnection to BellSouth at any mutually agreed upon point.

1.4

DISAGREE

AT&T PROPOSAL

Following the establishment of the quantity and location of POIs, each Party shall specify to the other Party the POI associated with each switch it operates. The sending Party agrees to terminate its Interconnection Traffic at the POI specified by the receiving Party or, when mutually agreed to, a secondary POI identified in any jointly-developed trunk service plans.

BST PROPOSAL

AT&T must establish, at a minimum, a single Point of Presence, Point of Interface, and Point of Interconnection with BellSouth within the LATA for the delivery of AT&T's originated local, intraLATA toll terminated to BellSouth and transit traffic terminated to other than BellSouth. If AT&T chooses to interconnect at a single Point of Interconnection within a LATA, the interconnection must be at a BellSouth access or local tandem. Furthermore, AT&T must establish Points of Interconnection at all BellSouth access and local tandems where AT&T NXXs are "homed." A "Homing" arrangement is defined by a "Final" Trunk Group between the BellSouth access or local tandem and AT&T End Office switch. A "Final" Trunk Group is the last choice telecommunications path between the access or local tandem and End Office switch. It is AT&T's responsibility to enter its own NPA/NXX access and/or local tandem "homing" arrangements into the national Local Exchange Routing Guide ("LERG"). In order for AT&T to home its NPA/NXX(s) on a BellSouth access or local tandem, AT&T's NPA/NXX(s) must be assigned to an exchange rate center area served by that BellSouth access or local tandem and as specified by BellSouth.

- 1.5 A Point of Presence is the physical location (a structure where the environmental, power, air conditioning, etc. specifications for a Party's terminating equipment can be met) at which a Party establishes itself for obtaining access to the other Party's network. The Point of Presence is the physical location within which the Point(s) of Interface occur.
- 1.6 A Point of Interface is the physical telecommunications interface between BellSouth and AT&T's interconnection facilities. It establishes the technical interface and point of operational responsibility. The primary purpose of the Point of Interface is to serve as the terminus for each Party's interconnection facilities. The Point of Interface has the following main characteristics:
- 1.6.1 It is a cross-connect point to allow connection, disconnection, transfer or restoration of service.
- 1.6.2 It is a point where BellSouth and AT&T can verify and maintain specific performance objectives.
- 1.6.3 It is specified accordingly to the interface offered in this Attachment 3.
- 1.6.4 **The Parties will provide or will cause to be provided equipment to interface with the equipment on the customer premises. [OPEN-BST]**
- 1.7 **DISAGREE**

AT&T PROPOSAL

~~The Point of Interconnection is the point at which the originating Party delivers its originated traffic to the terminating Party's first point of switching on the terminating Party's common (shared) network for call transport and termination. Points of Interconnection are available at either access tandems, local tandems, End Offices, or any other technically feasible point, as described in this Agreement. AT&T's requested Point of Interconnection will also be used for the receipt and delivery of transit traffic at BellSouth access and local tandems. Points of Interconnection established at the BellSouth local tandem apply only to AT&T-originated local and local originating and terminating transit traffic.~~

BST PROPOSAL

The Point of Interconnection is the point at which the originating Party delivers its originated traffic to the terminating Party's first

point of switching on the terminating Party's common (shared) network for call transport and termination. Points of Interconnection are available at either access tandems, local tandems, End Offices, or any other technically feasible point, as described in this Agreement. AT&T's requested Point of Interconnection will also be used for the receipt and delivery of transit traffic at BellSouth access and local tandems. Points of Interconnection established at the BellSouth local tandem apply only to AT&T-originated local and local originating and terminating transit traffic.

1.8 The Parties will work cooperatively to establish the most efficient trunking network in accordance with the provisions set forth in this Attachment 3 and accepted industry practices.

1.9 Each party will be responsible for engineering its network (i.e., the underlying facilities on which trunks are provisioned) on its side of the Point of Interface. Each Party shall establish Points of Presence and Points of Interface for the delivery of its originated local and intraLATA toll traffic to the other Party. The Point of Interface may not necessarily be established at the Point of Interconnection.

1.10 **DISAGREE**

AT&T PROPOSAL

~~BellSouth shall designate the Points of Presence and Points of Interface for the delivery of its originated local and intraLATA toll traffic to AT&T for call transport and termination by AT&T.~~

BST PROPOSAL

BellSouth shall designate the Points of Presence and Points of Interface for the delivery of its originated local and intraLATA toll traffic to AT&T for call transport and termination by AT&T.

1.11 **DISAGREE**

AT&T PROPOSAL

~~For the purposes of this Attachment 3, Local Channel is defined as a switch transport facility between a Party's Point of Presence and its designated serving wire center.~~

BST PROPOSAL

For the purposes of this Attachment 3, Local Channel is defined as a switch transport facility between a Party's Point of Presence and its designated serving wire center.

1.12 For the purposes of this Attachment 3, Serving Wire Center is defined as the wire center owned by one Party from which the other Party would normally obtain dial tone for its Point of Presence.

1.13 **DISAGREE**

AT&T PROPOSAL

For the purposes of this Attachment 3, Dedicated Transport is defined as a **transport facility between two points specified by the requesting Party.**

BST PROPOSAL

For the purposes of this Attachment 3, Dedicated Transport is defined as a **switch transport facility between a Party's designated serving wire center and the first point of switching on the other Party's common (shared) network.**

1.14 Prices for interconnection facilities are contained in Exhibit A to this Attachment.

2 METHODS OF INTERCONNECTION

2.1 The Parties shall interconnect their networks utilizing one of the following methods in accordance with the provisions set forth in this Attachment 3.

2.1.1 Interconnection by one Party at the premises of the other Party.

2.1.2 BellSouth shall provide collocation to AT&T pursuant to the terms set forth in Attachment 4 of this Agreement, incorporated herein by this reference. AT&T may, at its option, purchase such collocation at the rates, terms, and conditions set forth in Attachment 4 of this Agreement, incorporated herein by this reference.

2.1.3 AT&T, pursuant to the prices, terms and conditions contained in Exhibit B to this Attachment, incorporated herein by this reference, may permit BellSouth to utilize space and power in AT&T facilities specified by AT&T solely for the purpose of terminating BellSouth's local traffic. BellSouth may request installation of both cable and equipment, or cable only.

- 2.1.4 Leased Facilities – where the Party requesting interconnection utilizes the facilities offered by the other Party. Such leased facilities shall be provided at the rates, terms, and conditions set forth in this Attachment 3. At AT&T's request, it may lease separate facilities for the sole purpose of delivering undipped 8YY traffic from AT&T's end users to BellSouth's Switching Services Port ("SSP") for dipping into BellSouth's toll free database.
- 2.1.5 Third Party Facilities – where the Party requesting interconnection utilizes the facilities provided by a source other than the Parties to this Agreement. The Party utilizing this option shall comply with industry standards to maintain network integrity and will be solely responsible for any charges or fees assessed by the third party for use of its facilities.
- 2.1.6 Commercial Intra-building Interconnection – where both Parties have constructed broadband facilities into a commercial building (i.e., a building that is not a telephone central office) and agree to establish a Point of Interface at such location utilizing intra-building cable.
- 2.1.7 Fiber Meet - where the Parties physically interconnect their networks via an optical fiber interface (as opposed to an electrical interface), at which one Party's facilities, provisioning, and maintenance responsibility begins and the other Party's responsibility ends (i.e., Point of Interface). A Fiber Meet shall be an arrangement as set forth in Section 2.3 of this Attachment 3.
- 2.1.8 Any other method determined to be technically feasible and requested by AT&T shall be done pursuant to the process defined in Attachment 14 of this Agreement, incorporated herein by this reference. Any other method determined to be technically feasible and requested by BellSouth and agreed to by AT&T shall be done pursuant to [_____]. [OPEN-AT&T]

2.2 DISAGREE

AT&T PROPOSAL

~~Local Tandem Interconnection. This interconnection arrangement allows AT&T to establish a Point of Interconnection at BellSouth local tandems for: (1) the delivery of AT&T-originated local traffic transported and terminated by BellSouth to BellSouth end offices within the local calling area as defined in BellSouth's General Subscriber Services Tariff, Section A3 served by those BellSouth local tandems; and (2) for local transit traffic transported by BellSouth for third party network providers who have also~~

~~established Points of Interconnection at those BellSouth local tandems.~~

BST PROPOSAL

Local Tandem Interconnection. This interconnection arrangement allows AT&T to establish a Point of Interconnection at BellSouth local tandems for: (1) the delivery of AT&T-originated local traffic transported and terminated by BellSouth to BellSouth end offices within the local calling area as defined in BellSouth's General Subscriber Services Tariff, Section A3 served by those BellSouth local tandems; and (2) for local transit traffic transported by BellSouth for third party network providers who have also established Points of Interconnection at those BellSouth local tandems.

2.2.1

DISAGREE

AT&T PROPOSAL

When a specified local calling area is served by more than one BellSouth local tandem, AT&T must designate a "home" local tandem for each of its assigned NPA/NXXs and establish trunk connections to such local tandems. Additionally, AT&T may choose to establish a Point of Interconnection at the BellSouth local tandems where it has no codes homing but is not required to do so. ~~AT&T may deliver local traffic to a "home" BellSouth local tandem that is destined for other BellSouth or third party network provider end offices subtending other BellSouth local tandems in the same local calling area where AT&T does not choose to establish a Point of Interconnection.~~ It is AT&T's responsibility to enter its own NPA/NXX local tandem homing arrangements into the LERG either directly or via a vendor in order for other third party network providers to determine appropriate traffic routing to AT&T's codes. Likewise, AT&T shall obtain its routing information from the LERG.

BST PROPOSAL

When a specified local calling area is served by more than one BellSouth local tandem, AT&T must designate a "home" local tandem for each of its assigned NPA/NXXs and establish trunk connections to such local tandems. Additionally, AT&T may choose to establish a Point of Interconnection at the BellSouth local tandems where it has no codes homing but is not required to do so. ~~AT&T may deliver local traffic to a "home" BellSouth local tandem that is destined for other BellSouth or third party network provider end offices subtending other BellSouth local tandems in the same local~~

calling area where AT&T does not choose to establish a Point of Interconnection. It is AT&T's responsibility to enter its own NPA/NXX local tandem homing arrangements into the LERG either directly or via a vendor in order for other third party network providers to determine appropriate traffic routing to AT&T's codes. Likewise, AT&T shall obtain its routing information from the LERG.

2.2.2 Notwithstanding establishing Points of Interconnection to BellSouth's local tandems, AT&T must also establish Points of Interconnection to BellSouth access tandems within the LATA on which AT&T has NPA/NXX's homed for the delivery of Interexchange Carrier Switched Access ("SWA") and toll traffic, and traffic to Type 2A CMRS connections located at the access tandems. BellSouth cannot switch SWA traffic through more than one BellSouth access tandem. SWA, Type 2A CMRS or toll traffic routed to the local tandem in error will not be backhauled to the BellSouth access tandem for completion. (Type 2A CMRS interconnection is defined in BellSouth's General Subscriber Services Tariff, Section A35.)

2.2.3 **DISAGREE**

AT&T PROPOSAL

~~**Bell South's provisioning of local tandem interconnection assumes that AT&T has the necessary local interconnection arrangement with the other third party network providers subtending those local tandems as required by the Act.**~~

BST PROPOSAL

BellSouth's provisioning of local tandem interconnection assumes that AT&T has the necessary local interconnection arrangement with the other third party network providers subtending those local tandems as required by the Act.

2.3 Fiber Meet

2.3.1 If AT&T elects to establish a POI with BellSouth pursuant to a Fiber Meet, AT&T and BellSouth shall jointly engineer and operate a Synchronous Optical Network ("SONET") transmission system by which they shall interconnect their transmission and routing of local traffic via a facility at either the DS1, or DS3 level and shall be ordered via an Access Services Request ("ASR") in the initial phase of this offering. The Parties shall work jointly to determine the specific transmission system. The parties will work cooperatively to establish joint access to transmission overhead signals and commands for such facilities and software. However, AT&T's SONET transmission must

be compatible with BellSouth's equipment in the serving wire center. The Parties will work cooperatively in the selection of compatible transmission equipment and software. Fiber Meet will be used for the provision of two-way trunking unless otherwise agreed to by the Parties.

- 2.3.2 BellSouth shall, wholly at its own expense, procure, install and maintain the agreed upon SONET equipment in the BellSouth Serving Wire Center ("BSWC").
- 2.3.3 AT&T shall, wholly at its own expense, procure, install and maintain the agreed upon SONET equipment in the AT&T Serving Wire Center ("ASWC").
- 2.3.4 The parties shall mutually agree upon a Point of Interface outside of the BSWC as a Fiber Meet point and shall make all necessary preparations to receive and to allow and enable delivery of fiber optic facilities into the Point of Interface with sufficient spare length to reach the Point of Interface. A Common Language Location Identification ("CLLI") code will be established for each Point of Interface. The code established must be a building type code. All orders shall originate from the Point of Interface (i.e., Point of Interface to AT&T or Point of Interface to BellSouth).
- 2.3.5 The Parties shall deliver and maintain their own strands wholly at their own expense. Upon verbal request by either Party, the other Party shall allow access to the Fiber Meet entry point for maintenance purposes as promptly as possible.
- 2.3.6 The Parties shall jointly coordinate and undertake maintenance of the SONET transmission system. Each Party shall be responsible for maintaining the components of their own SONET transmission system.
- 2.3.7 Each Party will be responsible for (i) providing its own transport facilities to the Fiber Meet, and (ii) the cost to build-out its facilities to such Fiber Meet.
- 2.3.8 Neither Party shall charge the other for its portion of the Fiber Meet facility between the ASWC and the BSWC used exclusively for the other Party's local traffic (i.e., the Local Channel). The Parties do not intend to utilize this arrangement for transit traffic.

3 INTERCONNECTION TRUNKING AND ROUTING

- 3.1 The parties will establish separate trunk groups as follows:
 - 3.1.1 Local Traffic trunk groups will be established to carry combined local and intraLATA toll traffic. Local traffic means traffic that is originated by

an end user of one Party and terminates to an end user of the other Party within a given LATA. Unless the Parties mutually agree otherwise, Local Traffic trunk groups shall be one-way terminating trunks.

- 3.1.2 Two-way Meet Point Traffic trunk groups will be established to carry Switched Access traffic for third-party IXC customers.
- 3.1.3 Two-way Transit Traffic trunk groups will be established to carry traffic between AT&T and third party CLECs or ILECs other than BellSouth. The Parties agree that Meet Point Traffic and Transit Traffic may be combined on a single trunk group at AT&T's request.
- 3.1.4 At AT&T's request, one-way Meet Point Traffic trunks will be established by the Parties to enable AT&T to deliver undipped 8YY traffic from AT&T Customers to the LEC SSP for dipping in the Industry Toll Free Data Base. All originating toll free service calls for which AT&T requests that the BellSouth perform the SSP function (e.g., perform the database query) shall be delivered to BellSouth, using an agreed upon signaling format. This can be either GR-394-CORE format with Carrier Code "0110" and Circuit Code of "08" or GR-317-CORE format. Charges for dipping and transport to the IXC will be billed in accordance with MECOD/MECAB guidelines.
- 3.1.5 Special use trunks (e.g., 911, choke) will be established in accordance with this Section [].
- 3.2 The Parties will convert all existing interconnection arrangements and trunks to the interconnection arrangements described in this Attachment in accordance with the following:
 - 3.2.1 **Within 45 days of the Effective Date, the Parties will mutually develop an operations plan based on sound engineering and operations principles, which will specify the guidelines to convert from the existing interconnection arrangements to the interconnection arrangements described in this Attachment 3. Such guidelines will conform to standard industry practices adopted by and contained in documents published by Industry Forums, including but not limited to, the Alliance for Telecommunications Industry Solutions ("ATIS") and the Ordering and Billing Forum ("OBF").**
 - 3.2.2 **Each Party shall bear its own costs to convert from the existing interconnection arrangements to the interconnection arrangements described in this Attachment.**

- 3.2.3 **Unless otherwise mutually agreed, the Parties will complete the conversion within one (1) year of the Effective Date of the Agreement.**
- 3.2.4 **If, following one (1) year after the Effective Date of the Agreement, there exists any interconnection trunks which have not been converted to the interconnection arrangements described in this Attachment 3, then either Party may invoke the dispute resolution process, pursuant to Section 16 of the General Terms and Conditions of this Agreement, incorporated herein by this reference. [OPEN-BST/AT&T]**
- 3.3 The Parties will use the following interconnection standards:
- 3.3.1 The Parties agree to establish Binary 8 Zero Sum Extended Superframe line protocol, where technically feasible.
- 3.3.2 In those cases where either Party's equipment will not support 64K Clear Channel Capability ("CCC"), the Parties agree to establish AMI line coding. Any AMI line coding will be Superframe formatted. DS3 facilities will be provisioned with C-bit parity.
- 3.3.3 Where additional equipment is required, such equipment shall be obtained, engineered, and installed to support 64K CCC trunks.
- 3.3.4 All interconnection facilities between the Parties will be sized according to mutual forecasts developed per the requirements of Section 4.8 of this Attachment 3 and sound engineering practices.
- 3.3.5 Interconnection will be provided utilizing either a DS1 or DS3 interface or, with the mutual agreement of the Parties, another technically feasible interface (e.g., STS-1).
- 3.3.6 BellSouth and AT&T shall establish interconnecting trunk groups and trunking configurations between networks including the establishment of one-way or two-way trunks, in accordance with Exhibits C and D of this Attachment, incorporated herein by reference.
- 3.3.7 All terms and conditions, as well as charges, both non-recurring and recurring, associated with interconnecting trunk groups between BellSouth and AT&T not addressed in Exhibit A shall be as set forth in the appropriate Party's intrastate or interstate tariff for switched access services. For two-way trunking that carries the Parties' local and intraLATA toll traffic, excluding transit traffic, the Parties shall be compensated for the nonrecurring and recurring charges for trunks and DS1 facilities at 50% of the applicable contractual or tariff rates for

the services provided by each Party. AT&T shall be responsible for ordering and paying for any two-way trunks carrying transit traffic.

