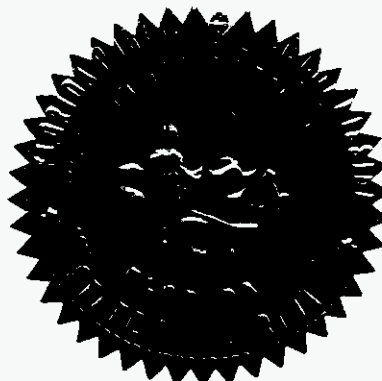


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of : DOCKET NO. 960833-TP

Petition by AT&T COMMUNICATIONS:  
OF THE SOUTHERN STATES, INC. :  
for Arbitration of Certain :  
Terms and Conditions of a :  
Proposed Agreement with :  
BELLSOUTH TELECOMMUNICATIONS, :  
INC. Concerning Intercon- :  
nection and Resasale Under the :  
Telecommunications Act of 1996.:



and :

Petition by MCI METRO ACCESS : DOCKET NO. 960846-TP  
TRANSMISSION SERVICES, INC. for:  
Arbitration of Certain Terms :  
and Conditions of a Proposed :  
Agreement with BELLSOUTH :  
TELECOMMUNICATIONS, INC. :  
Concerning Interconnection and :  
Resale Under the Telecom- :  
munications Act of 1996. :

PROCEEDINGS: STATUS CONFERENCE

BEFORE: COMMISSIONER J. TERRY DEASON  
Prehearing Officer

DATE: Monday, August 26, 1996

TIME: Commenced at 2:00 p.m.  
Concluded at 3:00 p.m.

PLACE: Betty Easley Conference Center  
Room 152  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: JOY KELLY, CSR, RPR  
Chief, Bureau of Reporting  
Official Commission Reporter

DOCUMENT NUMBER - DATE  
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1 **APPEARANCES:**

2 DONNA CANZANO, 2540 Shumard Oak Boulevard,  
3 Tallahassee, Florida, Telephone (904) 413-6202, appearing on  
4 behalf of the Commission Staff.

5 DOUGLAS R. LACKEY, Southern Bell Telephone  
6 and Telegraph Company, 4300 Southern Bell Center, 657  
7 West Peachtree Street, Northeast, Atlanta, Georgia  
8 30375, Telephone No. (404) 529-6352, appearing on  
9 behalf of **Southern Bell Telephone & Telegraph** .

10 TRACY HATCH, AT&T Communications of the  
11 Southern States, Inc., 106 East Colledge Avenue, Suite  
12 1410, Tallahassee, Florida 32301, Telephone No. (904)  
13 425-6360, appearing on behalf of **AT&T Communications**.

14 RICHARD D. MELSON, Hopping Green Sams and  
15 Smith, Post Office Box 6526, Tallahassee, Florida  
16 32314, Telephone No. (904) 222-7500, appearing on  
17 behalf of **MCI**.

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## 1 P R O C E E D I N G S

2 (Hearing convened at 2:00 p.m.)

3 COMMISSIONER DEASON: We'll call this status  
4 conference to order. Could we have a notice read,  
5 please.

6 MS. CANZANO: Pursuant to notice a status  
7 conference has been called for this time and place.  
8 Just for the record, I notified parties by telephone  
9 on Thursday; sent out a fax on Thursday in a memo  
10 form, and then Records issued a proper notice on  
11 Friday.

12 COMMISSIONER DEASON: Thank you. Take  
13 appearances.

14 MR. LACKEY: Commissioner Deason, my name is  
15 Doug Lackey. I'm appearing on behalf of BellSouth  
16 Telecommunications, Inc, 675 West Peachtree Street,  
17 Atlanta, Georgia.

18 MR. MELSON: Richard Melson of the law firm  
19 Hopping Green Sams & Smith P.A., P. O. Box 6526  
20 Tallahassee, appearing on behalf of MCI  
21 Telecommunications Corporation and MCI Metro  
22 Transmission Services, Inc.

23 MR. HATCH: Tracy Hatch, 101 North Monroe  
24 Street, Suite 700, Tallahassee, Florida 32301,  
25 appearing on behalf of AT&T of the Southern States,

1 Inc.

2 **MS. CANZANO:** Donna Canzano, 2540 Shumard  
3 Oak Boulevard, Tallahassee, Florida, appearing on  
4 behalf of the Commission Staff.

5 **COMMISSIONER DEASON:** Thank you. As  
6 Ms. Canzano indicated, there was notice given of this  
7 status conference. I'm going to ask all of the  
8 parties if they received that notice and if there is  
9 any objection to that notice and any objection to  
10 having this status conference today. Mr. Lackey?

11 **MR. LACKEY:** No, sir.

12 **MR. MELSON:** Received the notice; no  
13 objection.

14 **MR. HATCH:** No objection.

15 **COMMISSIONER DEASON:** Very well. I assume  
16 Staff has no objection either.

17 **MS. CANZANO:** No.

18 **COMMISSIONER DEASON:** We're going to  
19 proceed. This status conference is being recorded.  
20 First of all, let me welcome everyone today.  
21 I think it is important that we have this conference  
22 today. I think that this proceeding has evolved to  
23 the point to where this is necessary and hopefully  
24 will be helpful. That certainly is my intent.

25 There are a number of things which I wish to

1 address here today. It is my intent to give all  
2 interested parties an opportunity to present their  
3 viewpoints and concerns. If there are things that I  
4 wish to address -- after the things I wish to address  
5 have been addressed, if there are remaining things  
6 that the parties have to bring before the Prehearing  
7 Officer, I certainly encourage you to take advantage  
8 of this opportunity.

9           While this is the first status conference,  
10 it may not be the last, but I'd be delighted if this  
11 was the first and last and that no further status  
12 conferences would be necessary.

13           So with that, the first matter which I wish  
14 to address is the BellSouth Motion to Compel and the  
15 AT&T response to that.

16           I would like to give the parties a brief  
17 opportunity to address that. I have read the motion  
18 and the response, but I want to give the parties an  
19 opportunity to briefly address. Since it is  
20 BellSouth's motion, Mr. Lackey, I'll give you an  
21 opportunity to succinctly restate that, and then I  
22 will give Mr. Hatch an opportunity to respond.

23           **MR. LACKEY:** Thank you, Commissioner. I  
24 will be brief. I think the essence of the motion is  
25 set out in the pleading we filed.

1           Our concern is that AT&T, of course, rushed  
2 to ask for arbitration on the very first day they  
3 could, 135 days after their original request to  
4 negotiate. They weren't ready and what they did was  
5 they took a shortcut. They identified four or five  
6 major issues that they had, and we also agree are  
7 major issues, and then attached their interconnection  
8 agreement to the document, and basically said, "Gee,  
9 BellSouth has agreed to all of that stuff or it's in  
10 compliance with the Telecommunications Act and so,  
11 therefore, what can possibly be the problem?"

12           We take exception to that. The law is quite  
13 clear that the petitioner is required to identify in  
14 its petition, or in the accompanying documents, all of  
15 the issues that are in dispute, all of the issues that  
16 are resolved, and for those issues that are in  
17 dispute, a statement of both parties' position. And I  
18 think there's a pretty good reason for it.

