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October 15, 1996

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

RE: Docket No. 961150-TP

Dear Mrs. Bayo:

Enclosed are an original and fifteen copies of BellSouth Telecommunications, Inc.'s Response to Sprint's Petition for Arbitration Under the Telecommunications Act of 1996. Please file these documents in the above-captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served on the parties shown on the attached Certificate of Service.

Sincerely yours,

Edward L. Rankin, III (BL)

Edward L. Rankin, III

- ACK
- AFA
- APP
- CAF
- CMU
- CTR
- EAG
- LEG 2
- LIN 5
- OPC
- RCH
- SEC 1
- WAS
- OTH

Enclosures

cc: All Parties of Record
A. M. Lombardo
R. G. Beatty
W. J. Ellenberg

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[Signature]
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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the matter of:

Petition by Sprint)	
Communications Company)	
L.P. for Arbitration of)	
Interconnection with BellSouth)	Docket No.: 961150-TP
Telecommunications, Inc.)	
Under the Telecommunications)	Filed: October 15, 1996
Act of 1996)	

BELLSOUTH TELECOMMUNICATIONS, INC.'S RESPONSE
TO SPRINT'S PETITION FOR ARBITRATION UNDER
THE TELECOMMUNICATIONS ACT OF 1996

COMES NOW, BellSouth Telecommunications, Inc. ("BellSouth"), by and through counsel, and hereby responds to the Petition of Sprint Communications Company L.P. ("Sprint") for Arbitration Under the Telecommunications Act of 1996, and shows the following:

I. INTRODUCTION

On February 8, 1996, President Clinton signed into law The Telecommunications Act of 1996 (the "Act"). Even before this landmark legislation was enacted, though, BellSouth had conducted negotiations seeking to obtain local interconnection agreements in its region and indeed had reached such agreements with several competitive local exchange carriers. Since February 8, 1996, BellSouth has conducted negotiations pursuant to the Act with more than thirty (30) different companies. Currently, BellSouth has successfully reached agreements with approximately twenty (20) companies. Most recently, BellSouth

resolved all but three open issues in the arbitration case filed by MFS Communications Co., Inc. in Florida and Georgia. The nature and extent of these agreements has varied depending on the individual needs of the companies, but the conclusion is inescapable. BellSouth has a record of embracing competition and displaying a willingness to compromise with reasonable companies to interconnect on fair and reasonable terms.

BACKGROUND

This arbitration has been filed under the Act. Pursuant to the Act, when parties cannot successfully negotiate an interconnection agreement, either may petition a state commission for arbitration of unresolved issues between the 135th and 160th day from the date a request for negotiation was received.¹ It is clear from the Act that the petitioner must identify the issues resulting from the negotiations which are resolved, as well as those which are unresolved.²

A non-petitioning party to a negotiation under the Act may respond to the other party's petition and provide such additional information as it desires within twenty-five (25) days after the respondent receives the petition.³ The Act limits the state

¹ 47 U.S.C. § 252(b)(1).

² See generally, 47 U.S.C. §§ 252(b)(2)(a) and 252(b)(4).

³ 47 U.S.C. § 252(b)(3).

commission's consideration of issues to those raised in the petition and any response thereto.⁴

The Commission must, through the arbitration process, resolve the unresolved issues ensuring that the requirements of Sections 251 and 252 of the Act are met. The obligations contained in those sections of the Act are the obligations that form the basis for negotiation, and if negotiations are unsuccessful, then form the basis for arbitration. Issues or topics not specifically related to these areas are outside the scope of an arbitration proceeding.⁵ Once the Commission has provided guidance on the unresolved issues, the parties must incorporate those resolutions into a final agreement to be submitted to the Commission for approval.⁶

Today, any arbitration must consider the impact, if any, of the Federal Communications Commission Order ("FCC Order") regarding the implementation of local competition provisions of the Act, adopted August 8, 1996. It is BellSouth's position, and the position of others, including other state regulatory commissions, that the FCC Order is overreaching and improperly extends the jurisdiction of the FCC. It is also BellSouth's position, evidently also shared by

⁴ 47 U.S.C. § 252(b)(4).

⁵ BellSouth has attached a matrix (Exhibit 1) hereto that identifies the unresolved issues between the parties to date and reflects the parties' position on the unresolved issues.

⁶ 47 U.S.C. § 252(a).

others, that it is regulatory micromanagement of the telecommunications industry.⁷

Unfortunately, despite its clear perversion of the intent of Congress, until overturned on appeal (BellSouth, among others, has filed its notice of its appeal of the FCC Order), the FCC's Order must be acknowledged by BellSouth. In order to provide clarity, BellSouth will respond to Sprint's Petition herein, and address the FCC Order in the testimony or other submissions as this matter proceeds, as well as provide its view of the proper treatment of the issues raised by that Order.

BellSouth does submit that the Commission, given the uncertainty surrounding the various appeals of the FCC Order, should consider implementing a true-up mechanism in its final order in this proceeding. Such a mechanism would allow the implementation of competition to continue unhindered, while protecting the interests of BellSouth and other LECs. In view of the radical wrenching the FCC has given the new federal Act, such protections will prevent would-be competitors from obtaining any unfair competitive advantage garnered during the appeal process or while a stay is being sought.

