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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
TALLAHASSEE, FLORIDA

IN RE: Petition by AT&T Communications of the Southern States, Inc. for arbitration of certain terms and conditions of a proposed agreement with GTE Florida Incorporated concerning interconnection and resale under the Telecommunications Act of 1996.
DOCKET NO. 960847-TP

IN RE: Petition by MCI Telecommunications Corporation and MCI Metro Access Transmission Services, Inc. for arbitration of certain terms and conditions of a proposed agreement with GTE Florida Incorporated concerning interconnection and resale under the Telecommunications Act of 1996.
DOCKET NO. 960980-TP

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BEFORE: CHAIRMAN SUSAN F. CLARK
COMMISSIONER J. TERRY DEASON
COMMISSIONER JULIA L. JOHNSON
COMMISSIONER DIANE K. KIESLING
COMMISSIONER JOE GARCIA

PROCEEDING: AGENDA CONFERENCE

ITEM NUMBER: 8

DATE: December 2, 1996

PLACE: 4075 Esplanade Way, Room 148
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
Notary Public in and for the State of Florida at Large

JANE FAUROT, RPR
P.O. BOX 10751
TALLAHASSEE, FLORIDA 32302
(904) 379-8669

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1 Issue 4b: Should GTEFL be required to provide AT&T and MCI
2 loop testing information prior to the establishment of
3 service to an AT&T or MCI customer?

4 Recommendation: Yes. To the extent GTEFL documents the
5 results of its loop testing, GTEFL should provide those
6 results to AT&T and MCI.

7 Issue 5: What are the appropriate contractual provisions
8 for liability and indemnification for failure to provide
9 service in accordance with the terms of the arbitrated
10 agreement?

11 Recommendation: The Commission should decline to require or
12 arbitrate liability and indemnification provisions in the
13 AT&T and MCI interconnection contracts with GTEFL. The
14 Commission should also find that it is without authority to
15 require or arbitrate provisions for liquidated damages in
16 those contracts.

17 Issue 6A: Should GTEFL be required to provide real-time and
18 interactive access via electronic interfaces to perform the
19 following:

20 Pre-Service Ordering
21 Maintenance/Repair
22 Service Order Processing and Provisioning
23 Customer Usage Data Transfer
24 Local Account Maintenance

25 Recommendation:

a) Yes. GTEFL should be required to provide real-time and
interactive access via electronic interfaces to perform
pre-service ordering, service trouble reporting, service
order processing and provisioning, customer usage data
transfer, and local account maintenance.

Issue 6b: If this process requires the development of
additional capabilities, in what time frame should they be
deployed?

Recommendation: Processes that require the development of
additional capabilities should be developed by GTEFL by
January 1, 1997. If GTEFL cannot meet that deadline, it
should file a report with the Commission by December 31,
1996, that outlines why it cannot meet the deadline, its
plans for developing the real-time interactive electronic
interface, the date by which such system will be
implemented, and a description of the system or process
which will be used in the interim. GTEFL, AT&T and MCI
should also establish a joint implementation team to assure
the implementation of the real-time and interactive
interfaces. These electronic interfaces should conform to
industry standards where such standards exist or are
developed.

Issue 6c: What are the costs incurred, and how should those
costs be recovered?

Recommendation: The parties should be responsible for their

1 share of costs to develop and implement additional
2 capabilities. However, where a carrier negotiates for the
3 development of a system or process which is exclusively for
4 itself, that carrier should pay the full costs on the basis
5 of TSLRIC. GTEFL should provide TSLRIC cost studies for
6 each interface as it is developed. The cost study should be
7 filed with this Commission, along with a proposed recovery
8 mechanism, 60 days before implementation of the interface.

9 Issue 7a: When AT&T or MCI resells GTEFL's local exchange
10 service, or purchases unbundled local switching, is it
11 technically feasible: 1) to reroute 0+ and 0- calls to an
12 operator other than GTEFL's; 2) to route 411 and 555-1212
13 directory assistance calls to an operator other than
14 GTEFL's; or 3) to route 611 repair calls to a repair center
15 other than GTEFL's?

16 Recommendation: Yes. When AT&T or MCI resells GTEFL's
17 local exchange service, or purchases unbundled local
18 switching, it is technically feasible for GTEFL to: 1)
19 route 0+ and 0- calls to an operator other than GTEFL's; 2)
20 route 411 and 555-1212 directory assistance calls to an
21 operator other than GTEFL's. The Commission should require
22 GTEFL to provide customized routing using line class codes,
23 on a first-come, first-served basis.

24 Issue 7b: If this process requires the development of
25 additional capabilities, in what time frame should they be
deployed?

Recommendation: GTEFL should file with this Commission
an implementation schedule by which customized routing,
using line class codes, will be available to AT&T and
MCI. The schedule should include deadlines for any
network modifications that need to be made, along with
the description and the purpose of each modification.
This information should be filed within 60 days from
the issuance date of the order in this proceeding.

Issue 7c: What are the costs incurred, and how should those
costs be recovered?

Recommendation: GTEFL should file a TSLRIC cost study
for implementing the switch's customized routing
capabilities. The study should only include costs for
providing customized routing that are beyond those
capabilities that currently reside in the switch.
Further, the cost study should be filed within 90 days
from the issuance date of the order in this proceeding.

Issue 8a: Should GTEFL be required to provide AT&T and MCI
with the billing and usage recording services that AT&T and
MCI have requested?

Recommendation: GTEFL should provide the carrier access
billing system (CABS) or CABS-like billing services based on
the local service billing standards adopted by the Open
Billing Forum (OBF).

1 Issue 8b: If this process requires the development of
2 additional capabilities, in what time frame should they be
3 deployed?

4 Recommendation: Any additional capabilities should be
5 developed when local service billing standards are adopted
6 by the Open Billing Forum.

7 Issue 8c: What are the costs incurred, and how should those
8 costs be recovered?

9 Recommendation: The costs to develop and provide CABS as
10 determined by the Open Billing Forum should be borne by
11 GTEFL, but recovered in rates charged to all carriers
12 requesting the service. Additional costs for other billing
13 and recording service requirements specific to AT&T or MCI
14 should be borne by AT&T or MCI. Further, GTEFL should
15 provide TSLRIC cost studies for billing and usage recording
16 services as requested by AT&T and MCI. The cost study
17 should be filed, along with a proposed recovery mechanism,
18 60 days before implementation of the billing and usage
19 recording service.

20 Issue 9: What type of customer authorization is required
21 for access to customer account information and transfer of
22 existing services?

23 Recommendation: GTEFL should not require MCI and AT&T to
24 obtain prior written authorization from each customer before
25 allowing access to the operational support systems (OSSs).
MCI and AT&T should issue a blanket letter of authorization
to GTEFL which states that it will obtain the customer's
permission before accessing the OSSs. Further, GTEFL should
develop a real-time operational interface to deliver OSSs to
ALECs, and the interface should only provide the customer
information necessary for MCI and AT&T to provision
telecommunications services.

Each party should bear its own share of the cost of
developing and implementing such systems and processes
because these systems will benefit all carriers. If a
system or process is developed exclusively for a certain
carrier, those costs should be recovered from the carrier
who is requesting such customized system.

20 Issue 10: What are the appropriate rates, terms, and
21 conditions, if any, for call guide pages, directory
22 distribution, and inclusion of AT&T's and MCI's logos on the
23 directory cover?

24 Recommendation: AT&T and MCI should pay \$2.49 for the
25 secondary distribution of directories. In addition, GTEFL
should include AT&T and MCI customer information in its
directory, at no charge. Further, GTEFL should allow AT&T
and MCI to purchase at least one additional page for listing
their product information, at the same rate GTEFL pays to
list its product information. GTEFL should not be required
to include AT&T's and MCI's logos on its directory cover.