19           The way the Telecommunications Act, I  
20 believe, is supposed to work is we negotiate what we  
21 can; what we can't we bring to you or to an  
22 arbitrator. Those issues are decided. The results  
23 are incorporated in the agreement and the agreement is  
24 submitted to you for approval. And so if you don't  
25 have all of the issues laid out that make a complete

1 agreement, it's pretty tough to have that result. If  
2 you don't have every issue that is necessary for an  
3 agreement laid out with those that are in dispute  
4 identified and those that aren't in dispute  
5 identified, then you don't know whether you've got an  
6 agreement. And right now you don't have a agreement.

7           If you gave AT&T everything they wanted in  
8 their petition in terms of the issues they have  
9 identified, you still have all these other issues that  
10 are sitting out there. And that's not, of course,  
11 just my position. If you have AT&T's response there  
12 on Page 5, this is the one I particularly liked, if I  
13 could just read the sentence.

14           **COMMISSIONER DEASON:** Just a second, Page 5.

15           **MR. LACKEY:** Page 5, it's the first full  
16 paragraph, begins "AT&T's petition." I'm actually  
17 interested in the next two sentences. "It clearly  
18 sets forth the issues AT&T seeks this Commission to  
19 arbitrate." I don't disagree with that. They've set  
20 out the issues they want arbitrated. (Reading) There  
21 are several hundred subissues, however, that the  
22 parties have been negotiating under the Act. If the  
23 Commission would like for AT&T to submit an issue of  
24 those subitems that AT&T believes have been resolved  
25 and those that AT&T believes remained unresolved, AT&T

1 will so do so."

2           Now, how much more clearly an admission do  
3 you need that even AT&T concedes that we still have  
4 issues that are unresolved that haven't been  
5 identified and aren't being arbitrated. It raises an  
6 interesting question; the 160 days come and gone. You  
7 all conduct arbitration on the five or six issues  
8 they've raised, we don't reach an agreement on the  
9 rest of the issues, there's no authority to ask for  
10 further arbitration on it. I don't know what they  
11 think they are going to do.

12           What solution do they want? First of all,  
13 let me point out that the pleading was incorrect when  
14 it stated we had not filed a similar motion in other  
15 jurisdictions. On the day we filed our response we  
16 filed a Motion to Compel in Georgia, and on the day we  
17 filed our response August 12th we filed a motion to  
18 require a status conference in Tennessee. As  
19 Mr. Hatch did correctly note, we didn't file such a  
20 motion in North Carolina, but because before we filed  
21 our response, the North Carolina Commission issued an  
22 order requiring the parties to file a matrix of the  
23 issues with their testimony. So we may have to now  
24 that we've received AT&T's matrix Friday or this  
25 morning, I forget which we got it, we may have to file



1 the motion there.

2 But in any event, Tennessee held their  
3 status conference last Thursday, and as a result of  
4 that status conference AT&T was required to furnish by  
5 this Thursday a list of all of the issues and we're  
6 being given until the following Wednesday to comment  
7 on them. And I think that that's probably what we  
8 need to do here.

9 Now, Tennessee is a little different because  
10 they haven't filed all of their testimony. But I  
11 think what you ought to do is you need to require AT&T  
12 to file their complete issues list in accordance with  
13 the statute laying out every issue that is resolved  
14 and unresolved and file testimony supporting their  
15 position on the unresolved issue. What they want to  
16 do is they want us to file a response, say, "Oh, no,  
17 we didn't agree to this on Page 10 of your  
18 interconnection agreement." And then let them come  
19 back and file rebuttal testimony. Nice strategy, but  
20 that is not what the law requires. The law requires  
21 the petitioner to lay out all of these issues. And  
22 they know the issues are out there. They knew it when  
23 they filed their petition, knew it when they filed  
24 their response --

25 **COMMISSIONER DEASON:** Mr. Lackey, I thought

1 they were required to identify those issues with their  
2 petition.

3           **MR. LACKEY:** They were. They were required  
4 to do it with their petition, both by the federal law  
5 and with the order this Commission entered.

6           I'm in a funny position. If I were, you  
7 know, king of the world, I'd say throw the whole thing  
8 out for noncompliance. And the next thing I know, if  
9 I made that suggestion, I'd be reading about it in the  
10 Wall Street Journal. We really do need to get this  
11 resolved and get these people into business. All I  
12 want is them to make some effort to comply with what  
13 the federal law and what your order required them to  
14 do rather than put the burden to trying to sort out  
15 these issues on BellSouth.

16           I think that with that, and with the written  
17 document we previously submitted, I've laid out the  
18 issues or our position, anyway, as clearly as I can.

19           **COMMISSIONER DEASON:** Let me ask you a  
20 question. As we all sitting in this room are  
21 painfully aware, there are very short time constraints  
22 involved in this arbitration process. Your suggestion  
23 to allow AT&T additional time to basically file their  
24 list of issues and then give BellSouth an opportunity  
25 to respond to that, what does that do to the time

1 frames?

2           **MR. LACKEY:** I realize it's very compressed.  
3 I understand it's very compressed.

4           What I understood the Tennessee solution  
5 was, was apparently there are core teams from both  
6 AT&T and BellSouth working on issues; working to  
7 identify issues. And it's my understanding that  
8 that's what AT&T finally agreed to furnish by this  
9 Thursday as the issues list, with their positions on  
10 it or with their comments or whatever it is. I have  
11 the transcript right here.

12           **COMMISSIONER DEASON:** Has testimony been  
13 filed in Tennessee?

14           **MR. LACKEY:** No, testimony has not been  
15 filed yet in Tennessee.

16           Again, AT&T has known these were issues all  
17 along. These just didn't spring up overnight. And if  
18 they have to work a little harder to get that  
19 testimony filed in a very short time frame, that  
20 strikes me as life. They knew what the dates were,  
21 they knew what the requirements were.

22           Like I said, if I was king of the world, my  
23 first position would be just throw them out. But like  
24 I said, I don't think I can stand reading about myself  
25 in the paper again. So I'm trying to find some

1 grounds that will require them to do what the law and  
2 your order says but yet allows this proceeding to go  
3 forward and allows us to have an exercise of our  
4 rights as well.

5 **COMMISSIONER DEASON:** Thank you. Mr. Hatch.

6 **MR. HATCH:** Initially I would say that we  
7 have -- AT&T believes it has complied with the Act.  
8 The Act requires that when you file your petition, you  
9 file all supporting documentation that details the  
10 resolved and unresolved issues and the positions of  
11 the parties. AT&T believes it has done that. In a  
12 sense, and specifically, with respect to the proposed  
13 interconnection agreement, that is what AT&T believes  
14 is the most succinct statement of what the issues are  
15 in terms of what is being proposed and what has been  
16 agreed to.

17 The biggest problem in this whole kind of a  
18 proceeding is that first it's unlike a normal generic  
19 Commission proceeding. It doesn't seek to establish  
20 some major policy principles, and then you go forth  
21 and develop those.