II. SPECIFIC RESPONSE

Unfortunately, Sprint's Petition is largely couched in a narrative form that makes it difficult for BellSouth to either specifically admit or deny each allegation. Sprint's failure to plead

⁷ As of the date of this filing, the FCC Order has been temporarily stayed by the Eighth Circuit Court of Appeals.

allegations in an orderly, sequentially-numbered paragraph format precludes BellSouth from specifically responding to each allegation. Given the constraints placed upon it by Sprint's rambling narrative, BellSouth will respond to each subheading identified on page 6 of the Petition in a manner that will attempt to clearly reflect what unresolved issues remain to be arbitrated by this Commission:

1. As to the allegations contained under the subheading "Parties", BellSouth admits the allegations upon information and belief.

2. As to the allegations contained under the subheading "Jurisdiction", BellSouth admits the allegations upon information and belief.

3. As to the allegations contained under the subheading "Negotiations", BellSouth admits that:

a. BellSouth and Sprint have conducted negotiations pursuant to Sections 251 and 252 of the Act; that those negotiations continue today; and that if the parties resolve any issues prior to the arbitration, the parties will advise the Commission;

b. Sprint has attached as Exhibit 2 to its Petition a document entitled "Sprint Terms for LEC/CLEC Interconnection and Other Agreements";

c. Sprint has attached as Exhibit 3 to its Petition a document entitled "Sprint Terms Matrix Sheet";

d. On August 8, 1996, the FCC adopted its Order entitled "Implementation of the Local Competition Provisions in the Telecommunications Act of 1996", CC Docket No. 96-98;

e. BellSouth and Sprint have not entered into an agreement pursuant to Section 251 of the Act and that Sprint has asked the Commission to arbitrate all disputed issues identified by Sprint in its Petition; and

f. Sprint has attached as Exhibit 4 to its Petition a document entitled "Resale and Interconnection Agreement".

BellSouth lacks sufficient knowledge or information to admit or deny allegations under the subheading "Negotiations" concerning:

a. Sprint's subjective views of its negotiating philosophy, principles, or strategies, or its competence and experience in telephony; and

b. Sprint's subjective views concerning the purpose of developing and using Exhibit 2.

To the extent allegations under this subheading either recite, paraphrase, or interpret provisions of the Act or the FCC Order, said allegations do not constitute factual allegations per se and thus do not require a response. However, as stated above, the impact of the Order on the issues in this proceeding will be addressed in the testimony of BellSouth to be filed in this arbitration. All other allegations contained under subheading "Negotiations", and inferences thereon, are denied.

4. As to the allegations contained under the subheading "Submission of Relevant Documentation", BellSouth admits that Sprint has attached documents to its Petition that purport to be as represented in this paragraph. As stated earlier, BellSouth has submitted its own matrix which identifies the issues it believes remain unresolved.

5. As to the allegations contained under the subheading "Unresolved Issues to be Arbitrated", BellSouth admits that Sprint has attempted to generally divide the unresolved issues into five major categories.

6. As to the allegations contained under the subheading "I. Pricing", BellSouth admits that 1) the parties have not reached agreement on the identified pricing issues; 2) the Commission should arbitrate pricing issues pursuant to the letter and intent of the Act; and, 3) BellSouth received and responded to a letter dated August 13, 1996 from Sprint. BellSouth specifically denies that its response to the letter was not complete or did not comply with the FCC Order. All other allegations, and inferences thereon, contained under this subheading are denied.

7. As to the allegations contained under subheading I.A. of the Petition entitled "Rates for Wholesale Services", to the extent that these allegations either recite, paraphrase, or interpret provisions of the Act or the FCC Order, said allegations do not constitute factual allegations per se and thus do not require a response.

BellSouth admits that it has not offered for resale the referenced "promotions, discount plans and grandfathered services" because it is not required to do so by the Act. With respect to the issues identified by Sprint on pages 9-10 of the Petition using the format "Sprint Proposal/BellSouth Position", BellSouth agrees that those issues remain unresolved and are subject to arbitration; denies that any position taken by BellSouth on these issues violates any law, rule or regulation; and refers the Commission to BellSouth's own matrix attached hereto for the BellSouth position on these unresolved issues⁸. All other allegations, and inferences thereon, contained under this subheading are denied.

8. With respect to the allegations contained under subheading I.B. of the Petition entitled "Rates for Transport and Termination of Local Traffic", to the extent that these allegations recite, paraphrase, or interpret either the Act or the FCC Order, they do not constitute factual allegations per se and thus do not require a response. BellSouth specifically denies that the Act mandates that a party accept a bill and keep arrangement. With respect to the issues identified by Sprint of pages 13-15 of the Petition, BellSouth agrees that those issues remain unresolved and are subject to arbitration; denies that any position taken by BellSouth on these issues vioaltes

⁸ In many instances, Sprint has accurately recited BellSouth's position on an issue in the body of its Petition. In some instances, Sprint has injected inappropriate "editorial opinion" or has not fully stated BellSouth's position. To the extent the wording of a BellSouth position on its own matrix differs from the wording used by Sprint in its Petition, the Commission should accept the position as described on the matrix as BellSouth's position.

any law, rule or regulation; and refers the Commission to BellSouth's own matrix attached hereto for the BellSouth position on these unresolved issues. All other allegations, and inferences thereon, contained under this subheading are denied.

