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February 19, 1996

Via Federal Express

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

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

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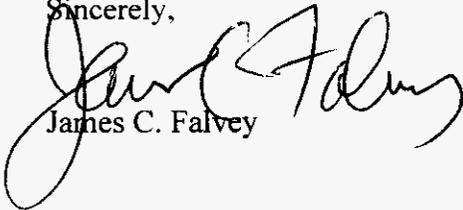
AFA Dear Mrs. Bayo:

APP Enclosed for filing are an original and fifteen (15) copies of the Rebuttal Testimony of
CAF Timothy T. Devine and Prehearing Statement of Metropolitan Fiber Systems of Florida, Inc. in
CMU the above-captioned docket.

CTR A copy of the Prehearing Statement on diskette is enclosed pursuant to Rule 25-22-
EAG 028(1). Also enclosed are extra copies of the documents. Please date stamp the extra copies and
LEB return them in the enclosed self-addressed envelope.

LIN 5 + orig
CFC Thank you for your attention to this matter.

REC
SEC
WAS
OTH

Sincerely,

James C. Falvey

cc: All parties of record

154910 RECEIVED & FILED

FPSC-BUREAU OF RECORDS

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Devine
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Prehearing
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CERTIFICATE OF SERVICE

I, Sheila M. Beattie, do hereby certify that on this 20th day of February, 1996, copies of the foregoing documents, Rebuttal Testimony of Timothy T. Devine and Prehearing Statement of Metropolitan Fiber Systems of Florida, Inc., Docket No. 950985D-TP, were served, via federal express* or first-class mail, on the following parties:

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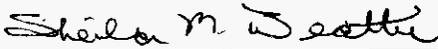
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Sheila M. Beattie
Sheila M. Beattie

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**ORIGINAL
FILE COPY**

**Resolution of Petition(s) to establish)
nondiscriminatory rates, terms, and) Docket No. 950985-TP
conditions for interconnection)
involving local exchange companies and) Filed: February 20, 1996
alternative local exchange companies)
pursuant to Section 364.162, Florida)
Statutes)**

REBUTTAL TESTIMONY OF TIMOTHY T. DEVINE

ON BEHALF OF

METROPOLITAN FIBER SYSTEMS OF FLORIDA, INC.

Docket No. 950985-TP

(MFS-FL Petition Concerning Interconnection with GTE Florida, Inc.)

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

**REBUTTAL TESTIMONY OF TIMOTHY T. DEVINE
ON BEHALF OF
METROPOLITAN FIBER SYSTEMS OF FLORIDA, INC.
(Petition re: GTE Florida, Inc.)
Docket No. 950985-TP**

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

2 **A. My name is Timothy T. Devine. My business address is MFS**
3 **Communications Company, Inc., Six Concourse Parkway, Ste. 2100,**
4 **Atlanta, Georgia 30328-5351.**

5 **Q. ARE YOU THE SAME TIMOTHY DEVINE WHO PREVIOUSLY**
6 **FILED TESTIMONY IN THIS PROCEEDING?**

7 **A. Yes.**

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

10 **A. To respond on behalf of Metropolitan Fiber Systems of Florida, Inc.**
11 **(“MFS-FL”) to the direct testimony in this proceeding, and particularly the**
12 **testimony of Ms. Beverly Y. Menard and Dr. Edward C. Beauvais filed on**
13 **behalf of GTE Florida, Inc.**

14 **Q. HAS MFS-FL COME TO AGREEMENT WITH GTE ON SOME OF**
15 **THE ISSUES IN THIS DOCKET WITH GTE?**

16 **A. Yes. While MFS-FL has still not succeeded in coming to agreement with**
17 **BellSouth on any of the interconnection or unbundling issues in those**
18 **separate negotiations, MFS-FL has succeeded in negotiating an agreement**

1 with GTE on many of the principal issues in this docket. In this regard,
2 GTE, like LECs in several other states, adopted a constructive, reasonable,
3 and positive approach to the negotiations. The agreement is attached hereto
4 as Exhibit TTD-9 ("Agreement"). A number of issues have been agreed
5 upon, including essentially every aspect of issues 2 (tariffing), 4 (intraLATA
6 800 traffic), 5 (911/E911), 6 (operator handled traffic), 7 (directory
7 assistance services), 8 (white and yellow pages), 9 (billing and collection
8 services), 10 (CLASS/LASS services), 12 (treatment of "ported" calls), and
9 14 (NXX codes). Certain technical and other arrangements remain to be
10 worked out. The parties expect to be able to reach agreement on these
11 issues, and in fact have agreed to negotiate an agreement with respect to
12 these issues within 60 days. The Agreement, however, does not address
13 every issue in this docket.

14 **Q. WHAT ISSUES REMAIN TO BE RESOLVED BETWEEN MFS-FL**
15 **AND GTE?**

16 **A. Most importantly, MFS-FL and GTE were unable to agree upon the**
17 **appropriate reciprocal compensation for call termination between its**
18 **respective end users. GTE was unwilling to agree to the MFS-FL position**
19 **that bill and keep transitioning to LRIC-based rates is the appropriate form**
20 **of interconnection compensation. GTE would also not agree with MFS-FL**

1 on three additional issues: 1) arrangements advocated by MFS-FL, and
2 ordered by the New York Public Service Commission, that would permit
3 two collocated ALECs to cross-connect directly to one another without
4 transiting GTE's network; 2) the appropriate intermediary charge for MFS-
5 FL traffic transiting the GTE network; and 3) that, where interconnection
6 occurs via collocation, upon reasonable notice, MFS-FL would be permitted
7 to change from one interconnection method to another with no penalty,
8 conversion, or rollover charges. This testimony will therefore for the most
9 part focus on the issue of the appropriate price for interconnection, as well
10 as these additional unresolved issues.

11 **Q. BEFORE ADDRESSING THESE PRICING AND OTHER ISSUES,**
12 **DOES THE RECENTLY SIGNED "TELECOMMUNICATIONS ACT**
13 **OF 1996" PROVIDE SUPPORT FOR THE MFS-FL**
14 **INTERCONNECTION PETITION?**

15 **A.** Yes. Although I am not a lawyer, it is clear that the signing of the
16 Telecommunications Act of 1996 ("Act") on Thursday, February 8, 1996
17 provides an essential backdrop to consideration of the MFS-FL
18 interconnection petition. Under the Act, an incumbent LEC is required to
19 negotiate interconnection arrangements in good faith and to provide
20 interconnection. In addition to requiring "just, reasonable, and

1 nondiscriminatory” interconnection (Sec. 251(c)(2)), the Act also creates a
2 duty on incumbent LECs to provide collocation on “rates, terms, and
3 conditions that are just, reasonable, and nondiscriminatory.” Sec. 251(c)(6).
4 The unresolved issues regarding the appropriate interconnection and
5 collocation arrangements, therefore, should be viewed in the context of these
6 and other provisions of the new federal Act.

7 **Q. DOES THE ACT PROVIDE A STANDARD TO DETERMINE WHAT**
8 **WOULD CONSTITUTE “JUST AND REASONABLE” RATES?**

9 **A.** Yes. The Act provides the following standard for interconnection pricing:

10 “INTERCONNECTION AND NETWORK ELEMENT
11 CHARGES—Determinations by a State commission of the just and
12 reasonable rate for the interconnection of facilities and equipment for
13 the purposes of subsection (c)(2) of section 251, and the just and
14 reasonable rates for network elements for purposes of subsection (c)(3)
15 of such section --

16 (A) shall be --

17 (i) based on the cost (determined without reference to a rate-of-
18 return or other rate-based proceeding) of providing the
19 interconnection or network element (whichever is applicable),
20 and

1 (ii) nondiscriminatory, and

2 (B) may include a reasonable profit.”

3 Sec. 252(d)(1). The Act also specifically states that “bill-and-keep
4 arrangements” are not precluded by this standard. Sec. 252(d)(1)(B).

5 **Q. IS THIS FEDERAL STANDARD CONSISTENT WITH THE**
6 **STANDARD PROPOSED BY MFS-FL IN ITS DIRECT TESTIMONY**
7 **IN THIS DOCKET?**

8 **A.** Yes. The MFS-FL bill and keep proposal is expressly provided for in the
9 federal Act. There is no question that if the Commission were to adopt bill
10 and keep, this would be consistent with the Act. MFS-FL also proposes that
11 bill and keep is the appropriate interim arrangement, but that rates set at
12 Long Run Incremental Cost (“LRIC”) are the appropriate long term
13 arrangement. Accordingly, MFS-FL’s long term proposal and the federal
14 pricing standard are both based on rates set with direct reference to the cost
15 of providing interconnection. This is in stark contrast to GTE’s proposal
16 that rates should be based on the current *price* of switched access (less the
17 Carrier Common Line charge (“CCL”) and the Residual Interconnection
18 Charge (“RIC”)). Beauvais Direct at 26. Moreover, the MFS-FL proposal
19 of bill and keep compensation is, unlike GTE’s switched access-based
20 proposal, nondiscriminatory: to the extent that GTE exchanges traffic with

1 other Florida LECs today on a bill and keep basis (Menard Direct at 6), bill
2 and keep would clearly be nondiscriminatory. While GTE claims that not
3 applying switched access rates to local calls would discriminate against IXCs
4 (Menard Direct at 5-6), every major IXC participating in this docket
5 advocates a bill and keep arrangement, clearly indicating that they would not
6 consider it to be discriminatory.

7 **Q. DOES THE ACT REQUIRE COMPENSATION ABOVE COSTS?**

8 **A.** No. While the federal standard states that compensation rates “may include
9 a reasonable profit,” it does not expressly require that rates must include
10 such profit. If the Commission were to consider what amount of
11 contribution were “reasonable,” it would have to bear in mind the distinct
12 possibility of a price squeeze, as discussed below. Moreover, although I am
13 not an economist, it is my understanding that LRIC rates, in fact, do take
14 into account return on investment, and this provision is therefore met by the
15 MFS-FL proposal.

16 **Q. DOES THE GTE PROPOSAL MEET THIS FEDERAL STANDARD?**

17 **A.** No. As I noted, the GTE proposal—switched access minus the RIC and the
18 CCL—is not even arguably cost-based, is discriminatory with respect to the
19 manner in which GTE compensates other LECs today, and includes
20 significant contribution above cost that, as discussed below, could lead to a

1 price squeeze.

2 **Q. COULD YOU SUMMARIZE THE BILL AND KEEP PROPOSAL**
3 **ADVOCATED BY MFS-FL, CONTINENTAL, MCI METRO, AT&T,**
4 **AND OTHERS?**

5 **A.** As I explained in my direct testimony, under bill and keep, each carrier
6 would be compensated in two ways for terminating local calls originated by
7 customers of other local exchange carriers. First, each carrier would
8 automatically be permitted to have its customers local calls to subscribers on
9 the other local exchange carrier's network terminated on that network. This
10 is often referred to as payment "in kind." In addition, each carrier is
11 compensated by its own customers who pay a monthly fee for service.

12 **Q. WHY DOES MFS-FL SUPPORT BILL AND KEEP?**

13 **A.** Unlike the proposals advocated by other parties, and particularly as
14 compared with the per-minute charge advocated by GTE, bill and keep
15 economizes on costs of measurement and billing, which could increase
16 prices for all customers. It is also the only method proposed by any of the
17 parties that provides an ironclad guarantee that a price squeeze will not
18 foreclose the development of local exchange competition in Florida. The
19 bill and keep method of compensation also provides incentives to carriers to
20 adopt an efficient network architecture, one that will enable the termination

1 of calls in the manner that utilizes the fewest resources. As a result of these
2 advantages, some form of bill and keep has been adopted by several states
3 (including Michigan, Iowa, Connecticut, Washington, Oregon, Tennessee,
4 Texas, and California) and is currently in use in many states for the
5 exchange of traffic between existing LECs.

6 **Q. DO OTHER PARTIES SUPPORT THE IMPLEMENTATION OF BILL**
7 **AND KEEP RECIPROCAL COMPENSATION IN THIS DOCKET?**

8 **A.** Yes. Continental, AT&T Communications of the Southern States, Inc.
9 ("AT&T"), and MCI Metro Access Transmission Services, Inc. ("MCI
10 Metro"), among others, all support identical bill and keep proposals. These
11 parties emphasize the same benefits of administrative simplicity, the
12 elimination of the possibility a price squeeze, and the efficiency incentives
13 created by bill and keep.

14 **Q. HAS GTE RECENTLY SUPPORTED BILL AND KEEP IN**
15 **PRINCIPLE?**

16 **A.** Yes. Despite its stated opposition to bill and keep, surprisingly, GTE has
17 signed a stipulation with Intermedia (attached as Exhibit TTD-8) that
18 recognizes that bill and keep is an effective method of compensation
19 between LECs and ALECs. GTE and Intermedia would exchange traffic on
20 an in-kind basis for the first two years of the Stipulation. GTE and

1 Intermedia would also exchange traffic on an in-kind basis if it is mutually
2 agreed that the administrative costs associated with local interconnection are
3 greater than the net monies exchanged. Thus, the GTE/Intermedia
4 Stipulation also recognizes the primary reason for adopting bill and keep,
5 the desirability of avoiding the unnecessary administrative costs involved in
6 other forms of compensation. All of GTE's testimony criticizing bill and
7 keep should therefore be read with this simple fact in mind: GTE has
8 voluntarily agreed to utilize this system for two years, and possibly longer.
9 The Commission should likewise recognize the benefits of bill and keep as
10 an interim arrangement in order to transition to LRIC-based rates.

11 **Q. HAS GTE SUPPORTED BILL AND KEEP IN ANY OTHER**
12 **CONTEXT?**

13 **A.** Yes. GTE currently exchanges traffic with other LECs utilizing bill and
14 keep arrangements. GTE also admits in its testimony that bill and keep is
15 appropriate under certain circumstances: 1) if one carrier is involved in the
16 originating, transport and termination of a call from one end user to another;
17 and 2) where the quantity of terminating minutes is the same, the
18 terminating price charged by both carriers is the same and no transiting
19 carriers are involved. Beauvais Direct at 19. The first scenario makes no
20 sense because if only one carrier is involved there is no need for

1 compensation. As to the second scenario concerning traffic balance, the
2 evidence in this docket confirms that, if anything, the traffic balance favors
3 GTE under bill and keep.

