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March 3, 1998

BY HAND DELIVERY

Ms. Blanca Bayo, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket Nos. 960757-TP, 960833-TP, and 960846-TP

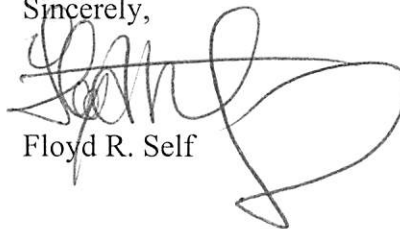
Dear Ms. Bayo:

Enclosed for filing on behalf of WorldCom, Inc. are an original and fifteen copies of WorldCom's Posthearing Brief in the above-referenced dockets. Also enclosed is a 3 1/2" diskette with the document on it in WordPerfect 6.0/6.1 format.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely,



Floyd R. Self

- ACK _____
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Enclosures
cc: Mr. Brian Sulmonetti

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DOCUMENT NUMBER-DATE

02827 MAR-3 98

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Metropolitan Fiber Systems of Florida, Inc. for arbitration with BellSouth Telecommunications, Inc. concerning interconnection rates, terms and conditions, pursuant to the Federal Telecommunications Act of 1996

Docket No. 960757-TP

In re: Petition by AT&T Communications of the Southern States, Inc. for arbitration of certain terms and conditions of a proposed agreement with BellSouth Telecommunications, Inc. concerning interconnection and resale under the Telecommunications Act of 1996.

Docket No. 960833-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 BellSouth Telecommunications, Inc. concerning interconnection and resale under the Telecommunications Act of 1996.

Docket No. 960846-TP
Filed: March 3, 1998

POSTHEARING BRIEF OF WORLDCOM, INC.

WorldCom, Inc., for itself and its subsidiary Metropolitan Fiber Systems of Florida, Inc. (hereinafter, collectively "WorldCom"), through undersigned counsel, herewith submit this posthearing statement.

I. BASIC POSITION

Recurring and nonrecurring prices set in this proceeding should be set as TSLRIC cost. BellSouth's attempt to include shared and common costs and its new residual recovery requirements should be rejected as they violate the directive in the Commission's prior orders for price setting.

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02827 MAR-3 88
FPSC-RECORDS/REPORTING

An evaluation of BellSouth's nonrecurring cost study reveals unnecessary services and other excessive work functions and time frames that grossly inflate the results of their study and which should, therefore, be rejected. Finally, BellSouth's efforts to introduce prices for OSS and vertical features should be rejected as they are outside the scope of this proceeding and prior Commission decisions.

II. ISSUES AND POSITIONS

ISSUE 1: What are the appropriate permanent recurring and non-recurring rates for the following unbundled network elements:

ISSUE 1.A.: Network interface device (NID).

SUMMARY OF POSITION: Not at issue for WorldCom.

ISSUE 1.B.: 2-wire/4-wire Loop Distribution.

SUMMARY OF POSITION: Not at issue for WorldCom.

ISSUE 1.C.: Virtual collocation.

SUMMARY OF POSITION: *The MCI/AT&T cost model is the only proper cost model that is appropriate for setting prices in this proceeding.*

ANALYSIS AND ARGUMENT: The evidence only supports the adoption of the rates put forth by MCI/AT&T in their virtual collocation model. Only the MCI/AT&T study reflect the differences in cost from physical collocation in space, investment, and maintenance. The model proposed by MCI/AT&T provides for ALEC equipment to be located within existing BellSouth equipment areas and maintained by BellSouth personnel. (Tr. 1036). As such, the MCI/AT&T model also includes no construction components, reduces the scope and magnitude of initial

investments for which BellSouth is responsible, charges the ALEC with the responsibility of additional cabling, places the brunt of maintenance with the ALEC, and provides security staffing by BellSouth for ALEC maintenance. (Tr. 1036). The BellSouth model does not reflect all the differences, and requisite reduction in costs, associated with virtual collocation. Because BellSouth does not advocate its own virtual model, and because BellSouth's recommendation is inherently unreasonable, the only viable cost study for virtual collocation is the one proposed by MCI/AT&T.

