FLORIDA PUBLIC SERVICE COMMISSION
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Tallahassee, Florida 32399-0850

MEMORANDUM

SEPTEMBER 4, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (CHASE, REID, REITH)
DIVISION OF LEGAL SERVICES (BILLMEIER) LMB McB

RE: DOCKET NO. 960791-TP - PETITION FOR APPROVAL OF INTERCONNECTION AGREEMENT WITH INTERMEDIA COMMUNICATIONS OF FLORIDA, INC., BY CENTRAL TELEPHONE COMPANY OF FLORIDA AND UNITED TELEPHONE COMPANY OF FLORIDA

AGENDA: SEPTEMBER 16, 1996 - REGULAR AGENDA - PARTIES MAY PARTICIPATE

CRITICAL DATES: COMMISSION MUST APPROVE OR DENY BY 9/29/96 PER TELECOMMUNICATIONS ACT OF 1996

SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\960791TP.RCM

CASE BACKGROUND

On July 1, 1996, United Telephone Company of Florida and Central Telephone Company of Florida (hereinafter collectively referred to as United-Centel) filed a petition for approval of an interconnection agreement with Intermedia Communications of Florida, Inc. (ICI). The agreement was executed on February 9, 1996, and United-Centel is seeking approval of the agreement under the Telecommunications Act of 1996. The following recommendation addresses the petition.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve the proposed interconnection agreement between United-Centel and ICI that resolves all major issues involving these parties as they relate to universal service, number portability, resale/unbundling, and local interconnection?

RECOMMENDATION: Yes. The Commission should approve the proposed interconnection agreement between United-Centel and ICI, resolving all major issues involving these parties as they relate to universal service, number portability, resale/unbundling, and local interconnection. If United-Centel and ICI modify their agreement, the Commission should require United-Centel and ICI to file supplements to their agreement for Commission review under the provisions of Section 252(e) of the federal Telecommunications Act of 1996.

Staff recommends that United-Centel and ICI should submit supplements to the agreement to Records and Reporting prior to September 28, 1996, which will contain the necessary detailed information as indicated in Attachment II. If the parties do not provide the details by that date, then staff recommends that the Commission reject this proposed agreement, since it is not in the public interest and lacks the details as required by the Act.

STAFF ANALYSIS: As stated in the Case Background, United-Centel is seeking approval of the interconnection agreement with ICI under the federal Telecommunications Act of 1996 (1996 Act). The agreement will resolve the major issues between the parties and allow them to begin to compete in the local exchange market (See Attachment I).

Both the 1996 Act and the revised Chapter 364, Florida Statutes, encourage parties to enter into negotiated agreements to bring about local exchange competition as quickly as possible. Under the 1996 Act, "any party may, at any point in the negotiation, ask the State commission to participate in the negotiation and to mediate any differences arising in the course of the negotiation." If the parties reach a negotiated agreement, under Section 252(e) of the 1996 Act it is to be filed with the state commission for approval. In addition, Section 252(a)(1) of the 1996 Act requires that "the agreement shall include a detailed schedule of itemized charges for interconnection and each service or network element included in the agreement." Under Section 252(e)(4), the state commission must approve or reject the agreement within 90 days after submission, or the agreement shall be deemed approved.

Staff has reviewed the United-Centel and ICI proposed agreement for compliance with both the Florida statutes and the 1996 Act. The agreement contains sections on local interconnection, unbundling and resale, universal service, and temporary number portability.

Local Interconnection

The delivery of local traffic between ICI and United-Centel shall be reciprocal and compensation will be mutual. United-Centel makes available two forms of interconnection: a flat-rated port charge arrangement (hereinafter referred to as Option A) or a per minute of use charge (hereinafter referred to as Option B). The option chosen by ICI will remain in effect for the duration of the agreement.

If Option A is elected, ICI will purchase the capacity of a DS1 for terminating traffic to United-Centel. Similarly, United-Centel would purchase the capacity of a DS1 from ICI. Depending on ICI's network requirements and traffic patterns, ICI could purchase the DS1 capacity at United-Centel's access tandem, local tandem or at an end office. The flat-rated port charge, Option A, is based on a fixed monthly charge for a DS1 interconnection at a tandem or an individual end office. Both the tandem and the end office port charges are developed based on the access charge rate elements. The tandem port rates include the additional switching and transport functions associated with a tandem.

