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March 9, 1998

Ms. Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 971478-TP
Complaint of WorldCom Technologies, Inc. Against BellSouth Telecommunica-
tions, Inc. For Breach of Terms of Florida Partial Interconnection Agreement
Under Sections 251 and 252 of the Telecommunications Act of 1996 and
Request for Relief

ACK _____
AFA _____ Dear Ms. Bayo:

APP _____ Please find enclosed an original and fifteen copies of GTE Florida Incorporated's
CAF _____ Partition to Intervene for filing in the above matter. Service has been made as indicated
CMU _____ on the Certificate of Service. If there are any questions regarding this matter, please
CTR _____ contact me at (813) 483-2617.

EAG _____ Very truly yours,

LEG 1 _____
LIN 5 _____
OPC _____
RC: Kimberly Caswell

SEC _____
WAS _____ Enclosures

RECEIVED & FILED

OTH Brad _____
A part of GTE Corporation BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

02981 MAR-98

FPSC-RECORDS/REPORTING

Complaint of WorldCom Technologies, Inc.)
Against BellSouth Telecommunications, Inc.)
For Breach of Terms of Florida Partial Inter-)
connection Agreement Under Sections 251)
and 252 of the Telecommunications Act of)
1996 and Request for Relief)
_____)

Docket No. 971478-TP
Filed: March 9, 1998

PETITION TO INTERVENE

Under Commission Rule 25-22.039, GTE Florida Incorporated (GTEFL) asks the Commission to allow GTEFL to intervene in this proceeding. GTEFL is a telecommunications company as that term is defined in Section 364.02 of the Florida Statutes. As such, its regulated intrastate operations are subject to the jurisdiction of this Commission.

Communications in regard to this proceeding should be directed to:

Kimberly Caswell
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GTEFL is entitled to intervene in this proceeding because its interests will be substantially and directly affected by the decision here. This proceeding involves a dispute over the nature of traffic terminated with Internet service providers (ISPs). Under their partial interconnection agreement in Florida, BellSouth Telecommunications, Inc. (BellSouth) and MFS Communications Company, Inc. (MFS) are required to pay each other reciprocal compensation for transport and termination of local traffic. In this case,

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FPSC-RECORDS/REPORTING

BellSouth contends that the ISP traffic at issue is interstate in nature, while MFS claims that it is local.

GTEFL is aware of the Commission's policy to deny intervention to third parties in disputes concerning the interpretation of a provision in an interconnection contract between two other parties. However, this is not such a case.

The decision to be made in this case is more one of policy than strict contract interpretation. The Commission has, through arbitration proceedings under the Telecommunications Act of 1996, imposed a reciprocal compensation scheme for the termination of local traffic in interconnection situations. This policy applies not just to BellSouth and MFS, but to numerous other entities, including GTEFL and the parties with which it has interconnection agreements. See, e.g., Petitions by AT&T Comm. of the Southern States, Inc., MCI Telecomms. Corp. 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 Nos. 960847-TP, 960980-TP (Jan. 17, 1997), at 85. The reciprocal compensation scheme was included in these parties' contracts as a matter of Commission mandate, rather than negotiation. Now, the Commission is being asked to interpret its reciprocal compensation policy and to issue an opinion--which will, again, be a policy matter--as to whether ISP traffic under that scheme is local or interstate. It is highly unlikely that the Commission can, in practical terms, decide that the ISP traffic in this case is local and decide later that it is interstate (or vice versa) under other parties' reciprocal compensation provisions.

In other words, this is not just a matter of contract interpretation that should preclude intervention by other parties. The Commission has ordered a reciprocal compensation scheme in numerous arbitrations under the Act. That scheme has been applied again and again for other carriers adopting arbitrated contracts. The decision to be made here will potentially affect all parties who have been ordered to implement reciprocal compensation schemes, including GTEFL. Thus, GTEFL believes it has a right to participate in this case. It defies logic to suggest that GTEFL is not a substantially affected party when the Commission's determination in this proceeding will set precedent for the treatment of ISP traffic under GTEFL's own reciprocal compensation provisions in its contracts with connecting carriers.

When a proceeding—even a proceeding involving a dispute between two other parties—raises policy matters or complex issues, the Commission has granted intervention to third parties in the interest of educating the Commission. See, e.g., *Petition of Talquin Elec. Coop., Inc. to Resolve Territorial Disputes with City of Tallahassee*, 89-5 FPSC 439 (1989). Consistent with this recognition of the need for a thorough exposition of important issues, GTEFL's input here would help the Commission make a better-informed policy decision about ISP tariffs and would protect GTEFL's rights to a meaningful hearing on this issue which directly affects its interests. GTEFL would show that ISP traffic is interstate, rather than local, when examined on an "end-to-end" basis, as it must be under applicable precedent. Calls to the Internet that are placed through an ISP do not "terminate" on the network facilities of the local exchange carrier (LEC) that provides local exchange service

to the ISP. Such calls are not, as a matter of law, subject to reciprocal compensation for the exchange of local service traffic.

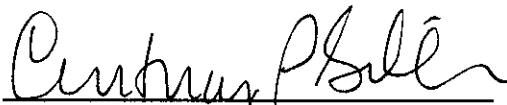
Even if the Commission had jurisdiction to require reciprocal compensation for such calls, it should decline to do so for sound policy reasons. If reciprocal compensation is applied to ISP traffic, alternative local exchange carriers (ALECs) will have an artificial, regulation-induced incentive to generate as much inbound ISP traffic from ILEC customers as possible, for the sole purpose of generating compensation payments. Such a policy decision would, moreover, eliminate competition among ILECs to serve a large class of customers--subscribers who are heavy Internet users via an ISP. The application of the existing reciprocal compensation regime to ISP traffic would thus distort the local telecommunications services market, subvert the development of meaningful competition in that market, and violate Congress' intent in mandating reciprocal compensation for the exchange of local traffic.

Some months ago, Staff had convened workshops intended to establish procedures to address complaints under interconnection contracts. During those workshops, the parties discussed the situation that is now before the Commission--that is, a complaint raises a policy matter that will necessarily and directly affect other parties to different contracts. GTEFL recalls that a majority of participants felt that allowing some level of intervention might be appropriate when the dispute implicated general policy matters, rather than being confined to just strict contract interpretation. Otherwise, entities will have no opportunity to influence the formulation of policies that directly affect them. Unfortunately, the workshops never concluded and rules were never proposed in this

regard. But these concerns remain very acute and, in the absence of procedural rules, the Commission is obliged to address them in the context of individual proceedings, such as this one.

Because the decision made here cannot reasonably be confined to this docket, but will likely affect all carriers which operate under the reciprocal compensation scheme, including GTEFL, GTEFL asks the Commission to allow it to intervene in this proceeding. In the alternative, if the Commission declines to allow intervention, GTEFL asks that the Commission initiate a generic proceeding to determine whether ISP traffic is to be considered local or interstate for purposes of reciprocal compensation.

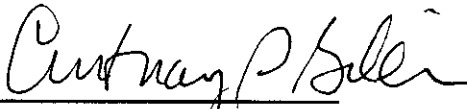
Respectfully submitted on March 9, 1998

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of GTE Florida Incorporated's Petition to Intervene in Docket No. 971478-TP were sent via U. S. Mail on March 9, 1998 to the parties on the attached list.


for Kimberly Caswell

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