BellSouth's proposal to adopt its existing interstate tariff rates for virtual collocation does not comply with the requirements of the Act and should be rejected. BellSouth interprets Section 251(c)(6) of the Act to provide virtual collocation only when BellSouth cannot provide physical collocation. Thus, it suggests that virtual collocation is the exception rather than the rule. However, BellSouth argues, because some carriers already have virtual collocation available to them under interstate tariffed rates, to promulgate any other rates would create arbitrage. Essentially, BellSouth's position is that its cost studies support a lower rate than the interstate tariff, but if the Commission adopted such rates, the ALECs would request virtual collocation pursuant to the lower intrastate tariff and not the higher interstate one.

BellSouth's attempt to claim it is avoiding arbitrage is a smoke screen for covering rates that violate the Act and hamper competition. First, whether it is arbitrage or not, the Commission's duty is to approve rates consistent with the Act. If BellSouth's own studies produce lower rates, then clearly BellSouth's proposal for existing interstate rates cannot be correct.

Second, BellSouth admits that such arbitrage can be avoided in Florida if the cost study rates became the interstate tariffed rates. (Tr. 140). However, BellSouth argues that because the interstate

tariff applies uniformly to nine states, if the cost study rates were adopted as the interstate tariff, such rates would affect those other states. Such deviations then between intrastate and interstate rates for other state commissions would result in arbitrage in those states. Thus, BellSouth encourages this Commission not to adopt the cost rates in for intrastate Florida purposes simply because other state commissions may not like them. This type of circular reasoning is absurd. The present interstate tariffed rates for virtual collocation were filed in 1994. (Tr. 140). Certainly, the costs related to virtual collocation in this four year or so span of time should be lower, and this is what their own study indicates. To adopt the status quo for no other reason than uniformity among BellSouth's service area is to deprive Florida ALEC's, and ultimately their customers, of forward-looking TSLRIC costs. If this Commission adopts BellSouth's recommendation, Florida ALEC's will be subjected to outdated rates because BellSouth chooses to do business outside this state, and that seems equally absurd.

In the final analysis, BellSouth abandons its cost model for virtual collocation in favor of tariffed rates proffered in 1994. Certainly, where BellSouth places no reliance on its own study, this Commission should not lend it much weight in assessing its precision and accuracy of costs. BellSouth does not even suggest its virtual model as an alternative to the tariffed rates. Instead, the Commission should adopt the legitimate rates offered by MCI/AT&T which strike the appropriate balance between the needs of the BellSouth and those of the ALEC's.

ISSUE 1.D.: Physical collocation.

SUMMARY OF POSITION: *The Commission should approve the negotiated interim rates on Exhibit 32 (DNP-2). Alternatively the Commission should adopt the MCI/AT&T

rate proposal. BellSouth's proposed rates should be rejected because they include costs for unnecessary functions and unrealistically inflated tasks that unfairly shift sunk labor costs to competitors.*

ANALYSIS AND ARGUMENT: *The final rates for physical collocation should be those negotiated in the interim agreement between BellSouth and MFS, contained in Exhibit 32 (DNP-2), and approved by this Commission. If, however, the Commission does not adopt the interim rates, the only reasonable alternative is the rates proposed in the physical collocation model submitted by MCI/AT&T. BellSouth's physical collocation model does not produce rates that are an appropriate measurement of the costs of providing collocation. WorldCom, through its MFS subsidiary, negotiated interim rates for physical collocation that were approved by this Commission. Exh. 1 at Order No. PSC-97-0235-FOF-TL (February 27, 1997). While designated as interim rates, this Commission should now adopt them as permanent rates given BellSouth's failure to propose cost based rates. (Tr. 983).*

A Commission decision to enforce these interim rates is in keeping with the Telecommunications Act of 1996. Under Section 252, both BellSouth and MFS have a duty to negotiate in good faith the terms and conditions of agreements. §252(c)(1). BellSouth has the additional duty of providing physical collocation. §252(c)(6). The Act thus directs good faith negotiation of physical collocation rates, which is what the interim rates reflect. The clear language of the Act mandates negotiation, and this Commission should enforce the negotiated interim rates.