- 3.4 All originating toll free service calls for which the end office Party performs the SSP function, if delivered to the tandem Party, shall be delivered by the end office Party using GR-394 CORE format for IXC bound calls, or using GR-317-CORE format for LEC bound calls.
- 3.5 **Originating Feature Group B calls delivered to either Party's tandem shall use GR-317-CORE signaling format unless the associated FGB carrier employs GR-394-CORE signaling for its FGB traffic at the serving access tandem. [OPEN-BST]**
- 3.6 The Parties shall deliver over any trunk groups groomed for a specific access tandem only traffic destined for those publicly-dialable NPA NXX codes served by: (1) end offices that directly subtend the access tandem; and (2) those providers (including, but not limited to CMRS providers, other independent LECs, and CLECs) that directly connect to the access tandem.
- 3.7 For BellSouth end offices that do not normally subtend tandem for which calls are routed to that end office on an alternate routing basis, BellSouth will provide AT&T its alternative routing (scheme) arrangements. Where BellSouth utilizes alternative arrangements, it shall deliver any traffic through that alternative routing.
- 3.8 The Parties shall deliver over any trunk groups groomed for a specific end office only traffic destined for those publicly-dialable NPA NXX codes served by that end office, unless otherwise agreed to by the Parties.
- 3.9 The source for the routing information for all traffic shall be the LERG, unless otherwise agreed to between the Parties.
- 3.10 Where either Party delivers over the local traffic trunk groups miscellaneous calls (e.g., time, weather, 976) destined for the other Party, it shall deliver such traffic in accordance with the serving arrangements defined in the LERG.
- 3.11 The Parties will cooperate to establish separate, choke trunk groups for the completion of calls to end users such as radio contest lines. Notwithstanding the foregoing, the Parties agree that where the Parties' switch has the capability to perform call gapping and other protective network traffic management controls, separate trunk groups shall not be required to carry such traffic.

- 3.12 N11 code traffic shall be routed between the Parties' networks pursuant to accepted industry practice (e.g., over local traffic trunks or over separate trunk groups).
- 3.13 Each Party shall establish procedures whereby its operator bureau will coordinate with the operator bureau of the other Party in order to provide Busy Line Verification/Busy Line Verification Interrupt services on calls between their respective line side end users for numbers that are not ported.
- 3.14 A blocking standard of one-half of one percent (.005) shall be maintained during the average busy hour for final trunk groups carrying jointly provided exchange access traffic between an end office and an access tandem. All other final trunk groups are to be engineered with a blocking standard of one percent (.01). High usage trunk groups shall be sized to an economic CCS parameter mutually agreed to by both Parties.
- 3.14.1 BellSouth agrees to provide upon request of AT&T, pursuant to Attachment 6 of this Agreement, traffic usage data (including, but not limited to, usage, peg and overflow counts) for each AT&T NXX subtending the BellSouth tandem to determine which AT&T traffic by NXX is being blocked.
- 3.14.2 Pursuant to Attachment 9, incorporated herein by this reference, BellSouth shall report to AT&T information regarding blocking of interconnection traffic.
- 3.15 The Parties agree to jointly manage the capacity of interconnection trunk groups to encourage the economic deployment of increasingly robust and diverse interconnection between their networks.

DISAGREE

AT&T PROPOSAL

- 3.16 ~~BellSouth Access Tandem Interconnection Architectures~~
- 3.16.1 ~~BellSouth Access Tandem Interconnection provides intratandem access to subtending end offices.~~
- 3.17 ~~Preferred Trunking Interconnection~~
- 3.17.1 ~~In this interconnection architecture AT&T's originating Local and IntraLATA Toll and originating and terminating Transit Traffic is transported on a single two-way trunk group between AT&T and BellSouth access tandem(s) within a LATA. This group carries intratandem Transit Traffic between AT&T and Independent~~

~~Companies, Interexchange Carriers, other CLECs and other network providers with which AT&T desires interconnection and has the proper contractual arrangements. This group also carries AT&T originated intertandem traffic transiting a single BellSouth access tandem destined to third party tandems such as an Independent Company tandem or other CLEC tandem. BellSouth originated Local and IntraLATA Toll traffic is transported on a single one-way trunk group terminating to AT&T. The Two-way Trunking Rules, described in this Agreement, do not apply to this architecture. Other trunk groups for operator services, directory assistance, emergency services and intercept may be established if required. The LERG should be referenced for current routing and tandem serving arrangements. The Preferred Trunking Interconnection architecture is illustrated in Exhibit C.~~

3.18 ~~One Way Trunking Interconnection~~

3.18.1 ~~In this arrangement, the Parties interconnect using two one-way trunk groups. One one-way trunk group carries AT&T originated local and intraLATA toll traffic destined for BellSouth end-users. The other one-way trunk group carries BellSouth originated local and intraLATA toll traffic destined for AT&T end-users. A third two-way trunk group is established for AT&T's originating and terminating Transit Traffic. This group carries intratandem Transit Traffic between AT&T and Independent Companies, Interexchange Carriers, other CLECs and other network providers with which AT&T desires interconnection and has the proper contractual arrangements. This group also carries AT&T originated intertandem traffic transiting a single BellSouth access tandem destined to third party tandems such as an Independent Company tandem or other CLEC tandem. Other trunk groups for operator services, directory assistance, emergency services and intercept may be established if required. The LERG should be referenced for current routing and tandem serving arrangements. One Way Trunking Interconnection is illustrated in Exhibit D.~~

3.19 ~~Two-Way Trunking Interconnection~~

3.19.1 ~~Two-Way Trunking Interconnection establishes one two-way trunk group to carry local and intraLATA toll traffic between AT&T and BellSouth. To establish this type of configuration, AT&T and BellSouth must agree to the Two-way Trunking Rules. In addition, a two-way transit trunk group must be established for AT&T's originating and terminating Transit Traffic. This group carries intratandem Transit Traffic between AT&T and Independent Companies, Interexchange Carriers, other CLECs~~

~~and other network providers with which AT&T desires interconnection and has the proper contractual arrangements. This group also carries AT&T originated intertandem traffic transiting a single BellSouth access tandem destined to third party tandems such as an Independent Company tandem or other CLEC tandem. Other trunk groups for operator services, directory assistance, emergency services and intercept may be established if required. The LERG should be referenced for current routing and tandem serving arrangements. Two-Way Trunk Interconnection is illustrated in Exhibit E.~~

3.20 ~~Supergroup Interconnection~~

3.20.1 ~~In the Supergroup Interconnection arrangement, the Parties Local and IntraLATA Toll and AT&T's Transit Traffic is exchanged on a single two-way trunk group between AT&T and BellSouth. AT&T and BellSouth must agree to the Two-way Trunking Rules in order to establish this architecture. This group carries intratandem Transit Traffic between AT&T and Independent Companies, Interexchange Carriers, other CLECs and other network providers with which AT&T desires interconnection and has the proper contractual arrangements. This group also carries AT&T originated intertandem traffic transiting a single BellSouth access tandem destined to third party tandems such as an Independent Company tandem or other CLEC tandem. Other trunk groups for operator services, directory assistance, emergency services and intercept may be established if required. The LERG should be referenced for current routing and tandem serving arrangements. Supergroup Interconnection is illustrated in Exhibit F.~~

3.21 ~~Two-Way Trunking Rules:~~

3.21.1 ~~AT&T will initiate two-way trunk request, and BellSouth will concur. However, two-way trunks will be jointly provisioned.~~

3.21.2 ~~The Point of Interface will be located at a mutually agreed location or point designated by BellSouth. If an agreement cannot be reached on the location of the Point of Interface, each company will establish its own Point of Interface and order one-way trunks.~~

3.21.3 ~~BellSouth and AT&T will jointly review the trunk forecast, as needed, on a periodic basis, or at least every six (6) months.~~

3.21.4 ~~AT&T will order trunks using ASR process in place for Local Interconnection after the joint planning meeting takes place between BellSouth and AT&T.~~

- 3.21.5 ~~BellSouth and AT&T must agree on Standard Traffic Engineering parameters that will be used in the engineering of the trunk groups.~~
- 3.21.6 ~~BellSouth and AT&T must agree to meet and resolve service-affecting situations in a timely manner. This contact will normally be made through the Account Team.~~
- 3.21.7 ~~Establishing a two-way trunk group does not preclude BellSouth or AT&T from adding one-way trunk groups within the same Local Calling Area.~~
- 3.21.8 ~~For technical reasons, two-way trunk groups may not be ordered to a BellSouth DMS100 Local Tandem or DMS100 End Office.~~
- 3.21.9 ~~BellSouth will be responsible for the installation and maintenance of its trunks and facilities to the mutually agreed Point of Interface, and AT&T will be responsible for the installation and maintenance of its trunks and facilities to the mutually agreed to Point of Interface.~~
- 3.22 ~~BellSouth End Office Interconnection~~
- 3.22.1 ~~AT&T may establish interconnection at BellSouth end offices for the delivery of AT&T originated local and intralata toll traffic destined for BellSouth end users served by that end office.~~
- 3.22.2 ~~When end office trunking is ordered by BellSouth to deliver BellSouth originated traffic to AT&T, BellSouth will provide overflow routing through BellSouth tandems consistent with how BellSouth overflows it's traffic. The overflow will be based on the homing arrangements AT&T displays in the LERG. Likewise, if AT&T interconnects to a BellSouth end office for delivery of AT&T originated traffic, AT&T will overflow the traffic through the BellSouth tandems based on the BellSouth homing arrangements shown in the LERG.~~

BST PROPOSAL

- 3.23 **BellSouth Access Tandem Interconnection Architectures**
- 3.23.1 **BellSouth Access Tandem Interconnection provides intratandem access to subtending end offices.**
- 3.24 **Preferred Trunking Interconnection**

3.24.1 **In this interconnection architecture AT&T's originating Local and IntraLATA Toll and originating and terminating Transit Traffic is transported on a single two-way trunk group between AT&T and BellSouth access tandem(s) within a LATA. This group carries intratandem Transit Traffic between AT&T and Independent Companies, Interexchange Carriers, other CLECs and other network providers with which AT&T desires interconnection and has the proper contractual arrangements. This group also carries AT&T originated intertandem traffic transiting a single BellSouth access tandem destined to third party tandems such as an Independent Company tandem or other CLEC tandem. BellSouth originated Local and IntraLATA Toll traffic is transported on a single one-way trunk group terminating to AT&T. The Two-way Trunking Rules, described in this Agreement, do not apply to this architecture. Other trunk groups for operator services, directory assistance, emergency services and intercept may be established if required. The LERG should be referenced for current routing and tandem serving arrangements. The Preferred Trunking Interconnection architecture is illustrated in Exhibit C.**

3.25 **One Way Trunking Interconnection**

3.25.1 **In this arrangement, the Parties interconnect using two one-way trunk groups. One one-way trunk group carries AT&T-originated local and intraLATA toll traffic destined for BellSouth end-users. The other one-way trunk group carries BellSouth-originated local and intraLATA toll traffic destined for AT&T end-users. A third two-way trunk group is established for AT&T's originating and terminating Transit Traffic. This group carries intratandem Transit Traffic between AT&T and Independent Companies, Interexchange Carriers, other CLECs and other network providers with which AT&T desires interconnection and has the proper contractual arrangements. This group also carries AT&T originated intertandem traffic transiting a single BellSouth access tandem destined to third party tandems such as an Independent Company tandem or other CLEC tandem. Other trunk groups for operator services, directory assistance, emergency services and intercept may be established if required. The LERG should be referenced for current routing and tandem serving arrangements. One Way Trunking Interconnection is illustrated in Exhibit D.**

3.26 **Two-Way Trunking Interconnection**

3.26.1 **Two-Way Trunking Interconnection establishes one two-way trunk group to carry local and intraLATA toll traffic between AT&T and BellSouth. To establish this type of configuration, AT&T and**

BellSouth must agree to the Two-way Trunking Rules. In addition, a two-way transit trunk group must be established for AT&T's originating and terminating Transit Traffic. This group carries intratandem Transit Traffic between AT&T and Independent Companies, Interexchange Carriers, other CLECs and other network providers with which AT&T desires interconnection and has the proper contractual arrangements. This group also carries AT&T originated intertandem traffic transiting a single BellSouth access tandem destined to third party tandems such as an Independent Company tandem or other CLEC tandem. Other trunk groups for operator services, directory assistance, emergency services and intercept may be established if required. The LERG should be referenced for current routing and tandem serving arrangements. Two-Way Trunk Interconnection is illustrated in Exhibit E.

3.27 Supergroup Interconnection

3.27.1 In the Supergroup Interconnection arrangement, the Parties Local and IntraLATA Toll and AT&T's Transit Traffic is exchanged on a single two-way trunk group between AT&T and BellSouth. AT&T and BellSouth must agree to the Two-way Trunking Rules in order to establish this architecture. This group carries intratandem Transit Traffic between AT&T and Independent Companies, Interexchange Carriers, other CLECs and other network providers with which AT&T desires interconnection and has the proper contractual arrangements. This group also carries AT&T originated intertandem traffic transiting a single BellSouth access tandem destined to third party tandems such as an Independent Company tandem or other CLEC tandem. Other trunk groups for operator services, directory assistance, emergency services and intercept may be established if required. The LERG should be referenced for current routing and tandem serving arrangements. Supergroup Interconnection is illustrated in Exhibit F.

3.28 Two-Way Trunking Rules:

3.28.1 AT&T will initiate two-way trunk request, and BellSouth will concur. However, two-way trunks will be jointly provisioned.

3.28.2 The Point of Interface will be located at a mutually agreed location or point designated by BellSouth. If an agreement cannot be reached on the location of the Point of Interface, each company will establish its own Point of Interface and order one-way trunks.

- 3.28.3 **BellSouth and AT&T will jointly review the trunk forecast, as needed, on a periodic basis, or at least every six (6) months.**
- 3.28.4 **AT&T will order trunks using ASR process in place for Local Interconnection after the joint planning meeting takes place between BellSouth and AT&T.**
- 3.28.5 **BellSouth and AT&T must agree on Standard Traffic Engineering parameters that will be used in the engineering of the trunk groups.**
- 3.28.6 **BellSouth and AT&T must agree to meet and resolve service-affecting situations in a timely manner. This contact will normally be made through the Account Team.**
- 3.28.7 **Establishing a two-way trunk group does not preclude BellSouth or AT&T from adding one-way trunk groups within the same Local Calling Area.**
- 3.28.8 **For technical reasons, two-way trunk groups may not be ordered to a BellSouth DMS100 Local Tandem or DMS100 End Office.**
- 3.28.9 **BellSouth will be responsible for the installation and maintenance of its trunks and facilities to the mutually agreed Point of Interface, and AT&T will be responsible for the installation and maintenance of its trunks and facilities to the mutually agreed to Point of Interface.**
- 3.29 **BellSouth End Office Interconnection**
- 3.29.1 **AT&T may establish interconnection at BellSouth end offices for the delivery of AT&T originated local and intralata toll traffic destined for BellSouth end-users served by that end-office.**

When end office trunking is ordered by BellSouth to deliver BellSouth originated traffic to AT&T, BellSouth will provide overflow routing through BellSouth tandems consistent with how BellSouth overflows it's traffic. The overflow will be based on the homing arrangements AT&T displays in the LERG. Likewise, if AT&T interconnects to a BellSouth end office for delivery of AT&T originated traffic, AT&T will overflow the traffic through the BellSouth tandems based on the BellSouth homing arrangements shown in the LERG.

4 NETWORK DESIGN AND MANAGEMENT FOR INTERCONNECTION

- 4.1 Network Management and Changes. Both Parties will work cooperatively with each other to install and maintain the most effective and reliable interconnected telecommunications networks, including but not limited to, the exchange of toll-free maintenance contact numbers and escalation procedures. Both Parties agree to provide public notice of changes in the information necessary for the transmission and routing of services using its local exchange facilities or networks, as well as of any other changes that would affect the interoperability of those facilities and networks.
- 4.2 Interconnection Technical Standards. The interconnection of all networks will be based upon accepted industry/national guidelines for transmission standards and traffic blocking criteria. Interconnecting facilities shall conform, at a minimum, to the technical specifications set forth in the applicable industry standard technical references. Signal transfer point, Signaling System 7 ("SS7") connectivity is required at each interconnection point. BellSouth will provide out-of-band signaling using Common Channel Signaling Access Capability where technically and economically feasible, in accordance with the technical specifications set forth in the applicable industry standard technical references. Facilities of each Party shall provide the necessary on-hook, off-hook answer and disconnect supervision and shall hand off calling number ID (Calling Party Number) when technically feasible.
- 4.3 Quality of Interconnection. The local interconnection for the transmission and routing of telephone exchange service and exchange access that each Party provides to each other will be at least equal in quality to what it provides to itself and any subsidiary or affiliate, where technically feasible, or to any other Party to which each Party provides local interconnection.
- 4.4 Common Channel Signaling. Both Parties will provide LEC-to-LEC Common Channel Signaling ("CCS") to each other, where available, in conjunction with all traffic in order to enable full interoperability of CLASS features and functions except for call return. All CCS signaling parameters will be provided, including automatic number identification ("ANI"), originating line information ("OLI") calling company category, charge number, etc. All privacy indicators will be honored, and each Party will cooperate with each other on the exchange of Transactional Capabilities Application Part ("TCAP") messages to facilitate full interoperability of CCS-based features between the respective networks. The Parties will provide all line information signaling parameters including, but not limited to, Calling Party Number, Charge Number (if it is different from calling party number), and originating line information ("OLI"). For terminating FGD, either Party will pass any CPN it receives from other carriers. All privacy indicators will be

honored. Where available, network signaling information such as Transit Network Selection ("TNS") parameter (SS7 environment) will be provided by the end office Party wherever such information is needed for call routing or billing. Where TNS information has not been provided by the end office Party, the tandem Party will route originating exchange access traffic to the IXC using available translations. The Parties will follow all industry Ordering and Billing Forum ("OBF") adopted guidelines pertaining to TNS codes.