- 1 Issue 11a: Should GTEFL be required to provide AT&T and MCI
access to GTEFL's directory assistance database?
- 2 Recommendation: Yes. GTEFL should provide AT&T and MCI
access to its directory assistance database.
- 3 Issue 11b: If this process requires the development of
4 additional capabilities, in what time should they be
deployed?
- 5 Recommendation: GTEFL should be required to provide
6 directory assistance database information via magnetic tape
by January 1, 1997. GTEFL should file with this Commission
7 a date by which access to its DA database will be provided
via a real-time electronic interface. This information
8 should be provided 60 days from the date of the order.
- 9 Issue 11c: What are the costs incurred, and how should
those costs be recovered?
- 10 Recommendation: GTEFL should file a TSLRIC cost study
dealing with access to its DA database 60 days from issuance
of the order in this proceeding.
- 11 Issue 12: How should PIC changes be made for AT&T's and
MCI's local customers?
- 12 Recommendation: GTEFL should be prohibited from making any
PIC change for a customer that receives its local exchange
13 service from a local exchange carrier other than GTEFL.
GTEFL should forward the request of the customer to their
14 local exchange carrier and provide the customer a contact
number for their local carrier.
- 15 Issue 13(a): Are the following items considered to be
network elements, capabilities, or functions? If so, is it
16 technically feasible for GTEFL to provide AT&T and MCI with
these elements?
- 17 Network Interface Device
 - 18 Loop Distribution
 - 19 Local Switching
 - 20 Operator Systems
 - 21 Dedicated Transport
 - 22 Common Transport
 - 23 Tandem Switching
 - 24 Signaling Link Transport
 - 25 Signal Transfer Points
 - Service Control Points/Databases
 - Loop Concentrator/Multiplexer (AT&T only)
 - Multiplexing/Digital Cross-connect (MCI only)
 - DA Service
 - 911 Service
 - AIN Capabilities
 - Operations Support Systems
- 24 Recommendation: Yes. All elements listed are considered to
be network elements as defined by Section 3(29) of the Act.
25 The following items are technically feasible for GTEFL to
provide on an unbundled basis:

- 1 Network Interface Device
 Loop Distribution
- 2 Local Switching
 Operator Systems
- 3 Dedicated Transport
 Common Transport
- 4 Tandem Switching
 Signaling Link Transport
- 5 Signal Transfer Points
 Loop Concentrator/Multiplexer (AT&T only)
- 6 Loop Feeder (AT&T only)
 Multiplexing/Digital Cross-connect (MCI only)
- 7 DA Service
 911 Service
- 8 AIN Capabilities
 Operations Support Systems
- 9 Issue 13(b): What should be the price of each of the items
 considered to be network elements, capabilities, or
 10 functions?
- 11 Recommendation: The Commission should set the rates
 outlined in the analysis portion of staff's November 22,
 1996 memorandum. GTEFL should file TSLRIC cost studies, for
 12 all rates that are designated interim, 60 days from the date
 of the order.
- 13 Issue 14: Should GTEFL be prohibited from placing any
 limitations on AT&T's and MCI's ability to combine unbundled
 14 network elements with one another, or with resold services,
 or with AT&T's, MCI's or a third parties' facilities, to
 15 provide telecommunications services to consumers in any
 manner AT&T or MCI chooses?
- 16 Recommendation: Yes. The Commission should require GTEFL
 to allow AT&T and MCI the ability to combine unbundled
 17 network elements in any manner they choose, including
 recreating existing GTEFL services as provided in Section
 18 251(c)(3) of the Act and the FCC's Order.
- 19 Issue 15a: Should GTEFL be required to provide AT&T and MCI
 with access to GTEFL's unused transmission media?
- 20 Recommendation: No, except that GTEFL should be required to
 lease dark fiber to AT&T and MCI only for interconnection
 21 purposes under the same terms and conditions as those
 represented in GTE's agreement with MFS and memorialized in
 Commission Order No. PSC-96-1401-FOF-TP.
- 22 Issue 15b: What are the costs incurred, and how should
 those costs be recovered?
- 23 Recommendation: The cost for dark fiber should be recovered
 via negotiation.
- 24 Issue 16: At what points should AT&T and MCI be permitted
 to interconnect with GTEFL?
- 25 Recommendation: GTEFL should be required to provide
 interconnection at any technically feasible point requested

1 by AT&T and MCI.

2 Issue 17: a) What access should be provided by GTEFL for
its poles, ducts, conduits, and rights-of-way?

3 b) What are the costs incurred, and how should those costs
be recovered?

4 Recommendation:

5 a) GTEFL should be required to provide nondiscriminatory
6 access to its poles, ducts, conduits, and rights-of-way.
GTEFL should allow AT&T and MCI to reserve capacity under
the same time frames, terms and conditions it affords
itself.

7 b) GTEFL should charge AT&T and MCI a pro rata share of the
TSLRIC costs for supplying the facilities requested.

8 Issue 18: Does the term "rights-of-way" in Section 224 of
the Act include all possible pathways for communicating with
the end user?

9 Recommendation: No. The term "rights-of-way" in Section
10 224 of the Act does not include all possible pathways for
communicating with the end user.

11 Issue 19: Should GTEFL be required to provide interim
12 number portability solutions, including remote call
forwarding, flex-direct inward dialing, route index
portability hub, and local exchange route guide
reassignment?

13 Recommendation: GTEFL should provide the following interim
number portability solutions:

14 a. Remote Call Forwarding

15 b. Direct Inward Dialing

16 c. Directory Number Route Index

17 d. Route Index Portability Hub

18 e. Local Exchange Routing Guide to the NXX Level

19 Issue 20: What should be the cost recovery mechanism to
20 provide interim local number portability in light of the
FCC's recent order?

21 Recommendation: The Commission should address the cost
22 recovery for interim number portability in Docket No.
950737-TP. Until completion of that proceeding, the
23 Commission, on an interim basis, should require each carrier
to pay for its own costs in the provision of the interim
number portability solutions listed above. Further, the
Commission should require each telecommunications carrier to
this proceeding to track its cost of providing the interim
number portability solutions with sufficient detail to
verify the costs in order to consider recovery of these
costs in Docket No. 950737-TP.

24 Issue 21: a) Should GTEFL be prohibited from placing any
25 limitations on interconnection between two carriers
collocated on GTEFL's premises, or on the types of equipment
that can be collocated, or on the types of uses and
availability of the collocated space?

1 b) What are the costs incurred, and how should those costs
2 be recovered?

2 Recommendation:

- 3 a) GTEFL should be able to impose those limitations provided
4 in Section 51.305 and Section 51.323 of the FCC's rules
5 on interconnection and collocation. Further, the
6 Commission should require GTEFL to comply with Section
7 51.323 of the FCC's Rules on standards for physical
8 collocation and virtual collocation. However, as stated
9 in 251(c)(6) of the Act, Section 51.323 of the FCC's
10 Rules, and Paragraph 580 and 594 of the FCC's Order, AT&T
11 and MCI should be granted the ability to:
12 1. Interconnect with other collocators that are
13 interconnected with GTEFL in the same central office.
14 (Paragraph 594)
15 2. Purchase unbundled dedicated transport from GTEFL
16 between the collocation facility and AT&T's or MCI's
17 network. (Section 51.323(g))
18 3. Collocate transmission equipment such as optical
19 terminating equipment and multiplexers in a GTEFL
20 central office. (Paragraph 580)
21 4. Select physical over virtual collocation, where space
22 and/or other considerations permit. (Section 251(c)(6)
23 of the Act.)
24 b) The party requesting collocation should bear the costs
25 associated with the collocation request. The Commission
should set the permanent collocation rates discussed in
the staff analysis. These rates are based on GTEFL's
cost studies and provide some contribution toward joint
and common costs.

16 Issue 22: What should be the compensation mechanism for the
17 exchange of local traffic between AT&T and GTEFL?

17 Recommendation: A reciprocal rate of \$.002 per minute for
18 tandem switching and \$.003 per minute for end office
19 termination should be approved.

19 Issue 23: What intrastate access charges, if any, should be
20 collected on a transitional basis from carriers who purchase
21 GTEFL's unbundled local switching element? How long should
22 any transitional period last?

