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September 14, 1998

Ms. Blanca S. Bayó  
Director, Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

981121-TP

Re: COMPLAINT OF MCIMETRO FOR ENFORCEMENT OF ITS  
INTERCONNECTION AGREEMENT WITH BELLSOUTH

Dear Ms. Bayó:

Enclosed for filing on behalf of MCImetro Access  
Transmission Services, Inc. are the original and fifteen copies  
of its Complaint for Enforcement of MCImetro's Interconnection  
Agreement with BellSouth.

By copy of this letter, this document is being furnished to  
the parties on the attached service list.

Very truly yours,



Richard D. Melson

RDM/kcg  
Enclosures  
cc: Parties of Record

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

|                                     |   |                           |
|-------------------------------------|---|---------------------------|
| In Re: Complaint of MCImetro Access | ) |                           |
| Transmission Services, Inc. for     | ) | Docket No. _____          |
| Enforcement of its Interconnection  | ) |                           |
| Agreement with BellSouth            | ) | Filed: September 14, 1998 |
| Telecommunications, Inc.            | ) |                           |
| _____                               | ) |                           |

COMPLAINT OF MCIMETRO FOR ENFORCEMENT OF ITS INTERCONNECTION AGREEMENT WITH BELL SOUTH

Comes now MCImetro Access Transmission Services, Inc. (MCIIm) and requests that the Florida Public Service Commission (Commission) enter an Order declaring that MCIIm's use of combinations of unbundled network elements consisting of 4-wire DS1 loops and DS-1 dedicated transport to connect its customers to MCIIm's Class 5 local switches does not "recreate" an existing BellSouth retail service known as MegaLink and directing BellSouth Telecommunications Inc. (BellSouth) to perform its obligations under its Interconnection Agreement with MCIIm, as defined by the Commission in Order No. 98-0810-FOF-TP.

MCIIm requests that this complaint be handled on an expedited basis. BellSouth's refusal to perform its obligations under the Interconnection Agreement has caused financial harm to MCIIm of approximately \$2.5 million to date. BellSouth's continuing refusal to perform is costing MCIIm over \$300,000 per month.

Background

1. In November, 1997, MCIIm requested that BellSouth provision to MCIIm a combination of unbundled network elements (UNEs) consisting of a 4-wire DS1 loop and DS1 dedicated transport in order to connect MCIIm's customers from the customer's

location to the MCI Class 5 local switches in Florida. MCI requested this provisioning under the terms of its Interconnection Agreement with BellSouth (hereinafter "Agreement") and at the UNE prices contained in that Agreement. While BellSouth initially agreed to this provisioning and pricing, BellSouth later advised MCI that it would not honor MCI's request. As a result, MCI was forced to order its customer connections as T-1s from BellSouth's access tariff, pursuant to Part B of the Agreement.<sup>1</sup>

2. MCI requested this combination of a 4-wire DS1 loop and DS1 dedicated transport in order to provide its customers with a high speed (1.544 mbps) transmission path or loop to connect to MCI's Class 5 local switch. From this Class 5 local switch, MCI provides the customer with dial tone, as well as vertical features, operator services, directory assistance information, emergency 911 services and access to long distance networks as described in Section 3.1 of its Local Exchange Service tariff filed with the Commission. As a result of BellSouth's refusal to provide MCI with the requested combination of UNEs, MCI was forced to purchase T-1 circuits from BellSouth's switched access tariff. The cost of these T-1 circuits to MCI is approximately \$400 per month. In contrast, the price of a combination of 4-wire DS-1 loop and DS-1 dedicated transport provided in the Agreement is approximately \$200 per month.

3. On May 14, 1998, the Commission announced its decision in Docket No. 971140-TP, In Re: MCI's Motion to Compel Compliance with Order No. PSC-96-1579-FOF and to set non-recurring charges for combinations of network elements with

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<sup>1</sup> William N. Stacy, Vice President of Interconnect Services for BellSouth, confirmed that MCI made such a request in "late 1997". See, Transcript p. 367, Docket No. 980281-TP.

BellSouth Telecommunications, Inc. In that decision, the Commission confirmed MCIIm's interpretation of the Agreement that BellSouth has an obligation to provide MCIIm with combinations of UNEs at the prices stated in the Agreement. The Commission rejected BellSouth's position that MCIIm was required to acquire collocation space in BellSouth's end offices and perform the combination of UNEs itself.