If Option B is elected, the parties will compensate each other using United-Centel's terminating local switched access rates for terminating local traffic on each other's network. The parties will pay each other United-Centel's terminating switched access rate, exclusive of the residual interconnection charge (RIC) and carrier common line elements of the switched access rate, on a per minute of use basis. This rate is $.01867 per minute. If it is mutually agreed that the administrative costs associated with Option B are greater than the net monies exchanged, the parties will exchange local traffic on an in kind basis, foregoing compensation in the form of cash or cash equivalent. However, neither party is required to compensate the other for more than one hundred five percent (105%) of the total minutes of use of the party with the lower minutes of use in the same month.

Unbundling and Resale

Several network elements are proposed to be unbundled and made available to ICI under the agreement:

(1) Access to 911/E911 Emergency Network
(2) Directory Listings and Directory Distribution
(3) IntraLATA 800 Traffic
(4) Busy Line Verification/Emergency Interrupt Services
(5) Directory Assistance
(6) Network Design and Management
(7) CLASS interoperability and Signaling
(8) Local Loop

Staff is concerned that the 911/E911 alternate routing arrangement does not accurately reflect the way United-Centel provides emergency services. We believe that this section needs to be corrected in order for the agreement to be compliant with public interest considerations pursuant to 252(e)(2)(A)(ii). Staff has asked United-Centel to modify the 911/E911 section of the agreement to reflect the actual alternate routing safeguards that will be provided. As of this writing staff has not received that modification, but the parties have agreed to submit it.

Some of the unbundling and resale sections of the agreement lacked the detail required by Section 252(a)(1) of the Act. Staff contacted United-Centel and ICI about the lack of detail. The parties have agreed to submit the additional information. Staff recommends that the parties submit those supplements to the agreement to Records and Reporting prior to September 28, 1996, which will contain the necessary detailed information as indicated in Attachment II. If the parties do not provide the details by that date, then staff recommends that the Commission reject this proposed agreement due to the lack of detailed information, as required by the Act.

Universal Service

With respect to universal service issues, the Commission, by Order No. PSC-95-1592-FOF-TP issued December 27, 1995, established a generic policy to implement an interim mechanism that consists of two components. First, the LECs should continue to fund their universal service/carrier of last resort (US/COLR) requirements via markups on the rates of their services. Second, an expedited petition process for US/COLR funding on a case-by-case basis is adopted, wherein a LEC may demonstrate that competitive entry has eroded its ability to fund its US/COLR obligations and quantify the shortfall in support due to competitive entry. Decisions on the amount of funding required, how to recover such identified amounts, and related matters will be based on the facts presented. If funding is deemed necessary, any mechanism adopted will be company-specific.

Under the proposed agreement the signatories agree that United-Centel will guarantee the provision of universal service as the carrier of last resort throughout its territory until January 1, 1998. Further, the proposed agreement is consistent with Commission policy, in that it allows United-Centel during the two-year period to petition the Commission for relief if it believes that competition is undermining its ability to sustain its US/COLR responsibilities.

Temporary Number Portability

The proposed agreement differs from the Commission's decision on temporary number portability in Order No. PSC-95-1604-FOF-TP issued December 28, 1995, in Docket No. 950737-TP in two respects. First, the recurring monthly rates in the proposed agreement for ported numbers are higher than the rates adopted by the Commission. The recurring charge in the agreement is $1.25 per line per month for residential or business lines. The Commission ordered $1.00 per line per month for residential or business lines. The Commission did allow parties to negotiate different rates as part of a larger package. Second, while the Commission adopted a nonrecurring establishment charge of $10.00 per order per customer account, the proposed agreement provides for a charge of $25.00 per order. Although the nonrecurring charge is different and above the company's stated cost in Docket No. 950737-TP, staff believes that the agreement's provisions on temporary number portability should be viewed in conjunction with all other conditions in the agreement.

Conclusion

Table 1-1 compares the major elements of the United-Centel/ICI agreement with Commission ordered interconnection arrangements and Commission approved negotiated interconnection agreements.