21 Recommendation: Existing Florida law and policy should
22 apply. No additional charges should be assessed for
23 unbundled Local Switching over and above those approved in
24 Issue 13(b) of this recommendation for that element. Under
25 the Commission's toll default policy established in Order
No. PSC-96-1231-FOF-TP in Docket No. 950985-TP, the company
terminating a toll call should receive terminating switched
access from the originating company unless the originating
company can prove that the call is local.

25 Issue 24: Should GTEFL be required to provide notice to its
wholesale customers of changes to GTEFL's services? If so,

- 1 in what manner and in what time frame?
Recommendation: Yes. If GTEFL provides internal notice 45
2 or more days in advance of the change, GTEFL should provide
3 45 days' notice to its wholesale customers. If GTEFL
4 provides notice less than 45 days in advance of the change,
5 wholesale customers should be noticed concurrently with
6 GTEFL's internal notification process. GTEFL should not be
7 held responsible if it modifies or withdraws the resold
8 service after the notice is provided; however, GTEFL should
9 notify the resellers of these changes as soon as possible.
- 10 Issue 25: What should be the term of the agreement?
Recommendation: The Commission should establish the term of
11 this agreement to be three years, with successive one-year
12 renewal options.
- 13 Issue 26: Can the agreement be modified by subsequent
14 tariff filings?
Recommendation: No. The Commission should not allow GTEFL
15 to modify the agreement via subsequent tariff filings,
16 unless the agreement references the tariff as the source for
17 specific rates.
- 18 Issue 27(a): When MCI resells GTEFL's services, is it
19 technically feasible or otherwise appropriate for GTEFL to
20 brand operator services and directory service calls that are
21 initiated from those resold services?
Recommendation: Yes. GTEFL should provide branding or
22 unbranding for operator and directory service calls for MCI.
- 23 Issue 27(b): When GTEFL's employees or agents interact with
24 MCI's customers with respect to a service provided by GTEFL
25 on behalf of MCI, what type of branding requirements are
technically feasible or otherwise appropriate?
Recommendation: When providing repair services on behalf of
MCI, GTEFL should use unbranded leave-behind materials.
- Issue 28: In what time frame should GTEFL provide CABS-like
billing for services and elements purchased by MCI?
Recommendation: The Commission should require GTEFL to
provide CABS-formatted billing for both resale and unbundled
elements within 120 days of issuance of the order in this
proceeding. GTEFL can continue to use its CBSS billing
system, but the output from the CBSS system should be
translated into the CABS format. In the interim, GTEFL
should provide bills for resale and unbundled elements to
MCI using its CBSS and CABS billing systems.
- Issue 29: What are the appropriate rates, terms, and
conditions for access to code assignments and other
numbering resources?
Recommendation: GTEFL should be required to furnish
competing LECs access to code assignments on a non-discrimi-
natory basis. There should be no charge for this service.
- Issue 30: Should the agreement be approved pursuant to the
Telecommunications Act of 1996?

1 Recommendation: Yes, the arbitrated agreements should be
2 submitted by the parties for approval under the standards in
3 Section 252(e)(2)(B). The Commission's determination of the
4 unresolved issues should comply with the standards in
5 Section 252(c) which include the requirements in Section
6 252(e)(2)(B).

7 Alternative Recommendation: Yes. The Commission's
8 arbitration of the unresolved issues in this proceeding has
9 been conducted pursuant to the directives and criteria of
10 Sections 251 and 252 of the Telecommunications Act of 1996.
11 Pursuant to Section 252(e), the parties should submit a
12 written agreement memorializing and implementing the
13 Commission's decision within 30 days of issuance of the
14 Commission's arbitration order. The agreement shall include
15 the issues on which the parties were able to negotiate
16 agreement, as well as the unresolved issues arbitrated by
17 the Commission. In their submission the parties should
18 identify those portions of the agreement that they
19 negotiated and those portions that the Commission
20 arbitrated. In the post-hearing procedure described in
21 Issue 31, the Commission should review the negotiated
22 portions of the agreement under the standards of Section
23 252(e)(2)(A) and the arbitrated portions of the agreement
24 under the standards of Section 252(e)(2)(B) and Section
25 252(c).

Issue 31: What are the appropriate post-hearing procedures
for submission and approval of the final arbitrated
agreement?

Recommendation: The parties should submit a written
agreement memorializing and implementing the Commission's
decision within 30 days of the issuance of the Commission's
arbitration order. Staff should take a recommendation to a
Commission Conference so that the Commissioners can review
the submitted agreements pursuant to the standards in
Section 252(e)(2)(B) within 30 days after the agreements are
submitted.

If the parties cannot agree to the language of the
agreement, each party should submit its version of the
agreement within 30 days after issuance of the Commission's
arbitration order. The Commission should decide on the
language that best incorporates the substance of the
Commission's arbitration decision.

Alternative Recommendation: The parties should submit a
written agreement memorializing and implementing the
Commission's decision within 30 days of issuance of the
Commission's arbitration order. Staff should take a
recommendation to the Commission Conference so that the
Commissioners can review the negotiated portions of the
submitted agreements pursuant to the standards in Section
252(e)(2)(A) and the arbitrated portions of the submitted

1 agreements pursuant to the standards in Sections
2 252(e)(2)(B) and 252(c) within 30 days after they are
submitted.

3 If the parties cannot agree to the language of the
4 agreement, each party should submit its version of the
5 agreement within 30 days after issuance of the Commission's
6 arbitration order. The Commission should decide on the
7 language that best incorporates the substance of the
8 Commission's arbitration decision.

9 Issue 32: Should these dockets be closed?

10 Recommendation: No. These dockets should remain open until
11 permanent rates are established for all interim rates.
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P R O C E E D I N G S

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CHAIRMAN CLARK: We are back on Item 8.

MR. GREER: Commissioners, Item 8 deals with the arbitrated issues in the GTE/AT&T arbitration and GTE/MCI arbitration proceedings. Do you want to go issue-by-issue?

CHAIRMAN CLARK: I think we will. Issue Number 1.

COMMISSIONER GARCIA: Madam Chairman, before we have get started, there were some philosophical issues that were discussed in the previous case. Are we going to engage in those again or do we want them to be part of this, the decision that we are looking at?

CHAIRMAN CLARK: I think to the extent they apply, we should indicate that when we get to that item. I don't think there is any necessity of repeating the extent of the comments.

COMMISSIONER DEASON: Let me make one suggestion, that is that obviously we are making the decisions based upon the record in each proceeding. And much of that record in both proceedings is ample and consistent from the various parties' positions. That is, GTE's positions are somewhat consistent with Bell's positions, and AT&T and MCI's positions in both arbitrations are consistent from one position to the other. But there may be some differences in the

1 record. And when there were differences in the record,
2 I would just request that staff point out it to us
3 between the two different arbitrations. We have made
4 some policy decisions that I think the record is
5 probably complete in both of these dockets to be
6 consistent on some of those policy questions. But when
7 there is the need for a quote, unquote, inconsistency
8 or difference from one proceeding to the next, I would
9 just ask staff to point it out to us.

10 CHAIRMAN CLARK: All right. Issue Number 1.

11 MS. SHELFER: Commissioners, Issue 1 are what
12 services are provided by GTE, if any, should be
13 excluded from retail. Staff recommends that GTE be
14 required to offer resale any services it provides at
15 retail to end user customers who are not
16 telecommunications carriers. This is similar to what
17 you did in the BellSouth case except one of the issues
18 is public pay telephone lines, semi-public pay
19 telephone lines, non-LEC coin and coinless lines,
20 operator services, directory assistance, nonrecurring
21 charges. GTE has kind of split theirs up, but staff
22 believes that the same applies, that the order is
23 specific about what services should be resold.

24 CHAIRMAN CLARK: Questions, Commissioners?

25 COMMISSIONER KIESLING: I would move staff with

1 the understanding that we also will include the
2 additional language in the order raising the doubts
3 about Lifeline, LinkUp, CSAs, and whatever the other
4 one was.