4. After the Commission's decision was announced, MCIIm renewed its request to BellSouth to provide MCIIm with "combinations of unbundled network elements generally consisting of 4-wire DS-1 local loop and DS-1 dedicated transport per mile and per termination" by letter dated June 1, 1997. The letter sent to BellSouth containing this renewal of MCIIm's request (attached as Attachment 1) noted that the Commission had affirmed MCIIm's interpretation of the Agreement and notified BellSouth that (1) MCIIm would be migrating all existing T-1 circuits previously ordered out of BellSouth's access tariff to DS-1 loop and transport combinations, and that these circuits should be priced at the UNE rates in the Agreement; (2) that BellSouth should treat all pending T-1 orders then being processed as requests for DS1 loop and transport combinations and priced according to the Agreement; and (3) that BellSouth should issue a credit to MCIIm for the difference in price between T-1s ordered from the access tariff and the price of the component UNEs at the rates contained in the Agreement. Finally, MCIIm requested a meeting no later than June 10, 1998 with BellSouth to discuss how to implement MCIIm's request.

5. On June 4, 1998, BellSouth responded to MCIIm by acknowledging receipt of MCIIm's request and indicating that BellSouth "would be pleased to meet with [MCI] to discuss issues concerning T-1s" as a result of the Commission's decision but

requesting that the meeting be deferred until after the Commission's written order. MCIIm acceded to BellSouth's request. (See Attachment 2, BellSouth's June 4, 1998 response to MCI's June 1, 1998 request)

6. On June 12, 1998, the Commission issued its written Order No. PSC-98-0810-FOF-TP, in which it confirmed MCIIm's interpretation of the Agreement. Specifically, with respect to provisioning of combinations of UNEs, the Commission found:

[We] find upon consideration that BellSouth has undertaken a contractual obligation to provide network elements in combination to MCIIm. BellSouth is required under the agreement to provide network elements as defined in 47 C.F.R. Sec. 51.319 to MCIIm individually or combined, whether already combined at the time ordered or not. That obligation is not affected by the Eight's Circuit's nonfinal ruling. . . .

(Order PSC-98-0810-FOF-TP, p. 24)

On the issue of pricing of UNEs provisioned in combination, the Commission found:

Based on the evidence in the record, we find that the MCIIm-BellSouth interconnection agreement specifies how prices will be determined for combinations of unbundled network elements that exist or do not exist at the time of MCIIm's order and that do not recreate an existing BellSouth service. The pricing for combinations of network elements in existence or not shall be determined as the sum of the prices of the individual elements comprising the combination as set forth in the agreement in Table 1 of Attachment I, except when the network elements are combined in a way to recreate an existing BellSouth retail service.

(Order PSC-98-0818-FOF-TP, p. 25)<sup>2</sup>

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<sup>2</sup> MCIIm does not agree that the distinction of whether or not a combination of UNEs are utilized to "recreate" a BellSouth retail service is in any way relevant under the Federal Telecommunications Act of 1996, Chapter 364, Florida Statutes, or the Agreement. As the Commission correctly noted, under the Iowa Utilities Board v. FCC decision, "requesting carriers can combine network elements in any manner of their choosing, including the recreation of existing ILEC retail services." Order No. PSC-98-0810-FOF-TP, pg. 10. However, for purposes of this Complaint for Enforcement of its Interconnection Agreement, MCIIm takes the Commission's decision and Order on this point as binding.

7. On July 8, 1998, MCIIm met with BellSouth to discuss the request stated in MCIIm's June 1, 1998 letter. BellSouth indicated to MCIIm at that meeting that BellSouth would not honor MCIIm's request to provide combinations of UNEs consisting of 4-wire DS-1 loop and DS-1 dedicated transport at the UNE rates listed in the Agreement. Even though MCIIm would be using its own switching facilities and would be providing local exchange functionality such as operator services, directory assistance and vertical features, BellSouth stated that this combination of UNEs recreates an existing BellSouth service known as MegaLink. As a result, BellSouth's position was that MCIIm was not entitled to the pricing for this combination of UNEs at the rates listed in the Agreement. It was BellSouth's position that the Commission's Order required MCIIm to negotiate with BellSouth for pricing the UNE combination requested.

8. BellSouth further took the position at the July 8, 1998 meeting that MCIIm was required by the Commission's Order to discuss and negotiate some overall determination of "what competitive local telecommunications services provisioned by means of unbundled network elements constitute the recreation of a retail service" and pricing for these possible combinations.<sup>3</sup> Since MCIIm was only requesting one

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<sup>3</sup> BellSouth also insisted at that meeting that MCIIm join its request to the Commission to allow an extension of time to file the contract amendment to implement the Commission's Order. BellSouth took the position that the Commission's Order required the parties to reach some all-encompassing agreement on pricing for combinations of UNEs that recreate an existing BellSouth retail service. Since it is MCIIm's position that the requested combination of 4-wire DS-1 loop and transport **did not** "recreate" an existing BellSouth retail service, MCIIm declined to join in BellSouth's request and instead filed a proposed contract amendment