- 4.4.1 BellSouth's Common Channel Signaling Access Service ("CCSAS") allows interconnected carriers to exchange signaling information over a communications path that is separate from the message path.
- 4.4.2 The transport portion of CCSAS, commonly referred to as a signaling link, is provided via dedicated 56 kbps out of band signaling connections between the AT&T signaling point of interconnection and BellSouth's signaling point of interconnection ("SPOI").
- 4.4.3 The network termination point where this interconnection takes place is called the Signaling Transfer Point ("STP") port termination.
- 4.4.4 Charges for signaling links and the STP port termination can be found in Attachment 2 of this Agreement, incorporated herein by this reference.
- 4.4.5 Each CCSAS signaling connection provides for two-way digital transmission at speeds in multiples of 56 kbps. The connection to BellSouth's STP pair can be made from either AT&T's signaling point ("SP"), which requires a minimum of two links, or from AT&T's STP pair, which requires a minimum of four links.
- 4.4.6 SS7 Interconnection will take place at STP locations that are mutually agreed to by the Parties.
- 4.4.7 Where CCS is not available, in-band multi-frequency signaling will be provided. In such an arrangement, each Party will output the full ten-digit telephone number of the called party to the other Party with appropriate call set-up and Automatic Number Identification ("ANI") where available, at parity.
- 4.4.8 The Parties will provide CCS to one another, where and as available, in conjunction with access to call related databases and Service Control Points ("SCP"), including toll free databases, Line Information Database ("LIDB"), Calling Name ("CNAM"), and any other necessary databases.

- 4.4.9 When the Parties establish new links , each Party shall provide its own STP port termination(s) and charge the other Party for the signaling links as follows:
- 4.4.9.1 Where the SPOI for the signaling link is at a Fiber Meet, there shall be no compensation between the Parties for the signaling link facilities used.
- 4.4.9.2 Where the SPOI for the signaling link facilities is located at the BellSouth Serving Wire Center where the signaling link facilities terminates and AT&T has furnished the interconnection facility, BellSouth will pay a monthly charge equal to one half of the AT&T-provided facility charge according to BellSouth's unbundled rate element for the facility used. Rates for said interconnection facilities shall be as set forth in Exhibit A in Attachment 2, incorporated herein by this reference.
- 4.4.9.3 Where the SPOI for the signaling link facilities is located at the AT&T Serving Wire Center facility where the signaling link facilities terminate and BellSouth has furnished the interconnection facility, AT&T will pay a monthly charge equal to one half of the BellSouth-provided facility charge according to BellSouth's unbundled rate element for the facility used. Rates for said interconnection facilities shall be as set forth in Exhibit A in Attachment 2, incorporated herein by this reference.
- 4.4.9.4 Each party is responsible for all facility maintenance and provisioning on its side of the SPOI.
- 4.4.10 Implementation of new interconnection arrangements (as opposed to augmentation of existing arrangements), including testing of SS7 interconnection, shall be pursuant to the technical specifications set forth in the applicable industry standard technical references. Each Party will be expected to provide sufficient cooperative testing resources to ensure proper provisioning, including the ability to confirm that AT&T LERG-assigned NPA NXX codes have been opened, translated and routed accurately in all appropriate BellSouth switches. A mutually agreed test calling plan shall be conducted to ensure successful completion of originating and terminating calls.
- 4.5 Message Screening
- 4.5.1 BellSouth shall set message screening parameters so as to accept messages from AT&T local or tandem switching systems destined to any signaling point in the BellSouth SS7 network or any network interconnected to the BellSouth SS7 network with which the AT&T switching system has a legitimate signaling relationship.

4.5.2 BellSouth shall set message screening parameters so as to accept messages destined to/from an AT&T local or tandem switching system or to/from an AT&T Service Control Point ("SCP") from any signaling point or network interconnected to the BellSouth SS7 network with which the AT&T switching system has a legitimate signaling relationship.

4.6 STP Requirements

4.6.1 BellSouth shall provide message transfer part and Signaling Connection Control Point ("SCCP") protocol interfaces in accordance with the technical specifications set forth in the applicable industry standard technical references.

4.7 SS7 Network Interconnection

4.7.1 SS7 Network Interconnection is the interconnection of AT&T STPs and AT&T local or tandem switching systems with the BellSouth STPs. This interconnection provides connectivity that enables the exchange of SS7 messages among BellSouth switching systems and databases, AT&T local or tandem switching systems and other third-party switching systems directly connected to the BellSouth SS7 network.

4.7.2 SS7 Network Interconnection shall provide connectivity to all components of the BellSouth SS7 network. These include:

4.7.2.1 BellSouth local or tandem switching systems;

4.7.2.2 BellSouth databases; and

4.7.2.3 Other third party local or tandem switching systems.

4.7.3 The connectivity provided by SS7 Network Interconnection shall fully support the functions of BellSouth switching systems and databases and AT&T or other third-party switching systems with (note could be an A link or a D/B link direct access to the BellSouth SS7 network.

4.7.4 SS7 Network Interconnection shall provide transport for certain types of TCAP messages. If traffic is routed based on dialed or translated digits between an AT&T local switching system and a BellSouth or other third-party local switching system, either directly or via a BellSouth tandem switching system, then it is a requirement that the BellSouth SS7 network convey via SS7 Network Interconnection the TCAP messages that are necessary to provide Call Management services (Automatic Callback, Automatic Recall, and Screening List Editing) between the AT&T local STPs and the BellSouth or other third-party local switch.

- 4.7.5 When the capability to route messages based on Intermediate Signaling Network Identifier ("ISNI") is generally available on BellSouth STPs, the BellSouth SS7 Network shall also convey TCAP messages using SS7 Network Interconnection in similar circumstances where the BellSouth switch routes traffic based on a Carrier Identification Code ("CIC").
- 4.7.6 BellSouth shall offer the following SS7 Network Interconnection options to connect AT&T or AT&T-designated local or tandem switching systems or STPs to the BellSouth SS7 network:
- 4.7.6.1 A-link interface from AT&T local or tandem switching systems; and
- 4.7.6.2 D/B-link interface from AT&T STPs.
- 4.7.7 Each interface shall be provided by one or more sets (layers) of signaling links, as follows:
- 4.7.7.1 An A-link layer shall consist of two links.
- 4.7.7.2 A D/B-link layer shall consist of four links.
- 4.7.8 The Parties agree to implement intraoffice diversity for the signaling links so that no single failure of intraoffice facilities or equipment shall cause the failure of any two links in a layer connecting to a BellSouth STP.
- 4.7.9 Signaling Call Information. BellSouth and AT&T will send and receive 10 digits for local traffic. Additionally, BellSouth and AT&T will exchange the proper call information, i.e., originated call company number and destination call company number, CIC, and OZZ, including all proper translations for routing between networks and any information necessary for billing.
- 4.8 Trunk Forecasting and Servicing Requirements.
- 4.8.1 The Parties shall exchange technical descriptions and forecasts of their interconnection and traffic requirements in sufficient detail necessary to establish the interconnections required to assure traffic completion to and from all customers in their respective designated service areas. In order for BellSouth to provide as accurate reciprocal trunking forecasts as possible to AT&T, AT&T must timely inform BellSouth of any known or anticipated events that may affect BellSouth reciprocal trunking requirements. If AT&T refuses to provide such information, BellSouth shall provide reciprocal trunking forecasts based only on existing trunk group growth and BellSouth's annual estimated percentage of BellSouth subscriber line growth.

- 4.8.2 Both Parties shall meet every six months or at otherwise mutually agreeable intervals for the purpose of exchanging non-binding forecast of its traffic and volume requirements for the interconnection and Network Elements provided under this Agreement, in the form and in such detail as agreed by the Parties. The Parties agree that each forecast provided under this section shall be deemed "Confidential Information" as set forth in Section 18 of the General Terms and Conditions of this Agreement, incorporated herein by this reference.
- 4.8.3 The trunk forecast should include trunk requirements for all of the interconnecting trunk groups for the current year plus the next two future years. The forecast meeting between the two companies may be a face-to-face meeting, video conference or audio conference. It may be held regionally or geographically. Ideally, these forecast meetings should be held at least semi-annually, or more often if the forecast is no longer usable. Updates to a forecast or portions thereof should be made whenever the Party providing the forecast deems that the latest trunk requirements exceed the original quantities by 48 trunks or 10%, whichever is greater. Either Party should notify the other Party if they have measurements indicating that a trunk group is exceeding its designed call carrying capacity and is impacting other trunk groups in the network. Also, either Party should notify the other Party if they know of situations in which the traffic load is expected to increase significantly and thus affect the interconnecting trunk requirements as well as the trunk requirements within the other Party's network. The Parties agree that the forecast information provided under this section shall be deemed "Confidential Information" as set forth in Section 18 of the General Terms and Conditions of this Agreement, incorporated herein by this reference. Each Party shall provide a specified point of contact for planning, forecasting and trunk servicing purposes.
- 4.8.4 For a non-binding trunk forecast, agreement between the two Parties on the trunk quantities and the timeframe of those trunks does not imply any liability for failure to perform if the trunks are not available for use at the required time.
- 4.8.5 Both Parties will manage the capacity of their interconnection trunk groups. BellSouth will issue an ASR to AT&T to order changes BellSouth desires to the BellSouth interconnection trunk groups based on BellSouth's capacity assessment. AT&T will issue an ASR to BellSouth to order changes AT&T desires to the AT&T interconnection trunk groups based on AT&T's capacity assessment.
- 4.8.6 Either Party may issue a Trunk Group Service Request ("TGSR") to the other Party to order changes it desires to the interconnection trunk groups based on its capacity assessment. The Party receiving the

TGSR will, within ten (10) business days, respond with an ASR or an explanation of why it believes an ASR is inappropriate.

- 4.8.7 The Party submitting an ASR will provide complete and accurate tie down inventory assignments in typical industry bay, panel and jack format, or in such other format as the Parties agree, on each order by use of a Design Layout Record. Additional tie down information, such as span information, may be required when applicable.
- 4.8.8 The Parties will prepare ASRs pursuant to the industry standard guidelines of the OBF.
- 4.8.9 The Party provisioning the ASR will assign to the requesting Party a location code expressed in CLLI code format that will appear in the Access Customer Terminal Location Field of the ASR.
- 4.8.10 The standard interval used for the provisioning of additions to local interconnection trunk groups shall be no greater than ten (10) business days, for orders of fewer than ninety-six (96) DS-0 trunks. Other orders shall be determined on an individual case basis. Where feasible, either Party will expedite installation, upon the other Party's request.
- 4.8.11 Major projects shall be limited to those projects that require the coordination and execution of multiple orders or related activities between and among BellSouth and AT&T work groups specifically relating to: (i) the initial establishment of local interconnection trunk groups; (ii) extending service into a new area; (iii) NXX code moves; (iv) facility grooming; or (v) network rearrangements. If orders that are component pieces of a major project are submitted after project implementation has been jointly planned and coordinated, they shall be submitted with a major project reference. Several orders submitted at one time may not be classified as a major project without the consent of the submitting Party. Each Party will identify a single point of contact that will be responsible for overall coordination and management of a major project through an agreed completion point.
- 4.8.12 As provided herein, AT&T and BellSouth agree to exchange escalation lists which reflect contact personnel including vice president level officers. These lists shall include name, department, title, phone number, and fax number for each person. AT&T and BellSouth agree to exchange an up-to-date list promptly following changes in personnel or information.
- 4.9 Interference or Impairment

4.10 **Within three (3) business days of receipt of notification of blocking of traffic originated within the other Party's network, the Parties shall determine and begin work to implement reasonable corrective measures in a manner consistent with industry practices. [OPEN-BST]**

4.11 Local Dialing Parity

4.11.1 BellSouth and AT&T shall provide local and toll dialing parity to each other with no unreasonable dialing delays. Dialing parity shall be provided for all originating telecommunications services that require dialing to route a call. BellSouth and AT&T shall permit similarly situated telephone exchange service end users to dial the same number of digits to make a local telephone call notwithstanding the identity of the end user's or the called party's telecommunications service provider.

5 **NETWORK MAINTENANCE**

5.1 Outage Repair Standard

5.1.1 In the event of an outage or trouble in any arrangement, facility, or service being provided by BellSouth hereunder, BellSouth will follow procedures for isolating and clearing the outage or trouble that are no less favorable than those that apply to comparable arrangements, facilities, or services being provided by BellSouth to itself, Affiliate or any other carrier whose network is connected to that of BellSouth.

5.2 BellSouth shall provide AT&T at least sixty (60) days' advance notice of any scheduled maintenance activity which may impact AT&T's end users. Scheduled maintenance shall include, without limitation, such activities as, switch software retrofits, power tests, major equipment replacements and cable rolls. Plans for scheduled maintenance shall include, at a minimum, the following information: location and type of facilities, specific work to be performed, date and time work is scheduled to commence, work schedule to be followed, date and time work is scheduled to be completed, estimated number of work-hours for completion.

6 **INTERCONNECTION COMPENSATION**

6.1 Compensation for Local and IntraLATA Toll Traffic

6.1.1 Except as provided in this Attachment, the Parties shall bill each other reciprocal compensation in accordance with the standards set forth in this Agreement for all local and intraLATA toll traffic originated by one Party and terminated to the other Party. Such traffic shall be recorded

and transmitted to AT&T in accordance with Attachment 6 of this Agreement. Reciprocal compensation for the transport and termination of local and intraLATA toll traffic shall be charged at rates specified in Exhibit A of this Attachment.

6.1.2

DISAGREE

AT&T PROPOSAL

Where AT&T provides service to an AT&T end user using any Combinations that includes the local switching Network Element, the Parties shall adopt a "bill and keep" compensation arrangement for local and intraLATA toll traffic. Under this compensation arrangement, the terminating carrier will not charge the originating carrier for such traffic at either the appropriate end office or access tandem switch. Notwithstanding the implementation of a "bill and keep" compensation arrangement for such traffic, BellSouth will record and forward to AT&T all associated usage, as provided in Attachment 6 to this Agreement.

BST PROPOSAL

~~Where AT&T provides service to an AT&T end user using any Combinations that includes the local switching Network Element, the Parties shall adopt a "bill and keep" compensation arrangement for local and intraLATA toll traffic. Under this compensation arrangement, the terminating carrier will not charge the originating carrier for such traffic at either the appropriate end office or access tandem switch. Notwithstanding the implementation of a "bill and keep" compensation arrangement for such traffic, BellSouth will record and forward to AT&T all associated usage, as provided in Attachment 6 to this Agreement.~~

6.1.3

DISAGREE

AT&T PROPOSAL

As clarification of this definition and for reciprocal compensation, Local Traffic does include traffic that originates from or terminates to or through an enhanced service provider or information service provider. **As further clarification, Local Traffic does not include any minutes of traffic that were generated solely for the purpose of receiving reciprocal compensation and were not related to traffic routinely and ordinarily recognized within the industry to constitute local traffic as a result of a telephone call (i.e., voice or**

~~data traffic). As further clarification, Local Traffic does not include traffic that consists of minutes of use from any end user customer that relies upon a call placed by that end user customer or on the end user customer's behalf to establish or maintain a network connection, if: (a) minutes of use to be billed are primarily associated with traffic of a type not routinely and ordinarily recognized by a reasonable person to constitute traffic as a result of a telephone call (i.e., voice or data traffic); (b) the end user customer does not control the destination of the call; and (c) the minutes of use do not serve a legitimate purpose that is unrelated to the receipt of reciprocal compensation or any other benefit that may be derived solely from establishing or maintaining the network connection.~~

BST PROPOSAL

As clarification of this definition and for reciprocal compensation, Local Traffic does **not** include traffic that originates from or is directed to or through an enhanced service provider or information service provider. **As further clarification, Local Traffic does not include traffic that consists of minutes of use from any end user customer that relies upon a call placed by that end user customer or on the end user customer's behalf to establish or maintain a network connection, if: (a) minutes of use to be billed are primarily associated with traffic of a type not routinely and ordinarily recognized by a reasonable person to constitute traffic as a result of a telephone call (i.e., voice or data traffic); (b) the end user customer does not control the destination of the call; and (c) the minutes of use do not serve a legitimate purpose that is unrelated to the receipt of reciprocal compensation or any other benefit that may be derived solely from establishing or maintaining the network connection.**

6.1.4

DISAGREE

AT&T PROPOSAL

Each Party is financially responsible for providing, on its side of the POI, the facilities on which the Local Traffic trunks carrying such Party's local and intraLATA toll traffic are provisioned. The Parties shall provide for the mutual and reciprocal recovery of the costs for the network facilities utilized in transporting and terminating local traffic on each other's network. The Parties agree that charges for transport and termination of calls on their respective networks are as set forth in Exhibit A to this Attachment.

BST PROPOSAL

The Parties shall provide for the mutual and reciprocal recovery of the costs for the network facilities utilized in transporting and terminating local traffic on each other's network. The Parties agree that charges for transport and termination of calls on their respective networks are as set forth in Exhibit A to this Attachment.

- 6.1.5 For the purposes of this Attachment 3, Common (Shared) Transport is defined as the transport of one Party's traffic by the other Party over the other Party's common (shared) facilities between the other Party's tandem switch and end office switch and/or between the other Party's tandem switches.
- 6.1.6 For the purposes of this Attachment 3, Tandem Switching is defined as the function that establishes a communications path between two switching offices through a third switching office (the Tandem switch).
- 6.1.7 For the purposes of this Attachment 3, End Office Switching is defined as the function that establishes a communications path between the trunk side and line side of the End Office switch.
- 6.1.8 **DISAGREE**

AT&T PROPOSAL

~~If AT&T utilizes a switch outside the LATA and BellSouth chooses to purchase dedicated or common (shared) transport from AT&T for transport and termination of BellSouth originated traffic, BellSouth will pay AT&T no more than the airline miles between the V & H coordinates of the Point of Interface within the LATA where AT&T receives the BellSouth originated traffic and the V & H coordinates of the BellSouth Exchange Rate Center Area that the AT&T terminating NPA/NXX is associated in the same LATA. For these situations, BellSouth will compensate AT&T at either dedicated or common (shared) transport rates specified in Exhibit A and based upon the network facilities provided by AT&T as defined in this Attachment 3.~~

BST PROPOSAL

If AT&T utilizes a switch outside the LATA and BellSouth chooses to purchase dedicated or common (shared) transport from AT&T for transport and termination of BellSouth originated traffic, BellSouth will pay AT&T no more than the airline miles between the V & H coordinates of the Point of Interface within the LATA

where AT&T receives the BellSouth-originated traffic and the V & H coordinates of the BellSouth Exchange Rate Center Area that the AT&T terminating NPA/NXX is associated in the same LATA. For these situations, BellSouth will compensate AT&T at either dedicated or common (shared) transport rates specified in Exhibit A and based upon the network facilities provided by AT&T as defined in this Attachment 3.