9. With respect to the allegations contained under subheading I.C. of the Petition entitled "Rates for Unbundled Elements", to the extent that these allegations recite, paraphrase, or interpret either the Act or the FCC Order, they do not constitute factual allegations per se and thus do not require a response. With respect to the issues identified by Sprint on page 17 of the Petition, BellSouth agrees that those issues remain unresolved and are subject to arbitration; denies that any position taken by BellSouth on these issues violates any law, rule or regulation; and refers the Commission to BellSouth's own matrix attached hereto for the BellSouth position on these unresolved issues. All other allegations, and inferences thereon, contained under this subheading are denied.

10. With respect to the allegations contained under subheading I.D. of the Petition entitled "Nondiscrimination in Pricing", to the extent that these allegations recite, paraphrase, or interpret either the Act or the FCC Order, they do not constitute factual allegations per se and thus do not require a response. With respect to the issues identified by Sprint on pages 19-20 of the Petition, BellSouth agrees that these issues remains unresolved and are subject to arbitration; denies that any position taken by BellSouth on these issues violates

any law, rule or regulation; and refers the Commission to BellSouth's own matrix attached hereto for the BellSouth position on this unresolved issue. All other allegations, and inferences thereon, contained under this subheading are denied.

11. With respect to the allegations contained under the subheading I.E. of the Petition entitled "Interim Number Portability", to the extent that these allegations recite, paraphrase, or interpret either the Act or the FCC Order, they do not constitute factual allegations per se and thus require no response. With respect to the issues identified by Sprint on page 21 of the Petition, BellSouth agrees that these issues remains unresolved and are subject to arbitration; denies that any position taken by BellSouth on these issues violates any law, rule or regulation; and refers the Commission to BellSouth's own matrix attached hereto for the BellSouth position on this unresolved issue. All other allegations, and inferences thereon, contained under this subheading are denied.

12. With respect to the allegations contained under the subheading II of the Petition entitled "Points of Interconnection", to the extent that these allegations recite, paraphrase, or interpret either the Act or the FCC Order, they do not constitute factual allegations per se and thus require no response. With respect to the issues identified by Sprint on pages 23-24 of the Petition, BellSouth agrees that these issues remain unresolved and are subject to arbitration; denies that any position taken by BellSouth on these

issues violates any law, rule or regulation; and refers the Commission to BellSouth's own matrix attached hereto for the BellSouth position on these issues. All other allegations, and inferences thereon, contained under this subheading are denied.

13. With respect to the allegations contained under subheading II.A. of the Petition entitled "Single Point of Interconnection", BellSouth agrees that the issues identified by Sprint on pages 24-25 of the Petition remain unresolved and are subject to arbitration. BellSouth, however, refers the Commission to BellSouth's own matrix attached hereto for the BellSouth position on this issue. All other allegations, and inferences thereon, contained under this subheading are denied.

14. With respect to the allegations contained under subheading II.B. of the Petition entitled "Meet Point Billing and Construction of Meet Point Facilities", to the extent that these allegations recite, paraphrase, or interpret either the Act or the FCC Order, they do not constitute factual allegations per se and thus require no response. With respect to the issues identified by Sprint on page 26 of the Petition, BellSouth agrees that these issues remain unresolved and are subject to arbitration; denies that any position taken by BellSouth on these issues violates any law, rule or regulation; and refers the Commission to BellSouth's own matrix attached hereto for the BellSouth position on this issue. All other allegations, and inferences thereon, contained under this subheading are denied.

15. With respect to the allegations contained under the subheading II.C. of the Petition entitled "Multiple Trunk Groups", to the extent that these allegations recite, paraphrase, or interpret either the Act or the FCC Order, they do not constitute factual allegations per se and thus require no response. With respect to the issues identified by Sprint on pages 27-28 of the Petition, BellSouth agrees that these issues remain unresolved and are subject to arbitration; denies that any position taken by BellSouth on these issues violates any law, rule or regulation; and refers the Commission to BellSouth's own matrix attached hereto for the BellSouth position on this issue. All other allegations, and inferences thereon, contained under this subheading are denied.

16. With respect to the allegations contained under subheading III of the Petition entitled "Operational Parity", to the extent that these allegations recite, paraphrase, or interpret either the Act or the FCC Order, they do not constitute factual allegations per se and require no response. With respect to the issues identified by Sprint on pages 30-36 of the Petition, BellSouth agrees that these issues remain unresolved and are subject to arbitration; denies that any position taken by BellSouth on these issues violates any law, rule or regulation; and refers the Commission to BellSouth's own matrix attached hereto for the BellSouth position on these issues. All other allegations, and inferences thereon, contained under this subheading are denied.