In MCI's Response in Opposition to BellSouth's Motion for Extension of Time, filed with the Commission on July 24, 1998, MCIIm pointed out that the Commission's Order only required an amendment to be filed which implemented the Commission's decisions. Since the Commission declined to **decide** what constituted a "recreated" BellSouth retail service, there was no requirement to file a contract amendment within 30 days on this point. MCIIm filed a partially executed (by MCIIm) contract amendment with the Commission on July 13, 1998, which properly incorporates the Commission's **decisions** in Order No. PSC-98-0810-FOF-TP.

combination of UNEs at that time which did not recreate a BellSouth retail service, MCIIm saw no need to have its request, which is costing MCIIm over \$300,000 per month, held hostage to some "global" resolution as BellSouth proposed.

9. By letter dated July 14, 1998, MCIIm asked BellSouth to reconsider its position. In that letter (attached as Attachment 3), MCIIm pointed out that MCIIm was utilizing the combination of 4-wire DS-1 loop and transport in order to connect its customers to the MCIIm Class 5 local switch, out of which MCIIm was providing dial tone to the customer, as well as vertical features, operator services, directory assistance information and access to long distance networks. MCIIm stated its position that this serving arrangement using DS-1 loop and transport in combination did not "recreate" an existing BellSouth service. "Given that this serving arrangement does not recreate an existing BellSouth retail service, MCI's position is that existing UNE rates in the Interconnection Agreement apply and there is no need to negotiate pricing for a combination 4-wire DS-1 loop and transport". MCIIm asked BellSouth to reconsider its position and advise MCIIm in writing by July 20, 1998.

10. By letter dated July 21, 1998, BellSouth responded to MCIIm and declined to reconsider its position, stating that "BellSouth's position is that this combination replicates a BellSouth retail offering. The retail service that this combination duplicates is MegaLink service, which is contained in Section B7 of BellSouth's Private Line Service Tariff". ( See Attachment 4) BellSouth further invited MCIIm to negotiate pricing for this UNE combination as well as "other issues centered on how to implement the Florida Public Service Commission's Order in Docket No. 971140-TP."

11. On July 24, 1998, MCIIm responded to BellSouth's invitation to negotiate pricing by stating its position that, since MCIIm's request for a combination of 4-wire DS-1 loop and transport did not "recreate" a BellSouth service, MCIIm was "entitled to this combination at the prices as specified in our Interconnection agreement and not at prices to be negotiated between BST and MCIIm." As to further negotiations on other combinations of UNEs, MCIIm stated that it had "no requests at this time for UNE combinations that would 'recreate' an existing BellSouth service and therefore require negotiations under [the Commission's] Order. (See Attachment 5)

12. On August 3, 1998, BellSouth again requested that MCIIm meet to negotiate MCIIm's request that BellSouth provision for MCIIm a combination of DS-1 loop and transport. (See Attachment 6)

13. On August 5, 1998, during hearings before the Commission in Docket No. 980281-TP, In re: Complaint of MCI Metro Access Transmission Services, Inc. against BellSouth Telecommunications, Inc. for Breach of Approved Interconnection Agreement, Mr. William N. Stacy, Vice President for Interconnection Services for BellSouth, again reiterated BellSouth's position on MCIIm's request for a combination of UNEs and indicated that BellSouth did not intend to change its position.

Q. [ By Mr. Melson to Mr. Stacy] And is it also your understanding that it was MCI's position that under the Interconnection Agreement, BellSouth was obligated to provide that combination of DS-1 loop and DS-1 local transport?

A. [By Mr. Stacy] I understand - yes, that that was MCImetro's position, yes.

Q. And it was BellSouth's position, was it not, that if they were provided on a combined basis, that the DS-1 loop and DS-1 local transport, in BellSouth's view recreated a MegaLink service and



therefore was available only on a resale basis and not as a UNE combination?

A. Yes, that's – in general, that's BellSouth's view.

Q. And is it as a result of BellSouth's refusal to provide that combination of UNE price that MCI was led to order the functionality as a T-1.

A. No. It's as a result of MCI's refusal to obtain collocation space and combine the two unbundled network elements.

Q. Is it fair to say that there is an ongoing dispute between MCI and BellSouth about the provisioning and pricing of this particular set of UNEs?

A. I think we just defined both sides fairly concisely.

Q. Does BellSouth intend to change its position?

A. BellSouth does not.

(Commission Docket No. 980281-TP, Hearing Transcript, pp. 367-368)

14. In response to BellSouth's letter of August 3, 1998 requesting that MCIIm further negotiate its request for DS-1 loop and transport combinations at the prices specified in the Agreement, MCIIm responded once again.