BellSouth freely and voluntarily consented to the interim rates at issue. Exh. 31 (Porter Depo. at 9, lines 7-8). And because BellSouth offered those rates during that interim period, it

certainly did not propose rates that would cause them to break-even or operate at a loss. Exh. 31 (Porter Depo. at 80, lines 21-25 and p.81, line 1).

BellSouth's consent to the interim rates should convince this Commission that BellSouth arrived at those rates based upon a knowledge of the actual costs in providing collocation, the excess of which is a "reasonable profit" as contemplated by the Telecommunications Act of 1996. BellSouth certainly did not propose rates that were either arbitrary and capricious, or not based upon competent and substantial evidence of the costs involved in collocation. This assumption is confirmed by BellSouth's admission that such rates were based on cost. (Tr. 273-74).

BellSouth's consent to the interim rates should also convince the Commission that such rates serve as a ceiling, above which would excessively compensate BellSouth and impede upon the ability of ALEC entrants to collocate with BellSouth. Exh. 31 (Porter Depo. at 83, lines 2-8). Assuming that the interim rates had no specific study as support, any such subsequent study that breaks down collocation into its discernable elements should only reduce the approximated and favorable interim rates agreed to by BellSouth. Exh. 31 (Porter Depo. at 84, lines 6-8). In other words, it would be patently unreasonable for a TSLRIC study to exceed those interim rates.

The physical collocation model offered by BellSouth arrives just one year after its negotiations with MFS. The costs contained in this study grossly inflate the cost-based rates negotiated a year earlier; in fact, some are twice as high as the negotiated rate. These differences alone conclusively demonstrate the unreliability of BellSouth's study. Further, as explained later, BellSouth's cost study makes certain assumptions and overestimates certain costs to such a degree as to question its validity en toto. A one-sided study like BellSouth's does not and could not

equitably represent forward-looking costs the way a two-sided, negotiated rate scheme can. Thus, the interim rates should be approved.

If the Commission does not adopt the interim rates, the rates offered by AT&T and MCI pursuant to their collocation cost study are the only reasonable alternative.

The MCI/AT&T model balances concerns that collocation expenditures may be burdensome for an ALEC and may be unrecoverable by BellSouth. The BellSouth study does not engage in such balancing. BellSouth's cost study also contains a number of fatal errors, and it unreasonably relies on a number of inappropriate factors that result in costs in excess of the forward-looking costs of a TSLRIC cost study. In short, the BellSouth study also does not take a forward look at what would be or should be in place.

The MCI/AT&T cost study model does not include costs for retrofitting to make a central office comply with the Americans with Disabilities Act, to remodel a Central Office, or to remove asbestos. These inefficiencies, which have to be remedied before collocators can move in, result because BellSouth has had no competitive pressure in the past to make improvements. Exh. 36 (Klick Depo. at 32, lines 14-21). Had there been such pressures, these problems would have been fixed and BellSouth would be leasing out or otherwise generating revenue from this excess space. Exh. 36 (Klick Depo. at 33, lines 9-13). In other words, collocators may necessitate removing asbestos, but they certainly did not cause the asbestos violation to be in the place where they are to collocate. Exh. 36 (Klick Depo. at 39, lines 18-25). While BellSouth may pass on these costs, these costs should not be included on an individual cost basis. Exh. 36 (Klick Depo. at 41, lines 4-7). A forward looking study incorporates the fact that these modifications should already be in place.

The MCI/AT&T cost study includes electronic security access for all existing buildings and all future buildings as part of a forward-looking study. Exh. 36 (Klick Depo. at 46, lines 1-12). In some instances, access card security is already in place in some BellSouth central offices. Where access cards are already in place, and where physical collocators have wire mesh caging, the use of security escorts is absolutely unnecessary. And where access cards are not in place, general premises security may be necessary. BellSouth's cost study includes a cost attributed to the use of security escorts. Whether gypsum or wire mesh is used, security escorts are unnecessary. Forward-looking costs should instead mandate installation of electronic access and placement of collocation access along corridors.