6.1.9

DISAGREE

AT&T PROPOSAL

~~Neither Party shall represent access services traffic (e.g., Internet Protocol Telephony, FGA, FGB, etc.) as Local Traffic for purposes of payment of reciprocal compensation. "Internet Protocol Telephony" is defined as real-time voice conversations over the Internet by converting voices into data which is compressed and split into packets, which are sent over the Internet like any other packets and reassembled as audio output at the receiving end.~~

BST PROPOSAL

Neither Party shall represent access services traffic (e.g., Internet Protocol Telephony, FGA, FGB, etc.) as Local Traffic for purposes of payment of reciprocal compensation. "Internet Protocol Telephony" is defined as real-time voice conversations over the Internet by converting voices into data which is compressed and split into packets, which are sent over the Internet like any other packets and reassembled as audio output at the receiving end.

6.1.10

Unidentifiable traffic. AT&T shall utilize its NPA/NXXs in such a way and will provide the necessary information so that BellSouth shall be able to distinguish local from intraLATA toll traffic for BellSouth originated traffic. AT&T end users assigned NPA/NXX line numbers shall be physically located in the BellSouth rate center with which the NPA/NXX has been associated. Whenever BellSouth delivers traffic to AT&T for termination on the AT&T's network, if BellSouth cannot determine, because of the manner in which AT&T has utilized its NXX codes whether the traffic is local or toll, BellSouth will charge the applicable rates for originating intrastate network access service as reflected in BellSouth's Intrastate Access Services Tariff. BellSouth will make appropriate billing adjustments if AT&T can provide sufficient information for BellSouth to determine whether said traffic is local or toll. [OPEN-AT&T/BST]

6.1.11

DISAGREE

AT&T PROPOSAL

Percent Local Use. Each Party will report to the other a Percentage Local Usage ("PLU"). The application of the PLU will determine the amount of local minutes to be billed to the other Party. For purposes of developing the PLU, each Party shall consider every local call and every long distance call, excluding intermediary traffic. **BellSouth shall report quarterly PLU factors to AT&T. BellSouth will continue to accept from AT&T the current monthly PLU factors provided under the previous agreement. Such monthly PLU factors will continue for a period of twelve (12) months from the date of this Agreement. At the end of the twelve (12) month period, AT&T will begin to provide quarterly PLU factors, beginning with the quarter immediately following the anniversary date, unless AT&T asserts that the monthly reporting demonstrates that the PLU has not stabilized, in which case AT&T will continue to provide monthly PLU factors for an additional six (6) month period or until the Parties agree that the PLU has stabilized, whichever occurs first. For the remainder of the period covered by this Agreement, AT&T will report quarterly factors by the first of January, April, July and September of each year. BellSouth and AT&T shall also provide a positive report updating the PLU. Detailed requirements associated with PLU reporting shall be as set forth in BellSouth's Standard Percent Local Use Reporting Platform for Interconnection Purchasers, as it is amended from time to time during this Agreement. Notwithstanding the foregoing, where the terminating company has message recording technology that identifies the traffic terminated, such information, in lieu of the PLU factor, shall at the company's option be utilized to determine the appropriate reciprocal compensation to be paid.**

BST PROPOSAL

Percent Local Use. Each Party will report to the other a Percentage Local Usage ("PLU"). The application of the PLU will determine the amount of local minutes to be billed to the other Party. For purposes of developing the PLU, each Party shall consider every local call and every long distance call, excluding intermediary traffic. **By the first of January, April, July and October of each year, BellSouth and AT&T shall provide a positive report updating the PLU. BellSouth will accept and implement a monthly PLU, for a period of twelve (12) months, whenever AT&T opens a new calling area or begins marketing local services in a new area. After reporting the PLU monthly for a twelve (12) month period, the PLU reporting will**

revert to quarterly. Unless the monthly reporting demonstrates that the PLU has stabilized. The reporting Party will continue to report a monthly PLU for an additional six (6) month period or until the Parties agree that the PLU has stabilized, whichever occurs first. In all other instances, the PLY reporting shall be quarterly. Detailed requirements associated with PLU reporting shall be as set forth in BellSouth's Standard Percent Local Use Reporting Platform for Interconnection Purchasers, as it is amended from time to time during this Agreement. Notwithstanding the foregoing, where the terminating company has message recording technology that identifies the traffic terminated, such information, in lieu of the PLU factor, shall at the company's option be utilized to determine the appropriate reciprocal compensation to be paid.

6.1.12 Percentage Interstate Usage. For combined interstate and intrastate AT&T traffic terminated by BellSouth over the same facilities, AT&T will be required to provide a projected Percentage Interstate Usage ("PIU") to BellSouth. All jurisdictional report requirements, rules and regulations for Interexchange Carriers specified in BellSouth's Intrastate Access Services Tariff will apply to AT&T. After interstate and intrastate traffic percentages have been determined by use of PIU procedures, the PLU factor will be used for application and billing of local interconnection. Notwithstanding the foregoing, where the terminating company has message recording technology that identifies the traffic terminated, such information, in lieu of the PLU factor, shall at the company's option be utilized to determine the appropriate reciprocal compensation to be paid.

6.1.13 Audits. On thirty (30) days written notice, each Party must provide the other the ability and opportunity to conduct an annual audit of the traffic reported. BellSouth and AT&T shall retain records of call detail for a minimum of nine months from which a PLU and/or PIU can be ascertained. The audit shall be accomplished during normal business hours at an office designated by the Party being audited. Audit requests shall not be submitted more frequently than one (1) time per calendar year. Audits shall be performed by a mutually acceptable independent auditor paid for by the Party requesting the audit. The PLU and/or PIU shall be adjusted based upon the audit results and shall apply to the usage for the quarter the audit was completed, to the usage for the quarter prior to the completion of the audit, and to the usage for the two quarters following the completion of the audit. If, as a result of an audit, either Party is found to have overstated the PLU and/or PIU by twenty percentage points (20%) or more, that Party shall reimburse the auditing Party for the cost of the audit.

6.1.14 Compensation for 800 Traffic. Each Party shall compensate the other pursuant to the appropriate switched access charges, including the

database query charge as set forth in the each Party's intrastate or interstate switched access tariffs.

6.1.15 Records for 8YY Billing. Each Party will provide to the other the appropriate records necessary for billing intraLATA 8YY customers. Records required for billing end users purchasing 8YY Services shall be provided pursuant to Attachment 6 of this Agreement, incorporated herein by this reference.

6.1.16 **DISAGREE**

AT&T PROPOSAL

Transit Traffic Service. "Transit Traffic" means all intraLATA traffic that originates from or terminates to AT&T end users that is terminated or originated by a third-party telecommunications carrier (including another ILEC, CMRS or another CLEC) and uses transit services (which include tandem switching, or transport) provided by BellSouth. Transit traffic does not include traffic originating from or terminating to AT&T end users utilizing resold BellSouth services. For Transit Traffic that is originated by AT&T (or for which AT&T would otherwise pay reciprocal compensation to BellSouth if they were terminated or originated by the BellSouth and not by the third-party telecommunications carrier), AT&T shall compensate BellSouth for providing transit services pursuant Exhibit A to this Attachment 3. AT&T shall be responsible for dealing directly with third-party telecommunications carriers regarding compensation for call origination and termination.

BST PROPOSAL

Transit Traffic Service. BellSouth shall provide tandem switching and transport services for AT&T's transit traffic. Transit traffic is traffic originating on AT&T's network that is switched and/or transported by BellSouth and delivered to a third party's network, or traffic originating on a third Party's network that is switched and/or transported by BellSouth and delivered to AT&T's network. Rates for local transit traffic shall be the applicable call transport and termination charges as set forth in Exhibit A to this Attachment. Rates for intraLATA toll and Switched Access transit traffic shall be the applicable call transport and termination charges as set forth in BellSouth Interstate or Intrastate Switched Access tariffs. Switched Access transit traffic presumes that AT&T's end office is subtending the BellSouth Access Tandem for switched access traffic to and from AT&T's end users utilizing

BellSouth facilities, either by direct trunks with the IXC, or via the BellSouth Access Tandem. Billing associated with all transit traffic shall be pursuant to MECAB procedures. Wireless Type 1 traffic shall not be treated as transit traffic from a routing or billing perspective. Wireless Type 2A traffic shall not be treated as transit traffic from a routing or billing perspective until BellSouth and the Wireless carrier have the capability to properly meet-point-bill in accordance with Multiple Exchange Carrier Access Billing (MECAB) guidelines.

- 6.1.17 Rates for using interfaces to OSS – To the extent AT&T orders Services and Elements for the purpose of interconnection with BellSouth, the rates set forth in Exhibit A of Attachment 2, incorporated herein by this reference, shall apply.

LOCAL INTERCONNECTION RATES

DESCRIPTION	USOC	BS PROPOSED	AT&T PROPOSED
LOCAL INTERCONNECTION (CALL TRANSPORT AND TERMINATION)			
End Office Switching, per mou		\$0.0017	\$0.0017
Tandem Switching, per mou		\$0.0009	\$0.0009
Common (Shared) Transport			
Common (Shared) Transport per mile per mou		\$0.00001	\$0.00001
Common (Shared) Transport Facilities Termination per mou		\$0.00034	\$0.00034
INTEROFFICE TRANSMISSION			
Interoffice Transport - All Dedicated Transport Listed Below NRC - Tariff Service to UNE		TBD	TBD
Interoffice Transport - Dedicated - VG			
Interoffice Transport - Dedicated - 2-Wire VG - per mile	1L5XX	\$0.0282	\$0.0282
Interoffice Transport - Dedicated - 2-Wire VG - facilities termination per month	1L5XX	\$18.00	\$18.00
NRC - Connect 1st	1L5XX	\$137.48	\$137.48
NRC - Connect Add'l	1L5XX	\$52.58	\$52.58
NRC - Manual Service Order - First	1L5XX	\$175.55	\$175.55
NRC -Manual Service Order - Add'l	1L5XX	\$90.65	\$90.65
Interoffice Transport - Dedicated - DS0 - 56/64 KBPS			
Interoffice Transport - Dedicated - DS0 - per mile per month	1L5XX	\$0.0282	\$0.0282
Interoffice Transport - Dedicated - DS0 - facilities termination per month	1L5XX	\$17.40	\$17.40
NRC - Connect 1st	1L5XX	\$137.48	\$137.48
NRC - Connect Add'l	1L5XX	\$52.58	\$52.58
NRC - Manual Service Order - First	1L5XX	\$175.55	\$175.55
NRC -Manual Service Order - Add'l	1L5XX	\$90.65	\$90.65
Interoffice Transport - Dedicated - DS1			
Interoffice Transport - Dedicated - DS1 - per mile per month	1L5XX	\$0.5753	\$0.5753
Interoffice Transport - Dedicated - DS1 - facilities termination per month	1L5XX	\$71.29	\$71.29
NRC - Connect 1st	1L5XX	\$217.17	\$217.17
NRC - Connect Add'l	1L5XX	\$163.75	\$163.75
NRC - Manual Service Order - First	1L5XX	\$255.24	\$255.24
NRC -Manual Service Order - Add'l	1L5XX	\$201.82	\$201.82
NRC - Interoffice Transport - Subsequent Trunk Activation, DS1 and DS3		TBD	TBD
Interoffice Transport - Dedicated - DS3			
Interoffice Transport - Dedicated - DS3 - per mile per month	1L5XX	TBD	TBD
Interoffice Transport - Dedicated - DS3 - facilities termination per month	1L5XX	TBD	TBD
NRC - 1st	1L5XX	TBD	TBD
NRC - Add'l	1L5XX	TBD	TBD
NRC - Manual Service Order - First	1L5XX	TBD	TBD

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LOCAL INTERCONNECTION RATES

	NRC -Manual Service Order - Add'l	1L5XX	TBD	TBD
Local Channel - Dedicated				
Local Channel - All Dedicated Local Channels NRC - Tariff Service to UNE		N/A	TBD	TBD
Local Channel - Dedicated - 2-Wire VG		N/A	\$14.82	\$14.82
	NRC - Connect 1st	N/A	\$553.80	\$553.80
	NRC - Connect Add'l	N/A	\$89.69	\$89.69
	NRC - Manual Service Order - First	N/A	\$595.97	\$595.97
	NRC -Manual Service Order - Add'l	N/A	\$102.45	\$102.45
Local Channel - Dedicated - 4-Wire VG		N/A	\$15.87	\$15.87
	NRC - Connect 1st	N/A	\$562.23	\$562.23
	NRC - Connect Add'l	N/A	\$92.67	\$92.67
	NRC - Manual Service Order - First	N/A	\$604.40	\$604.40
	NRC -Manual Service Order - Add'l	N/A	\$464.46	\$464.46
Local Channel - Dedicated - DS1		N/A	\$35.68	\$35.68
	NRC - Connect 1st	N/A	\$534.48	\$534.48
	NRC - Connect Add'l	N/A	\$462.69	\$462.69
	NRC - Manual Service Order - First	N/A	\$620.63	\$620.63
	NRC -Manual Service Order - Add'l	N/A	\$464.46	\$464.46
Local Channel - Dedicated - DS3		N/A	\$498.87	\$498.87
	NRC - Connect 1st	N/A	\$562.25	\$562.25
	NRC - Connect Add'l	N/A	\$527.88	\$527.88
	NRC - Manual Service Order - First	N/A	\$618.50	\$618.50
	NRC -Manual Service Order - Add'l	N/A	\$584.13	\$584.13
Local Channel with Interoffice Transmission - Dedicated				
2-W VG Local Channel with DS1 Interoffice Transport - Dedicated				
	Local Channel - Dedicated - 2-Wire Voice Grade		TBD	TBD
	Interoffice Transport - Dedicated - DS1 - per mile		TBD	TBD
	Interoffice Transport - Dedicated - DS1 - per facility termination		TBD	TBD
	Interoffice Transport - Dedicated DS1 System		TBD	TBD
	Interoffice Transport - Voice Grade Plug-in		TBD	TBD
	NRC - 1st		TBD	TBD
	NRC - Add'l		TBD	TBD
	NRC - Manual Service Order - First		TBD	TBD
	NRC -Manual Service Order - Add'l		TBD	TBD
4-W VG Local Channel with DS1 Interoffice Transport - Dedicated				
	Local Channel - Dedicated - 4-Wire Voice Grade		TBD	TBD
	Interoffice Transport - Dedicated - DS1 - per mile		TBD	TBD
	Interoffice Transport - Dedicated - DS1 - per facility termination		TBD	TBD

LOCAL INTERCONNECTION RATES

Interoffice Transport - Dedicated DS1 System		TBD	TBD
Interoffice Transport - Voice Grade Plug-in		TBD	TBD
NRC - 1st		TBD	TBD
NRC - Add'l		TBD	TBD
NRC - Manual Service Order - First		TBD	TBD
NRC -Manual Service Order - Add'l		TBD	TBD
4-W DS1 Local Channel with DS3 Interoffice Transport - Dedicated			
Local Channel - Dedicated - DS1		TBD	TBD
Interoffice Transport - Dedicated - DS3 - per mile		TBD	TBD
Interoffice Transport - Dedicated - DS3 - per facility termination		TBD	TBD
Interoffice Transport - Dedicated DS3 System		TBD	TBD
Interoffice Transport - DS1 Card or W-DCS port		TBD	TBD
NRC - 1st		TBD	TBD
NRC - Add'l		TBD	TBD
NRC - Manual Service Order - First		TBD	TBD
NRC -Manual Service Order - Add'l		TBD	TBD
4-W DS1 Local Channel with DS1 Interoffice Transport - Dedicated			
Local Channel - Dedicated - DS1		TBD	TBD
Interoffice Transport - Dedicated - DS1 - per mile		TBD	TBD
Interoffice Transport - Dedicated - DS1 - per facility termination		TBD	TBD
NRC - 1st		TBD	TBD
NRC - Add'l		TBD	TBD
NRC - Manual Service Order - First		TBD	TBD
NRC -Manual Service Order - Add'l		TBD	TBD
NRC - Interoffice Transport - Subsequent Trunk Activation		TBD	TBD
DS3 Local Channel with DS3 Interoffice Transport - Dedicated			
Local Channel - Dedicated - DS3		TBD	TBD
Interoffice Transport - Dedicated - DS3 - per mile		TBD	TBD
Interoffice Transport - Dedicated - DS3 - per facility termination		TBD	TBD
NRC - 1st		TBD	TBD
NRC - Add'l		TBD	TBD
NRC - Manual Service Order - First		TBD	TBD
NRC -Manual Service Order - Add'l		TBD	TBD
NOTES:			
1 If no rate is identified in the contract, the rate for the specific service or function will be as negotiated by the parties upon request by either party.			
2 TBD - To be Determined in docket No. P-100, Sub 133d			

AT&T PROPOSAL

SPACE LICENSE

1. **AT&T, at its sole discretion, may license BellSouth to situate BellSouth equipment in the AT&T central office and to utilize AT&T site support services in the AT&T central office such as power, heating, ventilation, air conditioning and security for such equipment, for the sole purpose of delivering interconnection traffic to AT&T for completion in accordance with Attachment 3 of this Agreement. Such licenses and site support services are referred to herein collectively as a "Space License."**
2. **The only allowable network interfaces under a Space License are DS1 and DS3.**
3. **Space Licenses are available at AT&T's sole discretion and are further subject to the availability of space and site support services in each AT&T central office. To establish a Space License, BellSouth must complete and submit a questionnaire providing requested information to support new space and site support services or to provide additional capacity for existing arrangements.**
 - 3.1 **Among the information to be provided in the questionnaire, BellSouth must identify the quantity, manufacturer, type and model of any equipment to be installed; the quantity, type and specifications of any transmission cable to be installed (collectively "Licensed Facilities"). The space in the AT&T central office in which BellSouth's equipment is or is to be located is referred to herein as the "Equipment Space."**
 - 3.2 **BellSouth is responsible for the installation of Licensed Facilities in accordance with AT&T's installation processes and procedures.**
 - 3.3 **If BellSouth desires to modify its request, prior to notification from AT&T regarding availability, BellSouth may do so by requesting that AT&T cancel the original request providing a new questionnaire to AT&T to process.**
4. **Following receipt of the questionnaire, AT&T will determine whether there is sufficient AT&T central office space and site support services**

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- to meet the request contained in BellSouth's questionnaire. AT&T will notify BellSouth in writing whether there is sufficient AT&T central office space available for each such request.
5. Upon receiving written notification of the availability of AT&T central office space from AT&T, BellSouth will provide written verification that it still requires such AT&T central office space. This written notification is BellSouth's firm order for each AT&T central office space requested, and will constitute an executed Space License under the terms of this Exhibit.
 6. The rates and charges are to be negotiated by the Parties.
 7. AT&T agrees to provide site support services as follows:
 - 7.1 AT&T will design, engineer, furnish, install, and maintain cable racks for BellSouth's use.
 - 7.2 AT&T will design, engineer, furnish, install, and maintain a battery distribution fuse board (BDFB) from which AT&T will supply DC power to BellSouth.
 - 7.3 AT&T will provide common use convenience outlets (120V) as required for test equipment, etc. within Equipment Space.
 - 7.4 AT&T will maintain temperature and humidity conditions for the Equipment Space within substantially the same ranges that AT&T maintains for its own similar equipment.
 8. AT&T will specify the location and dimensions of the Equipment Space and at its sole discretion will specify any physical or space separation requirements.
 9. BellSouth will use the Space Licenses solely for the purpose of delivering its interconnection traffic to AT&T, so that AT&T may complete such calls in accordance with this Attachment. BellSouth agrees not to make any other use of the Space Licenses without the advance written consent of AT&T.
 10. Upon reasonable advance notice and for the limited purpose of performing work for which BellSouth is responsible under this Exhibit, AT&T licenses BellSouth to enter and exit the Equipment Space through portions of the AT&T central office as designated by AT&T. Unless a service outage is occurring or appears to be imminent,
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BellSouth shall perform its work in the AT&T central office during regular business hours as designated from time to time by AT&T.