If your letter of August 3, 1998 is intended to indicate that BellSouth is now willing to "fully discuss and negotiate" regarding the provision of the requested combination at the unbundled network element prices required by the Florida interconnection agreement, MCIIm will be happy to meet with you, and suggests a meeting of the week of August 10, 1998.

In addition, MCIIm is reiterating its position that we are ordering, as allowed in the Florida MCIIm/BellSouth Interconnection Agreement a four-wire DS-1 loop, defined at Attachment III, Sec.4.1, and a DS-1 dedicated transport, as defined under Attachment III, Sec. 10.1, terminating at the MCIIm switch. MCIIm will provide its own switching functionality. BellSouth's assertion that this service recreates an existing BellSouth service

(MegaLink) is inconsistent with the terms of the interconnection agreement.

It is imperative that we bring this matter to a prompt conclusion. If BellSouth's position is indeed non-negotiable, MCIIm will have no choice but to seek redress in the appropriate forum.

(See Attachment 7, MCI's letter to BellSouth of August 7, 1998.)

### REQUEST FOR RELIEF

15. The parties have reached an impasse on the issue of what the Commission meant in its Order when it stated that prices are to be negotiated for combinations of UNEs which "recreate an existing BellSouth retail service". It is clear from the Commission's Order that when a combination of UNEs **does not** "recreate" an existing BellSouth retail service, a straightforward application of the sum of the prices of the individual elements contained in Attachment I of the Agreement applies.

16. MCIIm seeks a determination from the Commission that its request for a combination of DS-1 loop and DS-1 transport to link its customers to MCIIm's switch in order for MCIIm to provision local exchange services, as defined in Section 3.1 of its Local Exchange Services tariff, does not "recreate" an existing BellSouth's service. As a result of this determination, MCIIm requests that the Commission enter an order requiring that:

(1) BellSouth shall provide MCIIm with a credit equal to the difference between (a) the price of the T-1s that MCIIm ordered from the BellSouth access tariff to provision its customers' service from MCIIm's switch, and (b) the price of a combination of DS-1 loops and DS-1 local transport per the Agreement for those loops, for the period from November 1997 until the date of BellSouth's conformance with the Agreement; and

(2) BellSouth shall provision all future requests of MCI for DS-1 loop and DS-1 transport as UNE combinations and shall charge the UNE prices contained in the Agreement.

### ARGUMENT

17. MCI's request for a combination of DS-1 loop and DS-1 transport does not "recreate" a BellSouth retail service, within the meaning of the Commission's Order No. PSC-98-0810-FOF-TP, for several reasons.

18. As an initial matter, it is clear that the Commission's concern about the use of combinations of UNEs to "recreate" a BellSouth service related to the ability of an ALEC to utilize UNE combinations to create a "completed" BellSouth basic local exchange retail service that could be otherwise provisioned as a "resold" service priced at the Commission established resale discount. Indeed, this is the concern that BellSouth brought to the Commission.

We believe that BellSouth's concern is over the recreation of its basic local service. BellSouth's position is that a loop and a port combination recreates basic local service.

(Order No. PSC-98-0810-FOF-TP, p. 50.)

19. In its Order, the Commission enunciated its Standard for Recreated Retail Service in which the Commission analyzed the UNEs necessary to recreate basic local telecommunications service as defined in Section 364.02 (2), Florida Statutes. The Commission noted that basic local telecommunications services included:

voice-grade, flat-rate residential and flat-rate single-line business local exchange services which provide dial tone, local usage necessary to place unlimited calls within a local exchange area, dual tone multi-frequency dialing, and access to the following: emergency services such as '911', all locally available

interexchange companies, directory assistance, operator services, relay services, and an alphabetical directory listing ....”

(Order No. PSC-98-0810-FOF-TP, pp. 50-51)

20. MCIIm’s use of a combination of DS-1 loop and DS-1 dedicated transport to connect its customers to the MCIIm Class 5 local switch to provide the local exchange services described in Section 3.1 of its Local Exchange Services Tariff does not “recreate” BellSouth’s basic local exchange service. Rather, the DS-1 loop and transport combination will be used so that MCIIm can **create**, using its own switch and facilities, a local exchange service that provides similar functionalities in competition with BellSouth’s basic local exchange service. As provided in the local exchange service description in Section 3.1 of MCIIm’s tariff, MCIIm provides the customer with dial tone and

the ability to connect to the Company’s local switching network which enables the customer to: place or receive calls to any calling Station in the local calling area, as defined herein; access basic 911 Emergency Service; access the interexchange carrier selected by the Customer for interLATA, intraLATA, interstate or international calling; access Operator Services; access Directory Assistance for the local calling area; place or receive calls to 800 telephone numbers; access Telephone Relay Service.