BellSouth's most offensive charge in its physical collocation model is its application fee. The model charges 87.5 hours for each collocator as an application fee. Part of this fee is a charge for assessing whether space is even available for collocation by an ALEC. Assuming this 87.5 hour charge is accurate, which WorldCom does not concede, under the BellSouth model, an ALEC may seek to collocate and may be denied entry based upon BellSouth's assessment of its space, and the ALEC still would be charged 87.5 hours for this assessment. Further, this charge does not address the reduction in manpower for subsequent requests when a collocation plan has already been established. (Tr. 1068). BellSouth should have a second application fee incorporated in its study for these easier installations, and the second fee should reduce the 87.5 hours by at least 30%. (Tr. 1069).

Another fundamental problem with BellSouth's model is that cage and related costs are excessive. BellSouth advocates construction of multi-layer gypsum wall, a far more expensive

division among equipment than the usual and long-standing wire mesh alternative. With the construction of gypsum walls comes additional requirements of lighting, paint, air conditioning, and temporary constructional dust partitioning. (Tr. 1053-54, 1056). Wire mesh obviates the need for any of these.

BellSouth's argument that gypsum walling is safer than wire mesh is not a real-world issue. Wire mesh walling, when properly grounded, is just as safe and secure a method of division among equipment as gypsum walling. Indeed, it has been used for years without any incident. (Tr. 1054-55). Moreover, wire mesh is cleaner to install, provides adequate light and air flow through it, and needs no paint.

BellSouth's argument that gypsum walling has been required pursuant to local building code demonstrates overkill of a simple, resolvable issue. (Tr. 808). As BellSouth's own witness testified, wire mesh meets local code in all instances except two, and the circumstances of those two situations are highly suspect. Indeed, BellSouth's witness Redmond admits that multi-tenancy should not apply to collocation, although BellSouth has never disputed the issue. (Tr. 809). Ms. Redmond further believes that BellSouth could receive some exemption to local code requirements in those two instances. (Tr. 809). Thus, for BellSouth to include gypsum walls as a standard in a state-wide cost study based upon the influence of two local-level requirements is ludicrous. BellSouth's cost study should not have included construction costs of gypsum walls as a standard.

BellSouth's cost study also derives additional unnecessary costs from distant placement of collocator equipment. ALEC collocators should not have to bear additional costs because BellSouth chooses to place its equipment unreasonably far from cross-connects. BellSouth has arbitrary

control over placement of the collocation area within the central office. (Tr. 1063). If BellSouth must pay for these additional costs, it would have the necessary incentive to adopt a forward-looking planning strategy in the placement of collocators in each building. Because these additional costs should be borne by BellSouth, a number of costs in its study are overstated. First, cable lengths are excessive. Collocators situated near the cross-connects need only a fraction of BellSouth's stated cable length. Second, repeaters should not be in the cost study at all. The repeaters would only be necessary to regenerate signal for cable lengths in excess of 450 feet, and because BellSouth has control over placement, repeaters should not be charged to the ALEC's. Both of these costs can be reduced or eliminated by BellSouth if the Commission required them to be absorbed by BellSouth.

Finally, BellSouth's cost study includes an application fee with a "business marketing cost." Regardless of whether the division within the BellSouth business hierarchy that takes collocation orders is the marketing department, such a rate is excessive. ALEC's should not have to pay for marketing, and certainly BellSouth does not market for collocation. Further, the skills and know-how of a marketing department are unnecessary in handling collocation requests and ordering. An ALEC should not assume additional costs related to the untapped marketing skills of BellSouth's collocation employees.

In conclusion, the best action consistent with the Act and evidence of record is for this Commission to adopt the interim rates for physical collocation freely negotiated between BellSouth and WorldCom. However, if the Commission chooses to adopt rates pursuant to a physical collocation cost model, then the MCI/AT&T model offers the only reliable rates. The BellSouth cost study is replete with errors, and should be rejected.

ISSUE 1.E.: Directory Assistance.