22 This proceeding under the federal act is  
23 designed to, at the end, come up with some sort of an  
24 implementable agreement that governs the operations of  
25 the parties going forward. And that is why that

1 interconnection agreement was filed and attached to  
2 the petition. And that is the succinct statement of  
3 our position on all of those issues.

4           At the time we filed that, AT&T was still  
5 going through that proposed interconnection agreement.  
6 In fact, AT&T with its response to our petition, filed  
7 its red line version. As I understand it -- I'm not  
8 involved in the negotiations in the same way that  
9 Mr. Lackey is not involved -- the parties continue to  
10 negotiate specific provisions of that agreement, and  
11 to quote the old addage, "the devil is in the details"  
12 and essentially that's how we approached the whole  
13 thing from the beginning of the negotiations. And  
14 until we have an agreement on the language, we don't  
15 have an agreement. That is a position that Bell has  
16 actually put forth more often than not. If you don't  
17 agree to everything, you don't agree to nothing. And  
18 going forth at the time we filed our petition, that is  
19 the best we knew at the time.

20           With respect to going forward to create a  
21 solution, I'm not sure why the existing issues list  
22 that we have worked with BellSouth and the Staff to  
23 compile doesn't solve Mr. Lackey's problems. To the  
24 extent he wants something else, I'm not sure what that  
25 is, unless he, himself, wants to delve into all those

1 devilish details that they complained of in the whole  
2 process.

3           **COMMISSIONER DEASON:** So your position is  
4 that the existing issues list is sufficient.

5           **MR. HATCH:** I believe that's correct,  
6 particularly in conjunction with the proposed  
7 interconnection agreement, which is essentially the  
8 core of the negotiations.

9           **COMMISSIONER DEASON:** I'm sorry, the last  
10 part of your statement?

11           **MR. HATCH:** The proposed interconnection  
12 agreement that we submitted with our position, that is  
13 essentially the core of the entire negotiations at  
14 this point. All of the issues that have been  
15 identified thus far flow from all of that. Those  
16 issues are all major subject areas that govern all of  
17 the myriad details that may underlie them. To the  
18 extent that you want to generate a list of 150, 180,  
19 200, 300 specific details, they will all fall within  
20 those precise or generic issues that have already been  
21 identified.

22           **COMMISSIONER DEASON:** Mr. Lackey, could I  
23 have your viewpoint as to whether you believe the  
24 existing issue list is sufficient for purposes of this  
25 arbitration proceeding?

1           **MR. LACKEY:** I don't believe so. And if I  
2 could explain that.

3           My recollection is that AT&T promulgated an  
4 issues list, and I think they were required by the  
5 order to do that; to submit an issues list with their  
6 case. We had at least one, and perhaps two, telephone  
7 conversations, one of which I personally participated  
8 in, where we worked on the language of the issues.  
9 But my clear recollection, and there were other people  
10 in this room who were on that call, was that we said  
11 once we got to the end of it, that we'd probably have  
12 to revisit the issues list again because we hadn't  
13 filed -- I don't think we had filed a response then.  
14 We certainly hadn't filed our testimony. And so I do  
15 not believe that this issues list was represented as  
16 being a complete one, but rather it was AT&T's issue  
17 list submitted in accordance with this Commission's  
18 order. I think Ms. Canzano was on the call and can  
19 help me with that if I've gotten off base.

20           **COMMISSIONER DEASON:** Ms. Canzano.

21           **MS. CANZANO:** That's correct. It was from  
22 an issue ID we held on July 31st, and the parties were  
23 supposed to get back together and to agree on some  
24 language for certain issues.

25           **COMMISSIONER DEASON:** And that list

1 consisted of some 15 issues; is that correct?

2 **MR. HATCH:** 26.

3 **COMMISSIONER DEASON:** Oh, it's grown.

4 **MR. HATCH:** It was that big initially.

5 **MS. CANZANO:** That were about seven or eight  
6 issues that were unresolved and the parties were  
7 supposed to meet between themselves and try to resolve  
8 those. And we held a second issue identification  
9 process, and from the second issue ID --

10 **COMMISSIONER DEASON:** When was that held?  
11 That's not the July 31st?

12 **MS. CANZANO:** Last week. I can't recall the  
13 exact date. I'm sorry.

14 And from the second issue identification  
15 process, the parties agreed in principle to most of  
16 the issues, to resolve specific language for about  
17 three issues, and there's a question whether one issue  
18 should be in the case or not. But we will take that  
19 up at a different time, I believe.

20 **COMMISSIONER DEASON:** How does Staff view  
21 the status of the issues?

22 **MS. CANZANO:** With the exception of the  
23 issues that we need to -- what the parties need to  
24 work on to resolve the language of, I see these issues  
25 as broad issues. That there are a number of subissues



1 that can be handled within each issue, and I think  
2 that's where the controversy lies.

3 We essentially view this as a complete list  
4 with the exception of the wording of the specific  
5 issues and the uncertainty of that one particular  
6 issue.

7 **COMMISSIONER DEASON:** And that issue, or the  
8 uncertainty, is the filing requirement to file  
9 existing agreements?

10 **MS. CANZANO:** The interconnection  
11 agreements, yes.

12 **COMMISSIONER DEASON:** Let me enter into the  
13 discussion to some extent.

14 I'm a little bit troubled by the suggestion  
15 that perhaps there could be a list of some 100, 200,  
16 300 issues. I don't view that as the role of the  
17 Commission in this proceeding. We're not marriage  
18 counsellors, if this is a marriage, if it's to be  
19 contemplated as such.

20 I think that the federal law and the  
21 procedural order which was initially issued in this  
22 proceeding made it very clear that there were to be  
23 issues identified with the petition, and opportunity  
24 for response.

25 I do not view this as a typical proceeding

1 such as the proverbial rate case, which we will  
2 probably never have again, where there are issues  
3 identified perhaps right up until the time of the  
4 prehearing conference.

5 I think that this whole proceeding has been  
6 triggered by the federal act and the filing of the  
7 petition, and the issue should have been identified at  
8 the time that the petition was filed.

9 It's my intention to go forward with the  
10 arbitration with the so-called limited issues, the  
11 broad issues, the framework of issues that have been  
12 contemplated by the two issue ID conferences, and that  
13 is going to be the extent of the arbitration.

14 And it is my intent that this Commission  
15 will make a decision on all of those issues. And it  
16 is also my hope that those decisions will be of enough  
17 specificity that the parties can then take those broad  
18 decisions to those broader issues and craft an  
19 agreement, a true agreement, that the parties are  
20 ready, willing and able to sign and bring to this  
21 Commission, and while perhaps not being totally happy,  
22 ready to go forward and do business. That would be  
23 the best outcome of this proceeding in my view.

24 However, I realize that there are perhaps  
25 many, perhaps hundreds of so-called subissues,

1 operational issues, technical issues that perhaps will  
2 surface. I would think that it would be incumbent  
3 upon the parties to work out that type of detail among  
4 themselves. It is not this Commission's  
5 responsibility to do that. I don't think that was  
6 envisioned by the federal law. It certainly wasn't  
7 envisioned by my procedural order.