Table 1-1

	United-Centel/ ICI	GTEFL/Intermedia Negotiated Agreement	BellSouth/FCTA Negotiated Agreement	BellSouth/MCImetro and MFS-FL Commission Ordered Arrangement
Local Interconnection	$.01867/Minute 105% Cap **	$.011136/Minute 105% Cap **	$.01052/Minute 105% Cap **	Mutual Traffic Exchange
Unbundled Loops	$19.05/month	$23.00/month	$21.15/month	$17.00/month
Temporary Number Portability				
Recurring -	$1.25/line per month res. or bus.	$1.25/line per month res. or bus.	$1.25/line per month res. and $1.50/line per month bus.	$1.00/line per month res. or bus.
Additional Path -	$.50/path	$.50/path	$.50/path	$.50/path
Nonrecurring -	$25.00/order	$5.00/order	$25.00/order	$10.00/order per customer account

** Mutual Traffic Exchange will be used if both parties agree administrative costs of billing and auditing are too high.

In summary, the Commission should approve the proposed interconnection agreement between United-Centel and ICI, resolving all major issues involving these parties as they relate to universal service, number portability, resale/unbundling, and local interconnection. If United-Centel and ICI modify their agreement, the Commission should require United-Centel and ICI to file supplements to their agreement for Commission review under the provisions of Section 252(e) of the federal Telecommunications Act of 1996. Staff recommends that United-Centel and ICI should submit supplements to the agreement to Records and Reporting prior to September 28, 1996, which will contain the necessary detailed information as indicated in Attachment II. If the parties do not provide the details by that date, then staff recommends that the Commission reject this proposed agreement, since it is not in the public interest and lacks the details as required by the Act.

ISSUE 2: Should Docket No. 960791-TP be closed?

RECOMMENDATION: Yes, with the adoption of staff's recommendation in Issue 1, Docket No. 960791-TP should be closed.

DOCKET NO. 960791-TP
DATE: September 4, 1996

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of local interconnection stipulation and agreement.

Docket No. 960791-TP
Filed July 1, 1996

PETITION OF UNITED TELEPHONE COMPANY OF FLORIDA AND CENTRAL TELEPHONE COMPANY OF FLORIDA FOR APPROVAL OF A LOCAL INTERCONNECTION AGREEMENT WITH INTERMEDIA COMMUNICATIONS, INC.

United Telephone Company of Florida and Central Telephone Company of Florida (hereinafter collectively referred to as United/Centel) file this Petition with the Florida Public Service Commission seeking approval of a local interconnection agreement between United/Centel and Intermedia Communications Inc. (ICI). In support of this petition United/Centel state:

1. Section 364.162(2) and (6), Florida Statutes (1995) requires alternate local exchange telecommunications companies (ALEC) to negotiate with a local exchange telecommunications company (LEC) mutually acceptable prices, terms and conditions of interconnection and for the resale of services and facilities.

2. Section 364.162(2), Florida Statutes, requires in part, that interconnection agreements between a LEC and an ALEC be filed with the Florida Public Service Commission (FPSC) prior to their effective date.

3. Section 252(e) of the Federal Telecommunications Act of 1996 also requires that any interconnection agreement adopted by negotiation or arbitration be submitted for approval to the State commission.

4. United/Centel have negotiated an interconnection agreement with Intermedia Communications, Inc. and in accordance with the above cited Florida and Federal statutes, United/Centel submit this agreement to the Florida Public Service Commission for approval. The interconnection agreement is attached to this Petition as Exhibit "A."

5. Under the Federal act, a negotiated interconnection agreement can be rejected by the State commission only if the commission finds that the agreement, or any portion thereof, discriminates against a telecommunications carrier not party to the agreement or if the implementation of the agreement is not consistent with the public interest, convenience and necessity. (See, Section 252(e)(2), the Telecommunications Act of 1996.)

6. The attached agreement between United/Centel and Intermedia Communications Inc. does not discriminate against any similarly situated telecommunications carrier and promotes local telecommunications competition. The agreement is also consistent with the public interest, convenience and necessity.

Wherefore, United/Centel respectfully request that the Commission approve the attached interconnection agreement entered with Intermedia Communications Inc.

Respectfully submitted,

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STIPULATION AND AGREEMENT

This Stipulation and Agreement is entered into by and between the undersigned parties to settle outstanding issues in Docket No. 950985-TP, addressing the establishment, on an interim basis, of nondiscriminatory rates, terms and conditions for local interconnection pursuant to Section 364.162, Florida Statutes, issues associated with Docket No. 950737-TP, addressing a temporary telephone number portability solution, e.g., Remote Call Forwarding pursuant to Section 364.16(4), Florida Statutes, and Docket No. 950984-TP, addressing 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 comprehensive Stipulation and Agreement for the purpose of facilitating the introduction of 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 comprehensive Stipulation and Agreement become effective on the date of signature and remain in effect until December 31, 1997. The undersigned parties understand that as experience is gained in the marketplace it may become apparent that prices, terms and conditions other than those set forth in this agreement for purposes of introducing competition may be more appropriate to support the continued development of competition upon the expiration of this agreement. The parties intend for this Stipulation and Agreement to establish the interim prices, terms, conditions and mechanisms necessary to facilitate the introduction of local exchange competition, as required by the above-referenced section of Florida Chapter Law 95-403. This Stipulation and Agreement will dispose of all known outstanding issues in the aforementioned dockets. Thereafter, to the extent permitted by law, the parties intend to renegotiate these provisions based upon experience gained in the marketplace.