4 **Q. WHY WOULD GTE BENEFIT FROM THE TRAFFIC BALANCE IF**
5 **BILL AND KEEP WERE IMPLEMENTED?**

6 **A.** MFS has introduced real-world record evidence on traffic balance based on
7 its actual experience exchanging traffic with NYNEX in New York. (MFS
8 attaches as TTD-7 the chart that was introduced as Exhibit 7 at the hearing
9 in the BellSouth portion of this docket.) MFS has demonstrated, based on
10 tens of thousands of voice grade lines,¹ that it consistently terminated more
11 inbound traffic from NYNEX than it sent out to NYNEX for termination on
12 NYNEX's network. During an eight-month period, the traffic split was
13 approximately 60% inbound minutes of use, and 40% outbound minutes of
14 use. *Id.* This data strongly suggests that bill and keep may well benefit
15 GTE: GTE would terminate only approximately 40% of the traffic while
16 MFS would terminate approximately 60%. With equal per minute of use
17 interconnection charges, GTE would actually make a net payment to MFS

1 MFS has provided an estimate of the amount of traffic rather than the precise amount because the amount of traffic and associated revenue is confidential, proprietary business information.

1 based on this data. Under bill and keep, there would be no payment by
2 GTE or MFS-FL. Therefore, GTE's argument that bill and keep will not
3 work in Florida—particularly when it *is* currently working for GTE in
4 Florida with respect to the exchange of local traffic with other LECs—is
5 inapposite. Despite the real world evidence on traffic flows, MFS still
6 prefers bill and keep in the interim because it avoids the possibility of a
7 price squeeze, as discussed below, and eliminates substantial administrative
8 costs until such time as LRIC-based rates are established.

9 **Q. WHY ELSE IS GTE'S CRITIQUE OF BILL AND KEEP**
10 **MISLEADING AND UNSUBSTANTIATED?**

11 **A.** GTE cites to figures regarding the incremental cost of measurement and
12 billing in claiming that these costs are negligible. Beauvais Direct at 21.
13 Yet GTE pulls these numbers out of thin air and fails to provide any cost
14 study (or even a cite) to substantiate them. Significantly, GTE's fellow
15 LEC, United/Centel, states the exact opposite: United/Centel believes that
16 establishing new measurement mechanisms can be prohibitively expensive.
17 As Mr. Poag states, "for traffic which is routed between ALECs, IXC's,
18 cellular providers and other ILECs, a special software package is required
19 for measurement. This software is relatively expensive and will only be
20 provided at the access tandems." Poag Direct at 15-16. Even if there were

1 some support for GTE's claims that long-term costs of measurement and
2 billing are low, that would not obviate the necessity for establishing billing
3 and measurement arrangements in Florida between each and every
4 competitive local carrier. There is no question that bill and keep would be
5 significantly easier to implement in the near term. It would permit ALECs
6 to get into business and create such arrangements with each of the other
7 carriers once they begin earning their first revenues from providing local
8 service in Florida. Overall, incumbent LECs have been less than
9 enthusiastic about creating even the most basic, fundamental
10 arrangements—BellSouth still has not even agreed to arrangements for
11 911/E911—and eliminating one additional obstacle in the interim until LRIC
12 cost studies can be developed and analyzed in contested hearings will
13 facilitate the introduction of local competition significantly.

14 **Q. CAN YOU PROVIDE AN UPDATE AS TO THE NUMBER OF**
15 **STATES THAT HAVE ADOPTED BILL AND KEEP?**

16 **A.** Yes. Bill and keep has been adopted by a number of states, including
17 several states that have adopted bill and keep on an interim basis until cost-
18 based rates can be established. Michigan, California, Connecticut, and
19 Texas, have all adopted precisely the approach advocated by MFS: bill and
20 keep transitioning to cost-based rates. In Michigan, bill and keep is applied

1 as long as traffic is close to being in balance (within 5%). *In the matter of*
2 *the application of CITY SIGNAL, INC., for an order establishing and*
3 *approving interconnection arrangements with AMERITECH MICHIGAN,*
4 Case No. U-10647, Opinion and Order, at 32 (Feb. 23, 1995). The
5 California Public Utilities Commission recently endorsed bill and keep on an
6 interim basis, recognizing that in the *long term* "it is the policy of this
7 Commission that Commission-approved tariffs for call termination services
8 should be cost-based." *Order Instituting Rulemaking on the Commission's*
9 *Own Motion into Competition for Local Exchange Service, R.95-04-043,*
10 I.95-04-044, Decision 95-07-054, at 39 (Cal. P.U.C., July 25, 1995);
11 Decision 95-12-056, at 39 (Cal. P.U.C., Dec. 20, 1995). Connecticut has
12 also adopted modified bill and keep with a transition to cost-based rates.
13 *DPUC Investigation Into the Unbundling of the Southern New England*
14 *Telephone Company's Local Telecommunications Network, Docket No. 94-*
15 10-02, Decision at 62-71 (Conn. D.P.U.C., Sept. 22, 1995). Several other
16 states are following this trend towards bill and keep rates. *See Texas PURA*
17 *of 1995, Vernon's Ann.Civ.St. art. 1445c-0, §3.458 (1995); Washington*
18 *Utilities and Transportation Comm'n v. US West Communications, Inc.,*
19 Dkt. No. UT-941464, *Fourth Supplemental Order Rejecting Tariff Filings*
20 *and Ordering Refiling; Granting Complaints, in Part, at 29 (Wash. U.T.C.,*

1 Oct. 31, 1995); *In Re: McLeod Telemanagement, Inc.*, Dkt. No. TCU-94-4,
2 *Final Decision and Order*, at p. 16 (Iowa D.C.U.B., March 31, 1995); *In*
3 *the Matter of the Application of Electric Lightwave, Inc. for a Certificate of*
4 *Authority to Provide Telecommunications Services in Oregon*, CP1, CP14,
5 CP15, *Order No. 96-021*, at p. 52 (Oregon P.U.C. Jan. 12, 1996). The
6 Tennessee Commission also approved in December final rules that require
7 bill and keep for one year. Rule 1220-4-8.10(3) (effective upon approval of
8 the Attorney General).

9 **Q. DO YOU ADVOCATE BILL AND KEEP ON A PERMANENT BASIS?**

10 **A.** No. As I have noted, a number of states have adopted bill and keep on an
11 interim basis. Dr. Beauvais argues that the fact that these states have
12 adopted bill and keep on only an interim basis (Devine Direct at 28-29),
13 means that this is not the solution for Florida. Beauvais Direct at 23. Yet
14 MFS-FL only supports bill and keep on an interim basis (*e.g.*, for the next
15 eighteen months) in order for incumbent LECs to develop the appropriate
16 cost studies in order to develop cost-based rates as mandated by the
17 Telecommunications Act of 1996. In fact, this is precisely the reason that
18 these other states have adopted bill and keep on an interim basis: to permit a
19 transition to cost-based permanent rates while not delaying the introduction
20 of competition. Dr. Beauvais also clouds the record by suggesting that

1 MFS-FL did not accurately describe the Michigan plan to allow bill and
2 keep while traffic is within 5% in balance. Beauvais Direct at 23. MFS-FL
3 accurately described that bill and keep only applies under limited
4 circumstances in Michigan (Devine Direct at 28), and did not endorse the
5 Michigan approach in every detail. As Dr. Beauvais correctly notes, the
6 Michigan plan still suffers from the problem that it requires measurement
7 and billing, and establishes compensation rates prior to conducting the
8 appropriate examination of LEC local call termination costs.

9 **Q. HAVE OTHER STATES EMPHASIZED THE ADVANTAGES OF**
10 **BILL AND KEEP?**

11 **A.** Yes. Each of the states that have adopted bill and keep, including Michigan,
12 Iowa, Connecticut, Washington, Texas, Oregon, Tennessee, and California,
13 have done so for the very reasons expressed by MFS-FL. For example, the
14 Washington Utilities and Transportation Commission, in recently adopting
15 interim bill and keep, addressed several of the key advantages of bill and keep:

- 16 ● "It is already in use by the industry for the exchange of EAS traffic."
- 17 ● "Any potential harm would not occur until current barriers to
18 competition are eliminated and competitors gain more than a de
19 minimus market share."
- 20 ● "Bill and keep offers the best opportunity to get new entrants up and

1 running, with a minimum disruption to customers and existing
2 companies.”

3 ● “We would not adopt bill and keep if it appeared that new entrant
4 ALECs would be imposing more costs on the incumbents than they
5 would be incurring by terminating incumbents’ traffic. However, the
6 opponents of bill and keep have not demonstrated that this situation is
7 likely to occur, at least in the near term when bill and keep will be in
8 place. To the contrary, the only evidence on the record favors the
9 theory that traffic will be close to balance.” *Washington Utilities and*
10 *Transportation Commission v. US West Communications, Inc.*,
11 Docket Nos. UT-941464 et al., Fourth Supplemental Order Rejecting
12 Tariff Filings and Ordering Refiling; Granting Complaints in Part, at
13 29-30 (October 31, 1995). MFS-FL believes that these advantages
14 make bill and keep the ideal solution on an interim basis.

15 **Q. IS BILL AND KEEP THE MOST COMMON PRACTICE FOR THE**
16 **EXCHANGE OF TRAFFIC BETWEEN LECS AND INDEPENDENT**
17 **TELEPHONE COMPANIES?**

18 **A.** Yes. GTE does not refute the simple fact that bill and keep arrangements
19 have been the most common arrangement between LECs for the exchange of
20 local traffic and admits that it currently utilizes bill and keep today. Menard

1 Direct at 6. While LECs may compensate each other with terminating
2 access charges for certain long distance or toll calls, based on MFS's
3 experience in other states, LECs prefer bill and keep as the simplest form of
4 compensation for local calls.

5 **Q. IS IT TRUE, AS GTE SUGGESTS, THAT CARRIERS CANNOT**
6 **DISTINGUISH BETWEEN LOCAL AND TOLL CALLS?**

7 **A.** GTE suggests that the fact that it cannot determine the originating nature of
8 traffic necessitates a system in which access charges for local and toll calls
9 are identical or close to identical. Beauvais Direct at 26-28. Yet
10 Dr. Beauvais states and GTE has agreed that it will be the responsibility of
11 the originating carrier to "correctly report such traffic or to place such
12 traffic on the appropriate trunk group," subject to audit by the other
13 company, (Beauvais Direct at 28-29) and GTE and MFS-FL have agreed to
14 the establishment of separate trunk groups for local and toll traffic. The
15 capability therefore clearly exists to distinguish between local and toll
16 traffic, and furthermore, the suggestion that a new entrant would define its
17 local calling areas as the entire state of Florida is highly unrealistic
18 considering that no ALEC has ever publicly stated that its local calling areas
19 would not mirror those of the incumbent LECs. GTE also ignores the
20 current reality that Percent Interstate Use ("PIU") reports are currently

1 utilized to distinguish whether IXC traffic terminated to a LEC is interstate
2 or intrastate. MFS-FL will employ advanced switching equipment that can
3 identify the origin of local and toll traffic. Auditing can also be utilized to
4 determine the origin of local and toll calls, including "ported" calls under a
5 system of interim number portability. To determine the proper
6 jurisdictional nature of ported calls, MFS-FL believes that the PLU
7 percentages based on call records should be applied against the total ported
8 minutes. GTE's argument that determining the origin of calls is somehow
9 not feasible is not based on any technical shortcoming, but is rather a
10 transparent attempt to promote a system based on switched access charges
11 that will impose additional costs on ALECs.

12 **Q. CAN ALECS COMPETE IF A USAGE SENSITIVE**
13 **INTERCONNECTION CHARGE IS IMPOSED IN A FLAT-RATE**
14 **ENVIRONMENT?**

15 **A.** No. As demonstrated by my Direct Testimony (Devine Direct at 30-35),
16 charging switched access rates would result in a price squeeze that would
17 make it impossible for ALECs to compete. Dr. Beauvais argues that
18 because GTE offers both flat-rated and measured rate service, MFS-FL can
19 simply offer measured rate service and still cover its costs. Beauvais Direct
20 at 32-33. Dr. Beauvais ignores the fact that MFS-FL will have to price its

1 services at prices competitive with GTE's services in order to compete.
2 Accordingly, if GTE offers a flat-rate service, the one most attractive to
3 large users, MFS-FL will likewise have to offer a flat-rate service in order
4 to compete. If MFS-FL must pay measured switched access rates, and
5 charge customers a flat-rate rate, it is all the more likely to be caught in a
6 price squeeze. As Dr. Beauvais accurately states, "For very large volume
7 customers, there will indeed be a point at which compensation payments
8 may exceed the price that MFS has established to end users." Beauvais
9 Direct at 33. Competition is apparently acceptable to GTE only if it can
10 effectively insulate its "very large volume customers" from competition.

11 GTE also argues that, because MFS-FL claims that traffic will be in
12 balance, there can be no price squeeze. Beauvais Direct at 32. But MFS-
13 FL never claimed that traffic would be perfectly in balance. In fact, the
14 record evidence on traffic balance presented by MFS-FL indicates that MFS-
15 FL could well be making significant access payments to GTE if a per-minute
16 access charge were instituted. Thus, there is a very real possibility of a
17 price squeeze if excessive, non-LRIC-based access charges are implemented.

18 Q. DO YOU AGREE WITH DR. BEAUVAIS' SUGGESTION THAT
19 COMPENSATION MAY BE PRICED IN SUCH A WAY THAT SOME

1 **NEW ENTRANTS COULD FAIL (BEAUVAIS AT 33)?**

2 A. Not entirely. While the Commission does not have a mandate to protect any
3 particular competitor, it does have a mandate to open the market for
4 competition. If local call termination is priced as GTE suggests, it may well
5 preclude the entry of not just select ALECs but *all* ALECs, resulting in no
6 competition at all. This would be the result of the price squeeze as I have
7 described it, a result which would be inconsistent with this Commission's
8 mandate. Furthermore, Dr. Beauvais is completely incorrect when he states
9 that "the price for compensation is, after all, just another price." Beauvais
10 Direct at 34. MFS-FL will pay compensation on virtually every call, and it
11 will make that payment to its direct competitor. Compensation rates also
12 have a disproportionate impact on ALECs: while GTE will complete the
13 vast majority of its local calls on its own network without paying
14 compensation, the vast majority of ALEC local calls will terminate on
15 another network and require payment of compensation. Compensation is
16 therefore a critical price for MFS-FL, and one that, if set at excessive rates,
17 would permit incumbent LECs to preclude competitive entry, or at the very
18 least, significantly erode ALEC profit margins. Compensation is therefore
19 much more than just another price; rather it is the central issue of this
20 proceeding.