8           However, if the parties cannot come to that  
9 type of an agreement, I would contemplate that post  
10 decision by this Commission there would be a period of  
11 time by which the parties, if they do not bring  
12 forward a signed agreement to this Commission, that it  
13 would be incumbent upon each party to bring forward  
14 what they believe encompasses the decisions, the broad  
15 policy decision made by the Commission, into an  
16 agreement that they think should be signed by the  
17 other party. And in that situation we'd have two  
18 agreements before the Commission and the Commission  
19 would pick among the two. But we're not going to go  
20 through, line-by-line, item-by-item dotting this "i"  
21 and crossing that "t" or inserting this language from  
22 one contract and then putting it -- a different  
23 language from another agreement, and trying to craft  
24 what is your responsibility to do, not this  
25 Commission's responsibility.

1           Now, that is the way that I intend to  
2 proceed. I would want to lay this out to the parties  
3 at this point because I think it's very relevant to  
4 this issue that has been raised by Bell's Motion to  
5 Compel; and that is how are we going to address all of  
6 these perhaps other issues. I hope this Commission  
7 doesn't have to address them all. I hope this  
8 arbitration is going to go forward with the issues we  
9 have identified, realizing perhaps that there needs to  
10 be some fine-tuning on the wording. That there's one  
11 issue out there that may be added or may be deleted.

12           With that exception I think we have a  
13 workable list in front of this Commission for purposes  
14 of this arbitration proceeding. And I'm not saying it  
15 was, but if it was the intent of AT&T to file their  
16 so-called version of the interconnection agreement and  
17 then maintain every conceivable issue that could fall  
18 out of that for purposes of arbitration in this  
19 proceeding, that's not going to happen. And I'm not  
20 saying it was your intent. That's not what is going  
21 to happen. Mr. Lackey, I assume that was your  
22 concern. That's not going to happen.

23           We have issues. I think that you need to be  
24 put on notice what those issues are; all parties need  
25 to be put on notice and be prepared to address those

1 specific issues. And that's what we're going to do.

2 I hope I'm not catching anybody off guard by  
3 the so-called procedures we're going to follow post  
4 decision. I don't see any other way around that.  
5 However, that is a new concept. I'm just now giving  
6 it to you for the first time. I'm willing to discuss  
7 that further at this point. If the parties are not  
8 willing to discuss it, perhaps it's something that  
9 needs to be discussed in greater detail at the  
10 prehearing conference.

11 So having said that, I'm willing to  
12 entertain any further comments on this matter.  
13 Mr. Lackey.

14 **MR. LACKEY:** Yes, sir. I have a number of  
15 concerns, but the one that I think that we need to  
16 focus on perhaps for a minute is it's my understanding  
17 that such an agreement would have to have been an  
18 arbitrated agreement under the law, which is submitted  
19 to you. And my recollection is that the law only  
20 gives you 30 days to approve an arbitrated agreement  
21 once it's submitted to you under 252(e), so we're  
22 going to be on a real short time frame.

23 And I believe the other issue is that it has  
24 to comport with the provisions of 251 and 252(d), and  
25 that is probably where the rub is going to come in. I

1 cannot imagine -- certainly the major issues we've got  
2 here are well known to everybody, and we can resolve  
3 those. And we'll reach an agreement with those in it  
4 once those decisions are made. We're on the verge, I  
5 believe, of doing that with another major company or  
6 at least resolving most of the issues here. We'll  
7 work with them.

8 All I'm concerned about, and I think you may  
9 have answered it for me in your statement earlier, is  
10 that if AT&T thinks we're going to sign some agreement  
11 that they've put together and just sort of dumped in  
12 here, I'm afraid they are mistaken. We won't. And  
13 certainly once this thing is arbitrated and the  
14 Commission has reached its decision, we'll do whatever  
15 is required; we'll either abide by it or seek review  
16 of it or we'll do whatever. I'm certainly not saying  
17 anything to the contrary.

18 **COMMISSIONER DEASON:** Mr. Lackey, when this  
19 Commission makes a decision on the basic framework of  
20 issues as we have in front of us at this point, that's  
21 not going to result in a agreement. That's going to  
22 give the parties, hopefully the necessary guidance to  
23 where all of the major issues, the major substantive  
24 points would have already been decided and then you as  
25 negotiating parties can hammer out all of the

1 fine-tuning necessary to implement those broader  
2 decisions. So by this Commission making a decision,  
3 no, there's not going to be an agreement. There's  
4 going to have to be hard work by the parties to come  
5 back with that agreement. And as I indicated earlier,  
6 it is my hope and desire that the parties will then  
7 come back with a signed agreement, and it won't --  
8 there would be no need for any further action by this  
9 Commission other than taking that agreement and  
10 determining if it does then comport with our decisions  
11 in the arbitration, and whether it comports with 251  
12 and 252.

13 **MR. LACKEY:** And I'm not trying to be  
14 difficult here, because I believe reasonable people  
15 ought to be able to agree about most things. Maybe  
16 we're not reasonable, maybe they're not reasonable.  
17 Who knows.

18 What I'm concerned about is what 252 says is  
19 that any interconnection agreement adopted by  
20 negotiation or arbitration shall be submitted for  
21 approval. I just want to make sure I make it clear  
22 that obviously if we can take the elements we've  
23 agreed on, and we take what you all arbitrate, we put  
24 the two together and we put a beginning and we put an  
25 end on it, and we have an agreement and then everybody

1 goes away; some happy, some unhappy, but at least  
2 everybody is doing what the law requires, AT&T is in  
3 business and we go on about our lives.

4 But if it's going to be one of these things,  
5 the hundreds, 200s, 300s, I certainly can't warrant  
6 it's going to happen, and I don't want to leave the  
7 record suggesting we're in a position where -- I'll  
8 give you an example of what I'm worried about.

9 Page 2 of the response to AT&T's response to  
10 our motion, it's Page 2, it's in the second full  
11 paragraph, and it's talking about this interconnection  
12 agreement. It says "Thus it represents the agreement  
13 that should the Commission find for AT&T on the issues  
14 AT&T requests to be arbitrated, the Commission will be  
15 asked to approve pursuant to 47 USC Section 252(e).

16 Now, even if you find for AT&T on every one  
17 of the issues they have raised in that petition,  
18 nobody in good conscience could possibly suggest that  
19 that interconnection agreement represents an agreement  
20 between BellSouth and anybody. That's all I'm  
21 concerned about. It's the words.

22 I agree with you that reasonable people,  
23 once you get us past the loop rate and once you get us  
24 past the interconnection rate, once you get us past a  
25 few things like that we ought to be able to reach an



1 agreement. I don't want to be in the position at this  
2 first status conference of having left you or anybody  
3 else with the mistaken impression that it was that  
4 clear in our mind based on that interconnection  
5 agreement. That's all. I'm certainly not suggesting  
6 anything to the contrary. Didn't mean to anyway.

7 **COMMISSIONER DEASON:** Mr. Hatch.