21. It is clear that MCIIm’s use of a combination of DS-1 loop and transport does not and cannot “recreate” BellSouth’s basic local exchange service, which is the concern that BellSouth brought to this Commission.

22. Furthermore, it is clear that MCIIm’s use of a combination of DS-1 loop and transport does not “recreate” a BellSouth’s Private Line Service called MegaLink.

BellSouth's MegaLink service is tariffed in Section B.7.1.1 of its Florida Private Line Services, with a service description as follows:

The design, maintenance and operation of MegaLink service contemplates communications originating and terminating as a customer premises to customer premises channel via the the Company's Serving Wire Center, (SWC) – and/or through remote SWCs, (2) a customer premise to the Serving Wire Center- and/or to remote SWCs – partial channel link; or (3) a central office to central office (interoffice) partial channel (link).

23. The most obvious reason why MCI's use of a combination of DS-1 loop and transport UNEs to connect its customers to MCI's local service offering does not "recreate" MegaLink is because MCI's offering is switched-based, with the capability for the customer to connect to MCI's switching network to place and receive calls to any calling station in the local calling area. BellSouth's MegaLink service is a Private Line service offering which "contemplates communications originating and terminating" on a point to point basis. Stated differently, MCI could not "resell" MegaLink to its customers and provide the same functionality described in Section 3.1 of MCI's Local Exchange Services tariff.

#### **PROPOSED EXPEDITIED PROCEDURE**

24. Given the negative financial consequences to MCI of BellSouth's continuing refusal to provision its orders for combinations of DS-1 loop and transport at the prices stated in the Agreement, MCI requests that this dispute should be handled in an expeditious fashion.<sup>4</sup> MCI believes that the sole contested issue here is whether or

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<sup>4</sup> Under Part A, Section 23 of the parties Interconnection Agreement, the parties agree that the Commission has continuing jurisdiction to implement and enforce the terms of the Agreement and that, when a dispute arises that cannot be resolved, "the parties agree to seek expedited resolution by the Commission, and shall request that resolution occur in no event later than sixty (60) days from the date of submission of such dispute."

not MCIIm's requested DS-1 loop/transport combination "recreates" a BellSouth service within the meaning of the Commission's Order No. 98-0810-FOF-TP. The facts are not in dispute. Thus an evidentiary hearing is not required to develop the facts. MCIIm submits that the description of BellSouth's MegaLink service, as well as the regulations and rates, are contained in Section B7.1 of BellSouth's Florida Private Line Services Tariff. Similarly, MCIIm's local exchange service Tariff at Section 3.1 contains the description, rates and charges for MCIIm's local switch-based services. MCIIm proposes to stipulate these two tariffs into the record to form the factual basis from which the parties could argue their position on the application of the Commission's criteria - "to recreate a BellSouth retail service".

25. As to the amount of credit due to MCIIm, MCIIm proposes to share with BellSouth its calculation of the credit due MCIIm on a circuit by circuit basis, as well as its calculation of the prices to be paid for the present base of circuits at the UNE DS-1 loop and transport circuit prices provided in the Agreement. MCIIm would expect that the parties could reach an agreement on such a relatively straightforward calculation and enter into a stipulation of the credit due.

WHEREFORE, MCIIm respectfully requests that the Commission:

- (a) hold a non-evidentiary hearing on this complaint pursuant to Section 120.57(2), Florida Statutes on an expedited basis; and
- (b) as a result of that hearing, determine that a DS-1 loop and DS-1 dedicated transport combination furnished to MCIIm to connect its customer's location to MCIIm's Class 5 local switch for the provision by MCIIm of competitive local exchange service

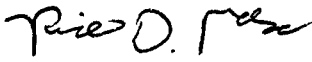
does not constitute the "recreation" of a BellSouth service within the meaning of Order No. PSC-98-0810-FOF-TP;

(c) order BellSouth to credit MCIIm with the difference between the amounts charged to MCIIm for T-1s pursuant to the access service tariff and the amount that should have been charged pursuant to the Agreement for DS-1 loop/DS-1 local transport UNE combinations; and

(d) order BellSouth in the future to provision and price these UNE combinations pursuant to the Agreement.

RESPECTFULLY SUBMITTED this 14th day of September, 1998.

HOPPING GREEN SAMS & SMITH, P.A.