- 11. BellSouth shall either furnish to AT&T, and keep current, a written list of all BellSouth employees and AT&T approved contractors authorized to enter the Equipment Space, or provide a twenty four (24) hour local or toll-free telephone number which AT&T can use to verify the authority of such persons. BellSouth shall also furnish to AT&T, and keep current, samples of the identifying credentials to be carried by such persons. AT&T will permit entry to the Equipment Space by persons named on such then-current lists or verified by means of the local or toll-free telephone number, and bearing such identifying credentials. Notwithstanding Part I.C.12 (General Terms & Conditions - Liability and Indemnity) of this Agreement, BellSouth hereby releases AT&T, AT&T's Affiliates and their officers, directors, employees, agents, contractors, and suppliers from liabilities arising from the acts or omissions of any such persons whom AT&T has admitted in good faith to the AT&T central office.**
- 12. While in the AT&T central office, employees of BellSouth and its contractors must comply at all times with AT&T's security and safety procedures and requirements. AT&T may refuse entry to, or require the departure of, any person who is disorderly or who has failed to comply with AT&T's procedures and requirements after being notified of them.**
- 13. BellSouth will be responsible for selecting its contractors and causing their compliance with this Exhibit.**
- 14. Each party shall cause its employees and contractors to act in a careful and workmanlike manner to avoid damage to the other party's property and the property of others in and around AT&T's central office.**
- 15. BellSouth's employees and contractors shall refrain from using any Licensed Facilities, equipment, tools, materials, or methods that, in AT&T's sole judgment, might cause damage to or otherwise interfere with AT&T's operations. AT&T reserves the right to take any reasonable action to prevent potential harm to the services, personnel, or property of AT&T (and its affiliates, vendors, and end users).**
- 16. In addition to the Licensed Facilities, BellSouth may bring into the Equipment Space the small tools and portable test equipment needed for the work for which BellSouth is responsible. BellSouth will be**

responsible for the care and safeguarding of all such items. BellSouth may not bring any other items into the AT&T central office without AT&T's prior written consent. In particular, and without limiting the foregoing, BellSouth may not bring into the AT&T central office any of the following: wet cell batteries, explosives, flammable liquids or gases, alcohol, controlled substances, weapons, cameras, tape recorders, and similar items.

17. AT&T and its designees may inspect or observe the Equipment Space, the space designated by AT&T for BellSouth transmission cable, the Licensed Facilities, and any work performed by or behalf of BellSouth in the AT&T central office, at any time. If the Equipment Space is surrounded by a security enclosure, BellSouth shall furnish AT&T with all mechanisms and information needed for entry to the Equipment Space.
18. AT&T and BellSouth intend that the Licensed Facilities, whether or not physically affixed to the AT&T central office, shall not be construed to be fixtures. BellSouth (or the lessor of BellSouth equipment, if applicable) will report the Licensed Facilities as its personal property wherever required by applicable laws, and will pay all taxes levied upon the Licensed Facilities.
19. BellSouth agrees not to sell, convey, or lease BellSouth transmission cable under any circumstances, except for a conveyance of BellSouth transmission cable to AT&T upon termination of the applicable Space License. BellSouth further agrees not to cause, suffer, or permit BellSouth transmission cable to become encumbered by a lien, trust, pledge, or security interest as a result of rights granted by BellSouth or any act or omission of BellSouth. If BellSouth transmission cable becomes so encumbered, BellSouth agrees to discharge the obligation within thirty (30) days after receiving notice of the encumbrance.
20. The licenses granted by this Agreement are non-exclusive personal privileges allowing BellSouth to situate the Licensed Facilities in the locations indicated by AT&T. These licenses and the payments by BellSouth under this Agreement do not create or vest in BellSouth (or in any other person) any property right or interest of any nature in any part of the AT&T central office.
21. The licenses granted to BellSouth under this Agreement shall be subordinate to any mortgages or deeds of trust that may now exist or may in the future be placed upon any AT&T central office; to any and all advances to be made under such mortgages or deeds of trust; and

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- to the interest thereon and all renewals, replacements, or extensions thereof.
22. **AT&T may relocate the licensed space, or the AT&T central office, or both upon thirty (30) days prior written notice to BellSouth. If relocation of Licensed Facilities is required, the party that originally installed such Licensed Facilities will be responsible for relocating them. Any such relocation work that is AT&T's responsibility and is performed by AT&T will be without charge to BellSouth. AT&T will reimburse BellSouth for the reasonable cost of such relocation work performed by BellSouth, and AT&T will provide at its own expense any additional or replacement cable racks and BellSouth transmission cable needed to accommodate the relocation of the installation. AT&T and BellSouth will work together in good faith to minimize any disruption of service in connection with such relocation.**
23. **Licensed Facilities will be furnished, installed and maintained in accordance with the following:**
- 23.1 **BellSouth agrees to furnish all Licensed Facilities.**
- 23.2 **BellSouth agrees to install the Licensed Facilities. BellSouth agrees to comply with specifications and processes furnished by AT&T for installation performed by BellSouth.**
- 23.3 **BellSouth agrees to install the DC power supply and single circuit (battery and ground) from its fuse panel located in BellSouth's frame to the designated AT&T power source. BellSouth will distribute the power among its equipment within the Equipment Space.**
- 23.4 **BellSouth agrees to maintain in good working order all BellSouth equipment in Equipment Space. AT&T agrees to repair BellSouth transmission cable. BellSouth is not permitted to repair installed BellSouth transmission cable in order to avoid possible harm to other transmission cables.**
- 23.5 **BellSouth may use contractors to perform installation and maintenance for which BellSouth is responsible. AT&T consents to use of those contractors listed on a then current AT&T approved list of BellSouth submitted contractors. Use of any other contractors shall require AT&T's prior written consent, which shall not be unreasonably withheld.**
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- 23.6 **BellSouth may, at its own discretion and expense, choose to install its equipment in locked cabinets, provided that space and configuration will permit such. If BellSouth chooses to install its equipment in locked cabinets, BellSouth shall leave the appropriate keys with AT&T and agrees to allow AT&T the right of entry to such cabinets.**
24. **Under the Space Licenses, AT&T performs no communications services, provides no goods except for short lengths of wire or cable and small parts incidental to the services furnished by AT&T, and provides no maintenance for any BellSouth equipment in Equipment Space. AT&T warrants that the services provided under this Agreement will be performed in a workmanlike manner and in accordance with AT&T technical specifications and that the incidental material provided by AT&T shall be free from defects. AT&T MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**
25. **In addition to any other rights or remedies that AT&T may have under this Agreement or at law, AT&T may terminate the applicable Space License if any of the following events occurs and is not corrected within thirty (30) days after written notice to cure:**
- 25.1 **BellSouth fails to pay charges due or fails to comply with any of the terms or conditions of this Part II-G.**
- 25.2 **BellSouth fails to utilize the Licensed Facilities for the authorized purpose described in this Part II-G.**
- 25.3 **BellSouth fails to comply with applicable laws or is in any way prevented by the order or action of any court, or other governmental entity from performing any of its obligations under this Part II-G.**
26. **In the event that a Space License is terminated for any reason, the Parties will act in accordance with the following:**
- 26.1 **Within thirty (30) days after termination of a Space License, BellSouth will, at its sole expense, remove all BellSouth equipment in Equipment Space and restore the Equipment Space to its previous condition, normal wear and tear excepted. If BellSouth fails to complete such removal and restoration within thirty (30) days after termination of the applicable Space License,**

AT&T may, at its option, upon ten (10) days written notice to BellSouth, perform the removal and restoration at BellSouth's sole risk and expense.

- 26.2** Because removal of installed BellSouth transmission cable may cause damage to other cables or fiber, BellSouth agrees to relinquish its transmission cable to AT&T in lieu of removal. Upon termination of the applicable Space License, all BellSouth transmission cable will be automatically conveyed to AT&T, thereby becoming the property of AT&T, free of any interest or lien of any kind by BellSouth (or by any person claiming through BellSouth). At AT&T's request, BellSouth will promptly execute and deliver to AT&T a bill of conveyance or such other assurances as may be requisite to confirm or perfect the transfer of BellSouth transmission cable to AT&T.
- 26.3** If no monies are owed by BellSouth to AT&T under this Agreement, AT&T agrees to deliver such removed equipment to BellSouth's last known business address or to a domestic location designated by BellSouth, at BellSouth's sole risk and expense. If monies are so owed, BellSouth agrees that AT&T may either take ownership free of any interest or lien by BellSouth (or those claiming through BellSouth) or treat such equipment as abandoned by BellSouth. [OPEN – BELLSOUTH]

BELLSOUTH PROPOSAL

SPACE LICENSE

1. **AT&T, upon reasonable request from BellSouth, may license BellSouth to situate BellSouth equipment in the AT&T central office and to utilize AT&T site support services in the AT&T central office such as power, heating, ventilation, air conditioning and security for such equipment, for the sole purpose of interconnection or for any other purpose mutually agreed to by the Parties. Such licenses and site support services are referred to herein collectively as a "Space License."**
2. **Space Licenses are available subject to the availability of space and site support services in each AT&T central office. To establish a Space License, BellSouth must complete and submit a questionnaire providing requested information to support new space and site support services or to provide additional capacity for existing arrangements.**
 - 2.1 **Among the information to be provided in the questionnaire, BellSouth must identify the quantity, manufacturer, type and model of any equipment to be installed; the quantity, type and specifications of any transmission cable to be installed (collectively "Licensed Facilities"). The space in the AT&T central office in which BellSouth's equipment is or is to be located is referred to herein as the "Equipment Space."**
 - 2.2 **BellSouth is responsible for the installation of Licensed Facilities in accordance with AT&T's installation processes and procedures.**
 - 2.3 **If BellSouth desires to modify its request, prior to notification from AT&T regarding availability, BellSouth may do so by requesting that AT&T cancel the original request providing a new questionnaire to AT&T to process.**
3. **Following receipt of the questionnaire, AT&T will determine whether there is sufficient AT&T central office space and site support services to meet the request contained in BellSouth's questionnaire. AT&T will notify BellSouth in writing whether there is sufficient AT&T central office space available for each such request.**
4. **Upon receiving written notification of the availability of AT&T central**

office space from AT&T, BellSouth will provide written verification that it still requires such AT&T central office space. This written notification is BellSouth's firm order for each AT&T central office space requested, and will constitute an executed Space License under the terms of this Exhibit B.

5. The rates and charges are to be negotiated by the Parties.
6. AT&T agrees to provide site support services as follows:
 - 6.1 AT&T will design, engineer, furnish, install, and maintain cable racks for BellSouth's use.
 - 6.2 AT&T will design, engineer, furnish, install, and maintain a battery distribution fuse board (BDFB) from which AT&T will supply DC power to BellSouth.
 - 6.3 AT&T will provide common use convenience outlets (120V) as required for test equipment, etc. within Equipment Space.
 - 6.4 AT&T will maintain temperature and humidity conditions for the Equipment Space within substantially the same ranges that AT&T maintains for its own similar equipment.
7. AT&T will provide the amount of space requested by BellSouth unless AT&T reasonably determines the quantity of space requested is not available. If the amount of requested space is not available, AT&T will specify the dimensions of the Equipment Space available and will specify any physical or space separation requirements. If the amount of space requested is available, AT&T will provide the location of the space and will specify any physical or space separation requirements.
8. For the purpose of performing work for which BellSouth is responsible under this Exhibit B, AT&T licenses BellSouth to enter and exit the Equipment Space through portions of the AT&T central office as designated by AT&T. Unless a service outage is occurring or appears to be imminent, BellSouth shall perform its work in the AT&T central office during regular business hours as designated from time to time by AT&T. BellSouth and AT&T will establish contact lists and procedures for after hours entry to the AT&T central office.
9. BellSouth will provide a twenty-four (24) hour local or toll free telephone number which AT&T can use to verify the authority of such personnel to enter the Equipment Space.

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10. **While in the AT&T central office, employees of BellSouth and its contractors must comply at all times with AT&T's security and safety procedures and requirements. AT&T may refuse entry to, or require the departure of, any person who is disorderly or who has failed to comply with AT&T's procedures and requirements after being notified of them.**
 11. **BellSouth will be responsible for selecting its contractors and causing their compliance with this Exhibit B.**
 12. **Each party shall cause its employees and contractors to act in a careful and workmanlike manner to avoid damage to the other party's property and the property of others in and around AT&T's central office.**
 13. **BellSouth's employees and contractors shall abide by the requirements of Section 5.10, Interference or Impairment, of Attachment 4, incorporated herein by this reference.**
 14. **In addition to the Licensed Facilities, BellSouth may bring into the Equipment Space whatever tools and equipment necessary to install and maintain its equipment. BellSouth will be responsible for the care and safeguarding of all such items. BellSouth will not bring any materials or equipment into the AT&T Central Office that it would not bring into its own Premises, as Premises is defined by 47 CFR § 51.3().**
 15. **AT&T and its designees may inspect or observe the Equipment Space, the space designated by AT&T for BellSouth transmission cable, the Licensed Facilities, and any work performed by or behalf of BellSouth in the AT&T central office, at any time. If the Equipment Space is surrounded by a security enclosure, BellSouth shall furnish AT&T with all mechanisms and information needed for entry to the Equipment Space.**
 16. **AT&T and BellSouth intend that the Licensed Facilities, whether or not physically affixed to the AT&T central office, shall not be construed to be fixtures. BellSouth (or the lessor of BellSouth equipment, if applicable) will report the Licensed Facilities as its personal property wherever required by applicable laws, and will pay all taxes levied upon the Licensed Facilities.**
 17. **BellSouth further agrees not to cause, suffer, or permit BellSouth transmission cable to become encumbered by a lien, trust, pledge, or**

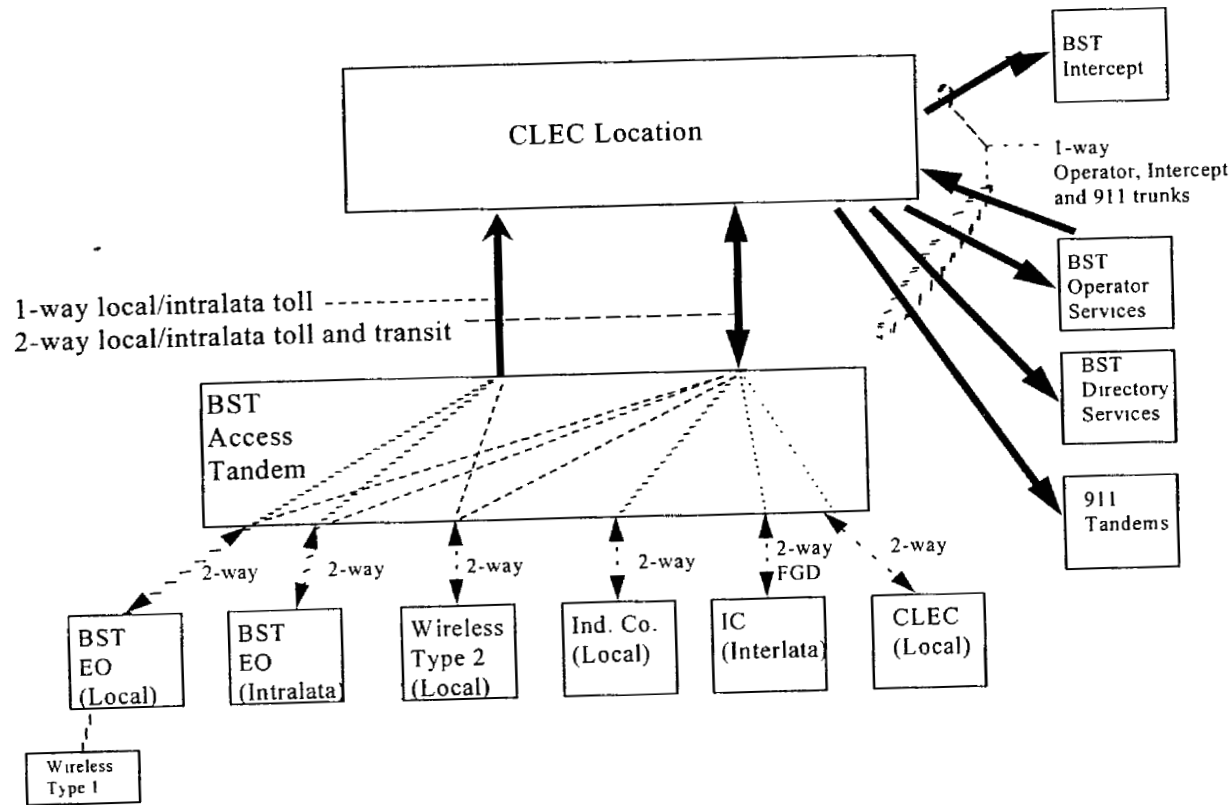
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- security interest as a result of rights granted by BellSouth or any act or omission of BellSouth. If BellSouth transmission cable becomes so encumbered, BellSouth agrees to discharge the obligation within thirty (30) days after receiving notice of the encumbrance.**
- 18. The licenses granted by this Agreement are non-exclusive personal privileges allowing BellSouth to situate the Licensed Facilities in the locations indicated by AT&T. These licenses and the payments by BellSouth under this Agreement do not create or vest in BellSouth (or in any other person) any property right or interest of any nature in any part of the AT&T central office.**
- 19. The licenses granted to BellSouth under this Agreement shall be subordinate to any mortgages or deeds of trust that may now exist or may in the future be placed upon any AT&T central office; to any and all advances to be made under such mortgages or deeds of trust; and to the interest thereon and all renewals, replacements, or extensions thereof.**
- 20. AT&T may relocate the licensed space, or the AT&T central office, or both upon thirty (30) days prior written notice to BellSouth. If relocation of Licensed Facilities is required, the party that originally installed such Licensed Facilities will be responsible for relocating them. Any such relocation work that is AT&T's responsibility and is performed by AT&T will be without charge to BellSouth. AT&T will reimburse BellSouth for the reasonable cost of such relocation work performed by BellSouth, and AT&T will provide at its own expense any additional or replacement cable racks and BellSouth transmission cable needed to accommodate the relocation of the installation. AT&T and BellSouth will work together in good faith to minimize any disruption of service in connection with such relocation.**
- 21. Licensed Facilities will be furnished, installed and maintained in accordance with the following:**
- 21.1 BellSouth agrees to furnish all Licensed Facilities.**
- 21.2 BellSouth agrees to install the Licensed Facilities. BellSouth agrees to comply with specifications and processes furnished by AT&T for installation performed by BellSouth.**
- 21.3 BellSouth agrees to install the DC power supply and single circuit (battery and ground) from its fuse panel located in BellSouth's frame to the designated AT&T power source. BellSouth will distribute the**

power among its equipment within the Equipment Space.