8 **MR. HATCH:** We certainly don't have any  
9 objection to the process that you have laid out. I  
10 think that leaves everybody in basically pretty good  
11 shape.

12 It was a concern to us going into this  
13 process particularly because it was very new as to  
14 what exactly was going to come out of it. The Act  
15 talks in terms of an arbitrated agreement approved by  
16 the Commission at the end of the arbitration process  
17 and we approached that with a view to a comprehensive  
18 agreement coming out of the process. Now, if that's  
19 not what you're going to do, but leave us the ability  
20 to fix those myriad details, then that's fine.

21 One other thing is I want to be real clear  
22 here, I don't want to suggest that there are 150 or  
23 200 completely unresolved issues in terms of the  
24 minutia and the details.

25 It's my understanding that many of the

1 minutiae of the details we have an agreement in  
2 principle. But as you know an agreement in principle  
3 doesn't mean much until you actually have contractual  
4 language that lays it all down that everybody can  
5 sign. And so you are sort of caught in that  
6 no-man's-land between at loggerheads and a signed  
7 agreement.

8           **COMMISSIONER DEASON:** I need to pursue  
9 something with you for a moment, and then I want  
10 Mr. Melson to give me the benefit of his comments.

11           Did I understand you correctly that you  
12 indicated that you believed that as a result of this  
13 arbitration that there would be an agreement basically  
14 issued by this Commission?

15           **MR. HATCH:** Not in the sense that I think  
16 that you're talking about it, Commissioner Deason. I  
17 think in terms of setting forth the specific details  
18 that would basically leave no real room for  
19 controversy in terms of subsequent negotiations, I  
20 think is how we approached this, which is really the  
21 point of the interconnection agreement, because it in  
22 effect takes into consideration and lists out all of  
23 those myriad details.

24           Now, I think -- and most of this won't  
25 continue to be the problem that it appears to be today

1 because the negotiating teams are, in fact, working on  
2 that language. And as we get further to the process  
3 and ultimately to hearing, I think much of the  
4 controversy over the specifics and minutiae and the  
5 details is going to go away as we have agreement on  
6 the kind of language that both sides can live with.

7 **COMMISSIONER DEASON:** Very well. Mr.  
8 Melson.

9 **MR. MELSON:** Commissioner Deason, I think  
10 you have struggled with some of the same issues MCI  
11 was struggling with as we put together our petition  
12 and a request for mediation plus. We recognize that  
13 there are, in MCI's original request to BellSouth, in  
14 excess of some 500 items that obviously is not  
15 practical for the Commission to hold a hearing that  
16 addresses each and every one of those. On the other  
17 hand, we need a process by which at the end of the day  
18 we get to a mutually satisfactory agreement.

19 Your concept of Commission decision on the  
20 major issues followed by a period of time for the  
21 parties to come back to you with contractual language  
22 is something I haven't had an opportunity to think  
23 about, and anything that involves thinking about the  
24 federal act also requires people in Washington helping  
25 me think, so I can't take a final position.

1           But it seems to me that it's certainly an  
2 effort to try to address the problem we're all  
3 struggling with of how do we get past wholesale price  
4 levels; what elements are required to be unbundled,  
5 things that people recognize are the major issues and  
6 how do we then get to a contract. And at this point  
7 it sounds to me as though it might very well be a  
8 workable solution, although by the time of a  
9 prehearing conference or another status conference  
10 I'll be able to address it in more detail.

11           **COMMISSIONER DEASON:** Mr. Lackey, I have a  
12 question for you. You indicated that one of your  
13 concerns is the 30 days that is allowed to approve an  
14 agreement. Is that correct?

15           **MR. LACKEY:** I believe without looking at  
16 the statute that for arbitrated agreements it's 30  
17 days; for negotiated agreements it's 90 days.

18           **COMMISSIONER DEASON:** 30 days for an  
19 arbitrated agreement. At the end of the arbitration  
20 proceeding, realizing the issues are going to be  
21 limited as it is currently envisioned with the  
22 so-called list of broad issues, when do you think that  
23 the Commission will actually have an arbitrated  
24 agreement in front of it that triggers the 30-day  
25 clock?

1           **MR. LACKEY:** I'm not sure I can answer that  
2 question. As I understand AT&T's position, and I  
3 tried to look at the law coming over here, which is  
4 tough since I was driving, too -- I think that anybody  
5 who's got the agreement can submit it. I think that  
6 we could submit it; that AT&T could submit it. That's  
7 not wholly within our discretion. But I'm just not  
8 sure. I hate to be obtuse about it. Let me give you  
9 another example of what the problem is.

10           MCI, since they are participating in this,  
11 filed the same request for mediation, plus in North  
12 Carolina, the North Carolina Commission, the Chairman  
13 issued an order last week saying "Sorry guys. Nobody  
14 says we've got to mediate. We're not going to do it.  
15 We don't have time." They have all of their mediation  
16 plus issues sitting out there which I suppose are  
17 germane to an interconnection agreement that the  
18 Commission has declined to address. I don't know what  
19 we're going to do there. If these issues are  
20 necessary, required to have an interconnection  
21 agreement and things up and running, I have no idea  
22 when that is going to be ultimately resolved. You may  
23 do your arbitration and have it done at the end of  
24 nine months, but I don't know when the agreement would  
25 follow after then, depending on who insisted on what

1 being included in that agreement. If you've got to  
2 get through 500 elements or 300 elements or 200  
3 elements, you may even have to go to commercial  
4 arbitration to get it done. I don't know --

5 **COMMISSIONER DEASON:** Let me share some  
6 views, and perhaps I'm wrong and that's why we're  
7 conducting this status conference which perhaps is  
8 taking on some dialog aspects, which is fine.

9 As I understand the federal law, the time  
10 constraint is from the time that the negotiations  
11 begin, and basically if an arbitration is sought, then  
12 there's nine months in which the Commission, the state  
13 Commission, has to make a decision.

14 Now, as I contemplate what is going to  
15 happen in this proceeding, this Commission is going to  
16 make a decision within that nine month period of time  
17 addressing all of the broad issues. But that in and  
18 of itself does not mean that there is an agreement.  
19 This Commission will be giving its guidance, making a  
20 decision on some broader issues that hopefully were  
21 the sticking points in the negotiations to begin with.  
22 And with that the fine-tuning of the negotiation  
23 process can continue with a negotiated agreement. I  
24 use the term "negotiated" loosely and realizing that  
25 it actually is an arbitrated agreement but the

1 fine-tuning has brought about hopefully good faith  
2 negotiations after the arbitration proceeding. And  
3 that can be brought back to the Commission. And then  
4 that triggers the 30-day clock for the Commission to  
5 either approve or disapprove of that agreement. Now  
6 that is the way I envision it.

7 I do not know if that is correct. Perhaps  
8 there are some pitfalls in there I have not  
9 contemplated. That's why I'm taking the liberty of  
10 presenting that to the parties at this early stage and  
11 I welcome any feedback. Hopefully that can be  
12 accomplished by the time of the prehearing conference.  
13 And I would give Staff an opportunity to add anything  
14 at this point as well.