SUMMARY OF POSITION: Not at issue for WorldCom.

ISSUE 1.F.: Dedicated transport (Nonrecurring only).

SUMMARY OF POSITION: Not at issue for WorldCom.

ISSUE 1.G.: 4-wire analog port.

SUMMARY OF POSITION: Not at issue for WorldCom.

ISSUE 1.H.: 2-wire ADSL-compatible loop.

SUMMARY OF POSITION: *The TSLRIC-based recurring charge should be no more than \$16.32, and the nonrecurring charges, should be \$19.50 for the first loop and \$10.87 for each additional loop. BellSouth's attempt to include shared and common costs and a residual recovery charge in the recurring charge are inappropriate. BellSouth's proposed nonrecurring charges in excess of \$600.00 grossly excessive as they include unnecessary and inflated work functions and times.*

ANALYSIS AND ARGUMENT: In this proceeding BellSouth is proposing recurring and nonrecurring rates for ADSL and HDSL loop which are in excess of the costs to provide those loops. From a competitive standpoint, the nonrecurring rates proposed by BellSouth for ADSL and HDSL loops will make it uneconomic to offer these services. These rates are especially egregious in view of the excessive and unnecessary work used by BellSouth to develop its proposed prices.

A. Recurring Charges

As to the recurring rates proposed by BellSouth, the following reflects a comparison of the current and proposed BellSouth charges and WorldCom's proposal.

	<u>Current</u>	BellSouth <u>Proposed</u>	WorldCom <u>Proposed</u>
2 wire ADSL	17.00	23.28	16.32
2 wire HDSL	17.00	17.73	11.52
4 wire HDSL	30.00	27.06	7.86

(Tr. 941). WorldCom has no objection to recurring rates for ADSL and HDSL loops that are based on TSLRIC studies (Tr. 969), but the prices proposed by BellSouth are based on TSLRIC plus shared and common costs plus a residual recovery requirements (“RRR”). The result is a price that plainly exceeds TSLRIC.

BellSouth’s Shared & Common Costs. In establishing interim rates for ADSL and HDSL loops, the Commission set rates above the TSLRIC study as reflective of efficient forward looking costs. The Commission recognized that if prices were above TSLRIC then those prices would be making a contribution, but the Commission did not make any specific determination as to a percentage to be added for shared and common costs. (Order No. PSC- 96-1579-FOF-TP, p. 33). Indeed, there was nothing in the initial arbitration order which required recovery of shared and common costs. In fact, in the cost studies initially filed by BellSouth, there was no element for shared and common costs. Thus, to the extent shared and common costs are included in the price of ADSL and HDSL loops, these loops are priced in excess of forward looking costs.

Residual Recovery Requirement. In addition to adding shared and common costs to the TSLRIC cost, BellSouth has developed another additive to boost the price for loops – the residual recovery requirement (“RRR”). (Tr. 107). The RRR is nothing more than an attempt to return to the protections afforded public utilities in a regulated environment without accepting any of the attendant responsibilities. It is nothing short of an attempt to use this Commission in its efforts to

deter competition. The RRR was not part of the earlier arbitration (Tr. 134, 168, 215) and is proposed at this time as an addition to the TSLRIC cost in order to recover “historic” costs. (Tr. 74, 108). The development of the RRR utilizes investments BellSouth has actually incurred (Tr. 136). To put it another way, BellSouth is using the RRR to recover its embedded costs. This not only defies economic concerns but violates the Telecommunications Act which requires that pricing be based upon costs determined without regard to rate of return issues (Sec. 252, Telecom. Act of 1996). BellSouth wants to use the RRR to recover its embedded costs, but there is absolutely no basis for this in the Telecommunications Act.