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1 **Q. IF THE COMMISSION DOES NOT ADOPT BILL AND KEEP AS AN**
2 **INTERIM SOLUTION, WHAT IS MFS-FL'S RECOMMENDATION**
3 **FOR RECIPROCAL COMPENSATION?**

4 **A. MFS-FL recommends a reciprocal and equal per minute rate based on**
5 **GTE's Long Run Incremental Cost ("LRIC"). This LRIC-based rate should**
6 **not include any contribution, despite the recommendation of GTE that**
7 **contribution be added to cost-based rates. Even Dr. Beauvais admits that**
8 **common costs should be recovered in local interconnection charges but "not**
9 **in the proportion that was done as a matter of public policy in the initial**
10 **establishment of access charges." Beauvais Direct at 18.**

11 **Q. WHY SHOULD GTE BE PROHIBITED FROM ADDING**
12 **CONTRIBUTION TO LRIC IN SETTING PRICES FOR**
13 **RECIPROCAL COMPENSATION?**

14 **A. Dr. Beauvais believes that contribution should be included in rates for**
15 **reciprocal compensation. Beauvais Direct at 18. "Contribution" is often**
16 **defined in the industry as the difference between the incremental cost of a**
17 **service and the price charged for that service. Such charges force ALECs to**
18 **recover from their customers not only the ALEC's own overhead costs, but**
19 **also a portion of GTE's overhead costs. This effectively insulates GTE**
20 **from the forces of competition. One of the most significant benefits of**

1 competition is that it forces all market participants, including GTE, to
2 operate efficiently, resulting in lower rates for end users. If GTE receives
3 contribution -- in effect, is subsidized by its new entrant competitors --
4 GTE's overhead costs will not be subjected to the full benefits of
5 competition that result from market pressures. Instead, current
6 inefficiencies in GTE's network will become incorporated into GTE's price
7 floor, locking in current inefficiencies in GTE's operations, despite the
8 introduction of competition. The Commission should therefore not require
9 ALECs to provide contribution in reciprocal compensation rates because it
10 would foreclose many of the potential benefits of competition.

11 **Q. DOES GTE RECOMMEND RATES THAT ARE BASED ON THE**
12 **COST OF INTERCONNECTION?**

13 **A.** No. The GTE proposal is not consistent with the federal Act in that its
14 proposed rates are not based on cost. In fact, GTE makes no secret of the
15 fact that its compensation rate is based on the price of a measured local call.
16 Beauvais Direct at 14, 25. GTE also recognizes that switched access
17 charges include significant contribution "as a matter of public policy" when
18 switched access rates were initially set for IXCs (Beauvais Direct at 18).
19 The circumstances of the mid-1980s no longer apply, and under the
20 Telecommunications Act of 1996, the Commission must set compensation

1 rates based on cost, rather than based on switched access or any other
2 non-cost-based pricing.

3 **Q. ARE THERE OTHER OUTSTANDING ISSUES BETWEEN GTE AND**
4 **MFS-FL OTHER THAN COMPENSATION?**

5 **A.** Yes. GTE would also not agree with MFS-FL on two other issues relating
6 to collocation. The first issue is that GTE would not agree to arrangements,
7 advocated by MFS-FL and ordered by the New York Public Service
8 Commission, that would permit two ALECs collocated at a GTE central
9 office to cross-connect directly without transiting (and, of course, as GTE
10 would prefer, paying to transit) GTE's network.

11 **Q. HOW DOES MFS-FL'S POSITION ON COLLOCATION DIFFER**
12 **FROM THAT OF GTE?**

13 **A.** GTE should enable MFS-FL to directly interconnect to any other entity that
14 maintains a collocation facility at the same GTE wire center at which MFS-
15 FL maintains a collocation facility, by effecting a cross-connection between
16 those collocation facilities, as jointly directed by MFS-FL and the other
17 entity. Devine Direct at 37-38. For each such cross-connection, GTE
18 should charge both MFS-FL and the other entity one-half the standard
19 tariffed special access cross-connect rate. GTE takes the position that it
20 would not permit such interconnection between two collocated entities.

1 Menard Direct at 4. GTE's refusal to permit such cross-connection is
2 designed to and would impose undue costs on ALECs by refusing cross-
3 connection of adjacent, virtually collocated facilities. GTE states that this is
4 not the purpose of collocation. Menard Direct at 4. The New York Public
5 Service Commission, however, in its Competition II interconnection
6 proceeding did not take this view when it required LECs to permit cross-
7 connection between adjacently collocated ALECs. *Order Instituting*
8 *Framework for Directory Listings, Carrier Interconnection, and Intercarrier*
9 *Compensation* (N.Y. P.S.C., Sept. 27, 1995). The Commission should not
10 permit GTE to impose inefficiencies on all ALECs and should likewise
11 require GTE to permit such cross-connection.

12 **Q. HOW SHOULD MFS-FL COMPENSATE GTE FOR TRANSITING**
13 **TRAFFIC?**

14 **A.** MFS-FL should only be required to pay for the GTE intermediary function
15 of transiting traffic in the limited circumstances in which two ALECs that
16 are not cross-connected at the D-NIP and do not have direct trunks utilize
17 BellSouth trunks to transit traffic. As I have explained, in all cases, ALECs
18 should have an opportunity to cross-connect. In those instances where
19 MFS-FL must pay for this intermediary function, it should pay the lesser of:
20 1) BellSouth's interstate or intrastate switched access per minute tandem

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

2 **Q. WHAT OTHER ISSUE REMAINS UNRESOLVED WITH GTE?**

3 **A.** GTE would also impose incremental cross-connect charges where an
4 interconnection occurs via a collocation facility. MFS-FL has requested that
5 no such charges apply. Upon reasonable notice, MFS-FL should be
6 permitted to change from one interconnection method to another (*e.g.*,
7 collocation to a fiber meetpoint) with no penalty, conversion, or rollover
8 charges. This would give MFS-FL the flexibility to reconfigure its network
9 in the most efficient manner without incurring excessive charges that would
10 only serve to penalize MFS-FL for increasing the efficiency of its network.
11 GTE could use such charges to impose additional interconnection costs on
12 MFS-FL. The Commission should address these three issues to ensure that
13 hidden interconnection costs are not imposed on collocated ALECs.
14 Finally, certain operational issues have been left to be negotiated between
15 the parties within 60 days. MFS-FL recommends that the portion of this
16 docket concerning its petition against GTE be left open at least until these
17 issues are fully resolved.

18 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

19 **A.** Yes.

CERTIFICATE OF SERVICE

I, Sheila M. Beattie, do hereby certify that on this 20th day of February, 1996, copies of the foregoing documents, Rebuttal Testimony of Timothy T. Devine and Prehearing Statement of Metropolitan Fiber Systems of Florida, Inc., Docket No. 950985D-TP, were served, via federal express* or first-class mail, on the following parties:

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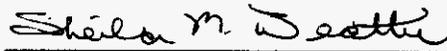
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Sheila M. Beattie
Sheila M. Beattie

Usage Ratios in NYC Show MFS Inbound Traffic Greater Than Outbound Traffic

January 1995 through August 1995

	<u>Outbound %</u>	<u>Inbound %</u>
January	40.40	59.60
February	42.00	58.00
March	42.20	57.80
April	44.90	55.10
May	36.80	63.20
June	35.30	64.70
July	36.80	63.20
August	36.00	64.00

1/95-8/95 Eight Month Avg. 38.80 61.20

Based upon customer base of 10's of thousands of voice-grade lines.

INTERCONNECTION AGREEMENT

This Interconnection Agreement (Agreement) is entered into by and between the undersigned parties to establish, on an interim basis, nondiscriminatory rates, terms and conditions for local interconnection pursuant to Section 364.162, Florida Statutes; address the establishment of an interim universal service/carrier of last resort recovery mechanism pursuant to Section 364.025, Florida Statutes; address a temporary telephone number portability solution, e.g., Remote Call Forwarding, pursuant to Section 364.16(4), Florida Statutes; and address unbundling and resale of local exchange telecommunications company network features, functions and capabilities pursuant to Section 364.161, Florida Statutes, to the extent identified herein.

The undersigned parties are entering into this Agreement for the purpose of commencing local exchange competition on an expedited basis and avoiding the uncertainty and expense of litigation. It is the intention of the undersigned parties that this Agreement remain in effect for two years beginning January 1, 1996. The undersigned parties understand that this is an interim Agreement for the reasons noted and the parties intend to renegotiate this Agreement at its conclusion. Prices, terms and conditions other than those set forth in this Agreement may be more appropriate upon the expiration of this Agreement in order to send the correct price signals to the market.

The parties intend for this Agreement to establish only interim prices, terms, conditions and mechanisms necessary to allow the introduction of local exchange competition, as required by the above-referenced sections of Florida Chapter Law 95-403. However, for the period until January 1, 1996, disputed issues raised by the aforementioned statutes shall be resolved as follows:

A. Local Interconnection

Section 364.16, Florida Statutes, requires, among other things, that each incumbent local exchange telecommunications company (LEC) provide access to and interconnection with its telecommunications facilities to any other provider of local exchange telecommunications services requesting such access and interconnection at non-discriminatory prices, rates, terms, and conditions established by the procedures set forth in Section 364.162, Florida Statutes. Section 364.162 provides that an alternative local exchange telecommunications company (ALEC) shall have until August 31, 1995, or sixty (60) days, to negotiate with the LEC mutually acceptable prices, terms and conditions of interconnection and for the resale of LEC services and facilities. The statute also provides that if the parties are not able to negotiate a price by August 31, 1995, or within sixty (60) days, either party may petition the Commission to establish non-discriminatory rates, terms and conditions of interconnection and for the resale of LEC services and facilities. The parties were unable to negotiate mutually acceptable prices, terms and conditions of interconnection by August 31, 1995, or within sixty (60) days. After further negotiations, however, the undersigned parties now agree to the following interim prices, terms and conditions for interconnection and the exchange of traffic with GTE Florida Incorporated (GTEFL) through December 31, 1997:

1. "Local interconnection" is defined only for purposes of this Agreement as including the delivery of local traffic to be terminated on each company's local network, the LEC unbundled network features, functions and capabilities contained in Attachment D, and temporary telephone number

portability to be implemented pursuant to Section 364.16(4), Florida Statutes. While the parties have endeavored in good faith to resolve the issues relating to local interconnection, the parties recognize that they are unable to foresee and account for every issue that may arise as this Agreement is implemented. Thus, to the extent that the prices, terms and conditions for local interconnection are not specifically established herein, the additional prices, terms and conditions shall be established pursuant to negotiation or set by the Commission, upon request, as required by Section 364.161(6), Florida Statutes. If the Commission does not render its vote within 120 days, then the parties agree that the Commission's decision will be retroactive to the 120th day after a petition is filed.

2. The delivery of local traffic between each undersigned ALEC and GTEFL shall be reciprocal and compensation will be mutual. The parties will pay each other GTEFL's terminating switched access rate, exclusive of the Residual Interconnection Charge and Common Carrier Line elements of the switched access rate, on a per minute of use basis for terminating local traffic on each other's network within GTEFL's existing franchise area. The parties shall not route local traffic through the tandem switch unnecessarily to generate revenues. Examples of these rate elements and prices are identified on Attachment A, which is incorporated herein by reference. If it is mutually agreed at some future date, the parties may exchange local

traffic on an in-kind basis, foregoing compensation in the form of cash or cash equivalent.

3. On an interim basis, a local exchange provider shall not be required to compensate another local exchange provider for more than up to one hundred-five percent (105%) of the total minutes of use of the local exchange provider with the lower minutes of use in the same month. This cap shall apply to the total local minutes of use calculated on a company-wide basis in the State of Florida. For example, if in a given month GTEFL has 10,000 minutes of local traffic terminated on an ALEC's local exchange network and the ALEC has 15,000 minutes of local traffic terminated on GTEFL's local exchange network, the ALEC would be required to compensate GTEFL for local interconnection on the basis of 10,500 terminating minutes ($10,000 \text{ mins.} \times 105\% = 10,500 \text{ mins.}$) and GTEFL would compensate the ALEC for 10,000 terminating minutes. Seven additional examples are contained on Attachment B, which is incorporated herein by reference. In order to determine the amount of local traffic terminated on each local provider's network, each local provider will report to the other provider the amount of local traffic terminated. Connectivity shall be established at each and every point where the facilities of GTEFL and the ALEC perform the physical function of delivering local traffic to be terminated in the other company's network. Such interconnecting facilities shall conform, at the minimum, to the telecommunications industry

standard of DS1 (Bellcore Standard No. TR-NWT-00499). Neither party shall construct facilities in order to necessitate the other party building unnecessary facilities. STP (signal transfer point) SS7 (Signalling System 7) connectivity is also required. The parties recognize that various aspects of the interconnection process (including physical interconnection arrangements (i.e., collocation, midspan meet) technical requirements, trouble reporting and resolution, billing processes, resolution of operating issues, provisioning, ordering, deadlines, performance standards, recording of traffic, including start and stop time, reporting and payment, dispute resolutions, rounding measurements, financial penalties for late payments, and the provision of inter-carrier clearinghouse functions are not resolved in this document, and the parties agree to cooperatively work toward resolution of these issues no later than March 31, 1996, and that either party may petition the Commission for resolution should unresolved issues remain on March 31, 1996. If the Commission does not render its vote within 120 days of the petition, then the parties agree that the Commission's decision will be retroactive to the 120th day after a petition is filed. The parties agree that resolution of these issues will ultimately result in additional written documents with which the parties will comply.

4. The parties stipulate and agree that the exchange of traffic on GTEFL's Extended Area Service, Extended Calling Service and other local calling routes shall be considered local traffic. The parties will therefore

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compensate each other for such traffic pursuant to paragraphs 2 and 3 above.

5. The parties further agree that no traffic for which terminating access services charges would otherwise apply shall be carried through a local interconnection arrangement without paying the appropriate charge for such terminating access services as set forth in Section 364.16(3)(a), Florida Statutes. GTEFL agrees to provide ALECs with a sufficient quantity of numbering resources to enable ALECs to comply with this requirement.
6. Either GTEFL or an ALEC will provide intermediary tandem switching and transport to connect the end user of a local exchange provider to the end user of another ALEC, a LEC other than GTEFL, another telecommunications company (e.g., pay telephone provider, operator services provider), or a wireless telecommunications service provider for the purpose of making a local call. The local exchange provider performing this intermediary function will bill a \$.002 per minute charge over and above its appropriate local interconnection rate elements as shown on Attachment A.
7. When GTEFL or an ALEC provides intermediary functions for network access, i.e., between an IXC and an ALEC, the ALEC and GTEFL will each provide their own network access service elements on a meet-point basis.