The undersigned parties agree that the issues addressed in the aforementioned proceedings, which have been framed in response to the requirements of the above-referenced sections of Florida Chapter Law 95-403, shall be resolved during the term of this agreement as follows:

A. Local Interconnection - Docket No. 950985-TP

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, Florida Statutes, 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 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. Whether set by negotiation or by the Commission, interconnection and resale prices, rates, terms and conditions shall be filed with the Commission before their effective date.

The parties were unable to negotiate mutually acceptable prices, terms and conditions of interconnection by August 31, 1995, or within sixty 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 Sprint United-Florida/Centel-Florida (hereinafter referred to as S-UTF/CF) through December 31, 1997:

1. "Local interconnection" is defined 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 E, 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 Stipulation and 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 to 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 the undersigned ALEC and S-UTF/CF shall be reciprocal and compensation will be mutual. S-UTF/CF makes available two forms of interconnection: a flat-rated port charge arrangement (hereinafter referred to as Option A) or a per minute of use charge (hereinafter referred to as Option B). The Option chosen by the ALEC will remain in effect for the duration of the agreement.

   a. If Option A is elected, the ALEC purchases the capacity of a DS1 for terminating traffic to S-UTF/CF. Similarly, S-UTF/CF would purchase the capacity of a DS1 from the ALEC. Depending on the ALEC's network requirements and traffic patterns, the ALEC could purchase the DS1 capacity at S-UTF/CF's access tandem, local tandem or at an end office. The flat-rated port charge, Option A, is based on a fixed monthly charge for a DS1 interconnection at a tandem or an individual end office. Both the tandem and the end office port charges are developed based on the access charge rate elements. The tandem port rates include the additional switching and transport functions associated with a tandem. Also, recognizing that trunking efficiencies increase with the number of ports, price reduction on the first three ports of 50%, 30% and 10%, respectively, is provided. This price reduction is only applicable for the first three ports in each LATA. The rates for end office and tandem connection are shown in Attachment A.

   b. If Option B is elected, the parties will compensate each other using S-UTF/CF's terminating local switched access rates as provided in Attachment B for terminating local traffic on each other's network. If it is mutually agreed that the administrative cos associated with Option B are greater than the net monies exchanged, the parties will exchange local traffic on an in kind basis; foregoing compensation in the form of cash or cash equivalent.

c. S-UTF/CF is required to reduce its intrastate switched access rates by 5% in October, 1996 per Section 364.163(6), Florida Statutes. S-UTF/CF will propose to apply the 5% reduction to the line termination rate and to spread the balance of the line termination rate element revenues proportionately to the originating and terminating carrier common line rate elements effective October 1, 1996. The resulting rate reduction will be applicable to both Option A and Option B rates.

3. When Option B is chosen, in order to mitigate the potential adverse impact on a local exchange provider which might occur because of an imbalance of terminating local traffic between the local exchange providers, and to reflect the fact that terminating costs are associated with peak period demand, 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 S-UTF/CF 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 S-UTF/CF's local exchange network, the ALEC would be required to compensate S-UTF/CF for local interconnection on the basis of 10,500 terminating minutes (10,000 mins. X 105% = 10,500 mins.) and S-UTF/CF would compensate the ALEC for 10,000 terminating minutes. Seven additional examples are contained on Attachment C which is incorporated herein by reference. If each local provider does not have the appropriate software to measure terminating traffic then each local provider will report to the other provider the amount of local traffic terminated. Interconnecting facilities shall conform, at the minimum, to the telecommunications industry standard of

DS1 (Bellcore Standard No. TR-NWT-00499). 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. Either party may petition the PSC for resolution should unresolved issues remain 90 days from the effective date of this agreement. 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.

4. The parties stipulate and agree that the exchange of traffic on S-UTF/CF's Extended Area Service, Extended Calling Service and other local calling routes shall be considered local traffic. The parties will therefore compensate each other for such traffic pursuant to paragraphs 2 and 3 above.