15 **MS. CANZANO:** I think you addressed it  
16 appropriately. I'd just like to clarify that the  
17 nine-month clock applies to the Commission deciding  
18 the substance of the unresolved issues. And just to  
19 repeat what Commissioner Deason said, that 30-day  
20 clock starts once the agreement is filed by the  
21 parties for approval, just like you said.

22 Staff would like to seek from the parties --  
23 we'd like them to start thinking about what they think  
24 is a reasonable time frame to expect an agreement,  
25 because that's something Staff is concerned about.

1 And before the time of the prehearing conference we  
2 would like the parties to at least agree on what is a  
3 reasonable time frame in which Staff can expect an  
4 agreement to be filed after the Commission's order has  
5 been issued.

6           **MR. MELSON:** Commissioner Deason, you had  
7 indicated that you would welcome comments about  
8 potential pitfalls. The one pitfall I see, and it's  
9 partially addressed by what Ms. Canzano has just  
10 raised, is the overall time frames. The time frames  
11 in the federal act are tight. They were tight,  
12 though, with a reason which was to get competition up  
13 and running.

14           I think there is probably an issue or a  
15 question as to how much detail the federal act  
16 contemplates that the states will decide. Will they  
17 decide 500 subissues, will they decide broad issues,  
18 and I'm not sure that the draftsman of that Act  
19 thought through how clear the language is or isn't;  
20 thought through what kind of burden might be placed on  
21 state commissions.

22           The one concern I would have is that if this  
23 proceeding concludes at the end of nine months with a  
24 Commission decision on broad issues, and if there is  
25 not a fairly short enforceable time frame with some



1 teeth to get the parties to bring to the Commission  
2 either a final agreement or some subsequent  
3 opportunity for the Commission to decide the myriad of  
4 small issues, that we may be running afoul of the way  
5 the act is structured.

6           Again I'll have my thoughts collected better  
7 by the time of another status conference, but that's  
8 the one concern I've got about the procedure you've  
9 outlined.

10           **COMMISSIONER DEASON:** Let me indicate that I  
11 agree with your concern; that it is a valid one. That  
12 there do need to be time frames contemplated so that  
13 it is not loose. I think that was contemplated by  
14 Ms. Canzano's remarks that there needs to be a  
15 specified time frame for there either to be an  
16 agreement brought back to the Commission, or else each  
17 party's version of what they think is the agreement or  
18 what the agreement should be, which incorporates the  
19 broad policy decisions that were made as a result of  
20 the arbitration proceeding.

21           And instead of having another proceeding  
22 that is not contemplated where we try to mesh the two,  
23 if we do not have an agreement between the parties,  
24 it's going to be up to the Commission then to weigh  
25 the various versions, the two versions, and we're just

1 going to have to pick between one or the other. But I  
2 think that is incentive for the parties to get  
3 together and craft their own because they know they  
4 run the risk of the other party's version being  
5 approved by the Commission since there are only going  
6 to be two choices.

7 Now, I think envisioned in that is an  
8 incentive for the parties to get together and come up  
9 with a workable -- something that they don't totally  
10 like but something they can live with and work within  
11 and promote the competition which is contemplated by  
12 the federal act. That hopefully is going to be the  
13 result.

14 But I do agree with you, it's something we  
15 need to give some thought to. I raise it at this  
16 point to put everyone on notice so that hopefully we  
17 know where we're going to be come post decision on  
18 arbitration. Mr. Lackey.

19 **MR. LACKEY:** I just wanted to indicate that  
20 we perhaps need some more time to think about that,  
21 too. We should be ready by the prehearing conference.  
22 The idea of the Commission having the authority to  
23 take two disparate agreements and picking which one is  
24 the agreement raises some interesting and novel legal  
25 issues under the federal law we'll have to think

1 about.

2           **COMMISSIONER DEASON:** I agree it does. But  
3 I think you also agree that this whole thing we're  
4 engaged in at this point is new to every one of us,  
5 and that we're under time constraints. There is a  
6 valid reason for those time constraints, but,  
7 nevertheless, they are very severe. We're trying to  
8 craft a way that is fair to all and craft a procedure  
9 which is going to come up with a workable end product,  
10 and I think we're all -- to an extent are pioneers in  
11 this process. And whatever comments that you have I  
12 would appreciate those.

13           **MR. LACKEY:** Well, it's going to be  
14 interesting because I expressed to you at the  
15 beginning that we thought we ought to identify all of  
16 the issues that would make a complete agreement. It  
17 will be interesting to see what happens in Tennessee  
18 next Thursday when this issues list comes out and we  
19 see exactly how broad or narrow it is. Perhaps it  
20 will shed some light on where we need to go as well.

21           **COMMISSIONER DEASON:** From a practical  
22 standpoint I do not see how the end result of this  
23 arbitration proceeding is going to be a document that  
24 is issued that says this is the agreement. This is  
25 the interconnection agreement. That puts the burden

1 on the Commission to be doing, quite frankly, your job  
2 and AT&T's job and MCI's job. That is not the role of  
3 this Commission as I see it. But I welcome your  
4 comments.

5 Anything else on this particular matter?

6 **MR. HATCH:** We share the same comments. I'm  
7 in the same quandry that Mr. Lackey is. It depends on  
8 exactly when we get to the point post decision as to  
9 what that decision is and what its status is, and then  
10 coming up with an agreement everybody can sign.

11 I also share Mr. Melson's concern -- I  
12 hadn't thought of it; I'm glad he thought of it  
13 first -- in terms of where do we go? There is no  
14 indication that we can really give to Staff at this  
15 point as to how long that will take. If you set an  
16 outside limit, so be it and you'll know at the end of  
17 that time frame where we are.

18 **COMMISSIONER DEASON:** I want to proceed  
19 rapidly but I want there to be sufficient time for the  
20 parties to actually craft a workable agreement that  
21 would need no further fine-tuning by this Commission  
22 other than to see if it meets the federally -- federal  
23 statutory requirements, and this Commission can make  
24 that determination.

25 So I want there to be enough time that the

1 parties can do that. Hopefully that will be the  
2 product. But I don't want there to be so much time  
3 that it unnecessarily delays the end product of this  
4 entire arbitration proceeding, which is to get  
5 interconnection agreements in place and to get  
6 competition initiated so hopefully the benefits of  
7 that become apparent to all users of  
8 telecommunications services.

9           And I think Ms. Canzano is wanting comments  
10 from the parties as to what is a reasonable time frame  
11 so there's sufficient time to do the job but not too  
12 much time that it can just delay hopefully the end  
13 result.

14           **MR. MELSON:** Commissioner Deason, I'm not  
15 sure MCI can give you an answer to that today. I  
16 think our company internally is in the process of  
17 trying to finalize some contractual language that we  
18 think would be appropriate. That's something I'm sure  
19 we will be talking with BellSouth about even as we get  
20 ready to go to this hearing, and hopefully much of the  
21 groundwork and many of the details can be worked out  
22 on a parallel path while the Commission is considering  
23 some of the more major issues.