The only purpose of the RRR is to keep BellSouth whole. Despite the fact that BellSouth is a price regulated company in Florida rather than a rate base regulated company, BellSouth wants this Commission to keep it whole through the use of the RRR. But the RRR would work in a way that keeps prices for elements such as ADSL loops at a level above their true TSLRIC costs. On cross examination, Mr. Varner acknowledged that the way the RRR works generally is that as there is a percentage decrease in the TSLRIC there would be an increase in the residual recovery (Tr. 172), and in some cases the price would stay roughly the same (Tr. 173). This is nothing more than an attempt to return to concepts of rate of return regulation and for BellSouth to be kept whole. That BellSouth would propose an additive such as the RRR which is not part of any forward looking cost methodology is little short of incredible. The Commission should reject in clear terms any effort by BellSouth to use anything resembling the RRR. This is an idea whose time should never come.

OSS Costs. The prices which BellSouth proposes are further increased through the inclusion of OSS charges. (Tr. 148-149, 237, 257). Despite an order to the contrary, BellSouth has included

costs associated with the LCSC order taking function (Tr. 237, 239). In granting a motion to strike costs associated with OSS functions, the ruling was that the motion was granted with respect to all testimony and exhibits relating to the costs of OSS functions both manual and electronic (Order No. 98-0123, p. 4). Stating that there was “no such thing as a manual OSS” (Tr. 239), Mr. Varner nevertheless acknowledged that costs associated with the LCSC, which is the manual interface for ordering, was included in the proposed pricing. (Tr. 239). The fact is that despite the order to exclude costs of manual and electronic ordering BellSouth has included the manual costs and these should be removed. The specific amounts to be removed were identified by witness Caldwell during cross-examination. (Tr. 440-447; Exh. 9 (AJV-1)).

B. Nonrecurring Charges

Even though the recurring charges proposed by BellSouth are fraught with problems, these pale when compared to the proposals for the nonrecurring charges. Quite simply, BellSouth’s proposed nonrecurring rates make ADSL/HDSL service unmarketable even if the recurring charges were set at their lowest TSLRIC level.

Despite the technical name, ADSL and HDSL loops are simply copper loops with electronics at either end which enhance the ability to access and transmit data. Advances in technology have created a means whereby copper loops can be used to provide high speed access to services such as the Internet, which previously required high cost fiber transmission and electronics. ADSL and HDSL technology is currently limited to copper within specified distances but the technology greatly increases the use and efficiency of copper loops. This is particularly important because most loops are copper, and this opens a new opportunity to provide access services. In fact, the attraction of

ADSL/HDSL is that the technology enables the use of copper which makes up a large percentage of the network. Instead of converting to a more expensive plant – indeed, instead of replacing plant – existing plant can now be better utilized by consumers.

The significance of ADSL technology is also recognized by BellSouth. In literature introducing ADSL as a market trial in Birmingham, BellSouth describe its product as “designed to revolutionize the way you interact online” (Exh. 32, p. 8), it “opens the door to new horizons and life like you’ve never experienced” (Exh. 32, p.8), it puts “the future in plain sight” (Exh. 32, p. 9), it represents “the near-future of high speed communications” (Exh. 32, p. 10), and it is the connection that individuals and their families can use to take full advantage of the Internet (Exh. 32, p.16). Even though much of the literature published by BellSouth is designed to attract customers, WorldCom agrees that the ability to use copper loops in a more efficient manner is a tremendous technological advancement. The tremendous potential was described in BellSouth’s literature this way: “ADSL delivers to the small business customer what was previously only affordable to big business” (Exh. 32, p. 17). With ADSL, individuals and small business can now realize the benefits previously only available to large users thus opening up a new market. To participate in the Birmingham trial, residence customers pay \$49.95 per month (\$20.00 for trial service and \$29.95 for unlimited Internet access) and business customers pay \$99.95 (\$70.00 for the access and \$29.95 for Internet). The nonrecurring charge for installation is — FREE.

While the recurring charges for BellSouth’s ADSL trial are comparable to the prices proposed in this docket, the free installation is in comparison to a proposed NRC in excess of \$600 to be paid by WorldCom. It is extraordinary to believe BellSouth is absorbing over \$600 in NRCs

plus the separate cost of the modems on both ends of the line. (Tr. 964). The disparity can be attributed to the unnecessary gold plated treatment given these loops by BellSouth. WorldCom does not expect free nonrecurring charges, but certainly it is reasonable to expect to have to pay only the cost of providing the service and not for extra, unnecessary work which only serves to inflate the costs. Yes, BellSouth's rates are full of unnecessary and extra tasks that greatly inflate the rate.