Each carrier will bill its own network access service rate elements to the IXC.

8. The delivery of intrastate toll traffic between each undersigned ALEC and GTEFL shall also be reciprocal and compensation will be mutual. Each undersigned ALEC and GTEFL shall pay each other identical rates for terminating the same type of traffic on each other's network. The parties will pay each other GTEFL's intrastate switched network access service rate elements on a per minute of use basis for originating and terminating intrastate toll traffic as appropriate within GTEFL's franchised area. For example, when an ALEC customer places a toll call to a GTEFL customer and the ALEC serves as the toll carrier, GTEFL will charge the ALEC terminating network access charges, the price of which will vary depending upon whether the call goes through a GTEFL tandem or is directly routed to the GTEFL end office. If the ALEC is serving as the GTEFL customer's presubscribed IXC, or the GTEFL customer uses the ALEC on a 10XXX basis, then GTEFL will charge the ALEC the appropriate originating network access charges. Likewise, if GTEFL is serving as the ALEC customer's presubscribed IXC, or the ALEC customer uses GTEFL on a 10XXX basis, the ALEC will bill GTEFL the appropriate originating network access charges. Examples of these network access rate elements and prices are identified on Attachment C, which is incorporated herein by reference.

The prices, terms and conditions of local interconnection agreed to herein are deemed transitional in nature. The parties deem them acceptable only in the interest of compromise to enable the introduction of local exchange competition to Florida's consumers beginning January 1, 1996.

The undersigned parties stipulate and agree that because the local interconnection and traffic arrangements agreed to herein are considered transitional, the agreements shall be renegotiated with the new provisions becoming effective after two years. Accordingly, by no later than June 1, 1997, the undersigned parties shall commence negotiations with regard to the terms, conditions and prices of interconnection arrangements to be effective beginning January 1, 1998. If the parties are unable to satisfactorily negotiate new interconnection terms, conditions and prices within 90 days of commencing negotiations, any party may petition the Commission to establish appropriate interconnection arrangements. The parties will encourage the Commission to issue its order by no later than December 31, 1997. In the event the Commission does not issue its order prior to January 1, 1998, or if the parties continue to negotiate the interconnection arrangements beyond January 1, 1998, the parties stipulate and agree that the terms, conditions and prices ultimately ordered by the Commission, or negotiated by the parties, will be effective retroactive to January 1, 1996. Until the revised interconnection arrangements become effective, the parties shall continue to exchange traffic on a reciprocal basis pursuant to the terms of this Agreement.

B. Unbundling and Resale of Local Exchange Telecommunications Company Network Features, Functions and Capabilities

Section 364.161, Florida Statutes, requires each LEC, upon request, to unbundle each of its network features, functions and capabilities, including access to signaling data bases, systems and routing process, and offer them to any other telecommunications provider requesting such features, functions or capabilities for resale to the extent technically and economically feasible and at prices that are not below cost. The statute also requires that the parties first negotiate the terms, conditions and prices of any feasible unbundling request. If the parties cannot reach a satisfactory resolution within 60 days, either party may petition the Commission to arbitrate the dispute and the Commission shall make a determination within 120 days.

The undersigned parties have now satisfactorily resolved the terms, conditions and prices of those network features, functions and capabilities that are technically and economically feasible of unbundling as set forth in Attachment D, which is incorporated herein by reference. It is understood by the parties that the list of network features, functions and capabilities is not exhaustive and the parties commit to cooperate in the negotiation of additional network features, functions and capabilities as the parties' future needs require.

GTEFL contends that the unbundled price of a local loop should be computed under economically efficient pricing models and should not be equated with existing special access tariff rates. However, in the interest of compromise and for the sole purpose of establishing unbundled loop prices for the State of Florida and given the time requirements of Chapter 364 of the Florida Statutes, GTEFL has agreed to utilize a rate that is the same as its existing special access rate. By agreeing to utilize such rates in

02/10/95

this settlement, GTEFL does not waive its right to change such rates as permitted by law, propose and advocate use of different pricing models in other proceedings involving the same or other parties or upon conclusion of the two years of this Agreement. The parties agree that the issue of imputation of LEC unbundled service prices into its retail rates is not addressed by this Agreement, and that the ALECs reserve their right to further address imputation for these services, including unbundled local loops.

C. Universal Service/Carrier of Last Resort

The parties agree that Section 364.025, Florida Statutes, contains a legislative finding that each telecommunications company should contribute its fair share to the support of the local exchange telecommunications company's universal service/carrier of last resort ("US/COLR") obligations. For a transitional period, the Commission is required to establish an interim US/COLR mechanism for maintaining universal service and funding carrier of last resort obligations, pending the implementation of a permanent mechanism. This interim mechanism is to be implemented by January 1, 1996, and applied in a manner that ensures that each alternative local exchange company contributes its fair share to the support of the local exchange telecommunications company's US/COLR obligations. The interim mechanism shall reflect a fair share of the LEC's recovery of investment made in fulfilling its COLR obligations and the maintenance of universal service objectives. The statute further provides that the Commission shall ensure that the interim mechanism, which is to remain in effect, if necessary, until the implementation of a permanent mechanism, but not later than January 1, 2000, ensures the maintenance of universal service through a carrier of last resort, but does not impede

the development of residential consumer choice or create an unreasonable barrier to competition.

The parties stipulate and agree to the following interim mechanism to assure the provision of universal service through a carrier of last resort. The undersigned parties stipulate and agree that GTEFL will guarantee the provision of universal service as the carrier of last resort throughout its territory until January 1, 1998.

Notwithstanding the foregoing, if GTEFL subsequently believes that competition is in any way undermining its ability to provide universal service during the duration of this agreement, it may petition the Commission to commence a proceeding to quantify the amount of support, if any, needed to maintain universal service and seek a contribution from ALECs. The amount of support needed, if any, and related issues are matters of proof on a case-by-case basis. Moreover, the parties in no way waive their right to petition the Commission pursuant to Section 364.025(3), Florida Statutes.

The parties urge the Commission to open a separate docket to investigate and recommend to the Legislature what the Commission determines to be a fair and reasonable resolution of the issues surrounding a permanent universal service mechanism pursuant to Section 364.025(4), Florida Statutes. The undersigned parties also agree to use their best efforts to persuade the Commission and the Legislature to resolve the issues surrounding the establishment of a permanent US/COLR recovery mechanism at the earliest possible date; provided, however, that such efforts shall not be construed or used as an admission by the undersigned parties concerning the existence of or need for a subsidy, the necessity for a permanent US/COLR recovery

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mechanism, or the appropriate methodology for determining a provider's fair share of contribution, if any, under a permanent mechanism.

D. Temporary Telephone Number Portability

At the Commission's regular agenda conference held on September 12, 1995, the Commission approved the Agreement of the parties to Docket No. 950737-TP, which addressed every issue relating to the implementation of a temporary telephone number portability solution, except the price to be charged for the temporary telephone number portability solution, the advantages and disadvantages of Remote Call Forwarding, and the treatment of terminating access charges on a ported call. The undersigned parties agree that the Commission-approved Stipulation and Agreement shall be incorporated herein by reference and be attached to this Agreement as Attachment E.

With regard to the price to be paid for remote call forwarding between carriers, which is the temporary telephone number portability solution to be implemented by January 1, 1996, the undersigned parties agree to pay a recurring charge as follows: \$1.25 per line per month per residential customer for one path and \$1.25 per line per month per business customer for one path. For additional paths, the undersigned parties agree to pay \$.50 per month per additional path per residential customer and \$.50 per month per additional path per business customer, with no additional nonrecurring charge if the additional path is ordered at the same time as the first path. The undersigned parties further agree to pay a nonrecurring charge of \$5.00 per order for multiple lines placed for single end user customers in a single exchange.

The temporary number portability charges listed above shall also apply whenever a GTEFL customer switches to an ALEC and changes his/her location within the same GTEFL central office. The same charges will apply when an ALEC customer switches to GTEFL and changes his/her location within the same ALEC central office.

For that terminating toll traffic ported to the ALEC which requires use of the GTEFL tandem switching, the access arrangement should be for GTEFL and the ALEC to bill the traffic in accordance with meet-point billing arrangements. However, GTEFL is currently not technically capable of providing this access arrangement because it is unable to identify or provide the necessary access records to permit the ALECs to bill the IXCs directly for terminating access to ported numbers. The parties agree to work cooperatively to develop a mutually agreed upon surrogate method to approximate the access minutes, and a settlement process which permits the ALEC to recover those access revenues due to it as a co-provider of access services to IXCs. During the interim, until a surrogate can be mutually developed by the parties, GTEFL will bill the IXC full terminating switched access charges and remit the local interconnection revenues to the ALEC. If a GTEFL intraLATA call is delivered to the ALEC, GTEFL will pay the ALEC terminating access rates. The arrangement described in this paragraph shall work on a reciprocal basis.

E. Resolution of Disputes

The undersigned parties agree that if any dispute arises as to the interpretation of any provision of this Agreement or as to the proper implementation of any of the matters agreed to in this Agreement, the parties will petition the Commission for a

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resolution of the dispute. However, each undersigned party reserves any rights it may have to seek judicial review of any ruling made by the Commission concerning this Agreement.

F. Duration

This Agreement is effective as of January 1, 1996, and remains in effect until each of the matters and issues addressed herein has been implemented or resolved as contemplated by the undersigned parties or as modified by mutual consent of the parties. This Agreement shall still remain in effect for the undersigned parties in the event that the Commission orders GTEFL to impose different rates for other ALECs or carriers.

G. Representations

Each person signing this Agreement represents that he or she has the requisite authority to bind the party on whose behalf the person is signing. By signing this Agreement, each undersigned party represents that it agrees to each of the stipulations and agreements set forth herein. In the event there are parties to the aforementioned dockets that do not sign this Agreement, the comprehensive resolution of the issues set forth in this Agreement shall, nonetheless, be binding upon the undersigned parties. The parties further request the opening of a separate docket in the Commission's effort to satisfy the Legislature's mandate to research the issue of a permanent US/COLR mechanism and recommend what the Commission determines to be a reasonable and fair mechanism for providing to the greatest number of customers basic local exchange telecommunications service at an affordable price.

H. Limitation of Use

The undersigned parties understand and agree that this Agreement was entered into to resolve issues and matters which are unique to the State of Florida. The undersigned parties further agree that this Agreement was the result of compromise and negotiation and was entered in order to avoid the expense and uncertainty of trying and appealing these issues before the Commission and the Courts. The undersigned parties therefore agree that none of the agreements and stipulations contained herein shall be proffered by an undersigned party or any of its affiliates in this or any other jurisdiction as evidence of any concession or as a waiver of any position taken by another undersigned party or affiliate in that jurisdiction or for any other purpose.

I. Walvers

Any failure by any undersigned party to insist upon the strict performance by any other entity of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions of this Agreement, and each undersigned party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.

J. Indemnity

The undersigned ALECs agree to forever indemnify and hold harmless GTEFL, its affiliates and any third-party provider or operator of facilities involved in the provision of services under this Agreement (collectively, the "Indemnified Parties") from and against any and all damages, losses, claims, actions, liabilities, demands, charges, suits, penalties, assessments or payments which any ALEC end user may assert against an

Indemnified Party arising out of or relating to the services provided in this Agreement. The ALEC shall further indemnify and hold harmless each Indemnified Party from and against any and all damages, losses, claims, actions, liabilities, demands, charges, suits, penalties, assessments or payments which any Indemnified Party may incur or which any Indemnified Party may be subjected to, arising out of, or otherwise based upon, actual or alleged defamation, libel, slander, interference with or misappropriation of any contract, proprietary or creative right or any other injury to any person or property arising out of the content transmitted by the ALEC or an end user, or any other act or omission of the ALEC or an end user. Any such indemnification shall include all costs and expenses (including, but not limited to, court costs and attorneys' fees).

K. Limitation of Liability

GTEFL's liability, whether in contract, tort or otherwise, under this Agreement shall be strictly limited in accordance with the limitation of liability provisions of its existing access tariff (attached hereto as Attachment F), regardless of whether the rates, terms and conditions of this Agreement are tariffed by GTEFL. Under no circumstance shall GTEFL be responsible or liable for indirect, incidental, or consequential damages to anyone resulting from this Agreement or from any failure on the part of GTEFL to perform under this agreement. Further, except as specifically provided in this Agreement and related tariffs, GTEFL makes no representations or warranties concerning the specific quality of any services provided under this Agreement. GTEFL disclaims, without limitation, any warranty or guarantee of merchantability or fitness for a particular

purpose, arising from course of performance, course of dealing, or from usages of trade.

L. Governing Law

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida, without regard to its conflict of laws principles.

M. Purposes

The undersigned parties acknowledge that this Agreement is being entered into for the purposes of allowing the introduction of local exchange competition; complying with the requirements of Florida Chapter Law 95-403 with respect to negotiating the matters at issue under that Act; and in order to avoid the expense and uncertainty inherent in resolving the matters at issue in Docket No. 950696-TP. Neither this Agreement nor any action taken to reach, effectuate or further this Agreement may be construed as, or may be used as an admission by or against any party. Entering into or carrying out this Agreement or any negotiations or proceedings related thereto, shall not in any event be construed as, or deemed to be evidence of, an admission or concession by any of the undersigned parties, or to be a waiver of any applicable claim or defense, otherwise available, nor does it indicate that any party other than GTEFL believes that a universal service "subsidy" exists or is necessary.

N. Arm's Length Negotiations

This Agreement was executed after arm's length negotiations between the undersigned parties and reflects the conclusion of the undersigned that this Agreement is in the best interests of all the undersigned parties.

O. Joint Drafting

The undersigned parties participated in the drafting of this Agreement and, therefore, the terms of this Agreement are not intended to be constructed against any undersigned party by virtue of draftsmanship.

P. Single Instrument

This Agreement may be executed in several counterparts, each of which, when executed, shall constitute an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed as of the ___ day of _____, 1996, by the undersigned representatives for the parties hereto.

Florida Cable Telecommunications Association, Inc.

GTE Florida Incorporated

By: _____
Authorized Representative

By: _____
Authorized Representative

Intermedia Communications Inc.