24           So at this point I can't give you a good  
25 answer. After we've had another meeting or two with

1 BellSouth I may feel I could give you a better one.

2           **CHAIRMAN DEASON:** Okay. I appreciate the  
3 parties' willingness to express their concerns. I  
4 also hope that you do not come back at the prehearing  
5 conference and give me a list of a dozen reasons why  
6 it won't work with no suggestions of what will work.  
7 Because if there's problems with this, you need to  
8 come up with another workable solution. Because one  
9 of my main concerns is the efficiency of this process,  
10 along with the time frames involved and that we can  
11 get our jobs done. So if you have problems, please  
12 express those but just don't identify problems with no  
13 solutions.

14           The second matter which I wish to address at  
15 this status conference is the MCI motion for extension  
16 of time. And like the first item which we discussed,  
17 I want to give the parties an opportunity to briefly  
18 summarize their position.

19           I have read that motion and I have read  
20 Bell's response, I think -- was it filed today or  
21 Friday? Anyway I have read it. Mr. Melson it's your  
22 motion.

23           **MR. MELSON:** I've not seen BellSouth's  
24 response.

25           MCI requested a two-day partial extension of

1 time to file additional testimony. The order you  
2 entered granting conditioned consolidation on having  
3 prefiled testimony filed by April 21st, MCI filed two  
4 out of six pieces of testimony on the 21st; we filed  
5 an additional two pieces on the 22nd. We filed the  
6 final two pieces on the 23rd.

7           The reason we were unable to make the 21st  
8 date is that MCI is engaged in arbitration proceedings  
9 in a number of places throughout the country and had  
10 several internal working groups also co-authoring  
11 white papers that ultimately formed the basis for the  
12 Florida testimony, and will form the basis for  
13 testimony elsewhere. Prior to the entry of your  
14 procedural order, those were on a timetable to be  
15 completed on the 23rd.

16           When we got your procedural order we  
17 attempted to get those advanced in time to support the  
18 August 21st filing date, and because of logistics of  
19 it and because of the amount of work that was  
20 necessary to take the FCC's order and rules into  
21 account, we did not succeed in getting it all  
22 completed by the 21st. We made our best efforts. We  
23 got the testimony filed as soon as it was complete,  
24 and under the circumstances we don't believe there's  
25 any prejudice by maintaining consolidation and

1 maintaining the current schedule. Thank you.

2 **COMMISSIONER DEASON:** Mr. Lackey.

3 **MR. LACKEY:** Thank you, Mr. Commissioner.

4 I don't know why Mr. Melson didn't get a  
5 copy of our response. It was Federal Expressed to him  
6 Friday, but maybe they were on the same Delta plane I  
7 was on.

8 We're still concerned about the  
9 consolidation of these proceedings. I know that's  
10 been argued and been resolved, but it still remains a  
11 concern.

12 We think at the minimum what we ought to  
13 have, though, is an extension of time in which to file  
14 our reply testimony or our testimony that at least  
15 equals the delay that MCI gained by filing the  
16 testimony late.

17 I'd like to have you take them apart, but I  
18 can't think of any real good reason to do it that we  
19 haven't already offered, so I guess all I'm asking for  
20 is some more time to equal the time they took.

21 **MR. MELSON:** Commissioner Deason, MCI would  
22 not object to that additional time.

23 **COMMISSIONER DEASON:** I think Staff may  
24 object, though, and I haven't talked to them  
25 specifically about this, but I think what -- the



1 parties need to realize is that there, while you all  
2 labor under time constraints, we are as well and  
3 whenever you all take more time it doesn't give us  
4 more time unless you're going to go back to Congress  
5 and get them, instead of 90 days, give us 92 days. I  
6 don't think you can do that.

7 Staff.

8 **MS. CANZANO:** Like everyone else in this  
9 proceeding, we're concerned about time and time to  
10 conduct proper discovery. If BellSouth's response or  
11 direct testimony is moved back two days until  
12 September 11th, Staff requests that the rebuttal  
13 testimony, which is scheduled for September 16th in  
14 the MCI-BellSouth docket, not be moved back any  
15 further than it already is. But that's not scheduled  
16 until September 16th, the prehearing conference is  
17 October 3rd, and we're going to be in hearing October  
18 9th. We need to make sure we have adequate time for  
19 depositions so that the hearing will go smoother.

20 **COMMISSIONER JOHNSON:** Staff's concern is  
21 that right now the rebuttal testimony is due to be  
22 filed on September 16th; is that correct?

23 **MS. CANZANO:** That's correct.

24 **COMMISSIONER DEASON:** That is rebuttal to  
25 all testimony; is that correct?

1           **MS. CANZANO:** Rebuttal to all testimony in  
2 the MCI-BellSouth docket part. AT&T-BellSouth  
3 rebuttal is due August 30th.

4           **COMMISSIONER DEASON:** This really doesn't  
5 affect the AT&T time frame.

6           **MS. CANZANO:** That's correct.

7           **COMMISSIONER DEASON:** Okay. Mr. Lackey.

8           **MR. LACKEY:** I do have a little concern  
9 here. What we'll be filing rebuttal to was the  
10 late-filed testimony. And so MCI takes an extra  
11 couple of days and we don't get it. It's AT&T  
12 revisited. They didn't file their testimony with  
13 their petition and we ended up, you know, 12 or 13  
14 days short. They filed their testimony that we have  
15 to file rebuttal to two days late. We ought to at  
16 least have that amount of time to file the rebuttal  
17 testimony.

18           **MS. CANZANO:** May I clarify that? The  
19 direct testimony of BellSouth is to be filed September  
20 9th. Are you requesting that your direct testimony  
21 still be filed September 9th and that rebuttal be  
22 moved back two days, or that direct and rebuttal both  
23 be moved?

24           **MR. LACKEY:** I think if you're going to give  
25 MCI two more days to file their testimony, all of the

1 dates ought to be slipped two days. Seems fair.

2           **MS. CANZANO:** So it's correct to say then  
3 that you want September 11th for your direct and  
4 September 18th for rebuttal.

5           **MR. LACKEY:** If it was due on the 9th and it  
6 was due on the 16th, if those were the two due dates,  
7 it seems to me that they have had two more days to  
8 prepare the direct testimony. If we don't slide the  
9 rebuttal date, we lose two days to prepare the  
10 rebuttal. These are pretty short time frames. I'd  
11 rather have you strike the testimony they file late.  
12 I didn't think about that remedy a little while ago,  
13 but you could do that too. That would be preferable,  
14 then I'd go with the original filing dates. That  
15 would suit me fine.

16           **COMMISSIONER DEASON:** Mr. Lackey, you are  
17 amending your -- actually, to be quite honest, I  
18 intended that to be your remedy that you requested in  
19 your response. You did not request that in your  
20 response?

21           **MR. LACKEY:** It was probably as an  
22 oversight. I'm still in the same spot I was in a  
23 little while ago. Everything I do gets held up as  
24 "Here's another Bell company holding up the process."  
25 I'd like to have the testimony stricken. But all it's

1 going to do is give me a bloody nose and a black eye  
2 if I do. I'd like to have it stricken, but I don't  
3 think that's going to serve anybody so what I would  
4 just as soon have is the extension.