By:   
Richard D. Melson  
P.O. Box 6526  
Tallahassee, FL 32314  
(850) 425-2313

and

MICHAEL J. HENRY  
MCI TELECOMMUNICATIONS CORP.  
Suite 700  
780 Johnson Ferry Road  
Atlanta, GA 30342

ATTORNEYS FOR MCImetro

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following parties by U.S. Mail or Hand Delivery (\*) this 14th day of September, 1998.

Nancy B. White \*  
c/o Nancy H. Sims  
150 S. Monroe St., Suite 400  
Tallahassee, FL 32301

Martha Carter Brown \*  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399



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Attorney





MCI Telecommunications  
Corporation

Two Northwinds Center  
2520 Northwinds Parkway  
Alpharetta, GA 30004

June 1, 1998

Ms. Pam Lee  
Sales Assistant Vice President, MCI Account Team  
BellSouth Interconnection Services  
1960 W. Exchange Place  
Suite 420  
Tucker, Georgia 30084

Re: Notice that MCI will be ordering Interconnection T-1s pursuant to the MCI/BellSouth Interconnection Agreement and demand for credit.

Dear Ms. Lee:

As you know, on November 10, 1997, MCI requested that BellSouth provide to MCI combinations of unbundled network elements (UNEs) generally consisting of the following elements: 4-wire DS-1 local loop and DS-1 dedicated transport per mile and per termination. For convenience purposes, I will refer to such combinations as Interconnection T-1s. MCI made this request pursuant to the provisions of the MCI/BellSouth Interconnection Agreement which require BellSouth to provide to MCI UNE combinations at UNE rates. Despite the plain language contained in the Agreement, BellSouth refused to provide these UNE combinations to MCI. Because MCI had no other way to order these loops, and thus serve our customers, MCI had to resort to ordering T-1s from BellSouth's Interstate Access Tariff.

As you may be aware, the Florida Public Service Commission has recently affirmed MCI's interpretation of the Agreement on this point, *i.e.*, BellSouth is under an obligation to provide UNE combinations to MCI at the sum of the stand alone UNE rates contained in the Agreement. See FPSC Docket No. 971140-TP. Indeed, the Commission ruled that the rates for combinations could be less than the sum of the rates of the component elements since duplicate charges and charges for services not needed should be removed from the combination rates.

Based on the above, this is to officially notify BellSouth that MCI will be migrating our local T-1s currently ordered from the Interstate Access Tariff to UNE combinations from the Florida Interconnection Agreement. Further, BellSouth should treat all T-1 orders currently being processed as requests for Interconnection T-1s at the interconnection rates. BellSouth should also convert the billing of the existing T-

**ATTACHMENT 1**

June 1, 1998

1s from the access rate to the Florida interconnection rates. Finally, MCI is requesting credits for all T-1s ordered from November 10, 1997 to the present. This credit will be the difference between the pricing of the T-1 access rate and the price of the component UNEs at the interconnection prices. (e.g. During this time period, the recurring rates for DS-1 local loops was \$80.00 per month. For DS-1 Dedicated Transport it was \$1.60 per mile and \$59.75 per termination.)

MCI would like to schedule a meeting to discuss in more detail the processes involved in migrating the existing T-1s to UNEs and ordering Interconnection T-1s in the future. MCI requests this meeting no later than June 10, 1998.

If you have any questions regarding MCI's position on this matter please give me a call to discuss. I can be reached at (770) 625-6849.

Sincerely,



Walter J. Schmidt  
Senior Manager  
Southern Financial Operations – Carrier Agreements

cc: Ilene Barnett  
Charlene Keys  
Daren Moore  
Daniel Fry  
Andri Weathersby  
Vernon Starr



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BellSouth Telecommunications, Inc.  
Room 345B1 BellSouth Center  
875 West Peachtree Street, N.E.  
Atlanta, Georgia 30375

June 4, 1998

Mr. Wally Schmidt  
MCI Telecommunications  
Two Northwinds Center  
5th Floor  
2520 Northwinds Parkway  
Alpharetta, GA 30004

Dear Wally:

This is in response to your June 1, 1998 letter to Pam Lee regarding MCI's plans to migrate existing T-1s to Unbundled Network Elements (UNEs) and to order Interconnection T-1s in the future and your request for a meeting between our companies to discuss these issues no later than June 10, 1998.

BellSouth would be pleased to meet with you to discuss issues concerning T-1's as they relate to Florida Public Service Commission Docket No. 971140-TP. Though a prompt meeting may appear desirable, we would prefer to have the final written order before our discussions begin or any actions are taken. We will contact you as soon as possible after receiving the written order to establish a meeting time and place.

In the meantime, should you have questions, please feel free to call me at 404-927-7503 or Pat Finlen at 404-927-8389.

Sincerely,

A handwritten signature in cursive script that reads "Jerry Hendrix". To the right of the signature, there is a small handwritten note "by row".