By: _____
Authorized Representative

Time Warner AXS/Digital Media Partners

By: _____
Authorized Representative

MCI Metro

By: _____
Authorized Representative

ATTACHMENT A

**GTE FLORIDA SWITCHED ACCESS RATE ELEMENTS AND RATE LEVELS
AS OF JANUARY 1, 1996**

Rate Elements	Rate Levels ³ as of January 1, 1996
Transport¹ DS1 Local Channel - Entrance Facility ² Switched Common Transport per minute of use per mile Facilities Termination per MOU Access Tandem Switching Local Switching	 \$.0012037 \$.0000135 \$.0002688 \$.0007500 <u>\$.0089000</u> <u>\$.0111360</u>

¹ Assumptions:

- Tandem Connection with Common Transport
- No Collocation
- DS1 local channel @ 9000 minutes per month and 24 voice grade equivalents
- Zone 1 charges (Zones 2 and 3 rates are as contained in GTEFL's intrastate access service tariff)

² Rate shown for first system. Rate for additional system is \$.0006019.
Total rate would be \$.0105342.

³ Rate levels shown in this example will vary based upon purchaser's requirements for specific network arrangements.

ATTACHMENT B

EXAMPLE OF "5% CAP"

Case 1:

**GTEFL terminates 10,000
min. to ALEC X**

**ALEC X bills GTEFL for
10,000 min.**

**ALEC X terminates 15,000
min. to GTEFL**

**GTEFL bills ALEC X for
10,500 min (10,000 + 5%)**

Case 2:

**GTEFL terminates 15,000
min. to ALEC X**

**ALEC X bills GTEFL for 10,500
min (10,000 + 5%)**

**ALEC X terminates 10,000
min. to GTEFL**

**GTEFL bills ALEC X for 10,000
min.**

Case 3:

**GTEFL terminates zero
min. to ALEC X**

ALEC X bills GTEFL zero

**ALEC X terminates 10,000
min. to GTEFL**

GTEFL bills ALEC X zero

Case 4:

**GTEFL terminates 10,000
min. to ALEC X**

ALEC X bills GTEFL zero

**ALEC X terminates zero
min. to GTEFL**

GTEFL bills ALEC X zero

Case 5:

GTEFL terminates 10,000 min. to ALEC X

ALEC X bills GTEFL for 10,000 min.

ALEC X terminates 10,200 min. to GTEFL

GTEFL bills ALEC X for 10,200 min. (difference is less than cap)

Case 6:

GTEFL terminates 10,200 min. to ALEC X

ALEC X bills GTEFL for 10,200 min. (difference is less than cap)

ALEC X terminates 10,000 min. to GTEFL

GTEFL bills ALEC X for 10,000 min.

Case 7:

GTEFL and ALEC X both terminate 10,000 min. to each other

ALEC X and GTEFL both bill each other 10,000 min.

ATTACHMENT C

GTE FLORIDA - INTRASTATE SWITCHED ACCESS

Rate Elements	Rates ³ as of January 1, 1996
Carrier Common Line	
Originating	\$.0251000
Terminating	\$.0382000
Transport¹	
DS1 Local Channel - Entrance Facility ²	\$.0012037
Residual Interconnection	\$.0134362
Switched Common Transport per minute of use per mile	\$.0000135
Facilities Termination per MOU	\$.0002688
Access Tandem Switching	\$.0007500
Local Switching 2	\$.0089000

¹ Assumptions:

- Tandem Connection with Common Transport
- No Collocation
- DS1 local channel @ 9000 minutes per month and 24 voice grade equivalents
- Zone 1 (Zones 2 and 3 rates are as contained in GTEFL's intrastate access service tariff)

² Rate shown for first system. Rate for additional system is \$.0006019.

³ Rate levels shown in this example will vary based upon purchaser's requirements for specific network arrangements.

ATTACHMENT D

UNBUNDLED NETWORK FEATURES, FUNCTIONS AND CAPABILITIES

The parties to the Agreement have negotiated the following additional terms, conditions and prices relating to unbundled network features, functions and capabilities:

(1) Access to 911/E911 Emergency Network.

For E911 service, the ALEC will connect the necessary trunks to the appropriate E911 tandem, including the designated secondary tandem. If a municipality has converted to E911 service, the ALEC will forward 911 calls to the appropriate E911 primary tandem, along with ANI, based upon the current E911 end office-to-tandem homing arrangement as provided by GTEFL. If the primary tandem trunks are not available, the ALEC will alternate route the call to the designated secondary E911 tandem. If the secondary tandem trunks are not available, the ALEC will alternate route the call to the appropriate Traffic Operator Position System (TOPS) tandem.

In order to ensure the proper working of the system, along with accurate customer data, the ALEC will provide daily updates to the E911 data base. GTEFL will work cooperatively with the ALEC to define record layouts, media requirements, and procedures for this process.

In some instances GTEFL is responsible for maintenance of the E911 data base and is compensated for performing these functions by either the municipality or the ALEC - for maintaining the ALEC's information. In no event, however, shall GTEFL be entitled to compensation from both parties for the same function.

(2) Directory Listings and Directory Distribution.

GTEFL will include the ALECs' customers' primary listings in the white page (residence and business listings) and yellow page (business listings) directories, as well as the directory assistance data base, as long as the ALECs provide information to GTEFL in a manner compatible with GTEFL's operational systems. GTEFL will not charge the ALECs to (a) print their customers' primary listings in the white pages and yellow page directories; (b) distribute directory books to their customers; (c) recycle their customers' directory books; and (d) maintain the Directory Assistance data base. GTEFL will work cooperatively with the ALECs on issues concerning lead time, timeliness, format, and content of listing information.

(3) IntraLATA 800 Traffic.

GTEFL will compensate ALECs for the origination of 800 traffic terminated to GTEFL pursuant to the ALECs' originating switched access charges, including the data base query. The ALECs will provide to GTEFL the appropriate records necessary for GTEFL to bill their customers. The records will be provided in a standard ASR/EMR format for a fee of \$0.015 per record. At such time as an ALEC elects to provide 800 services, the ALEC will reciprocate this arrangement. Should GTEFL be permitted to provide interLATA 800 services prior to the expiration of this Agreement, GTEFL will be responsible for compensating the ALEC for the origination of such traffic as well on the same terms and conditions as described above.

(4) Number Resource Administration.

GTEFL agrees to work with any ALEC which makes a request and assist the ALEC in obtaining RAO codes from a regional bell operating company and any other billing and accounting codes necessary for the provision of local telephone numbers within GTEFL's jurisdiction.

(5) Busy Line Verification/Emergency Interrupt Services.

GTEFL and the ALECs shall mutually provide each other busy line verification and emergency interrupt services pursuant to tariff.

(6) Network Design and Management.

GTEFL and the ALECs will work cooperatively to install and maintain reliable interconnected telecommunications networks. A cooperative effort will include, but not be limited to, the exchange of appropriate information concerning network changes that impact services to the local service provider, maintenance contact numbers and escalation procedures. The interconnection of all networks will be based upon accepted industry/national guidelines for transmission standards and traffic blocking criteria. GTEFL and the ALECs will work cooperatively to apply sound network management principles by invoking appropriate network management controls, i.e., call gapping, to alleviate or prevent network congestion. It is GTEFL's intention not to charge rearrangement, reconfiguration, disconnect, or other nonrecurring fees associated with the initial reconfiguration of each carrier's interconnection arrangements. However, each ALEC's interconnection reconfigurations will have to be considered individually as to the application of a charge.

(7) CLASS Interoperability.

GTEFL and the ALECs will provide LEC-to-LEC Common Channel Signalling (CCS) to one another, where available, in conjunction with all traffic in order to enable full interoperability of CLASS features and functions. All CCS signalling parameters will be provided including automatic number identification (ANI), originating line information (OLI), calling party category, charge number, etc. All privacy indicators will be honored, and GTEFL and the ALECs will cooperate on the exchange of Transactional Capabilities Application Part (TCAP) messages to facilitate full interoperability of CCS-based features between their respective networks.

(8) Network Expansion.

For network expansion, GTEFL and the ALECs will review engineering requirements on a quarterly basis and establish forecasts for trunk utilization. New trunk groups will be implemented as dictated by engineering requirements for both GTEFL and the ALEC. GTEFL and the ALEC are required to provide each other the proper call information (i.e., originated call party number and destination call party number, CIC, OZZ, etc.) to enable each company to bill accordingly.

(9) Signaling.

In addition to CLASS interoperability, as discussed above, GTEFL will offer use of its signaling network on an unbundled basis at tariffed rates. Signaling functionality will be available with both A-link and B-link connectivity.

(10) Local Loop.

The price of a GTEFL unbundled local loop shall be the same as the price set forth in GTEFL's Special Access Tariff.

ATTACHMENT E

STIPULATION AND AGREEMENT

Chapter 364.16(4), Florida Statutes, requires the Florida Public Service Commission to have a temporary service provider number portability mechanism in place on January 1, 1996. The statute further requires industry participants to form a number portability standards group by September 1, 1995 for the purpose of developing the appropriate costs, parameters, and standards for number portability. Negotiating the temporary number portability solution is one task that the group is to perform. This standards group was formed on July 26, 1995, and consists of the members listed on Attachment A to this agreement. If parties are unable to come to agreement on the temporary solution, the Florida Public Service Commission has reserved dates for an evidentiary proceeding under Chapter 120.57, Florida Statutes.

As a result of workshops held by the members of the standards group, an agreement has been reached as to the methods of providing temporary number portability. This Stipulation is entered into by and between the undersigned parties to Docket No. 950737-TP, Investigation into a Temporary Local Telephone Number Portability Solution to Implement Competition in Local Exchange Markets.

The parties agree that Chapter 364.16(4), Florida Statutes, requires a service provider temporary number portability solution. Service provider number portability allows an end user at a given location to change service from a local exchange

company (LEC) to an alternative local exchange company (ALEC) or vice versa, or between two ALECs, without changing local telephone numbers.

The parties further agree that a temporary service provider number portability mechanism that can be implemented in most LEC central offices at the present time is Remote Call Forwarding. With Remote Call Forwarding, a call to the old telephone number is first sent to the switch of the former local service provider, and then forwarded (ported) to the switch of the new local service provider. This is a temporary mechanism that can be implemented using existing switch and network technology. While remote call forwarding is not an appropriate solution to the issue of permanent number portability, the parties agree that it can be used as a temporary number portability mechanism.

The parties therefore agree that the LECs shall offer Remote Call Forwarding to certificated ALECs as a temporary number portability mechanism, effective January 1, 1996. Likewise, the parties agree that ALECs shall offer Remote Call Forwarding to LECs as a temporary number portability mechanism, effective on the date they begin to provide local exchange telephone service. All parties agree that the provision of reliable end user access to emergency services such as 911/E911 is necessary to protect the public health, safety and welfare. This stipulation is entered into with the understanding that Remote Call Forwarding does not provide technical impediments to the availability and reliable transfer of relevant information to 911/E911 systems.

All parties shall work together and with the 911 coordinators to successfully integrate the relevant ALEC information into the existing 911/E911 systems. The recurring price for Remote Call Forwarding will be on a per-line per-month basis and will be uniform throughout an individual LEC's existing service territory. The price charged by an individual LEC for Remote Call Forwarding shall not be below the costs of that LEC to provide Remote Call Forwarding for purposes of providing temporary number portability. The price charged for Remote Call Forwarding offered by an ALEC will mirror the price charged by the LEC.

The parties recognize that there are other related compensation issues that are not addressed in this agreement, including compensation for termination of ported calls and the entitlement to terminating network access charges on ported calls. These items will be negotiated by the parties, or resolved by the Commission, as local interconnection issues under Chapter 364.162.

The parties further agree that Flexible Direct Inward Dialing is an alternative temporary number portability mechanism. With Flexible Direct Inward Dialing, the number is routed to the switch of the former local service provider, which translates it to look like a direct inward dialed call terminating in the switch of the new local exchange provider. The parties recognize that Flexible Direct Inward Dialing involves certain technical and administrative issues that have not yet been fully addressed.

The parties agree that the LECs will continue to negotiate with the ALECs who desire to utilize Flexible Direct Inward Dialing as a method of providing temporary number portability to resolve any technical and administrative issues and to establish the prices, terms and conditions upon which Flexible Direct Inward Dialing will be offered. In the event the parties are unable to satisfactorily negotiate the price, terms and conditions, either party may petition the Commission which shall, within 120 days after receipt of the petition and after opportunity for a hearing, determine whether Flexible Direct Inward Dialing is technically and economically feasible and, if so, set nondiscriminatory rates, terms and conditions for Flexible Direct Inward Dialing. The prices and rates shall not be below cost.

Nothing in this Stipulation shall preclude the use of other feasible options for temporary number portability that may be developed in the future.

The parties further agree that the work of the number portability standards group will continue, under Chapter 364.16(4), Florida Statutes, to investigate and develop a permanent number portability solution.

(SIGNATURES BEGIN ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have executed this
Stipulation and Agreement as of the 30th day of August, 1995.

BELLSOUTH TELECOMMUNICATIONS, INC.
D/B/A SOUTHERN BELL TELEPHONE AND
TELEGRAPH COMPANY

By: *Percy H. Sims*

GENERAL TELEPHONE COMPANY OF FLORIDA,
INC.

By: _____

SPRINT/UNITED TELEPHONE COMPANY OF
FLORIDA

By: _____

SPRINT/CENTRAL TELEPHONE COMPANY OF
FLORIDA

By: _____

METROPOLITAN FIBER SYSTEMS OF FLORIDA,
INC.

By: _____

MCI METRO ACCESS TRANSMISSION SERVICES,
INC.

By: *Rio O. Me...*

IN WITNESS WHEREOF, the parties have executed this stipulation and Agreement as of the 30th day of August, 1998.

**BELLSOUTH TELECOMMUNICATIONS, INC.
D/B/A SOUTHERN BELL TELEPHONE AND
TELEGRAPH COMPANY**

By: _____

**GENERAL TELEPHONE COMPANY OF FLORIDA,
INC.**

By: *Michael Powell*

**SPRINT/UNITED TELEPHONE COMPANY OF
FLORIDA**

By: _____

**SPRINT/CENTRAL TELEPHONE COMPANY OF
FLORIDA**

By: _____

**METROPOLITAN FIBER SYSTEMS OF FLORIDA,
INC.**

By: _____

**NCI METRO ACCESS TRANSMISSION SERVICES,
INC.**

By: _____

IN WITNESS WHEREOF, the parties have executed this stipulation and agreement as of the 30th day of August, 1995.