5 **MR. MELSON:** May I address the Staff's  
6 proposed schedule?

7 **COMMISSIONER DEASON:** Yes. Please.

8 **MR. MELSON:** My understanding is that  
9 BellSouth's view of the two testimony filing dates  
10 that it faces are that the first date is for direct  
11 testimony, second date is for rebuttal addressing the  
12 testimony that MCI filed last week.

13 MCI has the same rebuttal date that our  
14 rebuttal testimony will have to address the BellSouth  
15 testimony that's filed, scheduled now to be filed on  
16 the 9th. If you slip the 9th to the 11th and do not  
17 slip the rebuttal date, BellSouth has still had over  
18 three weeks to prepare rebuttal to our testimony.  
19 We're allowed only five days to prepare rebuttal to  
20 theirs. That's an artifact of the way the schedule is  
21 designed, but given that, I would support Mr. Lackey's  
22 position that both dates ought to be slipped two days.  
23 I think anything else puts an unrealistic burden on  
24 MCI to respond in less than a week to BellSouth  
25 testimony.

1           **CHAIRMAN DEASON:** Mr. Melson, I'm sorry,  
2 you've got me confused. Let me go back to -- address  
3 a question to Staff.

4           What are the due dates for the various  
5 testimonies in the MCI time schedule?

6           **MS. CANZANO:** BellSouth shall file its  
7 response and direct testimony September 9th. All  
8 parties --

9           **COMMISSIONER DEASON:** This is their direct  
10 testimony in response to the petition.

11          **MS. CANZANO:** Yes. And it's also its  
12 written response to the petition. So it would be a  
13 document called "Response", and there would be direct  
14 testimony, and that is filed September 9th.

15          **COMMISSIONER DEASON:** And that is due  
16 September the 9th.

17          **MS. CANZANO:** Which is a Monday, if you want  
18 to know that.

19          MCI and BellSouth are scheduled to file  
20 rebuttal on Monday, September 16th.

21          **COMMISSIONER DEASON:** Rebuttal on September  
22 16th.

23          **MS. CANZANO:** And I'd like to point out that  
24 in BellSouth's motion -- well, its response to MCI's  
25 motion that says in the event MCI's motion is granted,

1 BellSouth requested an equivalent extension for filing  
2 its responsive testimony. And that's why I asked  
3 Mr. Lackey those questions because I wasn't clear if  
4 he was talking solely about the BellSouth response to  
5 the BellSouth direct testimony or the rebuttal  
6 testimony. And I'd just like to reiterate that Staff  
7 is extremely concerned about conducting depositions  
8 and we want to -- we feel that the burden is really  
9 placed on Staff to prepare for this hearing if the  
10 rebuttal comes in after September 16th.

11 **COMMISSIONER DEASON:** Mr. Lackey, it's your  
12 position that if the motion is granted that your  
13 direct testimony and response be due two days later,  
14 which would be the 11th, and that rebuttal testimony  
15 likewise be shifted two days to the 18th; is that  
16 correct?

17 **MR. LACKEY:** I have to clarify one thing. I  
18 think we'll still have to file the response on the 9th  
19 because I believe that's a federal law requirement.  
20 So you probably can't extend that. But the testimony  
21 you certainly can. And so, yes, I would ask for the  
22 two days to the 11th and two days until the 18th for  
23 both of them unless you would like to entertain an  
24 alternative Motion to Strike all of that testimony.

25 **COMMISSIONER DEASON:** Are you prepared to

1 make such an argument for that at this point?

2 **MR. LACKEY:** You know how Mr. Melson had to  
3 call Washington, I'd probably have to call Atlanta  
4 before I did that. I do not believe that would be in  
5 everybody's best interest to do that. I won't do  
6 that. I'd like to, but I won't.

7 **COMMISSIONER DEASON:** Okay. Well, I will  
8 take all of that under advisement and I will make a  
9 decision this afternoon. I will request Staff to  
10 inform you of the earliest possible time that you can  
11 make your plans accordingly.

12 That exhausts the list of matters I wanted  
13 to discuss at this status conference.. The floor is  
14 now open for any interested party to bring anything  
15 forward which, hopefully, would be helpful in the  
16 conduct of this proceeding. So it's open.  
17 Mr. Lackey.

18 **MR. LACKEY:** No, sir, I don't believe that  
19 we have anything to discuss at this point.

20 **COMMISSIONER DEASON:** Mr. Melson.

21 **MR. MELSON:** Commissioner Deason, as I  
22 indicated, MCI is internally currently working on a  
23 draft of some contract language that we will be  
24 visiting with Southern Bell about. I don't know  
25 whether at some point it's going to be appropriate to

1 try to have that language identified as an exhibit in  
2 this docket. If so, we may be back at some future  
3 point with a motion for leave to file supplemental  
4 testimony and exhibits. I don't know yet what the  
5 proper way to handle that is going to be, but I wanted  
6 to let you know that it's out there and we're thinking  
7 about it.

8           **COMMISSIONER DEASON:** Mr. Melson, you can  
9 file anything you want. Whether it's granted is a  
10 totally different matter.

11           **MR. MELSON:** I understand.

12           **COMMISSIONER DEASON:** Mr. Hatch.

13           **MR. HATCH:** I don't believe we have anything  
14 to raise today.

15           **COMMISSIONER DEASON:** Staff.

16           **MS. CANZANO:** Staff has no other issues.

17           **COMMISSIONER JOHNSON:** Thank you all for  
18 coming on such short notice. This -- as I indicated  
19 earlier, I'm very sincere when I indicate that I think  
20 we're all pioneers to an extent, and your cooperation  
21 in this matter is greatly appreciated.

22           Thank you. This status conference is  
23 adjourned. Over at 3:00 sharp.

24           (Thereupon, the hearing concluded at 3:00  
25 p.m.)



1 STATE OF FLORIDA)  
 :  
 2 COUNTY OF LEON ) CERTIFICATE OF REPORTER

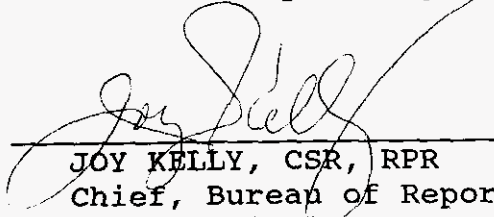
3 I, JOY KELLY, CSR, RPR, Chief, Bureau of  
 4 Reporting, Official Commission Reporter,

5 DO HEREBY CERTIFY that the Status Conference  
 6 in Docket No. 960833-TP and 960846-TP was heard by the  
 7 Prehearing Officer at the time and place herein  
 8 stated; it is further

9 CERTIFIED that I stenographically reported  
 10 the said proceedings; that the same has been  
 11 transcribed under my direct supervision; and that this  
 12 transcript, consisting of 49 pages, constitutes a true  
 13 transcription of my notes of said proceedings.

14 DATED this 27th day of August, 1996.

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 JOY KELLY, CSR, RPR  
 Chief, Bureau of Reporting  
 Official Commission Reporter  
 (904) 413-6732