17. With respect to the allegations contained in the subheading IV of the Petition "Branding", to the extent that these allegations recite, paraphrase, or interpret either the Act or the FCC Order, they do not constitute factual allegations per se and thus require no response. With respect to the issues identified by Sprint on pages 38-39 of the Petition, BellSouth agrees that these issues remain unresolved and are subject to arbitration; denies that any position taken by BellSouth on these issues violates any law, rule or regulation; and refers the Commission to BellSouth's own matrix attached hereto for BellSouth's position on these issues. All other allegations, and inferences thereon, contained under this subheading are denied.

18. With respect to the allegations contained under the subheading V of the Petition entitled "Access to Poles, Ducts, Conduits, Rights of Way", to the extent that these allegations recite, paraphrase, or interpret either the Act or the FCC Order, they do not constitute factual allegations per se and thus require no response. With respect to the issues identified by Sprint on pages 40-41 of the Petition, BellSouth agrees that these issues remain unresolved and are subject to arbitration; denies that any position taken by BellSouth on these issues violates any law, rule or regulation and refers the Commission to BellSouth's own matrix attached hereto for BellSouth's position on these issues. All other allegations, and inferences thereon, contained under this subheading are denied.

19. The remainder of the Petition constitutes Sprint's prayer for relief which does not call for a response except insofar as Sprint merely restates its position on issues raised in the Petition. BellSouth incorporates by reference its response to those positions as set forth in the foregoing paragraphs 1-18. Further, BellSouth objects to any attempt by Sprint to expand the role of the Commission in this arbitration beyond that provided for in the Act, i.e., to resolve unresolved issues properly identified by the parties.

20. All allegations contained in the Petition that have not been specifically admitted are denied.

III. CONCLUSION

WHEREFORE, BellSouth requests the entry of an Order at the conclusion of this proceeding accepting and approving each of its positions in this Arbitration Proceeding as set forth above, on the attached matrix, and in BellSouth's testimony to be filed in this matter.

Respectfully submitted this 15th day of October, 1996.

BELLSOUTH TELECOMMUNICATIONS, INC.

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BellSouth

Issues Matrix

Arbitration of BellSouth/Sprint Interconnection Agreement

Note: To prepare this matrix, BellSouth developed an issues list based upon the "Term Sheet" references provided by Sprint and then listed the "Terms Sheet" reference(s) as constituting Sprint's position on those issues.

**BELLSOUTH'S LIST OF ISSUES TO BE DECIDED BY THE FLORIDA PUBLIC SERVICE COMMISSION
IN THE ARBITRATION OF THE INTERCONNECTION AGREEMENT BETWEEN SPRINT AND BELLSOUTH**

ISSUES	SPRINT Position*	BellSouth Position	TA96/FCC Rules
LOCAL SERVICE RESALE			
1. What services provided by BellSouth, if any, should be excluded from resale?	XIV.A.1., XIV.A.2., XIV.A.5. All regulated telecommunications services offered to end-users of BellSouth must be available for resale. Including volume discounted products, grandfathered products, individual case basis products, operator services, directory assistance, vertical services and promotions.	BellSouth will offer all of its telecommunications services available at retail to subscribers who are not telecommunications carriers. There are limited reasonable and nondiscriminatory limitations on such resale and as such the following services are not available for resale: grandfathered or obsolete services; lifeline or link-up services; contract service arrangements; promotions; N11, 911 and E911 services.	In accordance with Section 251(c)(4)(A) of the Act, BellSouth must "offer for resale at wholesale rates any telecommunications service that the carrier provides at retail to subscribers who are not telecommunications carriers..." Section 51.613(b) allows an incumbent LEC to impose restrictions if it proves to the state commission that they are reasonable and nondiscriminatory.
2. What is the appropriate method by which BellSouth should provide Carrier Identification Parameter (CIP)?	II.F.3. It should be provided as an unbundled network element and the associated rates should be based on TELRIC	CIP is not an element of BellSouth's network, but rather, it is an existing tariffed service. BellSouth will provide this service to Sprint as a resold service at the applicable wholesale rate.	Section 251(d)(2)(B) does not require an IELC to unbundle elements if other elements in the network could provide the same service without diminution of quality (FCC Order Paragraph 482).
PARITY			
3. What are the appropriate standards, if any, for performance metrics, service restoration, and quality assurance related to services provided by BellSouth for resale and for network elements provided to Sprint by BellSouth?	III.E.9. BellSouth and Sprint must agree upon a mechanism whereby BellSouth will improve performance when it is in breach of commission imposed or agreed upon quality-of-service standards.	BellSouth will provide the same quality of service to Sprint and other local competitors that it provides to its own customers for comparable services. The current Commission rules for service quality and monitoring procedures should be used to address any concerns.	Provisioning of unbundled network elements is covered in Paragraph 51.311 of the Rules. It states that the quality of unbundled network elements, as well as the quality of the access, that an incumbent LEC provides to a requesting carrier shall be the same for all telecommunications carriers requesting access to that network element.
4. Must BellSouth take financial responsibility for its own action in causing, or its lack of action in preventing, unbillable or uncollectible Sprint revenues?	III.E.9. BellSouth shall indemnify Sprint for any forfeitures or civil penalties or other regulator-imposed fines caused by BellSouth's failure to meet commission imposed or agreed service standards.	BellSouth will agree to reasonable provisions regarding liability for errors. Such provisions are applicable for existing access customers and should be applicable here.	BellSouth believes that the issues of financial penalties, and other liquidated damages or credits are not subject to arbitration under Section 251 of the Act.