BELLSOUTH TELECOMMUNICATIONS, INC.
D/B/A SOUTHERN BELL TELEPHONE AND
TELEGRAPH COMPANY

By: _____

GENERAL TELEPHONE COMPANY OF FLORIDA,
INC.

By: _____

SPRINT/UNITED TELEPHONE COMPANY OF
FLORIDA

By: F.B. Bag

SPRINT/CENTRAL TELEPHONE COMPANY OF
FLORIDA

By: F.B. Bag

METROPOLITAN FIBER SYSTEMS OF FLORIDA,
INC.

By: _____

HCI METRO ACCESS TRANSMISSION SERVICES,
INC.

By: _____

IN WITNESS WHEREOF, the parties have executed this
Stipulation and Agreement as of the 30th day of August, 1998.

BELLSOUTH TELECOMMUNICATIONS, INC.
D/B/A SOUTHERN BELL TELEPHONE AND
TELEGRAPH COMPANY

By: _____

GENERAL TELEPHONE COMPANY OF FLORIDA,
INC.

By: _____

SPRINT/UNITED TELEPHONE COMPANY OF
FLORIDA

By: _____

SPRINT/CENTRAL TELEPHONE COMPANY OF
FLORIDA

By: _____

METROPOLITAN FIBER SYSTEMS OF FLORIDA,
INC.

By:  _____

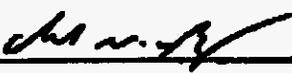
NCI METRO ACCESS TRANSMISSION SERVICES,
INC.

By: _____

TIME WARNER AXS

By: 

DIGITAL MEDIA PARTNERS

By: 

FLORIDA CABLE TELECOMMUNICATIONS
ASSOCIATION, INC.

By: 

AT&T COMMUNICATIONS OF THE SOUTHERN
STATES, INC.

By: 

FLORIDA PUBLIC TELECOMMUNICATIONS
ASSOCIATION

By: 

INTERMEDIA COMMUNICATIONS OF FLORIDA,
INC.

By: _____

SPRINT COMMUNICATIONS COMPANY,
LIMITED PARTNERSHIP

By: _____

TIME WARNER AXS

By: _____

DIGITAL MEDIA PARTNERS

By: _____

**FLORIDA CABLE TELECOMMUNICATIONS
ASSOCIATION, INC.**

By: _____

**AT&T COMMUNICATIONS OF THE SOUTHERN
STATES, INC.**

By: _____

**FLORIDA PUBLIC TELECOMMUNICATIONS
ASSOCIATION**

By: _____

**INTERMEDIA COMMUNICATIONS OF FLORIDA,
INC.**

By: Patricia A. Kull

**SPRINT COMMUNICATIONS COMPANY,
LIMITED PARTNERSHIP**

By: _____

TIME WARNER A&S

By: _____

DIGITAL MEDIA PARTNERS

By: _____

FLORIDA CABLE TELECOMMUNICATIONS ASSOCIATION, INC.

By: _____

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.

By: _____

FLORIDA PUBLIC TELECOMMUNICATIONS ASSOCIATION

By: _____

INTERMEDIA COMMUNICATIONS OF FLORIDA, INC.

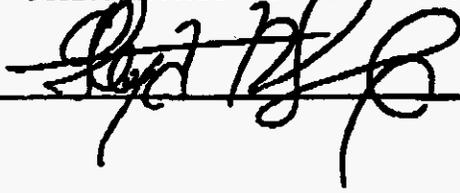
By: _____

SPRINT COMMUNICATIONS COMPANY, LIMITED PARTNERSHIP

By: Joy H. Nag

MCCAW COMMUNICATIONS OF FLORIDA, INC.

By: _____

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Pursuant to this agreement, Metropolitan Fiber Systems of Florida, Inc. ("MFS") and GTE Florida Incorporated ("GTE") (collectively, "the Parties") will extend certain arrangements to one another within each LATA in which they both operate within the state of Florida, as described and according to the terms, conditions and pricing specified hereunder. The Parties enter into this agreement without prejudice to any positions they have taken previously, or may take in the future in any legislative, regulatory, or other public forum.

I. RECITALS & PRINCIPLES

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

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

WHEREAS, in the service of maximum inter-operability, the Parties should be able to efficiently, flexibly, and robustly exchange traffic and signaling at well-defined and standardized points of mutually agreed interconnection; and

WHEREAS, GTE Florida Incorporated is a local exchange telecommunications company (LEC) as defined by Section 364.02(6) of the Florida Statutes. Metropolitan Fiber Systems of Florida, Inc. (MFS) is an alternative local exchange telecommunications company (ALEC) as defined by Section 364.02(1); and

WHEREAS, Section 364.16, Florida Statutes, requires, among other things, GTE Florida to provide access to, and interconnection with, its telecommunications facilities to any other provider of local telecommunications services requesting such access and interconnection at non-discriminatory prices, rates, terms, and conditions established by the procedures set forth in Section 364.162, Florida Statutes; and

WHEREAS, Section 364.161, Florida Statutes, requires each LEC, upon request, to unbundle each of its network features, functions and capabilities, including access to signaling databases, systems and routing process, and offer them to any other telecommunications provider requesting such features, functions or capabilities for resale to the extent technically and economically feasible and at prices that are not below cost; and

WHEREAS, Sections 364.16 and 364.161 also requires LECs and ALECs to attempt to negotiate satisfactory rates, terms and conditions for interconnection and unbundling. If such negotiations fail, either party has the right to file a petition with

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the Florida Public Service Commission to establish such rates, terms and conditions;
and

WHEREAS, on January 24, 1996, MFS filed petitions before the Commission in Docket Nos. 950984 and 950985 asking the Commission to establish rates, terms and conditions for interconnection and the provision of GTE Florida unbundled services and features to MFS; and

WHEREAS, GTE Florida and MFS, in an effort to avoid the uncertainties and expense of litigation before the Commission and appeals before the courts, desire to enter the following agreement which will serve as a partial settlement of Docket Nos. 950984 and 950985 noted above; and

WHEREAS, GTE Florida and MFS acknowledge and understand that this Agreement is entered into to resolve issues and matters which are unique to the State of Florida and is a result of compromise and negotiation. The parties further acknowledge that none of the provisions set forth herein shall be proffered by either GTE Florida or MFS or any of their affiliates in this or any other jurisdiction as evidence of any concession or as a waiver of any position or for any other purpose.

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

II. DEFINITIONS

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

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

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

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

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- C. "CLASS Features" (also called "Vertical Features") include: Automatic Call Back; Automatic Recall; Call Forwarding Busy Line/Don't Answer; Call Forwarding Don't Answer; Call Forwarding Variable; Call Forwarding - Busy Line; Call Trace; Call Waiting; Call Number Delivery Blocking Per Call; Calling Number Blocking Per Line; Cancel Call Waiting; Distinctive Ringing/Call Waiting; Incoming Call Line Identification Delivery; Selective Call Forward; Selective Call Rejection; Speed Calling; and Three Way Calling/Call Transfer.
- D. "Co-Location" or "Co-Location Arrangement" is an interconnection architecture method in which one carrier extends network transmission facilities to a wire center/aggregation point in the network of a second carrier, whereby the first carrier's facilities are terminated into equipment installed and maintained in that wire center by or on the behalf of the first carrier for the primary purpose of interconnecting the first carrier's facilities to the facilities of the second carrier.
- E. "Commission" means the Florida Public Service Commission (PSC).
- F. "Common Channel Signaling" or "CCS" means a method of digitally transmitting call set-up and network control data over a special network fully separate from the public switched network that carries the actual call.
- G. "DID" means direct inward dialing.
- H. "DS-1" is a digital signal rate of 1.544 Mbps (Mega Bit Per Second).
- I. "DS-3" is a digital signal rate of 44.736 Mbps.
- J. "DSX panel" is a cross-connect bay/panel used for the termination of equipment and facilities operating at digital rates.
- K. "Electronic File Transfer" refers to any system/process which utilizes an electronic format and protocol to send/receive data files.
- L. "Exchange Message Record" or "EMR" is the standard used for exchange of telecommunications message information among Local Exchange Carriers for billable, non-billable, sample, settlement and study data. EMR format is contained in BR-010-200-010 *CRIS Exchange Message Record*, a Bellcore document which defines industry standards for exchange message records.

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- M. "Exchange Service" refers to all basic access line services, or any other services offered to end users which provide end users with a telephonic connection to, and a unique telephone number address on, the public switched telecommunications network, and which enable such end users to place or receive calls to all other stations on the public switched telecommunications network.**
- N. "Interconnection" means the connection of separate pieces of equipment, transmission facilities, etc., within, between or among networks. The architecture of interconnection may include several methods including, but not limited to co-location arrangements and mid-fiber meet arrangements.**
- O. "Interexchange Carrier" or "IXC" means a provider of stand-alone interexchange telecommunications services.**
- P. "Interim Number Portability" or "INP" means the transparent delivery of Local Telephone Number Portability ("LTNP") capabilities, from a customer standpoint in terms of call completion, and from a carrier standpoint in terms of compensation, through the use of existing and available call routing, forwarding, and addressing capabilities.**
- Q. "ISDN" means Integrated Services Digital Network; a switched network service providing end-to-end digital connectivity for the simultaneous transmission of voice and data. Basic Rate Interface-ISDN (BRI-ISDN) provides for digital transmission of two 64 Kbps bearer channels and one 16 Kbps data channel (2B+D). Primary Rate Interface-ISDN (PRI-ISDN) provides for digital transmission of twenty-three (23) 64 Kbps bearer channels and one 16 Kbps data channel (23 B+D).**
- R. "Line Side" refers to an end office switch connection that has been programmed to treat the circuit as a local line connected to a ordinary telephone station set. Line side connections offer only those transmission and signaling features appropriate for a connection between an end office and an ordinary telephone station set.**
- S. "Link Element" or "Link" is a component of an Exchange Service; for purposes of general illustration, the "Link Element" is the transmission facility (or channel or group of channels on such facility) which extends from a Main Distribution Frame, DSX-panel, or functionally comparable piece of equipment in an GTE end office wire center, to a demarcation or connector block in/at a customer's premises. Traditionally, links were provisioned as 2-wire or 4-wire copper pairs running from the end office distribution frame to the customer premise; however, a link may be**

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

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

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

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

- T. "Local Exchange Carrier" or "LEC" means any company certified by the Commission to provide local exchange telecommunications service. This includes the Parties to this agreement.
- U. "Local Telephone Number Portability" or "LTNP" means the technical ability to enable an end user customer to utilize its telephone number in conjunction with any exchange service provided by any Local Exchange Carrier operating within the geographic number plan area with which the customer's telephone number(s) is associated, regardless of whether the customer's Chosen Local Exchange Carrier is the carrier which originally assigned the number to the customer, without penalty to either the customer or its chosen local exchange carrier.
- V. "Main Distribution Frame" or "MDF" is the primary point at which outside plant facilities terminate within a wire center, for interconnection to other telecommunications facilities within the wire center.
- W. "Meet-Point Billing" or "MPB" refers to an arrangement whereby two LECs jointly provide the transport element of a switched access service to one of the LEC's end office switches, with each LEC receiving an appropriate share of the transport element revenues as defined by their effective access tariffs.

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- X. **"MECAB" refers to the *Multiple Exchange Carrier Access Billing (MECAB)* document prepared by the Billing Committee of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECAB document, published by Bellcore as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of an access service provided by two or more LECs, or by one LEC in two or more states within a single LATA.**
- Y. **"MECOD" refers to the *Multiple Exchange Carriers Ordering and Design (MECOD) Guidelines for Access Services - Industry Support Interface*, a document developed by the Ordering/Provisioning Committee under the auspices of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECOD document, published by Bellcore as Special Report SR STS-002643, establish methods for processing orders for access service which is to be provided by two or more LECs.**
- Z. **"Mid-Fiber Meet" is an interconnection architecture method whereby two carriers meet at a fiber splice in a junction box.**
- AA. **"NANP" means the "North American Numbering Plan", the system of telephone numbering employed in the United States, Canada, and the Caribbean countries which employ NPA 809.**
- BB. **"Numbering Plan Area" or "NPA" is also sometimes referred to as an area code. This is the three digit indicator which is defined by the "A", "B", and "C" digits of each 10-digit telephone number within the North American Numbering Plan ("NANP"). Each NPA contains 800 possible NXX Codes. There are two general categories of NPA, "Geographic NPAs" and "Non-Geographic NPAs". A "Geographic NPA" is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that geographic area. A "Non-Geographic NPA", also known as a "Service Access Code" or "SAC Code" is typically associated with a specialized telecommunications service which may be provided across multiple geographic NPA areas; 800, 900, 700, and 888 are examples of Non-Geographic NPAs.**
- CC. **"NXX", "NXX Code", "Central Office Code" or "CO Code" is the three digit switch entity indicator which is defined by the "D", "E", and "F" digits of a 10-digit telephone number within the North American Numbering Plan ("NANP"). Each NXX Code contains 10,000 station**

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numbers. Historically, entire NXX code blocks have been assigned to specific individual local exchange end office switches.