5. S-UTF/CF shall work with the numbering administrator and the ALEC to the extent possible to see that the ALECs have a sufficient quantity of numbering resources so that S-UTF/CF can tell whether a call from S-UTF/CF customer to an ALEC's customer is local or toll. Whenever S-UTF/CF delivers traffic to an ALEC for termination on the ALEC's network, if S-UTF/CF cannot determine whether the traffic will be local or toll because of the manner in which the ALEC uses NXX codes, S-UTF/CF will not compensate the ALEC for local interconnection but will, instead, charge the ALEC originating intrastate network access service charges unless the ALEC can provide S-UTF/CF with sufficient information to make a determination as to whether the traffic is

local or toll. In the event that the ALEC cannot determine whether traffic delivered to S-UTF/CF is local or toll, then the same provision shall apply.

6. Either S-UTF/CF 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 S-UTF/CF, 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 $0.002 per minute charge over and above its appropriate local interconnection rate elements on Attachment B.

7. When S-UTF/CF or an ALEC provides intermediary functions for network access, i.e., between an IXC and an ALEC, the ALEC and S-UTF/CF will each provide their own network access service elements on a meet-point basis. Each carrier will bill its own access service rate elements to the IXC. S-UTF/CF or the ALEC may bill the residual interconnection charge ("RIC") to the IXC when either provides the intermediary tandem function.

8. The delivery of intrastate toll traffic between the undersigned ALEC and S-UTF/CF shall also be reciprocal and compensation will be mutual. The undersigned ALEC and S-UTF/CF shall pay each other identical rates for terminating the same type of traffic on each other's network. The parties will pay each other S-UTF/CF's intrastate switched network access service rate elements on a per minute of use basis for originating and terminating intrastate toll traffic as appropriate. For example, when an ALEC customer places a toll call to a S-UTF/CF customer and the ALEC serves as the toll carrier, S-UTF/CF will charge the ALEC terminating network access charges, the price of which will vary depending upon whether the call goes through a S-UTF/CF tandem or is directly routed to the S-UTF/CF end office. If the ALEC is serving as the S-UTF/CF customer's presubscribed IXC, or the S-UTF/CF customer uses the ALEC on a 10XXX basis, the S-UTF/CF will charge the ALEC the appropriate originating network access

charges. Likewise, if S-UTF/CF is serving as the ALEC customer's presubscribed IXC, or the ALEC customer uses S-UTF/CF on a 10XXX basis, the ALEC will bill S-UTF/CF the appropriate originating network access charges. Examples of these network access rate elements and prices are identified on Attachment D which is incorporated herein by reference.

Because the undersigned parties lack sufficient data with respect to the volumes of local terminating traffic being delivered to each LEC and ALEC, the prices, terms and conditions of local interconnection agreed to herein are deemed transitional in nature. The parties deem them acceptable only in the interests of compromise to enable the introduction of local exchange competition to Florida's consumers.

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 January 1, 1998. Accordingly, by no later than June 1, 1997, the undersigned parties shall commence negotiations with regard to their 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 c [illegible] ered by the Commission, or negotiated by the parties, will be effective retroactive to January 1, 1998. Until the revised interconnection arrangements become effective, the parties shall continue to exchange traffic on a reciprocal basis pursuant to the terms of this Stipulation and Agreement.

B. Unbundling and Resale of Local Exchange Telecommunications Company Network Features, Functions and Capabilities Docket No. 950984-TP

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 these network features, functions and capabilities that are technically and economically feasible of unbundling as set forth in Attachment E, 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.

The parties acknowledge that the provisions of Chapter 364, Florida Statutes, relating to the unbundling and resale of facilities and services, reflect a thoughtfully crafted and well-balanced approach to the introduction of local exchange competition, and the parties therefore commit that these provisions will be fairly and equitably implemented and adhered t in order to effectuate and remain consistent with legislative intent. The parties recognize that the application of current tariffed prices for resale purposes will not be inconsistent with this commitment. The parties agree that the issue of imputation of LEC unbundled service prices into its retail rates is not addressed by the Stipulation and 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 - Docket No. 950696-TP

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 undersigned parties stipulate and agree that S-UTF/CF will guarantee the provision of universal service as the carrier-of-last-resort throughout its territory until January 1, 1998, without pursuing ALEC contributions through the interim mechanism. Notwithstanding the foregoing, if S-UTF/CF 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. 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.