5 MR. GREER: Grandfathered services.

6 COMMISSIONER KIESLING: Grandfathered services.

7 CHAIRMAN CLARK: Yes. I don't think they had CSAs
8 in here, did they?

9 COMMISSIONER KIESLING: It says they did.

10 CHAIRMAN CLARK: I'm sorry, I thought they didn't.
11 Oh, there is it is. Okay. There has been a motion, is
12 there a second?

13 COMMISSIONER JOHNSON: Second.

14 CHAIRMAN CLARK: Without objection, that motion is
15 approved.

16 COMMISSIONER DEASON: Let me say I'm going to vote
17 with the motion. I dissented in the previous case for
18 the reasons I have stated, since the records are pretty
19 much complete in both of these dockets, I understand
20 this is pretty much -- I'm not voting against it
21 because that was -- I guess I'm kind of torn. I agree
22 that this is what we need to do at this point given our
23 vote in the BellSouth case, even though I disagreed
24 with it in BellSouth. I will leave it at that.

25 CHAIRMAN CLARK: Okay. What I will do is I will

1 take a voice vote on each one of them, so that if we
2 need to make that clarification we can. Issue Number
3 2.

4 MS. SHELFER: Issue Number 2 dealt with the
5 prohibitions on resale. Staff does not believe any
6 restrictions should apply except for the resale of
7 grandfathered services, residential services, Lifeline,
8 LinkUp services, then end users who are eligible to
9 purchase such service directly from GTE.

10 COMMISSIONER KIESLING: Move it.

11 CHAIRMAN CLARK: Are there any addendums we have
12 to make to the staff recommendation to make it
13 consistent with what we did in BellSouth?

14 COMMISSIONER KIESLING: If there are, I include
15 them in my motion. The problem is I don't remember
16 right now. And I'm expecting staff to.

17 MR. GREER: I don't think there is, Commissioner.

18 CHAIRMAN CLARK: So we can move staff on this?

19 COMMISSIONER DEASON: Let me ask this question.
20 There was an issue in the BellSouth arbitration
21 concerning the requirement to resale services and
22 whether that would include the restrictions contained
23 in tariffs, conditions and restrictions in the tariff.
24 Is that incorporated in this issue?

25 MS. SHELFER: Yes, this the one. Staff does not

1 believe that GTE has sufficiently rebutted the FCC's
2 presumption against tariff limitations in general,
3 other than the ones that we specified.

4 CHAIRMAN CLARK: Okay. Is there a motion on
5 Issue 2? You move staff?

6 COMMISSIONER KIESLING: Yes.

7 CHAIRMAN CLARK: Second?

8 COMMISSIONER JOHNSON: Second.

9 CHAIRMAN CLARK: All those in favor say aye.

10 COMMISSIONER KIESLING: Aye.

11 COMMISSIONER JOHNSON: Aye.

12 COMMISSIONER GARCIA: Aye.

13 CHAIRMAN CLARK: Aye. Opposed, nay.

14 COMMISSIONER DEASON: I'm going to vote against
15 this one for the very specific reasons that I
16 enumerated in the BellSouth case concerning the
17 reselling of a service which should attach all of the
18 conditions and requirements as specified in the tariff.

19 CHAIRMAN CLARK: Okay. Issue Number 3.

20 MS. SHELFER: Commissioners, Issue Number 3 deals
21 with the appropriate wholesale rate. Staff recommends
22 that GTE offer a 13.04 percent wholesale discount.
23 Staff would have preferred a residential/business
24 split, but we did not have enough information to
25 separate out the discounts.

1 CHAIRMAN CLARK: Questions on Issue 3?

2 COMMISSIONER KIESLING: Wait a minute, then. I
3 understood that we didn't really have enough
4 information. I guess I just want to be sure that GTE
5 is not going to be benefiting by being allowed to use a
6 lower percentage discount because they did not provide
7 the split information.

8 MS. SHELFER: Well, I guess they might.
9 Generally, how it is separated out in the BellSouth
10 case, the business rates had higher costs since they
11 had lower discount. So, on the average with the Bell
12 ones, I believe it was like 19 where we had recommended
13 21 for residential and 17 for business. It had
14 averaged out to be 19, and in this case I can't tell
15 you because we didn't have the information to do that.
16 And so it may be that it will benefit them on some
17 services, but it may not benefit them on others.

18 COMMISSIONER KIESLING: All right. That causes me
19 some concern, I guess. I mean, if the lack of a record
20 in this particular instance was the fault of GTE, then
21 I don't think they ought to be able to benefit from not
22 bringing everything to the table when we had the
23 hearing. That just bothers me. And it bothers me
24 because I think that it is most appropriate to break
25 out the discounts based on customer class, residential

1 and business.

2 COMMISSIONER DEASON: Did we have any break out
3 from the various positions by the parties, or was it
4 all aggregated by all of the parties?

5 COMMISSION STAFF: I think it would be fair to say
6 that GTE wasn't withholding information. Their primary
7 proposal was very, very different than the methods the
8 FCC used. And their primary proposal what they would
9 have ended up with is, in essence, five different
10 discounts, including one for res and one for bus, as I
11 recall. In contrast, in the other proceeding Southern
12 Bell wanted a res/bus split. What they did is their
13 approach was a modification of the FCC approach. In
14 contrast, in this proceeding we analyzed GTE's
15 preferred approach and found it lacking. And as an
16 alternative, we made modifications to their -- I forget
17 what they call it, but it was their alternative, which
18 is more structurally similar to the FCC approach that
19 was used by Bell. However, when we got around to
20 looking at that analysis, we didn't have the requisite
21 data to try to do a res/bus split there. It wasn't, in
22 all fairness, to do anything necessarily that Bell --
23 I'm sorry, that GTE had withheld. The reason we could
24 easily do a res/bus split in the other docket was
25 because Bell was proposing it, and the key difference

1 was the magnitude of the discount.

2 COMMISSIONER DEASON: Did any party provide
3 information to establish a split between residential
4 and business?

5 MS. SHELFER: In this case?

6 COMMISSIONER DEASON: Yes.

7 MS. SHELFER: AT&T and MCI did not because they
8 said that based on the ARMIS data they had they could
9 not determine a split. They could only do it on one
10 wholesale rate.

11 COMMISSION STAFF: There were a couple of key
12 differences in the records that made it easier in the
13 Bell case to do a res/bus split. A, they proposed it;
14 B, in essence what they did for the major accounts,
15 which theoretically could be avoidable. They had the
16 nine USOA amounts broken down, if I recall correctly,
17 by job function codes. And the job function codes was
18 -- if I recall correctly, correct me if I error -- it
19 was easier for them to segregate those between those
20 functions which are predominantly applicable to
21 residential versus bus. Here the difficulty was that
22 so many of those functions for GTE were at the work
23 center level. And the work centers were not generally
24 state-specific. Functions were performed on a regional
25 or a national basis. An example is -- my recollection,

1 and I don't know if this is part of this record, but I
2 assume it is -- all of GTE's operators are
3 out-of-state, serve all 27 states, as an example. It
4 was different internal accounting systems, is my
5 understanding.

6 COMMISSIONER KIESLING: I don't know how to
7 resolve it. I guess I just am finding it -- I'm not as
8 comfortable here, because it seems to me that the
9 discount that we are requiring for GTE is smaller and
10 in the case of AT&T's requested discount, it is, you
11 know, just a little bit more than a third of what their
12 numbers represented. And while I understand that there
13 is some disagreement with certain of the avoided costs
14 that AT&T proposed be included, I still am just
15 concerned that a 13 percent discount across-the-board
16 for wholesale doesn't send the message that I want to
17 send, which is probably because there wasn't enough
18 record to make it a bigger discount. But I think it
19 should be a bigger discount, so that's my problem.