* The citations reflect Sprint's "Term Sheet" provisions addressing the specific issue.

ISSUES	SPRINT Position*	BellSouth Position	TA96/FCC Rules
PARITY(Cont'd)			
<p>5. Are meet point billing arrangements appropriate between BellSouth and Sprint?</p>	<p>III.D.2. Meet point billing arrangements should be made available to Sprint on the same terms and conditions as made available to independent LECs.</p>	<p>BellSouth agrees that meetpoint billing arrangements are needed when Sprint and BellSouth provide access to an interexchange carrier. The appropriate arrangement and the one that has been included in the agreements that BellSouth has entered into with other carriers would have both Sprint and BellSouth bill their individual rate elements to the interexchange carrier.</p>	<p>FCC Order Paragraph 553 does not require BellSouth to bear the costs of a meet point access arrangement pursuant to 251(c)(3). Nothing in the Order requires BellSouth to establish "joint offer billing" with a competitor.</p>
<p>6. Should BellSouth be required to provide daily usage files as requested by Sprint?</p>	<p>III.D.8. Sprint and BellSouth should agree to capture EMR records for inward and outward calls and send them to one another in daily files.</p>	<p>BellSouth will provide usage data for completed/billable calls, but not for call attempts as this data will not be available.</p>	<p>The FCC Order does not address this issue.</p>
<p>7. Should BellSouth be required to provide real-time and interactive access via electronic interfaces as requested by Sprint to perform the following:</p> <ul style="list-style-type: none"> -Pre-Service Ordering -Service Trouble Reporting -Service Order Processing and Provisioning -Customer Usage Data Transfer -Local Account Maintenance <p>If this process requires the development of additional capabilities, in what time frame should they be deployed?</p> <p>What are the costs incurred, and how should those costs be recovered?</p>	<p>III.A.10., III.A.11., III.B.2., III.C.3.a., III.C.3.b., III.C.3.d., III.F.3., III.F.4. Real-time access to:</p> <ul style="list-style-type: none"> -schedule appointments -confirm orders -determine due date/scheduling -dispatch required or not, -identify line option availability -identify order status -identify of service as installed -receive disconnect notice -receive maintenance and trouble report -receive repair status/confirmations -mechanized line testing 	<p>BellSouth has prepared for the entry of competitors into the local exchange marketplace by making available a number of electronic interfaces. It is continuing to enhance those interfaces currently available as well as create new ones. Further, Sprint has been intimately involved, as a partner, with some of this development. The development of additional electronic interfaces is complex, costly and time consuming and should be developed based on a clear understanding of the need, specifications and cost recovery mechanisms to be used.</p>	<p>Paragraph 51.313(c) of the Rules states that as a just, reasonable and nondiscriminatory term and condition for the provision of unbundled network elements, "[a]n incumbent LEC must provide a carrier purchasing access to unbundled network elements with the pre-ordering, ordering, provisioning, maintenance and repair, and billing functions of the incumbent LEC's operations support systems." The order concludes that nondiscriminatory access to operations support systems functions is technically feasible and must be provided no later than 1/1/97.</p>

* The citations reflect Sprint's "Term Sheet" provisions addressing the specific issue.

ISSUES	SPRINT Position*	BellSouth Position	TA96/FCC Rules
PARITY (Cont'd)			
8. Should BellSouth be required to provide confirmation of the installation/change activity via an initial Firm Order Confirmation?	XIV.D.3. BellSouth should be required to provide confirmation of the installation/change activity via an initial Firm Order Confirmation.	This request needs to be specifically defined as to what Sprint is requesting.	The FCC Order does not address this issue.
9. What information should BellSouth be required to provide in the pre-ordering and the ordering phases of processing a Sprint order?	XIV.D.4. BellSouth shall provide regulated local features, products, services, elements, and combinations that were previously provisioned for Sprint local customers.	BellSouth will not provide CSR information in the pre-ordering phase. CSR information should not be provided until after an order has been placed.	The FCC Order does not address this issue.
10. When Sprint resells BellSouth's local exchange service, or purchases unbundled local switching, is it technically feasible or otherwise appropriate to route 0+ and 0- calls to an operator other than BellSouth's, to route 411 and 555-1212 directory assistance calls to an operator other than BellSouth's, or to route 611 repair calls to a repair center other than BellSouth's?	III.A.12., III.C.2., VII.A.9., VIII.A.3., XII.A.2. Sprint's customers should be able to access Sprint's local, toll, operator, DA, business office and repair center services by dialing the same numbers that BellSouth's customers would dial.	Customized routing is not required under the Act for the provision of BellSouth retail services to Sprint for resale purposes. The Act requires BellSouth to make its retail services available to Sprint for resale as those services are offered to BellSouth's end users. As to customized routing through unbundling, BellSouth has thoroughly investigated the technical issues and found such routing to not be technically feasible. Further, Sprint has the ability to route calls by simply using a different set of access codes, e.g., Sprint already uses 00 to reach its operator.	Paragraph 877 of the Order states, "section 251(c)(4) does not impose on incumbent LECs the obligation to disaggregate a retail service into more discrete retail services".
11. When Sprint resells BellSouth's services, is it technically feasible or otherwise appropriate for BellSouth to brand operator services and directory services calls that are initiated from those resold services?	VII.A.8., VIII.A.2. BellSouth shall brand its resold operator and directory assistance services and where feasible quote Sprint's rates for both card and operator service functions.	Using identical dialing digits as those used to access BellSouth's services is not feasible nor is it appropriate for a resale offering.	Paragraph 51.613 (c) of the Rules states that an incumbent LEC may impose such a routing restriction if it proves to the state commission that the restriction is reasonable and nondiscriminatory, such as by proving to a state commission that the incumbent LEC lacks the capability to comply with unbranding or rebranding requests.