The elements included in the nonrecurring costs are generally four: ordering, provisioning, installing and disconnecting (Tr. 396). For ADSL and HDSL customers, WorldCom intends to use loops ordered from BellSouth and provide its own electronics on either end in order to provide service. Tr. 944. Essentially, WorldCom is ordering nothing more than a copper loop, the same as any customer orders. WorldCom will add the electronics, and WorldCom will perform the necessary checks and inspections to insure that the loop is conditioned for ADSL/HDSL. BellSouth asserts that it must perform certain tasks to insure that the loop is of sufficient quality to provide the service, but such testing is unnecessary. The fact is that BellSouth will simply be disconnecting a working loop and reconnecting that same loop to WorldCom. If a loop is working one day it should be working the next. (Tr. 502). That it will be used as an ADSL or HDSL loop should make no difference to BellSouth. Even Ms. Caldwell for BellSouth acknowledges that WorldCom will be providing all of the electronics for ADSL/HDSL and BellSouth will provide providing only the copper facilities. (Tr. 392). Despite the effort to gold plate, BellSouth is doing nothing more for an ADSL/HDSL order than it does for a plain loop.

To summarize, as recognized by BellSouth through its test marketing literature, ADSL/HDSL technology opens up a range of improved and enhanced services to residential and

business users. ADSL/HDSL technology permits the use of copper loops, which is most of the existing network, to provide high speed access and transmission. But where BellSouth would provide installation at no charge to a market test (and presumably at no more than the current NRC), BellSouth would offer the same service to WorldCom for an NRC in excess of \$600.00. The work BellSouth says is necessary is not since it will be performed by the ALEC.

In the final analysis, the appropriate NRC should be \$19.50 for the first loop and \$10.87 for each additional loop. (Tr. 953, 954). NRCs are higher, and certainly at BellSouth's proposed level will only prevent WorldCom and other competitors from providing this revolutionary service to their customers. The Commission should not permit BellSouth to thwart competition this way.

ISSUE 1.I.: 2-wire/4-wire HDSL-compatible loop.

SUMMARY OF POSITION: *The TSLRIC-based recurring charge should be no more than \$16.32, and the nonrecurring charges, should be \$19.50 for the first loop and \$10.87 for each additional loop. BellSouth's attempt to include shared and common costs and a residual recovery charge in the recurring charge are inappropriate. BellSouth's proposed nonrecurring charges in excess of \$600.00 grossly excessive as they include unnecessary and inflated work functions and times.*

ANALYSIS AND ARGUMENT: See Analysis and Argument for Issue 1.H.

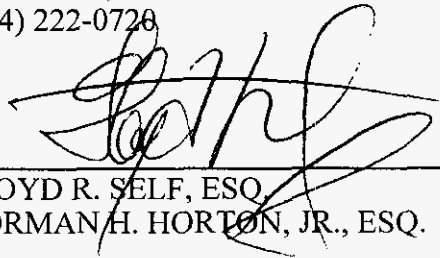
Dated this 3rd day of March, 1998.

Respectfully submitted,

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A handwritten signature in black ink, appearing to read 'F. Self', is written over a horizontal line. The signature is stylized and cursive.

FLOYD R. SELF, ESQ.
NORMAN H. HORTON, JR., ESQ.

Attorneys for WorldCom, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of WorldCom's Posthearing Brief in Docket Nos. 960757-TP, 960833-TP, and 960846-TP have been served upon the following parties by Hand Delivery (*) and/or U. S. Mail this 3rd day of March, 1998.

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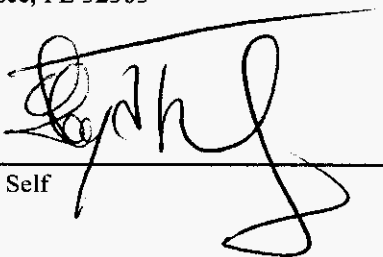
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