D. Temporary Number Portability - Docket No. 950797-TP

With regard to the rates and charges to be paid for remote call forwarding between carriers, which is the temporary telephone number portability solution approved for implementation January 1, 1996, the undersigned parties agree to pay recurring rates 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 non-recurring charge if the additional path is ordered at the same time as the first path. The undersigned parties further agree to pay a non-recurring charge of no more than $25.00 per order for multiple residential or business lines placed on the same order in a single exchange.

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

For that terminating toll traffic ported to the ALEC, S-UTF/CF will bill the IXC tandem switching, the residual interconnection charge and a portion of the transport, and the ALEC will bill the IXC local switching, the carrier common line and a portion of the transport. If S-UTF/CF is unable to provide the necessary access records to permit the ALECs to bill the IXCs directly for terminating access to ported numbers, then the parties agree to work cooperatively to develop a surrogate method to approximate the access minutes and revenues, and a settlement process based on the above distribution. If intraLATA calls are delivered to the other party via a ported number, the originating party will pay the terminating party.

E. Resolution of Disputes

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

F. Duration

This Stipulation and Agreement takes effect when signed by the parties and remains in effect until each of the matters and issues addressed by the undersigned parties or as modified by mutual consent of the parties but will terminate December 31, 1997.

G. Representations

Each person signing this Stipulation and Agreement represents that he or she has the requisite authority to bind the party on whose behalf the person is signing. By signing this Stipulation and 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 Stipulation and Agreement, the comprehensive resolution of the issues set forth in this Stipulation and Agreement shall, nonetheless, be binding upon the undersigned parties. Each undersigned party commits to use its best efforts to persuade the Commission, prior to and during the hearings scheduled in the aforementioned dockets, to accept the stipulations agreed to by the undersigned parties.

H. Limitation of Use

The undersigned parties understand and agree that this Stipulation and Agreement was entered into to resolve issues and matters which are unique to th. State of Florida because of regulatory precedent and legislative requirements. The undersigned parties therefore agree that none of the agreements and stipulations contained herein shall be proffered by an undersigned party in another jurisdiction as evidence of any concession or as a waiver of any position taken by another undersigned party in that jurisdiction or for any other purpose.

I. Waivers

Any failure by any undersigned party to insist upon the strict performance by any other entity of any of the provisions of this Stipulation and Agreement shall not be deemed a waiver of any of the provisions f this Stipulation and 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 Stipulation and Agreement

J. Billing

To the extent either party is unable to implement the exact terms of this agreement as a result of technical difficulties, a reasonable surrogate will be developed for billing until such time as an actual bill can be implemented or the parties agree that the billing is sufficient for the term of this agreement.

K. Governing Law

This Stipulation and 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.

L. Purposes

The undersigned parties acknowledge that this Stipulation and Agreement is being entered into for the purposes of facilitating the introduction of local exchange competition; complying with the requirements of Florida Chapter Law 95-403 with respect to negotiating the matters at issue in Docket Nos. 950737-TP and 950985-TP. Neither this Stipulation and Agreement nor any action taken to reach, effectuate or further this Stipulation and Agreement may be construed as, or may be used as an admission by or against any party.

M. Arm's Length Negotiations

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

N. Joint Drafting

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

O. Single Instrument

This Stipulation and 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 Stipulation and Agreement has been executed as of the 9th day of February, 1996, by the undersigned representatives for the parties hereto.

Florida Cable Telecommunications Association, Inc.

By: ______________________
Authorized Representative

Sprint United Telephone-Florida/Centel-Florida

By: ______________________
Authorized Representative

Continental Cablevision, Inc.

By: ______________________
Authorized Representative

Time Warner AXS/Digital Media Partners

By: ______________________
Authorized Representative

Intermedia Communications, Inc.

By: ______________________
Authorized Representative

Ei.

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ATTACHMENT A

OPTION A

SPRINT UNITED TELEPHONE-FLORIDA/CENTEL-FLORIDA

LOCAL INTERCONNECTION PORT CHARGES

RATE ELEMENTS AND RATE LEVELS

Port	Tandem	End Office	Discount
1	$2137	$2016	50%
2	$2992	$2822	30%
3	$3847	$3629	10%
4 –	$4275	$4032	0%

Example:

1. If S-UTF/CF purchases one port at an ALEC end office and the ALEC purchases one port at a S-UTF/CF end office, each company would pay the other $2,016. A net difference of $0.00.

2. If S-UTF/CF purchases one port at an ALEC end office and the ALEC purchases one port at a S-UTF/CF tandem, then S-UTF/CF would pay the ALEC $2,016 and the ALEC would pay S-UTF/CF $2,137. A net difference of $121.00.