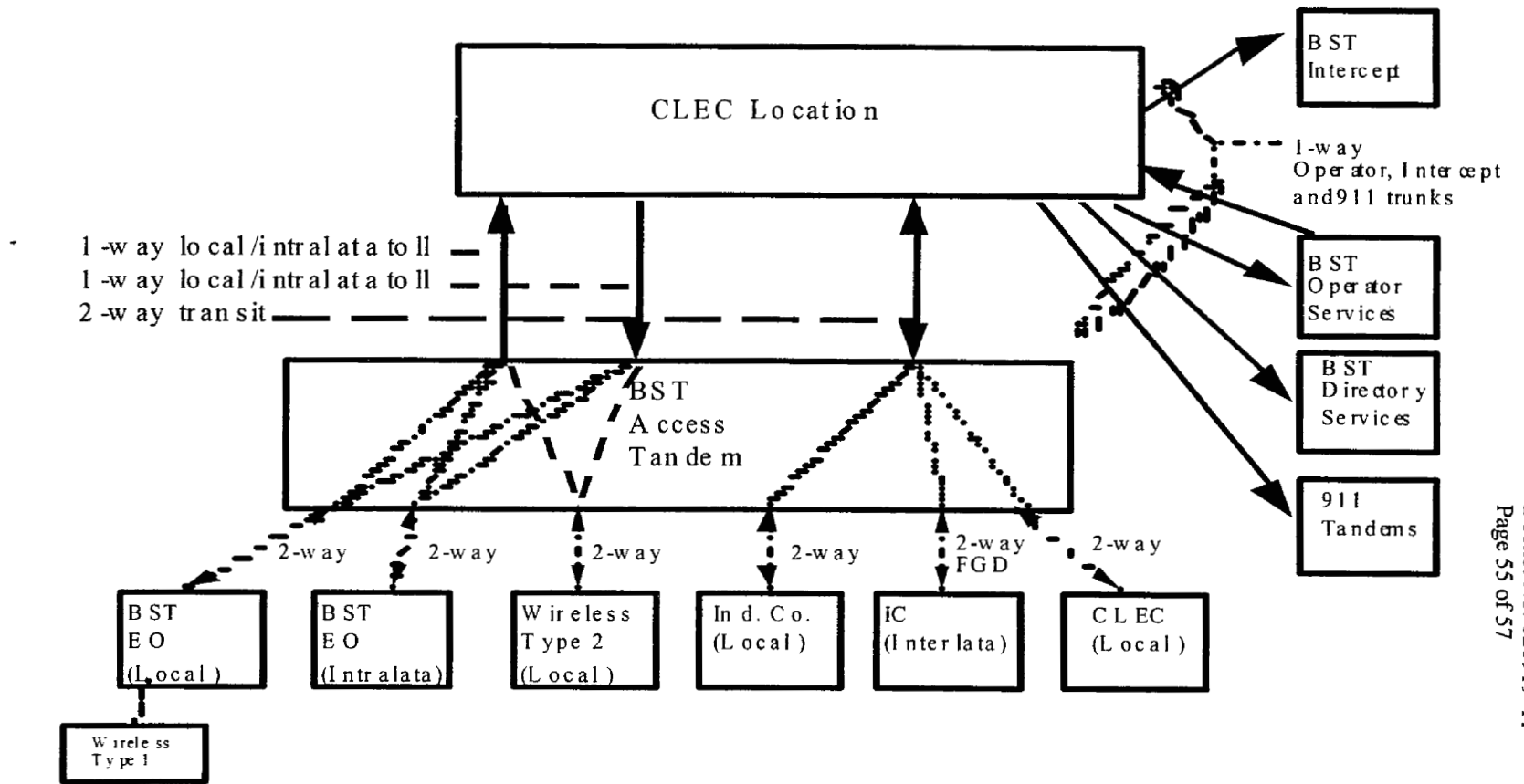
- 21.4 BellSouth agrees to maintain in good working order all BellSouth equipment in Equipment Space. AT&T agrees to repair BellSouth transmission cable. BellSouth is not permitted to repair installed BellSouth transmission cable in order to avoid possible harm to other transmission cables.
- 21.5 BellSouth may use contractors to perform installation and maintenance for which BellSouth is responsible. AT&T consents to use of those contractors listed on a then current AT&T approved list of BellSouth submitted contractors. Use of any other contractors shall require AT&T's prior written consent, which shall not be unreasonably withheld.
- 21.6 BellSouth may, at its own discretion and expense, choose to install its equipment in locked cabinets, provided that space and configuration will permit such. If BellSouth chooses to install its equipment in locked cabinets, BellSouth shall leave the appropriate keys with AT&T and agrees to allow AT&T the right of entry to such cabinets.
22. Under the Space Licenses, AT&T performs no communications services, provides no goods except for short lengths of wire or cable and small parts incidental to the services furnished by AT&T, and provides no maintenance for any BellSouth equipment in Equipment Space. AT&T warrants that the services provided under this Agreement will be performed in a workmanlike manner and in accordance with AT&T technical specifications and that the incidental material provided by AT&T shall be free from defects. AT&T MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
23. In addition to any other rights or remedies that AT&T may have under this Agreement or at law, AT&T may terminate the applicable Space License if any of the following events occurs and is not corrected within thirty (30) days after written notice to cure:
- 23.1 BellSouth fails to pay charges due or fails to comply with any of the terms or conditions of this Exhibit B.
- 23.2 BellSouth fails to comply with applicable laws or is in any way prevented by the order or action of any court, or other governmental entity from performing any of its obligations under this Part II-G.

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- 24. In the event that a Space License is terminated for any reason, the Parties will act in accordance with the following:**
- 24.1 Within thirty (30) days after termination of a Space License, BellSouth will, at its sole expense, remove all BellSouth equipment in Equipment Space and restore the Equipment Space to its previous condition, normal wear and tear excepted. If BellSouth fails to complete such removal and restoration within thirty (30) days after termination of the applicable Space License, AT&T may, at its option, upon ten (10) days written notice to BellSouth, perform the removal and restoration at BellSouth's sole risk and expense.**
- 24.2 Because removal of installed BellSouth transmission cable may cause damage to other cables or fiber, BellSouth agrees to relinquish its transmission cable to AT&T in lieu of removal. Upon termination of the applicable Space License, all BellSouth transmission cable will be automatically conveyed to AT&T, thereby becoming the property of AT&T, free of any interest or lien of any kind by BellSouth (or by any person claiming through BellSouth). At AT&T's request, BellSouth will promptly execute and deliver to AT&T a bill of conveyance or such other assurances as may be requisite to confirm or perfect the transfer of BellSouth transmission cable to AT&T.**
- 24.3 If no monies are owed by BellSouth to AT&T under this Agreement, AT&T agrees to deliver such removed equipment to BellSouth's last known business address or to a domestic location designated by BellSouth, at BellSouth's sole risk and expense.**

BellSouth Proposal Preferred Interconnection Architecture

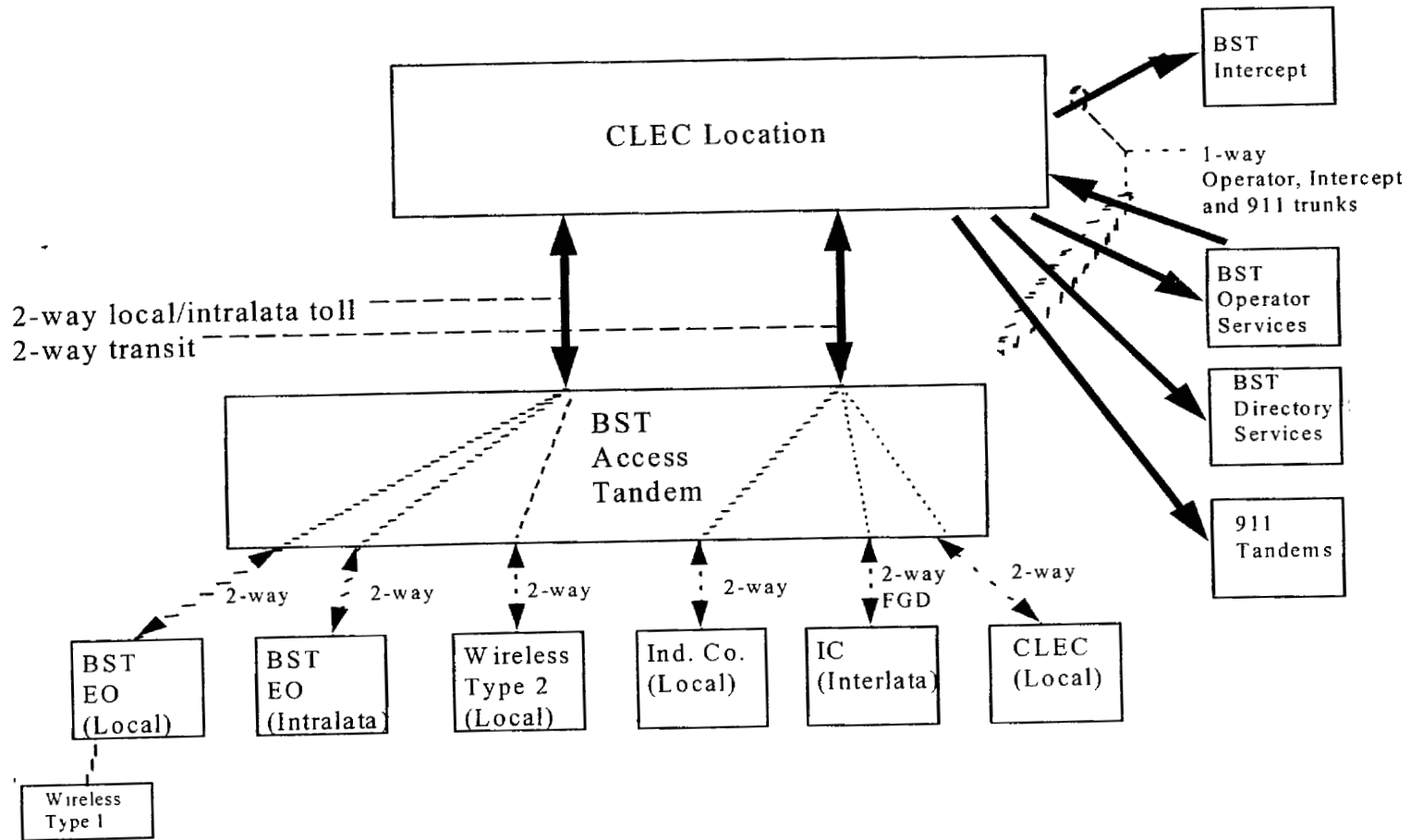


BellSouth Proposal One Way Trunking Interconnection



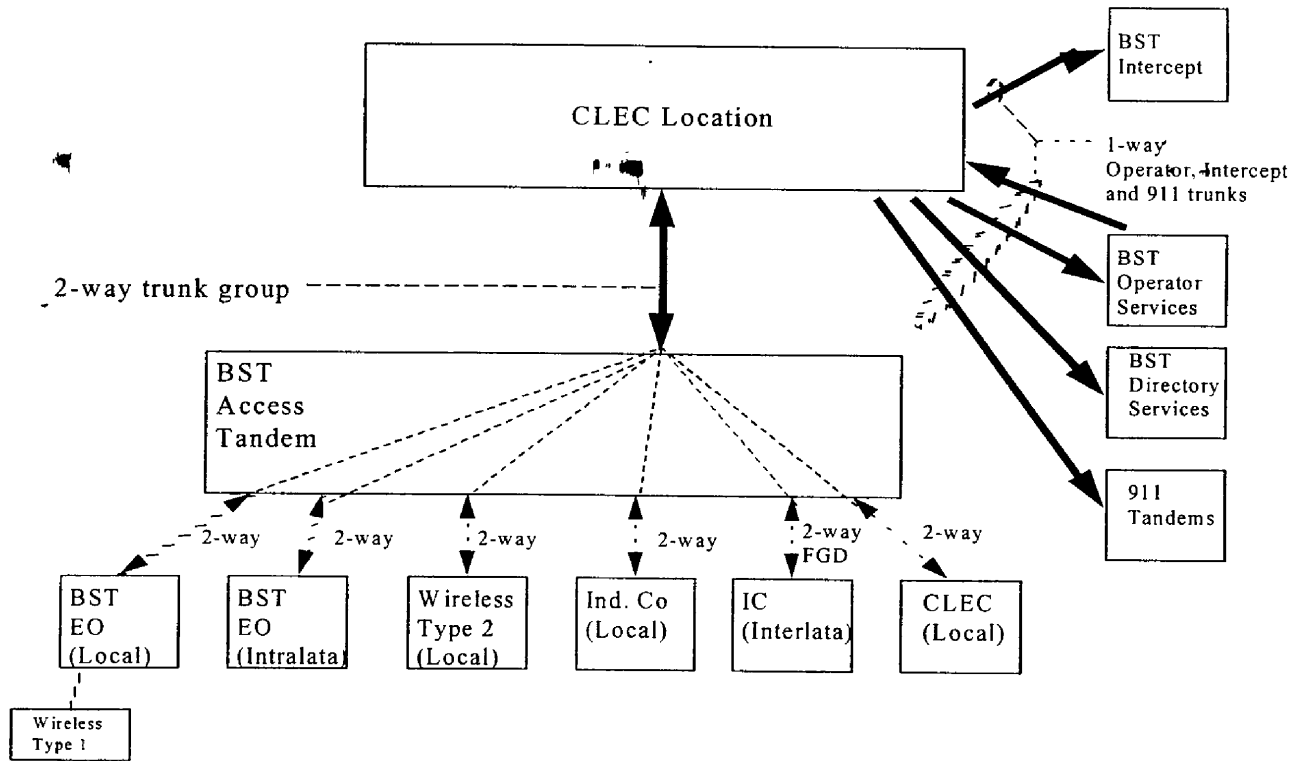
B. C. P. Rebuttal Exhibit 2
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BellSouth Proposal Two Way Trunking Interconnection



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BellSouth Proposal SuperGroup Interconnection Architecture



Florida

Issues for Arbitration between AT&T and BellSouth

	Issue	AT&T Position	BellSouth Position*
1.	Should calls to Internet service providers be treated as local traffic for the purposes of reciprocal compensation?	ISP calls should be treated as local traffic for purposes of reciprocal compensation. AT&T still incurs the cost of the ISP Traffic over its network. Additionally, such calls are treated as local under BellSouth's tariffs and the FCC has treated ISP Traffic as intrastate for jurisdictional separation purposes.	No. The FCC has definitively determined that ISP Traffic is interstate in nature. Therefore, such Traffic should not be treated as local for purposes of reciprocal compensation. The parties should track the minutes of ISP Traffic exchanged and true up the amount of compensation owed, if any, based on an effective rule promulgated by the FCC.
2.	What are the appropriate performance measurements and enforcement mechanisms that BellSouth should implement?	<p>For AT&T to ensure its customers receive service equal in quality to that received by BellSouth customers, BellSouth must establish that it offers non-discriminatory support for total service resale, use of unbundled network elements (UNE's), and access to OSS. BellSouth should be required to provide an effective performance measurement methodology that contains:</p> <ul style="list-style-type: none"> - A comprehensive set of comparative measurements that provides for disaggregation of its data to permit meaningful comparisons and full disclosure. - Business rules and calculations which reveal true performance and customer experiences. - A sound methodology for establishing benchmarks and designating appropriate retail analogs. - Statistical procedures that balance the possibility of concluding BellSouth favoritism exists when it does not with concluding there is no BellSouth favoritism when there is. - AT&T access to all the raw data that BellSouth uses for its ALEC performance reporting. 	<p>The Service Quality Measurements proposed by BellSouth incorporate all of the measurements and reporting intervals adopted by other commissions within the BellSouth region. These measurements, as well as the business rules utilized to calculate the measurements, represent a comprehensive look at the service provided to telecommunications carriers. BellSouth provides access to the raw data utilized to calculate the measurements and has worked hand in hand with AT&T and other telecommunications carriers in the development of an appropriate statistical methodology. BellSouth does not believe that the issue of appropriate, if any, enforcement mechanisms is an appropriate issue for arbitration and resolution by the FPSC. Without waiving its right to assert its legal position, BellSouth has voluntarily proposed enforcement mechanisms for inclusion in the AT&T/BellSouth Interconnection Agreement. The proposed enforcement mechanisms include the key, outcome oriented service quality measures required by state commissions in BellSouth's region and include either</p>

*The position stated in this column is based on BellSouth's position stated in its Responses to AT&T's Petition for Arbitration filed in Georgia, Tennessee, Mississippi and North Carolina.