Jerry Hendrix *by row*

Director - Interconnection Services/Pricing

cc: Pam Lee

ATTACHMENT 2



**MCI Telecommunications Corporation**

Two Northwinds Center  
2520 Northwinds Parkway  
Alpharetta, GA 30004

July 14, 1998

Mr. Jerry Hendrix  
Director – Interconnection Services/Pricing  
BellSouth Telecommunications, Inc.  
Room 34SB1 BellSouth Center  
875 West Peachtree Street, N.E.  
Atlanta, Georgia 30375

Re: MCI/BellSouth Conference Call July 8, 1998 regarding  
Interconnection T-1s.

Dear Jerry:

This letter is to confirm BellSouth's position as stated on our conference call of Wednesday, July 8, 1998 regarding MCI's request of June 1, 1998 that BellSouth provide to MCI combinations of unbundled network elements (UNEs) consisting of 4-wire DS-1 loop and DS-1 dedicated transport at the UNE rates contained in the MCI/BST Interconnection Agreement. BellSouth's position is that the provision of a 4-wire DS-1 loop and DS-1 dedicated transport in combination which terminates at a CLEC switch recreates an existing BellSouth service known as Megalink. As a result, BellSouth will not honor MCI's request as stated in our June 1, 1998 letter.

Although MCI does not believe that it makes a difference whether combined elements recreates an existing BellSouth service, it is MCI's position that, in any event, a serving arrangement whereby MCI utilizes a combination of 4-wire DS-1 loop and transport in order to connect MCI's customers to MCI's Class 5 local switch does not recreate a BellSouth existing retail service. Under this service arrangement the MCI switch will provide dial tone to the customer, as well as, vertical features, operator services, directory assistance information, emergency 911 services and access to long distance networks.

Given that this service arrangement does not recreate an existing BellSouth retail service, MCI's position is that existing UNE rates in our Interconnection Agreements apply and there is no need to negotiate pricing for a combination 4-wire DS-1 loop and transport.

MCIIm respectfully requests BellSouth reconsider its position and advise us in writing by July 20, 1998.

Sincerely,

A handwritten signature in black ink that reads "Walter J. Schmidt". The signature is written in a cursive style with a large initial "W".

Walter J. Schmidt  
Senior Manager  
Southern Financial Operations – Carrier Agreements

cc: Steve Klimacek  
Pat Finlen  
Charlene Keys  
Daren Moore  
Vernon Starr  
Andri Weathersby  
John La Penta  
Chip Parker

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**BellSouth Telecommunications, Inc.**  
Room 34S91 BellSouth Center  
675 West Peachtree Street, N.E.  
Atlanta, Georgia 30375

July 21, 1998

Wally Schmidt  
MCI  
Two Northwinds Center  
5th Floor  
2520 Northwinds Parkway  
Alpharetta, GA 30004

Dear Mr. Schmidt:

This is in response to your letter of July 14, 1998 regarding our meeting of July 8, 1998. In this short meeting we were unable to agree on several issues.

One issue was MCI's request that BellSouth provide to MCI combinations of Unbundled Network Elements consisting of 4-wire DS1 loops and DS1 dedicated transport. As I stated previously, BellSouth's position is that this combination replicates a BellSouth retail offering. The retail service that this combination duplicates is MegaLink® service, which is contained in Section B7 of BellSouth's Private Line Services Tariff.

Other issues centered on how to implement the Florida Public Service Commission's Order in Docket No. 971140-TP. I am requesting a second meeting between our two companies to address the implementation of the Order and all related issues. I have reserved a room at the BellSouth Center for July 29<sup>th</sup>. Please let me hear from you by July 24<sup>th</sup> to establish the meeting time on this day.

Sincerely,



Jerry Hendrix  
Director - Interconnection Services/Pricing

cc: Steve Klimacek, Esq.  
Chip Parker, Esq.  
Pat Finlen, Manager  
John LaPenta, Contract Specialist



**MCI Telecommunications  
Corporation**

Two Northwinds Center  
2520 Northwinds Parkway  
Alpharetta, GA 30004

July 24, 1998

Mr. Jerry Hendrix  
Director – Interconnection Services/Pricing  
BellSouth Telecommunications, Inc.  
Room 34SB1 BellSouth Center  
875 West Peachtree Street, N.E.  
Atlanta, Georgia 30375

Dear Jerry:

Thank you for your letter of July 21, 1998 confirming BST's position that MCI's request for a combination of 4-wire DS1 loops and DS1 dedicated transport duplicates BST's MegaLink service and your invitation for further discussions.