Note: S-UTF/CF will purchase a port to the ALEC for each local interconnection port purchased by the ALEC.

February ., 1996
2:30 PM

ATTACHMENT B

OPTION B

SPRINT UNITED TELEPHONE-FLORIDA/CENTEL-FLORIDA

LOCAL INTERCONNECTION

RATE ELEMENTS AND RATE LEVELS

Rate Elements	Rate Levels as of[2] February 6, 1996	
Transport[1]	Tandem	End Office
DS1 Local Channel - Entrance Facility[3]	0.00097	0.00097
Switched Common Transport per minute of use per mile	0.00004	
Facilities Termination per MOU	0.00020	
Tandem Switching	0.00088	
Local Switching	0.00980	0.00980
Line Termination	0.00790	0.00790
	0.01979	0.01867

[1] Assumptions:
- Tandem Connection with Common Transport
- No Collocation
- DS1 local channel @ 9000 minutes per month and 24 voice grade equivalents

[2] S-UTF/CF's switched access rates, reflecting local transport restructure, have been approved with a February 6, 1996 effective date.

[3] Entrance facility is optional; interconnect may also be ordered on a meet-point or virtual collocation basis in which case the special access or collocation tariffs would be applicable, respectively.

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ATTACHMENT C

OPTION B

EXAMPLE OF "5% CAP"[1]

Case 1:

S-UTF/CF terminates 10,000 min. to ALEC X

ALEC X bills S-UTF/CF for 10,000 min.

ALEC X terminates 15,000 min. to S-UTF/CF

S-UTF/CF bills ALEC X for 10,500 min. (10,000 + 5%)

Case 2:

S-UTF/CF terminates 15,000 min. to ALEC X

ALEC X bill S-UTF/CF for 10,500 min. (10,000 + 5%)

ALEC X terminates 10,000 min. to S-UTF/CF

S-UTF/CF bills ALEC X for 10,000 min.

Case 3:

S-UTF/CF terminates zero min. to ALEC X

ALEC X bills S-UTF/CF zero

ALEC X terminates 10,000 min. to S-UTF/CF

S-UTF/CF bills ALEC X zero

Case 4:

S-UTF/CF terminates 10,000 min. to ALEC X

ALEC X bills S-UTF/CF zero

ALEC X terminates zero min. to S-UTF/CF

S-UTF/CF bills ALEC X zero

Case 5:

S-UTF/CF terminates 10,000 min. to ALEC X

ALEC X bills S-UTF/CF for 10,000 min.

ALEC X terminates 10,200 min. to S-UTF/CF

S-UTF/CF bills ALEC X for 10,200 min. (difference is less than cap).

Case 6:

S-UTF/CF terminates 10,200 min. to ALEC X	ALEC X bills S-UTF/CF for 10,200 min. (Difference is less than cap)
ALEC X terminates 10,000 min. to S-UTF/CF	S-UTF/CF bills ALEC X for 10,000 min.

Case 7:

S-UTF/CF and ALEC X both terminate 10,000 min. to each other	ALEC X and S-UTF/CF both bill each other 10,000 min.

[2] For Case 1 and Case 2 in recognition that the composition of terminating minutes could include minutes charged at an end office rate and minutes charged a tandem differential the local exchange provider who utilizes the formula for purposes of the amount of minutes to base this payment on shall calculate their payment based on the same proportion of end office minutes and tandem minutes for their total minutes in that month. For example (using Case 1):

S-UTF/CF terminates 10,000 min. to ALEC X at the end office	ALEC X bills S-UTF/CF for 10,000 min.
ALEC X terminates 15,000 min. to S-UTF/CF, 9,000 (60%) at end office rate and 6,000 (40%) at tandem rate	S-UTF/CF bills ALEC X for 10,500 min. (10,000 + 5%), 6,300 (60%) at end office rate and 4,200 (40%) at tandem rate

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ATTACHMENT D

SPRINT UNITED TELEPHONE-FLORIDA/CENTEL-FLORIDA

INTRASTATE SWITCHED ACCESS

RATE ELEMENTS AND RATE LEVELS

Rate Elements	Rate Levels as of[2] February 6, 1996	
	UTF	CF
Carrier Common Line		
Originating	$0.02580	$0.030400
Terminating	$0.03360	$0.038200
Transport[1]		
DS1 Local Channel - Entrance Facility	$0.000970	$0.000970
Residual Interconnection	$0.013997	$0.021037
Switched Common Transport per minute of use per mile	$0.00004	$0.000040
Facilities Termination per MOU	$0.000200	$0.000200
Access Tandem Switching		
Premium	$0.000880	$0.000880
Transitional	$0.000877	$0.000877
Local Switching	$0.009800	$0.009800
Line Termination	$0.007900	$0.007900

[1] Assumptions:
- Tandem Connection with Common Transport
- No Collocation
- DS1 local channel @ 9000 minutes per month and 24 voice grade equivalents

[2] S-UTF/CF's switched access rates, reflecting local transport restructure, have been approved with a February 6, 1996 effective date.