20 COMMISSION STAFF: Commissioner, what we did as
21 kind of a sanity check is we tried to -- given the data
22 we had available, is we compared -- after the fact now
23 -- the relative proposed discounts to the parties. And
24 perhaps Ms. Shelfer can correct me, because she
25 probably knows the numbers much better than I do. In

1 the other proceeding, I believe AT&T was on the order
2 of close to 40 percent. MCI was on the order of around
3 27 percent. And Bell was, I don't remember, 19. In
4 contrast, AT&T's proposal was 10 points lower in this
5 docket than it was in the other, as was MCI's. MCI was
6 around 17, versus roughly around -- I think it was 26
7 or 27 percent in the other docket. In other words, we
8 were taken aback when the numbers fell out the way they
9 did. But given the relative relationships, in other
10 words, we have an aggregate figure of around -- does
11 this help any?

12 COMMISSIONER KIESLING: I said that was a good
13 point. I mean, I didn't think to go back and compare
14 them that way.

15 COMMISSION STAFF: It was just the only way we had
16 to try to do kind of sanity check.

17 MS. SHELFER: And also, Commissioner Kiesling,
18 when GTE filed its modified study where it said that it
19 complied with the FCC, it came up with a discount rate
20 of 13.25 percent. Staff modified it by adding in the
21 pay telephone revenue, and that's where ours came to
22 13.04.

23 COMMISSIONER KIESLING: Okay. I'm as satisfied as
24 I can be.

25 CHAIRMAN CLARK: Okay. Is there a motion on

1 Issue 3?

2 COMMISSIONER JOHNSON: Move it.

3 COMMISSIONER DEASON: Second.

4 CHAIRMAN CLARK: All those in favor say aye.

5 (Unanimous affirmative vote.)

6 CHAIRMAN CLARK: Opposed, nay. Issue 4(a).

7 COMMISSIONER DEASON: Commissioners, this is very
8 similar to an issue which we addressed in BellSouth. I
9 think that staff's recommendation would be
10 incorporating some very specific items, which I think
11 perhaps should be left to the parties to reach the
12 specifics, if they can, and include it in the final
13 arbitrated agreement that comes before the Commission
14 for approval. And if I'm mistaken, staff, correct me,
15 but I think this is very similar.

16 MR. GREER: That is correct, Commissioner.

17 CHAIRMAN CLARK: This doesn't have the issue of
18 liquidated damages, though, does it?

19 COMMISSIONER DEASON: That's a separate issue, is
20 it not?

21 MR. PELLEGRINI: Yes, that is addressed in another
22 issue.

23 CHAIRMAN CLARK: Okay. So your motion on Issue
24 4(a) is --

25 COMMISSIONER DEASON: That we not approve staff's

1 recommendation to the extent that they are calling for
2 us to approve specifics that are contained in AT&T and
3 MCI proposed agreements. That we adopt their
4 recommendation to allow the parties to reach the
5 specifics to the extent they can when they file their
6 version of the arbitrated agreement. To the extent
7 they can't reach an agreement, we will make the
8 decision at that time.

9 CHAIRMAN CLARK: But is the direction initially
10 that it will be to provide service to the same level --

11 COMMISSIONER DEASON: Yes, the policy statement is
12 that it's going to be the same quality of service that
13 they provide to their own retail customers.

14 CHAIRMAN CLARK: Okay.

15 COMMISSIONER KIESLING: Second.

16 CHAIRMAN CLARK: Without objection, that is the
17 motion approved on Issue 4(a). Issue 4(b).

18 MR. REITH: Commissioners, Issue 4(b) was not in
19 the previous docket we just discussed. All staff is
20 doing is recommending that to the extent GTE doesn't
21 document any results for loop testing to go ahead and
22 provide those results to AT&T and MCI.

23 CHAIRMAN CLARK: So it's only to the extent they
24 do do it?

25 MR. REITH: Correct.

1 CHAIRMAN CLARK: And there is no requirement that
2 they do it beyond what they are doing now?

3 MR. REITH: Correct.

4 CHAIRMAN CLARK: Without objection, Issue 4(b) is
5 approved. Issue 5.

6 COMMISSIONER DEASON: Move staff.

7 CHAIRMAN CLARK: Without objection, Issue 5 is
8 approved. Issue 6.

9 COMMISSION STAFF: Commissioners, Issue 6 deals
10 with the electronic interfaces, again.

11 COMMISSIONER GARCIA: Move staff.

12 COMMISSIONER DEASON: I have one question, and
13 that has to do with the time frame of January 1, 1997.

14 MR. GREER: Yes. We didn't have it in the
15 BellSouth proceeding. Essentially, they had the
16 January 1, 1997 date to either provide it or give us
17 some report. We put this in here just to make it clear
18 that they need to give us a report prior to January 1,
19 '97. I think that was the intent in the BellSouth
20 proceeding, but we didn't have it --

21 COMMISSIONER GARCIA: So this is different from
22 the BellSouth one?

23 MR. GREER: It's not different, it's just that
24 here we put the December 31st, 1996 date. In the other
25 one we said you provide it by January 1, '97, if you

1 can't, you provide a report.

2 COMMISSIONER GARCIA: Got you.

3 COMMISSIONER DEASON: So staff doesn't
4 realistically expect that they are going to have
5 something in place by January 1, they are going to
6 expect a report.

7 MR. GREER: There essentially will be some, but we
8 expect to see a report by January 1, '97 in the
9 BellSouth proceeding.

10 COMMISSIONER DEASON: I move staff.

11 CHAIRMAN CLARK: Without objection.

12 COMMISSIONER KIESLING: Can I just get a
13 clarification? It's broken out in the body of the
14 agenda itself as Issues 6(a), (b), and (c), even though
15 at the front of it it is only one issue. So are you
16 moving all three parts of it?

17 COMMISSIONER DEASON: Yes.

18 COMMISSIONER KIESLING: Okay.

19 CHAIRMAN CLARK: Without objection, 6(a), (b), and
20 (c) are approved. Issue 7.

21 COMMISSION STAFF: Commissioners, Issue 7 has to
22 deal with customized routing. Staff is recommending
23 that it is technically feasible to provide customized
24 routing.

25 CHAIRMAN CLARK: Questions, Commissioners?

1 COMMISSIONER DEASON: This is essentially what we
2 did for BellSouth, is that correct?

3 COMMISSION STAFF: It's the same thing as
4 BellSouth, except in this issue GTE had requested time
5 frames for implementation and cost be addressed. That
6 was not addressed in BellSouth.

7 CHAIRMAN CLARK: Without objection, Issue 7 is
8 approve. Issue 8. Are the parties in agreement on
9 this issue? I couldn't tell.

10 MR. GREER: Issue 8(a)?

11 CHAIRMAN CLARK: Yes.

12 COMMISSION STAFF: Are the parties in agreement>.

13 CHAIRMAN CLARK: Yes. It looked to me like they
14 were.

15 COMMISSION STAFF: Well, it looks like GTE seems
16 to be willing to provide this CABS-like service, they
17 just didn't say when.

18 CHAIRMAN CLARK: And that's what we are providing
19 in here is the when?

20 COMMISSION STAFF: Well, what staff is
21 recommending is that since the open billing forum is
22 working to set the standards, that we instead of
23 recommending something other than what they will, you
24 know, provide that we should just wait for their
25 determination. Whatever comes out of the open billing

1 forum.

2 CHAIRMAN CLARK: It wasn't clear to me that there
3 was a difference in the parties' positions on this.

4 COMMISSION STAFF: Well, AT&T wants CABS billing.
5 MCI wants CABS-like billing. That is the bill will be
6 in a format, in a CABS billing format, whereas AT&T
7 says, no, we want actual CABS billing like we get on
8 the trunk side.

9 CHAIRMAN CLARK: All right. And you're saying
10 whatever is adopted by the open billing forum will be
11 the one that they have to provide?

12 COMMISSION STAFF: Right.

13 CHAIRMAN CLARK: Any other questions on 8(a)?
14 Without objection, 8(a) is approved. 8(b).

15 COMMISSION STAFF: Issue 8(b) addresses the time
16 frame to develop additional capabilities.

17 COMMISSIONER KIESLING: Move it.

18 CHAIRMAN CLARK: Without objection, 8(b) is
19 approved. 8(c).

20 COMMISSION STAFF: Issue 8(c) concerns
21 identification and recovery of costs for the CABS
22 billing system.

23 CHAIRMAN CLARK: Without objection, 8(c) is
24 approved. Issue 9.

25 MS. SHELFER: Issue 9 deals with what type of

1 customer authorization is required to access customer
2 accounting.