- DD. "On-Line Transfer" means the transferring of an incoming call to another telephone number without the call being disconnected.
- EE. "Permanent Number Portability" or "PNP" means the use of a database solution to provide fully transparent LTNP for all customers and all providers without limitation.
- FF. "Plain Old Telephone Service Traffic" or "POTS traffic." The parties agree that this includes local traffic as defined in GTE's tariff and disagree as to whether this includes non-local intraLATA toll traffic exchanged between the parties respective exchange customers.
- GG. "Port Element" or "Port" is a component of an Exchange Service; for purposes of general illustration, the "Port" is a line card and associated peripheral equipment on an GTE end office switch which serves as the hardware termination for the customer's exchange service on that switch and generates dial tone and provides the customer a pathway into the public switched telecommunications network. Each Port is typically associated with one (or more) telephone number(s) which serves as the customer's network address. Port categories include:

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

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

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

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

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

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- HH. "Rate Center" means the specific geographic point and corresponding geographic area which have been identified by a given LEC as being associated with a particular NPA-NXX code which has been assigned to the LEC for its provision of Exchange Services. The "rate center point" is the finite geographic point identified by a specific V&H coordinate, which is used to measure distance-sensitive end user traffic to/from Exchange Services bearing the particular NPA-NXX designation associated with the specific Rate Center. The "rate center area" is the exclusive geographic area which the LEC has identified as the area within which it will provide Exchange Services bearing the particular NPA-NXX designation associated with the specific Rate Center. The Rate Center point must be located within the Rate Center area.
- II. "Rating Point", sometimes also referred to as "Routing Point" means a location which a LEC has designated on its own network as the homing (routing) point for traffic inbound to Exchange Services provided by the LEC which bear a certain NPA-NXX designation. Pursuant to Bellcore Practice BR 795-100-100, the Rating Point may be an "End Office" location, or a "LEC Consortium Point of Interconnection". Pursuant to that same Bellcore Practice, examples of the latter shall be designated by a common language location identifier (CLLI) code with (x)KD in positions 9, 10, 11, where (x) may be any alphanumeric A-Z or 0-9. The Rating Point/Routing Point need not be the same as the Rate Center Point, nor must it be located within the Rate Center Area.
- JJ. "Reference of Calls" refers to a process in which calls are routed to an announcement which states the new telephone number of an end user.
- KK. "Service Control Point" or "SCP" is the node in the signaling network to which informational requests for service handling, such as routing, are directed and processed. The SCP is a real time database system that, based on a query from the SSP, performs subscriber or application-specific service logic, and then sends instructions back to the SSP on how to continue call processing.
- LL. "Signal Transfer Point" or "STP" performs a packet switching function that routes signaling messages among SSPs, SCPs and other STPs in order to set up calls and to query databases for advanced services.
- MM. "Synchronous Optical Network" or "SONET" means synchronous electrical (STS) or optical (OC) channel connections between LECs.
- NN. "Switched Access Service" means the offering of facilities for the purpose of the origination or termination of non-POTS traffic to or from

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Exchange Services offered in a given area. Switched Access Services include: Feature Group A, Feature Group B, Feature Group D, 800 access, and 900 access.

- OO. "Trunk Side" refers to a central office switch connection that is capable of, and has been programmed to treat the circuit as, connecting to another switching entity, for example a private branch exchange ("PBX") or another central office switch. Trunk side connections offer those transmission and signaling features appropriate for the connection of switching entities, and can not be used for the direct connection of ordinary telephone station sets.
- PP. "Wire Center" means a building or space within a building which serves as an aggregation point on a given carrier's network, where transmission facilities and circuits are connected or switched.

III. NETWORK INTERCONNECTION ARCHITECTURE

The Parties shall interconnect their networks as necessary to effect the Co-Carrier Arrangements identified in Parts V., VI., VII., and IX., as defined below:

- A. In each LATA identified below, the correspondingly identified wire center shall serve as the initial Designated Network Interconnection Point ("D-NIP") at which point MFS and GTE will interconnect their respective networks for inter-operability within that LATA.

<u>LATA</u>	<u>D-NIP</u>
Tampa	Tampa Main SWC (GTE) (MFS connects to GTE)
Tampa	Tampa Downtown Node (MFS) (GTE connects to MFS)

- B. Initially, MFS agrees to connect to GTE at GTE's Tampa Main Serving Wire Center (610 Morgan) and GTE agrees to reciprocally connect to MFS at MFS' Tampa downtown Node facility (Barnett Bank Building). Where MFS and GTE interconnect at a D-NIP, the parties may mutually agree to other arrangements including, but not limited to any of the following interconnection methods:

1. a mid-fiber meet at the D-NIP, or in a manhole or other appropriate junction point near to or just outside the D-NIP;

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2. a digital cross-connection hand-off, DSX panel to DSX panel, where both MFS and GTE maintain such facilities at the D-NIP;
 3. a co-location facility maintained by MFS, or by a 3rd-party with whom MFS has contracted for such purposes, at an GTE wire center, where such wire center has been designated as the D-NIP; or
 4. a co-location facility maintained by GTE, or by a 3rd-party with whom GTE has contracted for such purposes, at an MFS wire center, where such wire center has been designated as the D-NIP.
- C. In extending network interconnection facilities to the D-NIP, MFS shall have the right to extend its own facilities or to lease dark fiber facilities (if available) or digital transport facilities from GTE or from any 3rd-party, subject to the following terms:
1. Such leased facilities shall extend from any point designated by MFS on its own network (including a co-location facility maintained by MFS at an GTE wire center) to the D-NIP or associated manhole or other appropriate junction point.
 2. Where MFS leases such facilities from GTE, MFS shall have the right to lease under non-discriminatory tariff or contract terms from GTE.
- D. Upon reasonable notice and if agreed to by GTE, MFS and GTE may change from one of the interconnection methods specified above, to one of the other methods specified above, with no penalty, conversion, or rollover charges.

IV. NUMBER RESOURCE ARRANGEMENTS

- A. Nothing in this agreement shall be construed in any manner limit or otherwise adversely impact any MFS' right to employ or to request and be assigned any NANP number resources including, but not limited to, central office (NXX) codes pursuant to the Central Office Code Assignment Guidelines¹.
- B. As contemplated by the Central Office Code Assignment Guidelines, MFS will designate within the geographic NPA with which each of its assigned

¹ Last published by the Industry Numbering Committee ("INC") as INC 95-C407-008, Revision 4/7/95, formerly ICCF 93-0729-010.

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NXX codes is associated, a Rate Center area within which it intends to offer Exchange Services bearing that NPA-NXX designation, and a Rate Center point to serve as the measurement point for distance-sensitive traffic to/from the Exchange Services bearing that NPA-NXX designation.

- C. MFS will also designate a Rating Point for each assigned NXX code. MFS may designate one location within each Rate Center as the Rating Point for the NPA-NXXs associated with that Rate Center; alternatively, MFS may designate a single location within one Rate Center to serve as the Rating Point for all the NPA-NXXs associated with that Rate Center and with one or more other Rate Centers served by MFS within the same LATA.
- D. Until such time MFS receives specific permission from the Commission to vary its rate centers from GTE's rate centers, MFS will agree to deploy a minimum of one NXX per established GTE rate center area.
- E. To the extent GTE serves as Central Office Code Administrator for a given region, GTE will support all MFS requests related to central office (NXX) code administration and assignments in an effective and timely manner.
- F. The Parties will comply with code administration requirements as prescribed by the Federal Communications Commission, the Commission, and accepted industry guidelines.
- G. It shall be the responsibility of each Party to program and update its own switches and network systems to recognize and route traffic to other Party's assigned NXX codes at all times. Neither Party shall impose any fees or charges whatsoever on the other Party for such activities.

V. MEET-POINT BILLING ARRANGEMENTS

A. Description

- 1. MFS may establish meet-point billing arrangements with GTE in order to provide Switched Access Services to third parties via an GTE access tandem switch, in accordance with the Meet-Point Billing guidelines adopted by and contained in the Ordering and Billing Forum's MECAB and MECOD documents, except as modified herein.
- 2. Except in instances of capacity limitations, GTE shall permit and enable MFS to sub-tend the GTE access tandem switch(es) nearest

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to the MFS Rating Point(s) associated with the NPA-NXX(s) to/from which the Switched Access Services are homed. In instances of capacity limitation at a given access tandem switch, MFS shall be allowed to sub-tend the next-nearest GTE access tandem switch in which sufficient capacity is available.

3. Interconnection for the meet-point arrangement shall occur at the GTE Tampa Main Serving Wire Center (SWC) D-NIP.
4. Common channel signalling ("CCS") shall be utilized in conjunction with meet-point billing arrangements to the extent such signaling is resident in the GTE access tandem switch.
5. MFS and GTE will use their best reasonable efforts, individually and collectively, to maintain provisions in their respective federal and state access tariffs, and/or provisions within the National Exchange Carrier Association ("NECA") Tariff No. 4, or any successor tariff, sufficient to reflect this meet-point billing arrangement, including meet-point billing percentages.
6. As detailed in the MECAB document, MFS and GTE will in a timely fashion exchange all information necessary to accurately, reliably and promptly bill third parties for Switched Access Services traffic jointly handled by MFS and GTE via the meet-point arrangement. Information shall be exchanged in Electronic Message Record ("EMR") format, on magnetic tape or via a mutually acceptable electronic file transfer protocol.
7. MFS and GTE shall work cooperatively to coordinate rendering of meet-point bills to customers, and shall reciprocally provide each other, at no charge, the Usage Data, etc.

B. Compensation

1. Initially, billing to 3rd-parties² for the Switched Access Services jointly provided by MFS and GTE via the meet-point billing arrangement shall be according to the multiple-bill/multiple-tariff method.
2. Subsequently for billing to 3rd-parties for the Switched Access Services jointly provided by MFS and GTE via the meet-point arrangement, MFS and GTE may mutually agree to implement one

² Including any future GTE separate interexchange subsidiaries.

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of the following options: single-bill/single tariff method, single-bill/multiple-tariff method, multiple-bill/single-tariff method, or multiple-bill/multiple-tariff method. Should MFS prefer to change among these billing methods, MFS shall notify GTE of such a request in writing, 90-days in advance of the date on which such change shall be implemented.

3. Switched Access charges to 3rd-parties shall be calculated utilizing the rates specified in MFS's and GTE's respective federal and state access tariffs, in conjunction with the appropriate meet-point billing factors specified for each meet-point arrangement either in those tariffs or in the NECA No. 4 tariff.
4. MFS shall be entitled to the balance of the switched access charge revenues associated with the jointly handled switched access traffic, less the amount of transport element charge revenues³ to which GTE is entitled pursuant to the above-referenced tariff provisions.
5. MPB will apply for all traffic bearing the 800, 888, or any other non-geographic NPA which may be likewise designated for such traffic in the future, where the responsible party is an IXC. In those situations where the responsible party for such traffic is a LEC, full switched access rates will apply.

VI. RECIPROCAL TRAFFIC EXCHANGE ARRANGEMENT

A. Description

The Parties shall reciprocally terminate POTS calls originating on each others' networks, as follows:

1. The Parties shall make available to each other the following traffic exchange trunk groups for the reciprocal exchange of POTS traffic at the respective D-NIPs:
 - a. GTE shall make available to MFS, at the GTE Tampa Main SWC, trunks over which MFS shall terminate to end users of GTE-provided Exchange Services, POTS traffic originated from end users of MFS-provided Exchange Services.

³ For purposes of clarification, this does not include the interconnection charge, which is to be remitted to the end office provider, which in this case would be MFS.

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- b. MFS shall make available to GTE, at the MFS Tampa downtown Node, trunks over which GTE shall terminate to end users of MFS-provided Exchange Services, POTS traffic originated from end users of GTE-provided Exchange Service.
 - c. MFS and GTE shall, where applicable, make reciprocally available, by mutual agreement, the required trunk groups to handle different traffic types. MFS and GTE agree to work cooperatively to agree on network trunking within 60 days upon execution of this agreement.
 - d. To the extent different rates are agreed upon or are ordered by the Commission for local and non-local traffic, the parties will provide each other appropriate percentages for the traffic carried over the trunk groups.
- 2. Reciprocal Traffic Exchange Arrangement trunk connections shall be made at a DS-1 or multiple DS-1 level, DS-3, (SONET where technically available) and shall be jointly-engineered to an objective P.01 grade of service.
 - 3. MFS and GTE agree to use their best collective efforts to develop and agree on a Joint Interconnection Grooming Plan prescribing standards to ensure that the Reciprocal Traffic Exchange Arrangement trunk groups are maintained at consistent P.01 or better grades of service. Such plan shall also include mutually-agreed upon default standards for the configuration of all segregated trunk groups.
 - 4. The Parties will provide Common Channel Signalling (CCS) to one another, where and as available, in conjunction with all traffic exchange trunk groups. The parties will cooperate on the exchange of Transactional Capabilities Application Part (TCAP) messages to facilitate full inter-operability of CCS-based features between their respective networks, including all CLASS features and functions. All CCS signalling parameters will be provided including automatic number identification (ANI), originating line information (OLI) calling party category, charge number, etc. All privacy indicators will be honored. Network signalling information such as Carrier Identification Parameter (CCS platform) and CIC/OZZ information (non-CCS environment) will be provided wherever such information is needed for call routing or billing. For traffic for which CCS is not available, in-band multi-frequency

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(MF), wink start, E&M channel-associated signalling with ANI will be forwarded.

5. The Parties shall establish company-wide CCS interconnections STP-to-STP. Such STP links shall be reciprocally provided.

B. Compensation

MFS and GTE do not agree as to the compensation arrangements for the exchange of POTS (local/traditional toll) traffic. The parties agree that the rates for reciprocal compensation will be in accordance with any future Commission decision or mutual agreement of the parties.

VII. SHARED NETWORK PLATFORM ARRANGEMENTS

A. 9-1-1/E9-1-1

1. Description

- a. MFS will interconnect trunk groups to the GTE 9-1-1/E-9-1-1 selective routers/911 tandems which serve the areas in which MFS provides exchange services, for the provision of 9-1-1/E9-1-1 services and for access to all sub-tending Public Safety Answering Points. GTE will provide MFS with the appropriate CLLI codes and specifications of the tandem serving area.
- b. GTE and MFS will arrange for the automated input and daily updating of 9-1-1/E-9-1-1 database information related to MFS end users. GTE will work cooperatively with MFS to ensure the accuracy of the data transfer by verifying it against the Master Street Address Guide (MSAG). Additionally, GTE shall work with the county to provide MFS the ten-digit POTS number of each PSAP which sub-tends each GTE selective router/9-1-1 tandem to which MFS is interconnected.
- c. GTE will use its best efforts to facilitate the prompt, robust, reliable and efficient interconnection of MFS systems to the 9-1-1/E-9-1-1 platforms.

2. Compensation

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For the provision of 911/E911 services between MFS and GTE, the parties will work cooperatively to address, any/all compensation issues within 60 days upon execution of this agreement. To the extent the parties are unable to agree within 60 days, either party may petition the Commission to seek resolution. MFS will be required to connect trunks to the 911/E911 tandem(s).

B. Exchange of 800 Traffic

1. Description

The Meet-point Billing terms and conditions contained in section V of this agreement apply for the exchange of 800 traffic.

2. Compensation

Applicable Switched Access Meet-point billing rates shall apply for all 800 calls per the terms and conditions contained in section V of this agreement.

C. Information Services Billing and Collection

1. Description

- a. MFS and GTE shall work cooperatively to reach agreement on all information services (e.g. 976, 974, N11, weather lines, sports lines, publisher lines, etc.) issues. The subsequent information services agreement shall enable MFS and GTE to reciprocally provide information services, originate and terminate information services calls between each other, bill and collect revenues from each others end users (including Information Providers), and reasonably compensate MFS and GTE.