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ATTACHMENT E

UNBUNDLED NETWORK FEATURES, FUNCTIONS AND CAPABILITIES

The parties to the Stipulation and 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 basic 911 service, S-UTF/CF will provide a list consisting of each municipality in Florida that subscribes to Basic 911 service. The list will also provide the E911 conversion date and for network routing purposes a ten-digit directory number representing the appropriate emergency answering position for each municipality subscribing to 911 service. Each ALEC will arrange to accept 911 calls from its customers in municipalities that subscribe to Basic 911 service and translate the 911 call to the appropriate 10-digit directory number as stated on the list provided by S-UTF/CF and route that call to S-UTF/CF at the appropriate tandem or end office. When a municipality converts to E911 service, the ALEC shall discontinue the Basic 911 procedures and begin the E911 procedures.

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 S-UTF/CF. 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 trunk 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. S-UTF/CF will work cooperatively with the ALEC to define record layouts, media requirements, and procedures for this process.

In some instances S-UTF/CF 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 S-UTF/CF be entitled to compensation from both parties for the same function.

(2) Directory Listings and Directory Distribution.

S-UTF/CF will arrange for ALECs' customers' primary listings to be included in the white page (residence and business listings) and yellow page (business listings) directories as long as the ALEC provides information to S-UTF/CF in a manner compatible with S-UTF/CF's operational system. S-UTF/CF will coordinate the printing of all customers' information in the white and yellow pages directories on the same terms and conditions and at the same compensation level as S-UTF/CF pays its publisher(s) to have its directories compiled, printed and distributed. S-UTF/CF will work cooperatively with the ALEC on issues concerning lead time, timeliness, format, and the content of listing information.

(3) Directory Assistance Services

S-UTF/CF will arrange for ALECs to have three options for the provision of directory assistance service. First, S-UTF/CF will provide a resale option, where the ALEC would utilize S-UTF/CF's directory assistance service for the ALEC's customers. Second, S-

UTF/CF will provide a database purchase option. Third, S-UTF/CF will provide ALECs with a database access option, when it is technically feasible for S-UTF/CF.

(4) IntraLATA 800 Traffic

S-UTF/CF will compensate ALECs for the origination of 800 traffic terminated to S-UTF/CF pursuant to the ALEC's originating switched access charges. At such time as an ALEC elects to provide 800 services, the ALEC will compensate S-UTF/CF at S-UTF/CF's originating access charges for intraLATA 800 traffic terminated to the ALEC. The originating company will record the call and forward the appropriate billing information in a standard ASR/EMR format.

(5) Busy Line Verification/Emergency Interrupt Services.

S-UTF/CF and the ALECs shall mutually provide each other busy line verification and emergency interrupt services pursuant to tariff.

(6) Network Design and Management

S-UTF/CF 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. S-UTF/CF 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 S-UTF/CF's intention not to charge rearrangement, reconfiguration, disconnect, or other non-recurring 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.

S-UTF/CF 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 S-UTF/CF and the ALECs 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.

(8) Network Expansion.

For network expansion, S-UTF/CF 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 S-UTF/CF and the ALEC. S-UTF/CF 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, S-UTF/CF 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 S-UTF/CF's unbundled local loop will be the price set forth in S-UTF/CF's Special Access Tariff.

**Additional Information Needed From the Parties
For Docket 960791-TP**

Attachment E of the proposed agreement:

Page 1-2 (1) 911 - Company needs to tell us what they are going to charge each other for trunking or that they are going to provide their own trunks.

Page 2-3 (3) Directory Assistance - Company need to say how much money.

Page 3 (5) Busyline Verification - Company needs to make tariff reference.

Page 4 (9) Signalling - Company needs to make a specific tariff reference.

Page 5 (10) Local Loop - Company need to make a specific tariff reference.

Need additional 911/E911 modification for backup routing.