3 COMMISSIONER GARCIA: It's the same as the other
4 one, correct?

5 MS. SHELFER: Yes.

6 COMMISSIONER GARCIA: Move it.

7 CHAIRMAN CLARK: Without objection, Issue 9 is
8 approved. Issue 10.

9 COMMISSION STAFF: Commissioners, Issue 10 deals
10 with directory issues, such as secondary distribution
11 of directories and additional pages ordered by the LECs
12 or the ALECs in the LEC's directories.

13 CHAIRMAN CLARK: Questions, Commissioners?

14 COMMISSION STAFF: I was just going to say we are
15 consistent as far as the logo issue.

16 COMMISSIONER JOHNSON: Move it.

17 COMMISSIONER KIESLING: And I second. I mean,
18 while this looks like it is slightly different, I think
19 it is because of the quality of the record and not
20 because our policy is, or how we are implementing this
21 is changing.

22 COMMISSION STAFF: Correct.

23 CHAIRMAN CLARK: Okay. Without objection, Issue
24 10 is approved. Issue 11.

25 COMMISSION STAFF: Commissioners, Issue 11 deals

1 with the access to directory assistance databases.
2 What we are recommending is that GTE go ahead and
3 provide access to its directory assistance database.

4 CHAIRMAN CLARK: Questions, Commissioners?

5 COMMISSIONER DEASON: Move staff.

6 CHAIRMAN CLARK: Without objection, Issue 11 is
7 approved. Issue 12. Is it the same as BellSouth's?

8 MR. GREER: Yes, it is.

9 COMMISSIONER DEASON: Move staff.

10 CHAIRMAN CLARK: Without objection, Issue 12 is
11 approved. Issue 13(a).

12 COMMISSION STAFF: Commissioners, Issue 13(a)
13 addresses whether or not the items listed are network
14 elements, and if so, are they technically feasible to
15 provide. Staff recommends that the Commission
16 determine that all the items are network elements and
17 that they are technically feasible to provide except
18 for the service control points database element. This
19 one was discussed in the previous docket.

20 MR. GREER: Commissioner, the only difference in
21 this one is that there is subloop elements that were
22 pulled from the BellSouth proceeding that were not
23 withdrawn from this proceeding. That would be the loop
24 concentrator/multiplexer and the loop feeder.

25 CHAIRMAN CLARK: Questions on 13(a),

1 Commissioners? Without objection, 13(a) is approved.
2 I'm sorry, I need to go back to 11(c) for a minute.
3 The recommendation is -- the question or the issue in
4 11(c) is what are the costs incurred and how should
5 these be recovered. And I saw the requirement that
6 they file a study, but I didn't see a recommendation on
7 how the costs should be recovered. Is that left until
8 they file?

9 COMMISSION STAFF: Correct.

10 CHAIRMAN CLARK: Okay. We have disposed of 13(a).
11 13(b).

12 COMMISSION STAFF: Commissioners, Issue 13(b)
13 addresses the prices for those elements requested by
14 AT&T and MCI and determined to be technically feasible
15 in Issue 13(a).

16 COMMISSIONER GARCIA: Move staff.

17 CHAIRMAN CLARK: Without objection, 13(b) is
18 approved. Issue 14.

19 MR. GREER: Issue 14 deals with the rebundling of
20 unbundled elements.

21 COMMISSIONER DEASON: The extensive discussion we
22 had in the BellSouth situation that we identified at
23 that time, the apparent inconsistency to a great extent
24 dealt with the fact that BellSouth did not engage in
25 interLATA services and that there was a joint marketing

1 restriction as it pertained to competitors with
2 BellSouth. That situation does not apply in this case,
3 is that correct?

4 MR. GREER: That's correct.

5 CHAIRMAN CLARK: Is there a motion on Issue 14?

6 COMMISSIONER DEASON: I move staff.

7 CHAIRMAN CLARK: Without objection, Issue 14 is
8 approved. Issue 15.

9 COMMISSION STAFF: Commissioners, Issue 15 deals
10 with the dark fiber issue. Staff is recommending that
11 it is not to be considered as a network element as we
12 did in BellSouth.

13 COMMISSIONER GARCIA: I move staff.

14 COMMISSION STAFF: I would like to point out that
15 we are making a call on 252(i) in this recommendation,
16 and that is a piece that was stayed in the FCC's rules.

17 CHAIRMAN CLARK: You have to be more specific.

18 COMMISSION STAFF: Okay. If you would turn to
19 Page 165, please. What happened was GTE had an
20 agreement with MFS that allows MFS the possibility of
21 leasing dark fiber only for interconnection purposes.
22 And what we are saying is after reading 252(i) in the
23 Act, that we believe that AT&T and MCI should have that
24 opportunity, also. And the stay of the order, the
25 FCC's order, was particular to 252(i) and the pricing

1 provisions thereof, and that's the quote at the bottom
2 of Page 165. And what we are saying is being that this
3 doesn't conclude pricing, it's just the availability of
4 that same option since pricing was not decided in that
5 agreement, that you should go ahead and provide that to
6 AT&T and MCI in that specific instance, if they request
7 it.

8 COMMISSIONER DEASON: There were no prices in the
9 MFS agreement?

10 COMMISSION STAFF: No, they had agreed that if
11 that option was taken it would either be under a
12 negotiated contract or a tariffed rate.

13 CHAIRMAN CLARK: We are simply basing -- your
14 recommendation is really based on the notion if it is
15 offered to one it ought to be offered to others under
16 the same terms and conditions.

17 COMMISSIONER DEASON: Yes. And that is the
18 caveat, the same terms and conditions.

19 CHAIRMAN CLARK: And whether or not -- even though
20 there is a part of the FCC order that has been stayed
21 that implements 252(i), and even though we think that
22 it is under our jurisdiction to interpret the Act, we
23 would interpret it the same way.

24 COMMISSION STAFF: Yes.

25 CHAIRMAN CLARK: Okay. Any other questions on

1 Issue 15? Without objection, Issue 15 is approved.

2 Issue 16. Questions, Commissioners?

3 COMMISSIONER GARCIA: Move staff.

4 CHAIRMAN CLARK: Without objection, Issue 16 is
5 approved. Issue 17.

6 COMMISSION STAFF: Commissioners, Issue 17 deals
7 with access to pole, ducts, conduit --

8 COMMISSIONER GARCIA: This reads exactly like the
9 previous one, right?

10 COMMISSION STAFF: Yes, sir. And I am assuming
11 that you would like the same addendums in the order as
12 the previous one.

13 COMMISSIONER DEASON: This is staff's concern
14 about --

15 COMMISSION STAFF: The capacity reservation.

16 COMMISSIONER DEASON: Yes.

17 CHAIRMAN CLARK: With that modification, Issue 17
18 is approved. Issue 18.

19 COMMISSION STAFF: Commissioners, Issue 18 deals
20 with whether the term rights-of-way includes all
21 possible pathways to the customer. Staff is
22 recommending that, no, that term does not include all
23 possible pathways.

24 COMMISSIONER DEASON: I move staff.

25 CHAIRMAN CLARK: Without objection, Issue 18 is

1 approved. Issue 19.

2 MR. GREER: Commissioner, Item 19 deals with the
3 interim number proceedings. The difference between
4 this recommendation and the recommendation in BellSouth
5 is that the staff determined that LERG reassignment to
6 the 1,000 number block was not technically feasible due
7 to lack of industry standards and, therefore, has not
8 required GTE to provide that as an interim number
9 portability solution.

10 CHAIRMAN CLARK: Stan, I'm sorry, I don't
11 understand. Are you saying that your recommendation is
12 that they should provide it -- I guess I was confused,
13 because your recommendation seemed to say they should
14 provide local exchange routing guide to the NXX level
15 and then your recommendation says they should not. Is
16 the difference being the NPA?