FLORIDA

Issues for Arbitration between AT&T and BellSouth

16.	What is the appropriate treatment of outbound voice calls over Internet protocol ("IP") telephony, as it pertains to reciprocal compensation? (Local Interconnection, Attachment 3, Section 6.1.9)	Until the FCC issues rules on how IP Traffic is to be treated, no restrictions should be imposed. Further, there is no way to measure and record such Traffic as requested by BellSouth. In any event, this is not a proper subject for negotiation in an interconnection agreement.	IP telephony is utilized in a manner consistent with traditional long-distance calling. Therefore, due to the increasing use of IP technology to transport voice long distance Traffic, it is important to specify in the Agreement that Voice over the Internet Protocol Traffic is switched access Traffic and not local Traffic.
17.	In calculating Percent Local Usage (PLU) for purposes of reciprocal compensation, should AT&T be allowed to report the Traffic on a monthly, rather than quarterly, basis? (Local Interconnection, Attachment 3, Section 6.1.11)	Yes. BellSouth should be required to continue its current practice of calculating the PLU on a monthly basis. As AT&T enters the local market, and local usage increases, it remains necessary that BellSouth not change the current practice which has been adequate to this point. BellSouth proposes changing to a quarterly basis, which AT&T opposes.	BellSouth offered to accept PLU reporting on an otherwise than quarterly basis (i.e. monthly) for a period of 12 months or until the PLU stabilizes when AT&T: (1) gains a large customer whose addition would have an impact on the PLU; (2) opens a new calling area; or (3) begins marketing in a new area. Otherwise, PLU would be reported quarterly, which is consistent with industry practice.
18.	What are the appropriate intervals for the delivery of collocation space to AT&T? (Collocation, Attachment 4, Section 6.4). (AT&T anticipates that this issue will be settled based on the FPSC's Order on Collocation in Docket Nos. 981834-TP and 990321-TP)	FCC rules require that BellSouth provide collocation within intervals no greater than the best practice intervals of other ILECS. Accordingly, BellSouth should provide collocation within the following intervals: (1) virtual and cageless: 60 calendar days; and (2) Physical (caged): 30 calendar days if AT&T does the construction; and 90 calendar days if BellSouth does the construction. In the event of unforeseen circumstances, BellSouth should apply to the FPSC for suspension of or relief from the intervals.	BellSouth has proposed an interval of no greater than 100 calendar days for the provision of physical collocation arrangements under ordinary conditions. Such a proposal is reasonable and necessary.
19.	When AT&T and BellSouth have adjoining facilities in a building outside BellSouth's central office, should AT&T be able to purchase cross connect facilities to connect to BellSouth or other ALEC networks without having to collocate in BellSouth's	Yes. When BellSouth and AT&T facilities are in close proximity, in order to achieve network efficiency, AT&T should be able to cross connect its network directly from its space to BellSouth's space without having to purchase collocation space from BellSouth.	No. AT&T's proposal has the effect of expanding the definition of premises beyond that which is required by the FCC regulations or that which is necessary. AT&T simply wishes to take advantage of its former corporate ownership of BellSouth. BellSouth's agreement to AT&T's terms would cause BellSouth to provide AT&T with more favorable treatment than

AGREEMENT

between

BellSouth Telecommunications, Inc.

and

AT&T Communications of the South Central States, Inc.

Effective Date:

MISSISSIPPI

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Attachment 12	Network Security
Attachment 13	BAPCO Agreement

less favorable than those that apply to comparable arrangements, facilities, or services being provided by BellSouth to itself, Affiliate or any other carrier whose network is connected to that of BellSouth.

- 5.2 BellSouth shall provide AT&T at least sixty (60) days' advance notice of any scheduled maintenance activity which may impact AT&T's end users. Scheduled maintenance shall include, without limitation, such activities as, switch software retrofits, power tests, major equipment replacements and cable rolls. Plans for scheduled maintenance shall include, at a minimum, the following information: location and type of facilities, specific work to be performed, date and time work is scheduled to commence, work schedule to be followed, date and time work is scheduled to be completed, estimated number of work-hours for completion.

6. INTERCONNECTION COMPENSATION

- 6.1 Compensation for Call Transportation and Termination for Local Traffic and Inter-Carrier Compensation for ISP-Bound Traffic

- 6.1.1 Local Traffic means any telephone call that originates and terminates in the same LATA.

- 6.1.2 The Parties will compensate each other on a mutual and reciprocal basis for the transport and termination of Local Traffic at the following rates:

04/08/00 – 12/31/00	\$.00200 per MOU
01/01/01 – 12/31/01	\$.00175 per MOU
01/01/02 – 12/31/02	\$.00150 per MOU
01/01/03 – 04/07/03	The Parties will negotiate a rate for the exchange of traffic. If the Parties fail to negotiate a rate by 01/01/03 the applicable FCC or State Commission approved rates for local and ISP-bound traffic will apply.

- 6.1.2.1 The Parties recognize and agree that this Section will take effect on the effective Date of this Agreement and that they negotiated these annual rates together as a complete rate structure to apply over the full three-year term of this Agreement and that neither party would have agreed to accept a single annual rate in any single year.

- 6.1.3 The Parties have been unable to agree upon whether, pursuant to the FCC's February 26, 1999 Declaratory Ruling in Docket CC 96-98, dial

- 4.13.8 Major projects shall be limited to those projects that require the coordination and execution of multiple orders or related activities between and among BellSouth and AT&T work groups specifically relating to: (i) the initial establishment of local interconnection trunk groups; (ii) extending service into a new area; (iii) NXX code moves; (iv) facility grooming; or (v) network rearrangements. If orders that are component pieces of a major project are submitted after project implementation has been jointly planned and coordinated, they shall be submitted with a major project reference. Several orders submitted at one time may not be classified as a major project without the consent of the submitting Party. Each Party will identify a single point of contact that will be responsible for overall coordination and management of a major project through an agreed completion point.
- 4.13.9 As provided herein, AT&T and BellSouth agree to exchange escalation lists which reflect contact personnel including vice president level officers. These lists shall include name, department, title, phone number, and fax number for each person. AT&T and BellSouth agree to exchange an up-to-date list promptly following changes in personnel or information.
- 4.14 Interference or Impairment
- 4.14.1 Within three (3) business days of receipt of notification of blocking of traffic originated within the other Party's network, the Parties shall determine and begin work to implement reasonable corrective measures in a manner consistent with industry practices.
- 4.15 Local Dialing Parity
- 4.15.1 BellSouth and AT&T shall provide local and toll dialing parity to each other with no unreasonable dialing delays. Dialing parity shall be provided for all originating telecommunications services that require dialing to route a call. BellSouth and AT&T shall permit similarly situated telephone exchange service end users to dial the same number of digits to make a local telephone call notwithstanding the identity of the end user's or the called party's telecommunications service provider.
- 5. NETWORK MAINTENANCE**
- 5.1 Outage Repair Standard
- 5.1.1 In the event of an outage or trouble in any arrangement, facility, or service being provided by BellSouth hereunder, BellSouth will follow procedures for isolating and clearing the outage or trouble that are no

up calls to Internet Service Providers or Information Service Providers ("ISPs") should be considered Local Traffic for purposes of this Agreement. Dial-up Calls are defined as calls to an ISP that are dialed by using a local dialing pattern (7 or 10 digits) by the calling party (hereinafter referred to as "ISP-bound traffic"). However, without prejudice to either Party's position concerning the nature of ISP-bound traffic, the Parties agree for purposes of this Agreement only to compensate each other at the same per minute of use rates set forth in Paragraph 6.1.2 for ISP-bound traffic. It is expressly understood and agreed that this inter-carrier compensation mechanism for ISP-bound traffic is being established: (1) in consideration for a waiver and release by each party for any and all claims for reciprocal compensation for ISP-bound traffic exchanged between the parties prior to the Effective Date of this Agreement, which is hereby given; and (2) subject to the terms and conditions in section 6.1.4.

- 6.1.3.1 The Parties recognize and agree that the FCC, courts of competent jurisdiction, or state commissions with jurisdiction over the Parties will issue subsequent decisions on ISP-bound traffic ("Subsequent Decisions"). Notwithstanding any provision in this Agreement to the contrary, the inter-carrier compensation mechanism established in Section 6.1.3 shall continue at the rates set forth in section 6.1.2 for the full term of this Agreement without regard to such Subsequent Decisions, except as provided for in Section 6.1.3.2.
- 6.1.3.2 To the extent such Subsequent Decisions render the inter-carrier compensation mechanism for ISP-bound traffic set forth in section 6.1.3 in violation of applicable federal or state law, the Parties agree to amend this Agreement within thirty (30) days of the effective date of any such Subsequent Decision to conform the inter-carrier compensation mechanism set forth in section 6.1.3 with such Subsequent Decision. In the event of such an amendment, there will be no true up for compensation paid prior to the amendment.
- 6.1.4 The Parties recognize and agree that the compensation for the transport and termination of Local Traffic set forth in section 6.1.2 and the inter-carrier compensation mechanism for ISP-bound traffic set forth in section 6.1.3 are intended to allow each Party to recover costs associated with such traffic. The Parties recognize and agree that such compensation will not be billed and shall not be paid for calls where a Party sets up a call, or colludes with a third party to set up a call, to the other Party's network for the purpose of receiving reciprocal compensation, and not for the purposes of providing a telecommunications service to an end user.

- 6.1.5 If AT&T utilizes a switch outside the LATA and BellSouth chooses to purchase dedicated or common (shared) transport from AT&T for transport and termination of BellSouth originated traffic, BellSouth will pay AT&T no more than the airline miles between the V & H coordinates of the Point of Interface within the LATA where AT&T receives the BellSouth-originated traffic and the V & H coordinates of the BellSouth Exchange Rate Center Area that the AT&T terminating NPA/NXX is associated in the same LATA. For these situations, BellSouth will compensate AT&T at either dedicated or common (shared) transport rates specified in Exhibit A and based upon the functions provided by AT&T as defined in this Attachment.
- 6.1.6 The origination and end point of the call shall determine the jurisdiction of the call. Unless expressly agreed to by the Parties in this Agreement, neither Party shall represent as local traffic any traffic for which access charges may be lawfully assessed. The Parties have been unable to agree as to whether a call that travels over transport protocol methods other than those being utilized by the Parties on the effective date of this Agreement and crosses LATA boundaries constitutes switched access traffic. However, because the Parties are not currently utilizing alternative transport protocol methods on the effective date of this Agreement, the Parties will resume negotiations on this issue if and when either Parties adopts a new transport protocol method. If the parties are unable to resolve this issue, then the Parties will submit the dispute to the Mississippi Public Service Commission or the Federal Communications Commission, whichever is appropriate, for resolution.
- 6.1.7 Billing Point of Interface Compensation. If BellSouth establishes a BPOI, AT&T agrees to pay to BellSouth Interoffice Dedicated Transport and any associated Multiplexing for BellSouth to transport BellSouth's originated Local and ISP-bound Traffic over BellSouth facilities from the BPOI as described in Section 1.8 of this Attachment to the Physical Point of Interface. Such Interoffice Dedicated Transport shall be priced as set forth in Exhibit A, pursuant to Section 3.5.7 of this Attachment. The Interoffice Dedicated Transport mileage shall be the airline mileage between the Vertical and Horizontal (V&H) coordinates of the BPOI and the V&H coordinates of the BellSouth Point of Interface.
- 6.1.8 Trunks and Facilities for Local and ISP-bound Traffic. Compensation for trunks and associated facilities for Local and ISP-bound traffic shall be handled in accordance with Section 1.9 of this Attachment.
- 6.2 Unidentifiable traffic. AT&T shall utilize its NPA/NXXs in such a way and will provide the necessary information so that BellSouth shall be

able to distinguish local from intraLATA toll traffic for BellSouth originated traffic. AT&T end users assigned NPA/NXX line numbers shall be physically located in the BellSouth rate center with which the NPA/NXX has been associated. Whenever BellSouth delivers traffic to AT&T for termination on the AT&T's network, if BellSouth cannot determine, because of the manner in which AT&T has utilized its NXX codes whether the traffic is local or toll, BellSouth will charge the applicable rates for originating intrastate network access service as reflected in BellSouth's Intrastate Access Services Tariff. BellSouth will make appropriate billing adjustments if AT&T can provide sufficient information for BellSouth to determine whether said traffic is local or toll.

- 6.3 Percent Local Use. Each Party will report to the other a Percentage Local Usage ("PLU"). The application of the PLU will determine the amount of local minutes to be billed to the other Party. For purposes of developing the PLU, each Party shall consider every local call and every long distance call, excluding intermediary traffic. BellSouth shall report quarterly PLU factors to AT&T. BellSouth will accept from AT&T monthly PLU factors provided under the previous agreement until the third quarter of 2001, at which time AT&T shall report quarterly PLU factors. BellSouth and AT&T shall also provide a positive report updating the PLU. Detailed requirements associated with PLU reporting shall be as set forth in BellSouth's Standard Percent Local Use Reporting Platform for Interconnection Purchasers, as it is amended from time to time during this Agreement. Notwithstanding the foregoing, where the terminating company has message recording technology that identifies the traffic terminated, such information, in lieu of the PLU factor, shall at the company's option be utilized to determine the appropriate reciprocal compensation to be paid.
- 6.4 Percent Local Facility. Each Party shall report to the other a Percent Local Facility ("PLF"). The application of the PLF will determine the portion of switched dedicated transport to be billed per the local jurisdiction rates. The PLF shall be applied to multiplexing, local channel and interoffice channel switched dedicated transport utilized in the provision of local interconnection trunks. Each Party shall update its PLF on the first of January, April, July and October of the year and shall send it to the other Party to be received no later than 30 calendar days after the first of each such month to be effective the first bill period the following month, respectively. Requirements associated with PLU and PLF calculation and reporting shall be as set forth in BellSouth's Percent Local Use/Percent Local Facility Reporting Guidebook, as it is amended from time to time.

7. PERCENTAGE INTERSTATE USAGE

- 7.1 Percentage Interstate Usage. For combined interstate and intrastate AT&T traffic terminated by BellSouth over the same facilities, AT&T will be required to provide a projected Percentage Interstate Usage ("PIU") to BellSouth. All jurisdictional report requirements, rules and regulations for Interexchange Carriers specified in BellSouth's Intrastate Access Services Tariff will apply to AT&T. After interstate and intrastate traffic percentages have been determined by use of PIU procedures, the PLU factor will be used for application and billing of local interconnection. Notwithstanding the foregoing, where the terminating company has message recording technology that identifies the traffic terminated, such information, in lieu of the PLU factor, shall at the company's option be utilized to determine the appropriate reciprocal compensation to be paid.
- 7.2 Audits. On thirty (30) days' written notice, each Party must provide the other the ability and opportunity to conduct an annual audit of the traffic reported. BellSouth and AT&T shall retain records of call detail for a minimum of nine months from which a PLU and/or PIU can be ascertained. The audit shall be accomplished during normal business hours at an office designated by the Party being audited. Audit requests shall not be submitted more frequently than one (1) time per calendar year. Audits shall be performed by a mutually acceptable independent auditor paid for by the Party requesting the audit. The PLU and/or PIU shall be adjusted based upon the audit results and shall apply to the usage for the quarter the audit was completed, to the usage for the quarter prior to the completion of the audit, and to the usage for the two quarters following the completion of the audit. If, as a result of an audit, either Party is found to have overstated the PLU and/or PIU by twenty percentage points (20%) or more, that Party shall reimburse the auditing Party for the cost of the audit.
- 7.3 Compensation for 800 Traffic. Each Party shall compensate the other pursuant to the appropriate switched access charges, including the database query charge as set forth in the each Party's intrastate or interstate switched access tariffs.
- 7.4 Records for 8YY Billing. Each Party will provide to the other the appropriate records necessary for billing intraLATA 8YY customers. Records required for billing end users purchasing 8YY Services shall be provided pursuant to Attachment 6 of this Agreement, incorporated herein by this reference.
- 7.5 Transit Traffic Service. BellSouth shall provide tandem switching and transport services for AT&T's transit traffic. Transit traffic is traffic originating on AT&T's network that is switched and/or transported by BellSouth and delivered to a third party's network, or traffic originating

on a third Party's network that is switched and/or transported by BellSouth and delivered to AT&T's network. Rates for local transit traffic shall be the applicable call transport and termination charges as set forth in Exhibit A to this Attachment. Rates for intraLATA toll and Switched Access transit traffic shall be the applicable call transport and termination charges as set forth in BellSouth Interstate or Intrastate Switched Access tariffs. Switched Access transit traffic presumes that AT&T's end office is subtending the BellSouth Access Tandem for switched access traffic to and from AT&T's end users utilizing BellSouth facilities, either by direct trunks with the IXC, or via the BellSouth Access Tandem. Billing associated with all transit traffic shall be pursuant to MECAB procedures. Wireless Type 1 traffic shall not be treated as transit traffic from a routing or billing perspective. Wireless Type 2A traffic shall not be treated as transit traffic from a routing or billing perspective until BellSouth and the Wireless carrier have the capability to properly meet-point-bill in accordance with Multiple Exchange Carrier Access Billing ("MECAB") guidelines.

8. OSS RATES

- 8.1 To the extent AT&T orders a Service and Element for the purpose of interconnection through the LSR process, the OSS Rates set forth in Exhibit A of Attachment 2, incorporated herein by this reference, shall apply.

Relevant Information Regarding First Interconnection Agreement for Florida, Second Interconnection Agreement for Mississippi, and Second Interconnection Agreement for Florida

First Interconnection Agreement for Florida:

Period: June 10, 1997 – June 10, 2000
FL PSC Approval: June 19, 1997 – Docket No. 960833-TP
September 21, 1999 – FL PSC approves TCG of South Florida, Inc.'s Adoption of First Interconnection Agreement

Definition of “Local Traffic” in First Interconnection Agreement for Florida – Attachment 11, Page 6.

“Local Traffic” – means any telephone call that originates and terminates in the same LATA and is billed by the originating Party as a local call, including any call terminating in an exchange outside of BellSouth’s service area with respect to which BellSouth has a local interconnection agreement with an independent LEC, with which AT&T is not directly interconnected.

Second Interconnection Agreement for Mississippi:

Period: March 28, 2001 – March 28, 2004
MS PUC Approval: Parties agree negotiated agreement becomes effective 30 days after filing with MS PUC.

Definition of “Local Traffic” in Mississippi Second Interconnection Agreement – Attachment 3, Page 20, Section 6:

- 6.1 Compensation for Call Transportation and Termination for Local Traffic and Inter-Carrier Compensation for ISP-Bound Traffic.
 - 6.1.1 Local Traffic means any telephone call that originates and terminates in the same LATA.