As you know, MCI disagrees with BST on the fundamental point that our request recreates a BST service. As a result, MCI believes that we are entitled to this combination at the prices specified in our Interconnection agreement and not at prices to be negotiated between BST and MCI. Given your position, we will seek our redress through other appropriate administrative or judicial forums.

As to your invitation to meet on "[o]ther issues centered on how to implement the Florida Public Service Commission's Order in Docket No. 971140-TP", MCI has no requests at this time for UNE combinations which would "recreate" an existing BST service and therefore require negotiations under that Order. Given this, we believe that the implementation of the Commission's Order can be accomplished by BST executing the contract amendment filed by MCI with the Florida Public Service Commission on July 13, 1998.

Thank you for your time and attention in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Walter J. Schmidt".

Walter J. Schmidt  
Senior Manager  
Eastern Financial Operations-Southern Carrier Agreements

cc: Steve Klimacek  
Chip Parker  
Pat Finlen  
John La Penta





BellSouth Telecommunications, Inc.  
675 West Peachtree Street, N.E.  
Atlanta, Georgia 30375

August 3, 1998

Mr. Wally Schmidt  
MCI  
Two Northwinds Center  
5th Floor  
2520 Northwinds Parkway  
Alpharetta, GA 30004

Dear Wally:

This is in response to your letter of July 24, 1998 regarding our request to conduct a second meeting between our companies to discuss the implementation of the Florida Public Service Commission's (Commission) Order in Docket No. 871140-TP.

At issue is MCI's request that BellSouth provide combinations of Unbundled Network Elements consisting of 4-wire DS1 loops and DS1 dedicated transport. BellSouth currently offers this combination as MegaLink® service in Section B7 of BellSouth's Private Line Services Tariff.

The Commission ordered "that the parties to this proceeding shall be required to negotiate on their initiative what competitive local telecommunications services provisioned by means of unbundled access, if any, constitute the recreation of the incumbent local exchange carrier's retail service." In the spirit of the Commission's Order, I would like the opportunity to fully discuss and negotiate these issues before MCI "seeks redress" in another forum.

Please contact me at 404-927-7503 at your earliest convenience to arrange a meeting.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jerry Hendrix".

Jerry Hendrix  
Director - Interconnection Services/Pricing

cc: Steve Klimacek, Esq.  
Chip Parker, Esq.  
Pat Finlen, Manager  
John LaPenta, Contract Specialist



**MCI Telecommunications  
Corporation**

Two Northwinds Center  
2520 Northwinds Parkway  
Alpharetta, GA 30004

August 7, 1998

Mr. Jerry Hendrix  
Director - Interconnection Services/Pricing  
BellSouth Telecommunications, Inc.  
675 West Peachtree Street, N.E.  
Atlanta, Georgia 30375

Dear Jerry:

Please be advised that Wally Schmidt will be out of town until August 17, 1998.

In response to your letter of August 3, 1998, MCIIm remains willing to negotiate where there is a reasonable possibility that negotiations will result in an agreeable solution. The only issue on the table at this time is MCIIm's request that BellSouth provide MCIIm with the specific Unbundled Network Element combination consisting of a 4-wire DS1 loop and DS1 dedicated transport.

We read your letter of July 21, 1998, as confirming BellSouth's position -- expressed during our meeting on July 8, 1998 -- that this UNE combination recreates BellSouth's existing MegaLink service, and that the provision of this combination at UNE prices was therefore non-negotiable. This position created a cloud under which good faith negotiations were impossible and MCIIm saw no probability that another meeting would prove fruitful.

If your letter of August 3, 1998 is intended to indicate that BellSouth is now willing to "fully discuss and negotiate" regarding the provision of the requested combination at the unbundled network element prices required by the Florida interconnection agreement, MCIIm will be happy to meet with you, and suggests a meeting the week of August 10, 1998.

In addition, MCIIm is reiterating its position that we are ordering, as allowed in the Florida MCIIm/BellSouth Interconnection Agreement a four-wire DS-1 loop, defined at Attachment III, § 4.1, and DS-1 dedicated transport, as defined under Attachment III, § 10.1, terminating at the MCIIm switch. MCIIm will provide its own switching functionality. BellSouth's assertion that this service recreates an existing BellSouth service (MegaLink) is inconsistent with the terms of the interconnection agreement.

It is imperative that we bring this matter to a prompt conclusion. If BellSouth's position is indeed non-negotiable, MCIIm will have no choice but to seek redress in the appropriate forum.

Sincerely,

John J. La Penta  
Eastern Financial Operations - South  
Carrier Agreements

cc: Charlene Keys  
Wally Schmidt  
Chip Parker  
Pat Finlen  
Steve Klimacek

Pam Lee  
Larry Bernstein