D. Directory Listings and Directory Distribution

MFS and GTE agree that an additional agreement will be required to effectuate the terms of this section and will work cooperatively to execute the additional agreement within 60 days upon the execution of this agreement.

1. Description

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The directory listings and distribution terms and rate specified in this section shall apply to listings of MFS customer numbers falling within NXX codes directly assigned to MFS, and to listings of MFS customer telephone numbers which are retained by MFS pursuant to Local Telephone Number Portability Arrangements described below. The terms of this section may require a subsequent additional agreement with GTE's Directory Publishing company.

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

2. Compensation

- a. GTE and MFS will work cooperatively to address any payments for sales of any bulk directory lists to third parties, where such lists include MFS customer listings and any compensation due GTE for administrative functions associated with furnishing listings to third parties. GTE will not provide/sell MFS' listings to any third parties without MFS' prior written approval.
- b. GTE shall provide directory distribution, directory database maintenance, and directory listings for MFS and its customers under the same terms that GTE provides these same services for its end users. In-area directory delivery, database maintenance, and basic "White" and "yellow" page

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listings will be at no fee. Out-of-area directory delivery and enhanced listings, i.e. bolding, indention, second listings, etc., will be per GTE's currently tariffed or non-discriminately available contract rates.

E. Directory Assistance (DA)

1. Description

At MFS' request, GTE will:

- a. provide to MFS unbranded directory assistance service MFS which is comparable in every way to the directory assistance service GTE makes available to its own end users;
- b. provide to MFS directory assistance service under MFS's brand which is comparable in every way to the directory assistance service GTE makes available to its own end users;

2. When available, at MFS' request, GTE will:

- a. provide to MFS operators or to an MFS-designated operator bureau on-line access to GTE's directory assistance database, where such access is identical to the type of access GTE's own directory assistance operators utilize in order to provide directory assistance services to GTE and users;
- b. allow MFS or an MFS-designated operator bureau to license GTE's directory assistance database for use in providing competitive directory assistance services; and/or
- c. in conjunction with VII.E.1.a. or VII.E.1.b., above, provide caller-optional directory assistance call completion service which is comparable in every way to the directory assistance call completion service GTE makes available to its own end users. When this functionality is available, GTE will route the calls back to MFS for MFS to complete the customer call.

3. Compensation

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GTE will charge MFS its wholesale IXC/LEC rates for the following functionality:

- a. \$0.25 per unbranded directory assistance intrastate call.
- b. \$0.25 per branded directory assistance intrastate call.
- c. \$0.28 per unbranded directory assistance interstate call.
- d. \$0.28 per branded directory assistance interstate call.

When available:

- e. \$0.0_ per use of caller-optional directory assistance call completion. (Future)
- f. \$0.0__ per directory assistance database query. (Future)
- g. \$___ for licensing of each directory assistance database. (Future)

F. Yellow Page Maintenance

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

G. Transfer of Service Announcements

When an end user customer changes from GTE to MFS, or from MFS to GTE, and does not retain its original telephone number, the party formerly providing service to the end user will provide a transfer of service announcement on the abandoned telephone number upon request. This announcement will provide details on the new number to be dialed to reach this customer. These arrangements will be provided reciprocally

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based upon current practice with GTE's customers to either the other carrier or the end user customer.

H. Coordinated Repair Calls

MFS and GTE will employ the following procedures for handling misdirected repair calls:

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

I. Busy Line Verification and Interrupt

1. Description

Each Party shall establish procedures whereby its operator bureau will coordinate with the operator bureau of the other Party operating in order to provide Busy Line Verification ("BLV") and Busy Line Verification and Interrupt ("BLVI") services on calls between their respective end users. BLV and BLVI inquiries between operator bureaus shall be routed over the appropriate trunk groups. MFS and GTE will reciprocally provide adequate connectivity to facilitate this capability.

2. Compensation

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

	<u>per inquiry</u>
BLV	\$0.65

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BLVI

\$0.65

J. Information Pages

GTE will include in the "Information Pages" or comparable section of its *White Pages Directories* for areas served by MFS, listings provided by MFS for MFS's installation, repair and customer service and other information. This term may require an additional agreement with GTE Directory Publishing.

K. Operator Reference Database (ORDB)

If available, GTE will work cooperatively with MFS to assist MFS in obtaining from the appropriate 911 government agencies *monthly updates* to the Operator Reference Database (ORDB). If available, this will enable MFS to promptly respond to emergency agencies (i.e. fire, police, emergency medical technicians, etc), as a back-up to 911, during a catastrophic situation.

VIII. UNBUNDLED EXCHANGE SERVICE ARRANGEMENTS

A. Description

GTE shall unbundle all its Exchange Services into three separate packages: (1) link element; (2) port element; and (3) cross-connect element. The following link and port categories shall be provided:

Link Categories

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

Port Categories

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

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

1. Interconnection shall be achieved via co-location arrangements MFS shall maintain at the wire center at which the unbundled elements are resident.

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2. Each link or port element shall be delivered to the MFS co-location arrangement over a loop/port connector applicable to the unbundled service delivered, through other tariffed or contracted options, or through other technically feasible and economically comparable hand-off arrangements in accordance with agreements between MFS and GTE.
3. To the degree possible all transport-based features, functions, service attributes, grades-of-service, install, maintenance and repair intervals which apply to the bundled service should apply to unbundled links.
 - a. GTE will not monitor the unbundled loop for maintenance purposes. MFS will be required to provision a loop testing device either in its central office, Network Control Center, or in their collocation arrangement to test the unbundled loop. GTE will perform repair and maintenance once trouble is identified by MFS.
4. To the degree possible all switch-based features, functions, service attributes, grades-of-service, and install, maintenance and repair intervals which apply to the bundled service should apply to unbundled ports.
5. GTE and MFS will work cooperatively to attempt to accommodate MFS' requirement for billing of all unbundled facilities purchased by MFS (either directly or by previous assignment by a customer) on a single consolidated statement per wire center. GTE will work toward billing at a wire center level, however, in the initial phases of unbundling, GTE's billing will be at a state level, or at an aggregate account level based on GTE's billing cycles.
6. Where GTE utilizes digital loop carrier ("DLC")⁴ technology to provision the link element of an bundled Exchange Service to an end user customer who subsequently determines to assign the link element to MFS and receive Exchange Service from MFS via such link, GTE shall use its best efforts to deliver such link to MFS on an unintegrated basis, pursuant to MFS' chosen hand-off architecture, without a degradation of end user service or feature availability. GTE and MFS recognize that there may be technical

⁴ See, Balcore TR-TSY-000008, *Digital Interface Between the SLC-96 Digital Loop Carrier System and Local Digital Switch* and TR-TSY-000303, *Integrated Digital Loop Carrier (IDLC) Requirements, Objectives, and Interface*.

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limitations that may need to be addressed to enable this requirement, therefore MFS and GTE agree to begin working cooperatively to address any technical issues within 60 days upon execution of this agreement.

7. GTE will permit MFS to co-locate digital loop carriers and associated equipment in conjunction with co-location arrangements MFS maintains at an GTE wire center, for the purpose of interconnecting to unbundled link elements.
8. To provide future order and trouble reporting GTE shall work cooperatively with MFS to attempt accommodating MFS' requirement for an appropriate industry-standard on-line electronic file transfer arrangement by which MFS may place, verify and receive confirmation on orders for unbundled elements, and issue and track trouble-ticket and repair requests associated with unbundled elements.

B. Compensation

MFS and GTE do not agree as to compensation rates for Unbundled Exchange Access Arrangements.

IX. LOCAL TELEPHONE NUMBER PORTABILITY ARRANGEMENTS

A. Description

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

1. MFS and GTE will provide reciprocal INP immediately upon execution of this agreement via call forwarding. GTE and MFS will migrate from INP to a database-driven Permanent Number Portability arrangement as soon as practically possible, without interruption of service to their respective customers.
2. INP shall operate as follows:
 - a. A customer of Carrier A elects to become a customer of Carrier B. The customer elects to utilize the original

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telephone number(s) corresponding to the Exchange Service(s) it previously received from Carrier A, in conjunction with the Exchange Service(s) it will now receive from Carrier B. Upon receipt of a signed letter of agency from the customer assigning the number to Carrier B, Carrier A will implement one of the following arrangements:

- (1) For the initial implementation of the portability of telephone numbers, Carrier A will implement an arrangement whereby all calls to the original telephone number(s) will be forwarded to a new telephone number(s) designated by Carrier B. Carrier A will route the forwarded traffic to Carrier B via the mutual traffic exchange arrangements, as if the call had originated from the original telephone number and terminated to the new telephone number.
- b. Carrier B will become the customer of record for the original Carrier A telephone numbers subject to the INP arrangements. Carrier A will provide Carrier B a single consolidated master billing statement for INP. GTE will explore the possibility of enabling collect, calling card, and 3rd-number billed calls associated with those numbers to enable MFS to rebill its newly acquired customers for those functions. Also, GTE will explore the possibility of sub-account detail for collect, calling card, and 3rd-number billed calls, and the capability of having billing statements delivered in real time via an agreed-upon Electronic data transfer, or via daily or monthly magnetic tape.
- c. Carrier A will update its Line Information Database ("LIDB") listings for retained numbers and cancel calling cards associated with those forwarded numbers.
- d. Within two (2) business days of receiving notification from the customer, Carrier B shall notify Carrier A of the customer's termination of service with Carrier B, and shall further notify Carrier A as to the Customer's instructions regarding its telephone number(s). Carrier A will cancel the INP arrangements for the customer's telephone number(s). If the Customer has chosen to retain its telephone number(s) for use in conjunction with Exchange Services provided by Carrier A, Carrier A will simultaneously transition the number(s) to the customer's preferred carrier.

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3. Under INP, MFS and GTE will implement a process to coordinate INP cut-overs with Unbundled Loop conversions within a reasonable time that is acceptable to customers. MFS and GTE pledge to use their best efforts to ensure that INP arrangements will not be utilized in instances where a customer changes locations and would otherwise be unable to retain its number without subscribing to foreign exchange service.
4. Per the Florida Public Service Commission's order in Docket No. 950737-TP, MFS and GTE may continue to develop Direct Inward Dialing-type number portability arrangements.

B. Compensation

1. MFS and GTE shall provide INP arrangements to one another either at the rates ordered by the Florida Public Service Commission in Docket No. 950737-TP or at MFS' option, other mutually agreed upon rates, except for authorized collect, calling card and 3rd-number billed calls billed to the retained numbers.
2. For all traffic terminated between MFS and GTE to the party whose customer ultimately receives the call, reciprocal compensation charges and Switched Access charges (pursuant to each carrier's respective tariffs), shall apply for POTS traffic and non-POTS traffic. For compensation purposes, a mutually agreed surrogate will have to be developed as neither MFS nor GTE can classify this traffic.

X. RESPONSIBILITIES OF THE PARTIES

- A. GTE and MFS agree to treat each other fairly, non-discriminatorily, and equally for all items included in this agreement, or related to the support of items included in this agreement.
- B. MFS and GTE will work cooperatively to minimize fraud associated with 3rd-number billed calls, calling card calls, or any other services related to this agreement.
- C. MFS and GTE agree to promptly exchange all necessary records for the proper billing of all traffic.
- D. For network expansion, MFS and GTE will review engineering requirements on a quarterly basis and establish forecasts for trunk utilization. New trunk groups will be implemented as dictated by

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engineering requirements for both GTE and MFS. GTE and MFS are required to provide each other the proper call information (e.g., originated call party number and destination call party number, CIC, OZZ, etc.) to enable each company to bill in a complete and timely fashion.

- E. There will be no re-arrangement, reconfiguration, disconnect, or other non-recurring fees for any mutually beneficial network interconnections associated with the initial reconfiguration for traffic exchange, 911/E911, Interim Number Portability, Meet-point Billing, Directory Assistance, Information Services, Common Channel Signalling, and BLV/BLVI connectivity.
- F. With respect to any outstanding issues set forth in this agreement requiring an additional agreement within 60 (sixty) days, each party will use its best efforts to address all such outstanding items within that time period. Failure to reach agreement on these additional issues will not affect the enforceability of this agreement.

XI. TERM

MFS and GTE agree to provide service to each other on the terms defined in this agreement until superseded by amended or additional mutually agreeable arrangements approved by the Commission, whichever occurs first. By mutual agreement, MFS and GTE may amend this agreement to extend the term of this agreement. Also by mutual agreement, GTE and MFS may jointly petition the appropriate regulatory bodies for permission to have this agreement supersede any future standardized agreements or rules such regulators might adopt or approve.

XII. INSTALLATION

GTE and MFS shall effectuate all the terms of this agreement within 90 days upon execution of this agreement.

XIII. NETWORK MAINTENANCE AND MANAGEMENT

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

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

XIV. OPTION TO ELECT OTHER TERMS

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

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

Unless mutually agreed otherwise, neither MFS nor GTE shall impose cancellation charges upon each other for any beneficial network interconnection functions.

XVI. FORCE MAJEURE

Neither party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: fire, explosion, power failure, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, ordinance or requirement of any government or legal body; or labor unrest, including, without limitation, strikes, slowdowns, picketing or boycotts; or delays caused by the other Party or by other service or equipment vendors; or any other circumstances beyond the Party's reasonable control. In such event, the Party affected shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interference (and the other Party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such Party's obligations related to the performance so interfered with). The affected party shall use its best efforts to avoid or remove the cause of non-performance and both parties shall proceed to perform with dispatch once the causes are removed or cease.

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XVII. OTHER PROVISIONS

GTE and MFS acknowledge that additional terms and conditions (including, but not limited to provisions relating to limitation of liability, indemnity, severability, notices, assignment, dispute resolution, cancellation, default, and non-disclosure) will need to be agreed prior to interconnection. The parties agree to negotiate these terms and conditions within five (5) calendar days after execution of this agreement.

If this agreement is acceptable to MFS and GTE, both parties shall sign in the space provided below. This agreement shall not bind MFS and GTE until executed by both parties.

Timothy T. Davine
Sign 2-19-96 Date

Donald W. McLeod
Sign 2-19-96 Date

Timothy T. Davine
Print Name

Donald W. McLeod
Print Name

Sr. Director, External
Title Regulatory Affairs

Vice President Regulatory & Government Affairs
Title - External Affairs

Metropolitan Fiber Systems of Florida, Inc.

GTE Florida Incorporated