* The citations reflect Sprint's "Term Sheet" provisions addressing the specific issue.

ISSUES	SPRINT Position*	BellSouth Position	TA96/FCC Rules
PARITY (Cont'd)			
<p>12. What prices, terms and conditions of a negotiated or arbitrated interconnection agreement should be made available to Sprint on a "most favored nation" basis?</p>	<p>I.B. BellSouth shall make available to Sprint any price, term and/or condition offered to any carrier on a most favored nation basis.</p>	<p>BellSouth will make available to Sprint or any other local competitor any individual interconnection, service or network element arrangement on the same terms and conditions as those contained in any agreement approved under section 252. However, BellSouth does not agree with Sprint's expanded interpretation of the Act and the FCC's order to allow Sprint to sever the relationship between individual rates, terms and conditions for a given service or arrangement.</p>	<p>Section 252(l) of the Act provides that a "local exchange carrier shall make available any interconnection, service, or network element provided under an agreement...to any requesting telecommunications carrier upon the same terms and conditions as those provided in the agreement".</p> <p>Paragraph 1314 of the FCC's Order states that, "We find that this level of disaggregation is mandated by section 252, which requires that agreements shall include "charges for interconnection and each service or network element....". In practical terms, this means that a carrier may obtain access to individual elements such as unbundled loops at the same rates, terms, and conditions as contained in any approved agreement.</p>
<p>13. Must BellSouth provide Sprint access to BellSouth's directory assistance database?</p>	<p>VII.B. BellSouth must place Sprint customer listings in its DA database and make the database available to Sprint. Prices should be based on the TELRIC methodology.</p>	<p>BellSouth has proposed that local competitors add, delete or modify directory listings in the DA database through the most efficient process available presently, the service order process. There would be no additional charge.</p>	<p>Section 51.319(g) discusses directory assistance database access.</p>
<p>14. Should BellSouth be required to provide notice to its wholesale customers of changes to BellSouth's services? If so, in what manner and in what time frame?</p>	<p>III.F.7. Sprint should have parity with BellSouth regarding knowledge of engineering changes, deployment of new technologies, and availability of new features.</p>	<p>BellSouth will have periodic meetings with Sprint to discuss technical issues that would affect Sprint's network and the local interconnection between BellSouth and Sprint.</p> <p>BellSouth will provide notice of new services, price changes, etc. when the tariffs are filed at the appropriate public service commission. This is consistent with the overall parity requirements.</p>	<p>The Resale section of the Rules does not address this issue specifically and no reference is found in the Order. The Rules do state in Paragraph 51.603(b), "[a] LEC must provide services to requesting telecommunications carriers for resale that are equal in quality, subject to the same conditions, and provided within the same provisioning time intervals (emphasis added) that the LEC provides these services to others, including end users."</p>

* The citations reflect Sprint's "Term Sheet" provisions addressing the specific issue.

ISSUES	SPRINT Position*	BellSouth Position	TA96/FCC Rules
PARITY (Cont.)			
<p>15. How should BellSouth treat a PIC change request received from an IXC (other than the local competitor) for a local competitor's end user customer?</p>	<p>XIV.F. BellSouth should not make PIC changes requested by other IXCs, but should refer the request to Sprint.</p>	<p>The local service to be resold includes the capability for IXCs to change the carrier PIC via BellSouth mechanized CARE interface.</p>	<p>The FCC Rules do not specifically address the PIC.</p>
Unbundled Network Elements			
<p>16. Are the following items considered to be network elements, capabilities or functions? If so, is it technically feasible for BellSouth to provide Sprint with these elements?</p> <ul style="list-style-type: none"> -local loop -Network Interface Device - Local Switching -Operator Systems -Dedicated Transport -Common Transport -Tandem Switching -Signaling Link Transport -Signal Transfer Points -Service Control Points/Databases 	<p>IV.A.1., IV.A.2., IV.A.3., IV.A.4., IV.A.5., IV.A.6., IV.A.7., IV.A.8., IV.A.9. Sprint initially expects the following unbundled elements:</p> <ul style="list-style-type: none"> -local loop -network interface device -local switching -tandem switching -interoffice transmission facilities -signaling and call related databases -operator services -directory assistance -operation support systems 	<p>BellSouth agrees generally that unbundled network elements must be provided unless not technically feasible or if it is already provided pursuant to tariff.</p>	<p>Paragraph 51.319 of the FCC Rules provides a list of specific network elements that are to be offered on an unbundled basis. Those items are: 1) local loop; 2) network interface device; 3) switching capability; 4) interoffice transmission facilities; 5) signaling networks (access to service control points through the unbundled STP) and call-related databases; 6) operation support systems functions; and 7) operator services and directory assistance.</p>

* The citations reflect Sprint's "Term Sheet" provisions addressing the specific issue.