Local Reciprocal Compensation Rates in Mississippi; Second Interconnection Agreement, Attachment 3, Page 20.

- 6.1.2 The Parties will compensate each other on a mutual and reciprocal basis for the transport and termination of Local Traffic at the following rates:

04/08/00 – 12/31/00 \$.00200 per MOU
01/01/01 – 12/31/01 - \$.00175 per MOU
01/01/02 – 12/31/02 - \$.00150 per MOU
01/01/03 – 04/07/03 – The Parties will negotiate a rate for the exchange of traffic. If the Parties fail to negotiate a rate by 01/01/03, the applicable FCC or State Commission approval rates for Local and ISP-bound traffic will apply.

6.1.3 The Parties have been unable to agree upon whether, pursuant to the FCC's February 26, 1999 Declaratory Ruling in Docket CC 96-98, dial-up calls to Internet Service Providers or Information Service Providers ("ISPs") should be considered Local Traffic for purposes of this Agreement. Dial-up calls are defined as calls to an ISP that are dialed by using a local dialing pattern (7 or 10 digits) by the calling party (hereinafter referred to as "ISP-bound traffic"). However, without prejudice to either Party's position concerning the nature of ISP-bound traffic, the Parties agree for purposes of this Agreement only to compensate each other at the same per minute of use rates set forth in Paragraph 6.1.2 for ISP-bound traffic. It is expressly understood and agreed that this inter-carrier compensation mechanism for ISP-bound traffic is being established: (1) in consideration of a waiver and release by each party for any and all claims for reciprocal compensation for ISP-bound traffic exchanged between the parties prior to the Effective Date of this Agreement, which is hereby given; and (2) subject to the terms and conditions set forth in 6.1.4.

6.1.3.1. The Parties recognize and agree that the FCC, courts of competent jurisdiction, or State Commissions with jurisdiction over the Parties will issue subsequent decisions on ISP-bound traffic ("Subsequent Decisions"). Notwithstanding any provisions in this Agreement to the contrary, the inter-carrier compensation mechanism established in Section 6.1.3 shall continue at the rates set forth in Section 6.1.2 for the full term of this Agreement without regard to such Subsequent Decisions, except as provided for in Section 6.1.3.2.

6.1.3.2 To the extent such Subsequent Decisions render the inter-carrier compensation mechanism for ISP-bound traffic set forth in 6.1.3 in violation of applicable federal or state law, the Parties agree to amend this Agreement within thirty (30) days of the effective date

of any such Subsequent Decision to conform the inter-carrier compensation mechanism set forth in 6.1.3 with such Subsequent Decision. In the event of such an amendment, there will be no true up for compensation paid prior to the amendment.

Billing Factors From Mississippi, Second Interconnection Agreement,
Attachment 3, Page 23:

- 6.3 Percent Local Use. Each Party will report to the other a Percentage Local Usage ("PLU"). The application of the PLU will determine the amount of local minutes to be billed to the other Party. For purposes of developing the PLU, each Party shall consider every local call and every long distance call, excluding intermediary traffic. BellSouth shall report quarterly PLU factors to AT&T. BellSouth shall accept from AT&T monthly PLU factors provided under the previous agreement until the third quarter of 2001, at which time AT&T shall report quarterly PLU factors. BellSouth and AT&T shall also provide a positive report updating the PLU. Detailed requirements associated with PLU reporting shall be as set forth in BellSouth's Standard Percent Local Use Reporting Platform for Interconnection Purchasers, as it is amended from time to time during this Agreement. Notwithstanding the foregoing, where the terminating company has message recording technology that identifies the traffic terminated, such information, in lieu of the PLU factor, shall at the company's option be utilized to determine the appropriate reciprocal compensation to be paid.
- 7.1 Percentage Interstate Usage. For combined interstate and intrastate AT&T traffic terminated by BellSouth over the same facilities, AT&T will be required to provide a projected Percentage Interstate Usage ("PIU") to BellSouth. All jurisdictional report requirements, rules and regulations for Interexchange Carriers specified in BellSouth's Intrastate Access Services Tariff will apply to AT&T. After interstate and intrastate percentages have been determined by use of PIU procedures, the PLU factor will be used for application and billing of local interconnection. Notwithstanding the foregoing, where the terminating company has message recording technology that identifies the traffic terminated, such information, in lieu of the PLU factor, shall at the company's option be utilized to determine the appropriate reciprocal compensation to be paid.

Intervening Event Between Execution of Second Interconnection Agreement for Mississippi and Execution of Second Interconnection Agreement for Florida

FCC's Order on Remand and Report and Order in CC Docket 96-98 and 99-68 released April 27, 2001 ("ISP Order on Remand").

Second Interconnection Agreement for Florida:

Period: October 26, 2001 – October 26, 2004

FL PSC Approval: December 7, 2001, Docket No. 000731-TP

Provisions from Second Interconnection Agreement for North Carolina Regarding "Local Traffic," Attachment 3, Page 24:

5.3.1 Compensation For Local Traffic

5.3.1.1 For the treatment of local and ISP-bound traffic in this Agreement, the Parties agree to implement the FCC's Order on Remand and Report and Order in CC Docket No. 96-98 and 99-68 released April 27, 2001 ("ISP Order on Remand"). The Parties further agree to amend this agreement, within sixty (60) days of execution, to incorporate language reflecting the FCC ISP Order on Remand. At such time as that amendment is finalized, the Parties agree to work cooperatively to "true-up" compensation amounts consistent with the terms of the amended language from the effective date of the FCC ISP Order on Remand to the date the amendment is finalized. In this Section, the Parties express their intent to file negotiated language to incorporate the FCC's ISP Order on Remand. If the Parties are unable to agree on this language addressing this issue by the time the language is due to be filed, either Party may petition the Florida Public Service Commission to resolve the dispute between the Parties as to the appropriate language addressing this issue. Additionally, the Parties agree to apply a "LATAwide" local concept to this Attachment 3, meaning that traffic that has been traditionally been treated as intraLATA toll traffic will now be treated as local for intercarrier compensation purposes, except for those calls that are originated or terminated through switched access arrangements as established by the State Commission or FCC.

5.3.3 Switched Access Traffic. Switched Access Traffic is defined as telephone calls requiring local transmission or switching services for the purpose of the origination or termination of Intrastate InterLATA and Interstate InterLATA traffic. Switched Access Traffic includes, but is not limited to, the following types of traffic: Feature Group A, Feature Group B, Feature Group D, toll free access (e.g., 800/877/888), 900 access, and their successors. Additionally, if BellSouth or AT&T is the other Party's end user's presubscribed interexchange carrier or if any end-users uses BellSouth or AT&T as an interexchange carrier on a 101XXXX basis, BellSouth or AT&T will charge the other Party the appropriate tariff charges for originating switched access services. The Parties have been unable to agree as to whether Voice over Internet Protocol ("VOIP") transmissions which cross local calling area boundaries constitute Switched Access Traffic. Notwithstanding the foregoing, and without waiving any rights with respect to either Party's position as to the jurisdictional nature of VOIP, the Parties agree to abide by any effective and applicable FCC rules and orders regarding the nature of such traffic; if any; provided however, that any VOIP transmission which originates in one LATA and terminates in another LATA (i.e. the end-to-end points of the call), shall not be compensated as Local Traffic. This Section is interrelated to Section 5.3.1.1.

5.3.4 The Parties have been unable to agree as to the appropriate compensation for calls which originate in a LATA and terminate to a physical location outside of that LATA but to a number assigned to a rate center within that LATA. However, without prejudice to either Party's position concerning the application of reciprocal compensation or access charges to such traffic, the Parties agree for purposes of this Agreement only and subject to the Parties' agreement to terms of Section 5.3.1.1 and 5.3.3 and on an interim basis until the FCC issues an Order addressing this issue, neither Party shall bill the other reciprocal compensation, intercarrier compensation or switched access in connection with the exchange of any traffic described in the first sentence of this paragraph. Once the FCC issues an Effective Order addressing this issue, the Parties agree to amend this Interconnection Agreement to comply with the Order on a prospective basis only within thirty (30) days of either Party's written request. No "true-up" shall be required in connection with such an Effective Order. Nothing in this Section 5.3.4 is intended to change the way that the Parties treat ISP-bound traffic in accordance with the FCC's ISP Order on Remand.

5.3.7 Percent Local Use. Each Party will report to the other a Percentage Local Usage ("PLU"). The application of the PLU will determine the amount of local minutes to be billed to the other Party. For purposes of developing the PLU, each Party shall consider every local call and every long distance call, excluding intermediary traffic. BellSouth shall report quarterly PLU factors to AT&T. BellSouth shall accept from AT&T monthly PLU factors provided under the previous agreement until the third (3rd) quarter of 2001, at which time AT&T shall report quarterly PLU factors. BellSouth and AT&T shall also provide a positive report updating the PLU. Detailed requirements associated with PLU reporting shall be as set forth in BellSouth's Standard Percent Local Use Reporting Platform for Interconnection Purchasers, as it is amended from time to time during this Agreement. Notwithstanding the foregoing, where the terminating company has message recording technology that identifies the traffic terminated, such information, in lieu of the PLU factor, shall at the company's option be utilized to determine the appropriate reciprocal compensation to be paid.

5.3.9 Percentage Interstate Usage. For combined interstate and intrastate AT&T traffic terminated by BellSouth over the same facilities, AT&T will be required to provide a projected Percentage Interstate Usage ("PIU") to BellSouth. All jurisdictional report requirements, rules and regulations for Interexchange Carriers specified in BellSouth's Intrastate Access Services Tariff will apply to AT&T. After interstate and intrastate percentages have been determined by use of PIU procedures, the PLU factor will be used for application and billing of local interconnection. Notwithstanding the foregoing, where the terminating company has message recording technology that identifies the traffic terminated, such information, in lieu of the PLU factor, shall at the company's option be utilized to determine the appropriate reciprocal compensation to be paid.

FIRST AMENDMENT TO SECOND INTERCONNECTION AGREEMENT
FOR FLORIDA

Effective Date of Amendment: April 18, 2002
FL PSC Approval: Pending

5.3 Interconnection Compensation

5.3.1 Intercarrier Compensation for Call Transport and Termination of Local and ISP-bound Traffic

5.3.1.1 The Parties agree to apply a "LATAwide" local concept to this Attachment 3, meaning that traffic that has traditionally been treated as intraLATA toll traffic will now be treated as local for intercarrier compensation purposes, except for those calls that are originated or terminated through switched access arrangements as established by the State Commission or FCC. Nothing in this Agreement shall be construed in any way to constrain either Party's choices regarding the size of the local calling areas that it may establish for its end users.

5.3.2 ISP-bound Traffic is defined as calls to an information service provider or Internet service provider ("ISP") that are dialed by using a local dialing pattern (7 to 10 digits) by a calling party in one LATA to an ISP server or modem in the same LATA and is a subset of "information access." Information access is defined as the provision of specialized exchange telecommunications services in connection with the origination, termination, transmission, switching, forwarding or routing of telecommunications traffic to or from the facilities of a provider of information services. ISP-bound Traffic is not Local Traffic or IP Telephony as set forth in 5.3.10 of this agreement, subject to reciprocal compensation, but instead is information access traffic subject to reciprocal compensation, but instead is information access traffic subject to the FCC's jurisdiction. Notwithstanding the definitions of Local Traffic and ISP-bound traffic above, and pursuant to the FCC's Order on Remand and Report and Order in CC Docket 99-68 released April 27, 2001 ("ISP Order on Remand"), BellSouth and AT&T agree that the rebuttable presumption that all combined circuit switched Local and ISP-bound Traffic delivered to BellSouth or AT&T that exceeds a 3:1 ratio of terminating to originating traffic on a statewide basis shall be considered ISP-bound traffic for compensation purposes. BellSouth and AT&T further agree to the

rebuttable presumption that all combined circuit switched LOCAL and ISP-bound Traffic delivered to BellSouth or AT&T that does not exceed a 3:1 ratio of terminating to originating traffic on a statewide basis shall be considered Local Traffic for compensation purposes.

- 5.3.3 All Local and ISP Traffic that is exchanged pursuant to this Agreement shall be compensated as follows:
 - 5.3.3.1 Commencing on July 1, 2001 and continuing until December 31, 2001, \$.0015 per minute of use.
 - 5.3.3.2 Commencing on January 1, 2002 and continuing until June 30, 2003, \$.0010 per minute of use.
 - 5.3.3.3 Commencing on July 1, 2003 and continuing until June 30, 2004, or until further FCC action (whichever is later), \$.0007 per minute of use.
 - 5.3.3.4 No other per MOU charges shall apply to the carriage of Local and ISP Traffic by either Party for the other Party except as set forth above. Compensation for Transit Traffic shall be as set forth in Section 5.3.20.
- 5.3.4 The ability of either Party to collect a credit for intercarrier compensation paid for ISP Traffic, as described in section 5.3.5, following, shall be limited as follows based on "growth caps" on compensation for ISP Traffic ordered by the FCC. The Parties shall first determine the total number of minutes of use of ISP Traffic (as defined in this Agreement) terminated by one Party for the other Party for the three-month period commencing January 1, 2001 and ending March 31, 2001. The Parties shall then multiply this number of minutes by 4.4, and the resulting product shall be the terminating Party's "2001 ISP Annualized Traffic Cap." The total number of minutes of use of ISP Traffic for which one Party may receive compensation from the other Party during the period July 1, 2001 through December 31, 2001 shall equal 50% of that Party's 2001 ISP annualized traffic cap, due to the Parties' mid-year one-time compensation payment. The total number of minutes of use of ISP Traffic for which one Party may receive compensation from the other Party during the period January 1, 2002 through December 31, 2002 or for any calendar

year thereafter shall equal 1.1 times that Party's 2001 ISP Annualized Traffic Cap.

5.3.5 For the period commencing July 1, 2001, each party will bill the other for all minutes of use specified in 5.3.3, above. The parties will meet in February 2002 on a trial basis to determine if annual meetings are sufficient for determining the number of ISP-bound minutes. If such trial proves successful, the parties will meet each succeeding February, thereafter, for the duration of this Agreement to determine the number of ISP-bound minutes and there will be no need to amend this Agreement. If the trial proves unsuccessful, no later than June 2002, the parties will develop a subsequent process and amend this Agreement Intercarrier Compensation paid for any ISP-bound minutes of use that exceeds the caps described in 5.3.4, above, will be credited to that party in the March bill. At this same meeting, the Parties will reach agreement on the ISP-bound minutes of use cap for the next time period.

5.3.10 Switched Access Traffic. Switched Access Traffic is defined as telephone calls requiring local transmission or switching services for the purpose of the origination or termination of Intrastate InterLATA and Interstate InterLATA traffic. Switched Access Traffic includes, but is not limited to, the following types of traffic: Feature Group A, Feature Group B, Feature Group D, toll free access (e.g., 800/877/888), 900 access, and their successors. Additionally, if BellSouth or AT&T is the other Party's end user's presubscribed interexchange carrier or if an end-user uses BellSouth or AT&T as an interexchange carrier on a 101XXXX basis, BellSouth or AT&T will charge the other Party the appropriate tariff charges for originating switched access services. The Parties have been unable to agree as to whether Voice over Internet Protocol ("VOIP") transmissions which cross local calling area boundaries constitute Switched Access Traffic. Notwithstanding the foregoing, and without waiving any rights with respect to either Party's position as to the jurisdictional nature of VOIP, the Parties agree to abide by any effective and applicable FCC rules and orders regarding the nature of such traffic and the compensation payable by the Parties for such traffic; if any; provided however, that any VOIP transmission which originates in one LATA and terminates in another LATA (i.e. the end-to-end points of the call), shall not be compensated as Local Traffic. This Section is interrelated to Section 5.3.1.1.

5.3.11 The Parties have been unable to agree as to the appropriate compensation for calls which originate in a LATA and terminate to a physical location outside of that LATA but to a number assigned to a rate center within that LATA. However, without prejudice to either Party's position concerning the application of reciprocal compensation or access charges to such traffic, the Parties agree for purposes of this Agreement only and subject to the Parties' agreement to terms of Section 5.3.1.1 and 5.3.3 and on an interim basis until the FCC issues an Order addressing this issue, neither Party shall bill the other reciprocal compensation, intercarrier compensation or switched access in connection with the exchange of any traffic as described in the first sentence of this paragraph. Once the FCC issues an Effective Order addressing this issue, the Parties agree to amend this Interconnection Agreement to comply with the Order on a prospective basis only within thirty (30) days of either Party's written request. No "true-up" shall be required in connection with such an Effective Order. Nothing in this Section 5.3.4 is intended to change the way that the Parties treat ISP-bound traffic in accordance with the FCC's ISP Order on Remand.

5.3.14 Percent Local Use. Each Party will report to the other a Percentage Local Usage ("PLU"). The application of the PLU will determine the amount of local minutes to be billed to the other Party. For purposes of developing the PLU, each Party shall consider every local call and every long distance call, excluding intermediary traffic. BellSouth shall report quarterly PLU factors to AT&T. BellSouth will accept from AT&T monthly PLU factors provided under the previous agreement until the third quarter of 2001, at which time AT&T shall report quarterly PLU factors. BellSouth and AT&T shall also provide a positive report updating the PLU. Detailed requirements associated with PLU reporting shall be as set forth in BellSouth's Standard Percent Local Use Reporting Platform for Interconnection Purchasers, as it is amended from time to time during this Agreement. Notwithstanding the foregoing, where the terminating company has message recording technology that identifies the traffic terminated, such information, in lieu of the PLU factor, shall at the company's option be utilized to determine the appropriate reciprocal compensation to be paid.

5.3.16 Percentage Interstate Usage. For combined interstate and intrastate AT&T traffic terminated by BellSouth over the same facilities, AT&T will be required to provide a projected Percentage Interstate Usage ("PIU") to BellSouth. All jurisdictional report

requirements, rules and regulations for Interexchange Carriers specified in BellSouth's Intrastate Access Services Tariff will apply to AT&T. After interstate and intrastate traffic percentages have been determined by use of PIU procedures, the PLU factor will be used for application and billing of local interconnection. Notwithstanding the foregoing, where the terminating company has message recording technology that identifies that traffic terminated, such information, in lieu of the PLU factor, shall at the company's option be utilized to determine the appropriate reciprocal compensation to be paid.