17 MR. GREER: There is two types of interim number
18 portability using the LERG. There is an NXX level and
19 there is a 1,000 number block. The NXX level
20 essentially is a 10,000 number block and there is 1,000
21 number block. The 10,000 number block is already
22 recognized in the industry guidelines as far as
23 reassignment of that entire NXX to a different carrier.
24 There is not any standards as far as the reassignment
25 of 1,000 numbers within that NXX to a different

1 carrier. It was withdrawn as an issue in the BellSouth
2 proceeding. In this proceeding it was not withdrawn as
3 a request for interim number portability, although AT&T
4 said they could live with the NXX level. We think that
5 the 1,000 number block LERG reassignment is not
6 technically feasible now because the LERG does not
7 recognize or does not have the standards to reassign
8 that specific 1,000 numbers to a new carrier. And GTE
9 essentially has said they don't have any customers that
10 have a single 1,000 number block. Therefore, for them
11 it doesn't matter, but we made the determination
12 anyway.

13 CHAIRMAN CLARK: Now, I guess the trouble is you
14 talk about 1,000 and 10,000 number blocks and then your
15 recommendation is written in NXX level or NPA NXX
16 level, and I can't make the translation. See, you have
17 a recommendation that they should provide interim
18 solutions, and as I understand (e), it's LERG to the
19 NXX level.

20 MR. GREER: Correct.

21 CHAIRMAN CLARK: And then your recommendation, it
22 seemed to only talk about not requiring it with respect
23 to --

24 MR. GREER: There essentially is no dispute as far
25 as -- to me -- the five that they have there. The only

1 issue that was raised is whether or not GTE should
2 provide -- and that was the main thrust of their
3 argument was whether or not they should provide LERG
4 reassignment to the 1,000 number block. And they said
5 that right now they couldn't do it, because there was
6 no standards to recognize that.

7 CHAIRMAN CLARK: All right. And we agree with
8 that?

9 MR. GREER: Yes, I do agree with that.

10 CHAIRMAN CLARK: And there seems to be agreement
11 that you can do it to the 10,000 number block?

12 MR. GREER: Yes.

13 CHAIRMAN CLARK: Okay. Any other questions on
14 Issue 19? Without objection, Issue 19 is approved.
15 Issue 20.

16 MR. GREER: Commissioner, Issue 20 deals with the
17 cost recovery of number portability, interim number
18 portability. Staff is recommending the cost recovery
19 be dealt with in 950737, whatever mechanism is
20 developed there should apply to these interim
21 solutions.

22 CHAIRMAN CLARK: Questions, Commissioners?

23 COMMISSIONER DEASON: Move staff.

24 CHAIRMAN CLARK: Without objection, Issue 20 is
25 approved. Issue 21.

1 COMMISSION STAFF: Commissioners, Issue 21
2 concerns whether GTE should be prohibited from placing
3 limitations with respect to interconnection and
4 collocation. Staff recommends that GTE should be able
5 to impose those limitations as provided in the FCC's
6 rules.

7 COMMISSIONER KIESLING: Move it.

8 COMMISSIONER DEASON: Second.

9 CHAIRMAN CLARK: Without objection, Issue 21(a) is
10 approved. There is no (b), or is there a (b)?

11 COMMISSION STAFF: Yes, there is.

12 CHAIRMAN CLARK: Is there a motion on 21(b)?
13 Without objection, Issue 21(b) is approved. Issue 22.

14 MS. SHELFER: Commissioners, Issue 22 deals with
15 the compensation mechanism for exchange of local
16 traffic.

17 CHAIRMAN CLARK: Questions, Commissioners?

18 COMMISSIONER KIESLING: Move it.

19 CHAIRMAN CLARK: Without objection, Issue 22 is
20 approved. Issue 23.

21 COMMISSION STAFF: Commissioners, Issue 23 is the
22 same as 24 in the Bell case. It's the application of
23 intrastate access charges to the unbundled local
24 switching element. That part of the order was stayed,
25 and staff has recommended that the unbundled local

1 switching element be applied as approved in this case,
2 and that access charges be applied when they are
3 applicable.

4 COMMISSIONER GARCIA: Move staff.

5 CHAIRMAN CLARK: Without objection, Issue 23 is
6 approved. Issue 24.

7 COMMISSION STAFF: Commissioners, Issue 24
8 concerns notice by GTE to its wholesale customers for
9 changes.

10 COMMISSIONER GARCIA: Is this the say provision as
11 the previous one?

12 COMMISSION STAFF: Yes.

13 COMMISSIONER GARCIA: Move staff.

14 COMMISSIONER KIESLING: Second.

15 CHAIRMAN CLARK: Without objection, Issue 24 is
16 approved. Issue 25.

17 MR. GREER: Commissioners, Issue 25 was not in the
18 BellSouth proceeding. It essentially is what is the
19 term of the agreement. GTE recommends two years, AT&T
20 recommends five. The staff is proposing that a
21 three-year agreement term be set with one year
22 successive year renewals.

23 CHAIRMAN CLARK: What is the term -- did BellSouth
24 agree to a term with the other one?

25 MR. GREER: It was not an issue until the

1 arbitration proceeding comes in.

2 CHAIRMAN CLARK: Okay. Any questions on Issue 25?

3 COMMISSIONER DEASON: It's not an issue until the
4 arbitration agreement?

5 MR. GREER: I assume that will be a part of one of
6 the contractual things that are dealt with in that
7 proceeding, you know, the term of that arbitration
8 agreement when they file it.

9 COMMISSIONER DEASON: And how did staff determine
10 that three years was appropriate?

11 MR. GREER: Well, this may fall under another
12 issue of, you know, they should negotiate this out, but
13 GTE indicates that two years is what they would prefer
14 due to the risk that would be involved in the industry
15 today, which is kind of an unstable time right now as
16 far as what is unbundled and what is not. AT&T
17 believes five years would be better for them because it
18 would give them more stability in setting rates for
19 their end users. It really was a compromise between
20 the two. By the time the agreement is signed, two
21 years would not to me give a competitor ample time to
22 get all of their requirements set. And with a changing
23 in the costs and stuff, we decided that they should
24 have probably three years. I mean, there is no magic
25 to the number.

1 COMMISSIONER DEASON: Let me ask -- I'm sorry, go
2 ahead. I forgot what I was going to ask.

3 COMMISSIONER GARCIA: I just thought that this
4 might be one of those issues that we don't necessarily
5 need to decide here.

6 COMMISSIONER DEASON: That's what I was going to
7 ask, as well.

8 MR. GREER: And we can do like we did in the
9 BellSouth proceeding, essentially say negotiate it if
10 you don't like it. Five years or two years, then if
11 you can't negotiate it then we will pick it at the end
12 when the arbitration proceeding comes in.

13 COMMISSIONER GARCIA: And he has given them an
14 idea of what he will pick.

15 MR. GREER: That could be true, too. We could do
16 it that way.

17 COMMISSIONER DEASON: Of course, there is some
18 merit, I guess, or attractiveness to having it four
19 years. That way, Commissioners, you have only got one
20 of these per term.

21 COMMISSIONER KIESLING: That seems like the most
22 attractive option I have heard.

23 COMMISSIONER DEASON: I knew I had another
24 question. Do these agreements incorporate reopener
25 type clauses for certain sections or certain matters

1 that they can sit down and say, look, something is not
2 work, let's negotiate a change?

3 MR. GREER: Most of them do have some type of
4 provision like that in it. Whether or not they can
5 negotiate that type of clause for this, I don't know.
6 But I know most of the agreements we have seen have
7 some kind of provision, you know, if you do something
8 different to the most favored nations clause, you know,
9 if you provide something different to another carrier,
10 then I should be able to get that service, too. And
11 most of the agreements here before the Commission that
12 the Commission has approved essentially runs about two
13 years, I think.