ISSUES	SPRINT Position*	BellSouth Position	TA96/FCC Rules
Unbundled Network Elements (Con't)			
<p>17. Must BellSouth make rights-of-way available to Sprint on terms and conditions equal to that it provides itself?</p>	<p>V.A.1., V.A.3. BellSouth must provide non-discriminatory competitively neutral access to any pole, duct, conduit and ROW on terms and conditions equal to that obtained by BellSouth.</p>	<p>BellSouth shall make access to its poles, ducts, conduits, and rights of way available to Sprint on nondiscriminatory rates, terms and conditions as BellSouth has been doing for cable television providers pursuant to 47 U.S.C. 224.</p>	<p>The FCC Order addresses reserving capacity in Paragraph 1170. It states that section 224(f)(1) requires nondiscriminatory treatment of all providers of telecommunications or video services and does not contain an exception for the benefit of such a provider on account of its ownership or control of the facility or right - of - way. Paragraph 1170 goes on to say that permitting an incumbent LEC to, for example, reserve space for local exchange service, to the detriment of a would-be entrant into the local exchange business, would favor the future needs of the incumbent over the current needs of the new entrant.</p>
<p>18. What restrictions if any may BellSouth place on passing different types of traffic over a single trunk group?</p>	<p>II.B.5., II.D.2. BellSouth may not impose any restrictions on traffic types delivered to/from the points of interconnection, but may develop usage factors.</p>	<p>Due to the differing requirements for recording and usage data for the many different traffic types, it is essential that there be some level of disaggregation of traffic types allowed to be commingled on a single trunk group.</p>	<p>The FCC Order does not address this issue.</p>
<p>19. What are the appropriate points for Sprint to interconnection with BellSouth's network?</p>	<p>II.B.1.a., II.B.2. Sprint may designate point of interconnection to BellSouth's network within a local calling area. Point of interconnection can be established via meetpoint, collocation or any other mutually agreed to method, subject only to the limitation of technical feasibility.</p>	<p>BellSouth will not utilize mid-span or mid-air meets as points of interconnection. Point of interconnection must comport with minimum standards of network reliability and security. If there are multiple tandems in a local calling area, competing local providers must establish points of interconnection at each tandem to obtain complete coverage of the calling area. This identical to the configuration used by IXCs, many of whom will also need local interconnection.</p>	<p>The FCC Order does not address this issue.</p>

* The citations reflect Sprint's "Term Sheet" provisions addressing the specific issue.

ISSUES	SPRINT Position*	BellSouth Position	TA96/FCC Rules
Unbundled Network Elements (Con't)			
20. What are the appropriate trunking arrangements between Sprint and BellSouth for local interconnection?	II.D.1. Trunking should be available to any switching center designated by either carrier including end offices, local tandems, access tandems, 911 routing switches, directory assistance/operator services switches, or any other feasible point in the network. Two-trunking should be used where technically feasible.	BellSouth has agreed to initially configure all trunk groups as one-way in that such configuration is the most efficient at the present time. BellSouth has further agreed to work cooperatively to evaluate the appropriateness of two-way trunk groups and upon mutual agreement to transition to two-way groups.	Paragraph 203 of the FCC Order states, "[e]ach carrier must be able to retain responsibility for the management, control, and performance of its own network." Paragraph 51.305(f) of the FCC Rules requires that two-way trunking be provided upon request, if technically feasible.
Price			
21. Must BellSouth provide copies of records regarding rights-of-way?	V.C.3. BellSouth must provide information on the location of, and the availability to access conduit, poles, etc., to any telecommunications carrier requesting such information, within 10 working days after the request.	The information contained in engineering records is proprietary information and must be strictly controlled. BellSouth will provide Sprint with structure occupancy information upon request on a timely basis and will allow Sprint personnel access to records or drawings pertaining to the request.	The FCC Rules do not address the provision of engineering records.

* The citations reflect Sprint's "Term Sheet" provisions addressing the specific issue.

ISSUES	SPRINT Position*	BellSouth Position	TA96/FCC Rules
Price (Con't)			
<p>22. What are the appropriate wholesale rates for BellSouth to charge when Sprint purchases BellSouth's retail services for resale?</p>	<p>XIV.B.3. BellSouth must either adopt interim wholesale rates within the 96-98 Order's proxy range or produce cost studies within the specified time frame contemplated for negotiations as part of good faith negotiations.</p>	<p>BellSouth's proposed wholesale discounts accurately reflect the costs avoided by BellSouth when selling a telecommunications service at wholesale, the cost standard requirement by the Act.</p>	<p>Wholesale pricing is addressed in Paragraphs 51.605 through 51.611 of the FCC's Rules. The Rules allow wholesale rates that are, at the election of the state commission, either consistent with the avoided cost methodology described in the Rules, or are interim wholesale rates, pursuant to the Rules.</p> <p>The avoided cost methodology set forth in the Rules is different than the methodology supported by BellSouth. The Act requires that rates for resold services shall be based on retail rates minus the costs that will be avoided due to resale. This clearly dictates the use of a "top down" approach to developing wholesale rates, and thus, the calculation begins with the retail rate and works down to the wholesale rate by deducting avoided costs. This is the only fair and logical approach, in light of the fact that BellSouth's rates are not necessarily cost-based and reflect social pricing considerations and a different competitive environment.</p>
<p>23. What should be the price of each of the items considered to be network elements, capabilities, or functions?</p>	<p>IV.B. All unbundled network elements including their functionality shall be priced at TELRIC plus reasonable allocation of forward-looking joint and common costs as outlined in FCC Rule 51.505.</p>	<p>The price of each unbundled network element should be, as set forth in 47 U.S.C. § 252(d), based on cost plus a reasonable profit to the incumbent local exchange carrier. BellSouth's proposals regarding price reflect the legal standard.</p>	<p>The general pricing standards for elements are discussed in Paragraph 51.503 of the Rules. Elements must be offered at rates, terms, and conditions that are just, reasonable, and nondiscriminatory. Rates are to be established pursuant to the forward-looking economic cost pricing methodology set forth in the Rules. The Rules provide that until such time as cost studies are submitted and approved, the Commission may set rates based on default proxies that are provided in Paragraph 51.513.</p>

* The citations reflect Sprint's "Term Sheet" provisions addressing the specific issue.

ISSUES	SPRINT Position*	BellSouth Position	TA96/FCC Rules
Price (Cont'd)			
<p>24. What should be the compensation mechanism for the exchange of local traffic between Sprint and BellSouth?</p>	<p>XIII.B.1., XIII.B.2. Rates for the exchange of traffic should be: -based on forward-looking economic costs (51.505 & 51.511) or -use default proxies (51.707) or -bill and keep (51.713) or set between the proxy ranges for switching and transport [51.707(b)(2)]</p>	<p>BellSouth has offered interconnection at the switched access rate less the carrier common line charge and the interconnection rate. Regionally, the average rate is approximately 1.0¢/minute. The interconnection rate proposed satisfies the Act's requirements and has been agreed to by many CLPs.</p>	<p>Paragraph 51.503 of the Rules provides the general pricing standard for interconnection. It states that rates are to be established, at the election of the state commission, pursuant to the forward looking economic cost-based methodology set forth in the Rules, or consistent with the proxy ceilings and ranges set forth in the Rules. Paragraph 51.705 says that rates for transport and termination of local telecommunications traffic are to be established, at the election of the state commission, on the basis of: 1) the forward-looking economic costs of such offerings, using a cost study pursuant to the Rules; 2) default proxies as provide in the Rules; or 3) a bill-and-keep arrangement.</p>
<p>25. Is "bill and keep" an appropriate alternative to the terminating carrier charging TELRIC?</p>	<p>XIII.A.1. Mutual Traffic Exchange (bill and keep) may be utilized where traffic is presumed to be in balance, otherwise, the FCC's default proxies shall be used until TELRIC studies have been completed.</p>	<p>Bill and keep may be negotiated between the parties. However, compensation at a particular rate more adequately reflects the intent of the Act to allow the interconnecting companies to recover the costs associated with the transport and termination of calls.</p>	<p>Paragraph 51.713 of the Rules gives the state commission the option to impose a bill-and-keep arrangement for reciprocal compensation if the commission determines that the amount of local telecommunications traffic from one network to the other is roughly balanced with the traffic flowing in the opposite direction, and is expected to remain so, and there has been no showing that rates should be asymmetrical. BellSouth does not believe that the Act permits bill-and-keep to be mandated.</p>
<p>26. Should BellSouth be required to develop rates for engineering surveys on the basis of TELRIC studies?</p>	<p>V.B.1 Fees related to engineering surveys for potential right-of-way use shall be based on TELRIC, plus reasonable allocation of joint and common costs to be consistent with the Act.</p>	<p>BellSouth proposes to bill Sprint the actual cost incurred for conducting engineering surveys.</p>	<p>Nothing in the Act or the Order requires fees for engineering surveys to be based on TELRIC.</p>

* The citations reflect Sprint's "Term Sheet" provisions addressing the specific issue.

ISSUES	SPRINT Position*	BellSouth Position	TA96/FCC Rules
Price (Cont'd)			
27. What pricing methodology should be used to determine the rates for interim number portability?	XI.B.1. The interim rate for number portability should set at TELRIC less a 55% discount.	Interim rates should be set at levels agreed to in other interconnection agreements or as determined by the Commission in earlier proceedings.	To the extent this issue involves the FCC order, arbitration is not the forum for resolution. Decisions on this issue can affect many parties beyond Sprint.

* The citations reflect Sprint's "Term Sheet" provisions addressing the specific issue.

CERTIFICATE OF SERVICE

Docket No. 961150-TP

I HEREBY CERTIFY that a copy of the foregoing has been furnished by Federal Express this 15th day of October, 1996 to:

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