14 COMMISSION STAFF: Two and three.

15 COMMISSIONER DEASON: They generally run two to
16 three years?

17 COMMISSION STAFF: Two to three years, negotiated.

18 COMMISSIONER DEASON: Well, my preference would be
19 to have the parties negotiate this, and to the extent
20 they can't, we will pick a number when it comes time to
21 approve the final arbitration agreement. But it looks
22 to me like this is something they could agree on.

23 COMMISSIONER GARCIA: If that's a motion, I will
24 second it.

25 COMMISSIONER DEASON: That's a motion.

1 CHAIRMAN CLARK: Well, I would just say that they
2 couldn't agree on it before, we might as well just get
3 rid of it here. We have sort of given an indication.

4 COMMISSIONER DEASON: Well, I don't have a strong
5 feeling one way or the other.

6 CHAIRMAN CLARK: I don't put this in the category
7 of the other. We might as well do it if that is what
8 we would do if they didn't agree. But there has been a
9 motion and a second. All those in favor say aye.

10 COMMISSIONER DEASON: Aye.

11 COMMISSIONER GARCIA: Aye.

12 COMMISSIONER JOHNSON: Aye.

13 CHAIRMAN CLARK: Opposed, nay. So we will just
14 leave this for them to agree, and if they can't agree,
15 we will decide it in the final approval of the
16 arbitrated agreement.

17 MS. BROWN: All right. So the vote is to deny
18 staff and determine that this is not an issue that you
19 want to arbitrate, that you will hear, but will approve
20 it in the final agreement? I'm just trying to figure
21 out how to put --

22 CHAIRMAN CLARK: As I understand it, it's that we
23 deny staff and leave it up to the parties to negotiate
24 the term and file that with us when they file the final
25 agreement. If they can't agree, we will set the terms.

1 Is that your motion?

2 COMMISSIONER DEASON: That is the motion.

3 CHAIRMAN CLARK: That one was approved on a 3-to-2
4 vote.

5 COMMISSIONER KIESLING: You didn't ever ask for
6 nay, I don't think.

7 CHAIRMAN CLARK: All right. Let's go back. There
8 has been a motion and a second. All those in favor say
9 aye.

10 COMMISSIONER DEASON: Aye.

11 COMMISSIONER GARCIA: I'm sorry, what are you --

12 CHAIRMAN CLARK: We are back on Issue 25.

13 COMMISSIONER KIESLING: 26.

14 COMMISSIONER DEASON: No, it's 25.

15 COMMISSIONER KIESLING: You're right.

16 CHAIRMAN CLARK: Issue 25, yes.

17 COMMISSIONER DEASON: We're just trying to get the
18 vote straight.

19 CHAIRMAN CLARK: All those in favor say aye.

20 COMMISSIONER DEASON: Aye.

21 COMMISSIONER GARCIA: Aye.

22 COMMISSIONER JOHNSON: Aye.

23 CHAIRMAN CLARK: Opposed, nay.

24 COMMISSIONER KIESLING: Nay.

25 CHAIRMAN CLARK: Nay. Issue 26.

1 MR. GREER: Commissioner, Issue 26 was also not in
2 the BellSouth proceeding. Essentially it is should the
3 agreement be modified by subsequent tariff filings.
4 Staff's recommendation is that it should not unless the
5 agreement specifically makes that provision in the
6 agreement. If it references a tariff section and that
7 tariff section changes then that agreement requirements
8 would change.

9 COMMISSIONER KIESLING: I move staff.

10 CHAIRMAN CLARK: I guess I had a question about
11 this, and I have some concern that there may be
12 modifications to tariffs that should be done and should
13 be allowed to be done that will somehow have an effect
14 on the agreement. I would agree that it shouldn't be
15 used as a mechanism to unilaterally change the
16 contract, but I had some concern that there might be a
17 reliance on some tariff that may be appropriate to
18 change for other reasons.

19 MR. GREER: And, Commissioner, I guess the way we
20 looked at it was that if they had some requirement,
21 some provisioning requirement or some rate that they
22 wanted in the contract, they ought to put that in the
23 agreement. If they reference a specific tariff
24 section, then anything that happens to that tariff
25 section, whether it changes the provisions or whatever,

1 then that changes the agreement. I'm not for sure we
2 have the ability under -- and my legal folks will help
3 me -- under contract law to do that type of stuff. And
4 I think that is essentially --

5 CHAIRMAN CLARK: I didn't understand that.

6 MR. PELLEGRINI: What we decided was that if the
7 agreement turns specifically on a change in the tariff,
8 and the agreement specifically noted that, then fine,
9 such a change would be accommodated. Otherwise, a
10 tariff change could not --

11 CHAIRMAN CLARK: So that when they do this
12 agreement, to the extent they rely on a tariff, that it
13 will be up to GTE to indicate and the parties to agree
14 that if it changes, the tariff changes, it will be
15 encompassed in the agreement.

16 MR. PELLEGRINI: It will effect the agreement.

17 CHAIRMAN CLARK: Okay. Without objection, Issue
18 26 is approved. 27(a).

19 COMMISSION STAFF: Commissioners, Issue 27(a) is
20 same as what we recommended in BellSouth.

21 COMMISSIONER KIESLING: Move it.

22 CHAIRMAN CLARK: Without objection, 27(a) is
23 approved. 27(b).

24 COMMISSION STAFF: 27(b) is different, and it's
25 based on the record in this proceeding. We went with

1 GTE's proposal because MCI's proposal lacks support in
2 the record.

3 COMMISSIONER KIESLING: I couldn't understand you,
4 I'm sorry.

5 COMMISSION STAFF: I'm sorry. We went with GTE's
6 proposal because MCI's proposal in their brief lacked
7 the record support that it needed.

8 COMMISSIONER DEASON: Well, we have got to make
9 our decisions based on the record, and this is what is
10 supported by the record. I move staff.

11 COMMISSIONER JOHNSON: Second.

12 CHAIRMAN CLARK: without objection, Issue 27(a) is
13 approved. Issue 28.

14 COMMISSION STAFF: Commissioners, Issue 28
15 concerns the appropriate time frame for GTE to provide
16 MCI with CABS-like billing.

17 CHAIRMAN CLARK: Questions, Commissioners?

18 COMMISSIONER KIESLING: Move it.

19 CHAIRMAN CLARK: Without objection, staff
20 recommendation is approved on 28. 29.

21 MR. GREER: Commissioners, Issue 29 deals with the
22 assignment of codes.

23 CHAIRMAN CLARK: Without objection, Issue 29 is
24 approved. Issue 30.

25 COMMISSIONER DEASON: I move primary.

1 CHAIRMAN CLARK: On Issue 30 and 31, it should be
2 primary to make it consistent with our BellSouth
3 decision?

4 MS. BARONE: Yes. And, Chairman Clark, I would
5 like to point out something that we did not discuss in
6 the BellSouth recommendation. In staff's
7 recommendation, the primary and alternative, if the
8 parties cannot agree to the language, they are to
9 submit agreements. What we have left open is the
10 decision as to whether you will pick and choose from
11 both agreements or whether you will choose one
12 agreement over another. So I just wanted to bring that
13 to your attention. That is an issue that is
14 outstanding. But it's up to you how you decide how
15 you're going to implement that.

16 CHAIRMAN CLARK: When it comes back to us?

17 MS. BARONE: Yes, ma'am.

18 COMMISSIONER DEASON: We will retain the
19 flexibility to do it either way.

20 CHAIRMAN CLARK: Right. Without objection,
21 staff's primary on Issue 30 and 31 are approved.
22 Issue 32.

23 COMMISSIONER KIESLING: Move it.

24 CHAIRMAN CLARK: Without objection, Issue 32 is
25 approved.

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, JANE FAUROT, Court Reporter, do hereby certify that the foregoing proceedings was transcribed from cassette tape, and the foregoing pages numbered 1 through 49 are a true and correct record of the proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor relative or employee of such attorney or counsel, or financially interested in the foregoing action.

DATED THIS 9th day of December, 1996.

Jane Faurot
JANE FAUROT, RPR
P.O. Box 10751
Tallahassee, Florida 32302
(904) 379-8669