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BY FACSIMILE TRANSMISSION
AND OVERNIGHT MAIL DELIVERY

March 17, 1999

Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Undocketed – Review of Regulated Utilities’ Y2K Preparations and Readiness
(Telecommunications)

Dear Ms. Bayo:

Enclosed are the responses of MCI WorldCom, Inc., on behalf of itself and its subsidiaries certificated by the Florida Public Service Commission, to the Y2K Readiness Workshop Questions for telecommunications carriers. Please be advised that Brian Sulmonetti, Regional Director, Law and Public Policy, and Theodore (Ted) Jones, Manager, Year 2000 Customer Communications, will appear on behalf of MCI WorldCom, Inc. at the March 19, 1999 workshop at the Commission.

If you have any questions, please call me at (800) 525-5406. Thanking you for your assistance, I remain

ACK _____

AFA _____

APP _____

CAF _____

CMU Rubelhorn

CTR _____

EAG _____

LEG C. Keating

LIN Bulla Brian Sulmonetti

OPC _____ Ted Jones

RCH _____ Maggie Lusweti

SEC 1 Missie Burris

WAS _____

QTH _____

Yours very truly,

Kennard B. Woods
Senior Attorney

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

THE INFORMATION PROVIDED HEREIN CONSTITUTES A YEAR 2000
READINESS DISCLOSURE FROM MCI WORLDCOM, INC. UNDER THE YEAR
2000 INFORMATION AND READINESS DISCLOSURE ACT

The following information is submitted on behalf of MCI WorldCom, Inc., and its subsidiaries certificated by the Florida Public Service Commission, collectively referred to as "the Company" or "MCI WorldCom."

List of Subsidiaries:

MCI Telecommunications, Inc.
MCI Metro Access Transmission Services, Inc.
Telecom*USA, Inc.
ALD Communications, Inc.
Biz-Tel Corporation
Metropolitan Fiber Systems of Florida, Inc.
Transcall America, Inc. d/b/a ATC Long Distance
TTI National, Inc.
Touch 1 Long Distance, Inc.
BLT Technologies, Inc.
WorldCom Network Services, Inc.
WorldCom Technologies, Inc.

1. What is the status of your company's Year 2000 plans and preparations? Please report your company's **overall** percentage of completion toward being fully Year 2000 compliant.

RESPONSE: MCI WorldCom's Year 2000 Program Management Office ("PMO") addresses both the business and operational aspects of the Year 2000 issue. The PMO was established by MCI in June of 1996 and WorldCom Inc.'s ongoing Year 2000 efforts were brought within the PMO's purview when WorldCom, Inc. and MCI Communications Corporation merged.

The Company regularly reports on the status of its Year 2000 efforts to the Security and Exchange Commission and the Federal Communications Commission, and public versions of those reports are available. One measure of the status of the Company's efforts is the costs that have been incurred with regard to the Year 2000 issue. Costs incurred by the Company for the nine months ended September 30, 1998, which have been included in selling, general and administrative expenses for that period, were approximately \$116 million. This level of expenditures is consistent with the planned expenditures for the period. The Company expects to incur approximately \$384 million in expenses over the next five quarters to support its Year 2000 compliance initiatives. The costs of the Company's Year 2000 remediation efforts are based upon management's best estimates, which require assumptions about future events,

availability of resources and personnel, third party remediation actions, and other factors. There are no assurances that these estimates will be accurate, and actual amounts may differ materially based on a number of factors, including the availability and cost of resources to undertake remediation activities and the scope and nature of the work required to complete remediation. In any event, the past and estimated future expenses of the Company indicate the degree of commitment the Company has to dealing with the Year 2000 problem.

An overall percentage of "completion" may lend itself to erroneous interpretation and reporting. Instead, critical tasks and ranges of completion of Y2K tasks have been identified and may be discussed, per the attached status report, which was developed with the assistance of major industry participants and the New Jersey Bureau of Public Utilities. Also, see the response to question 2 below, with respect to goals set by the Company. Nonetheless, in an attempt to answer this question, MCI WorldCom, Inc. would describe its efforts as "substantially complete," within the context of the attached status report, with respect to Year 2000 compliance.*

(Year 2000 compliance is the ability before, during, and after January 1, 2000 to:

- Function accurately and without changes in MCI WorldCom's business processes and procedures;
- Respond to two digit year date input in a way that resolves the uncertainty as to century
- Store and provide output of date information in ways that are specific as to century
- Manage the leap year occurring in the Year 2000)

2. What specific timetables and milestones have you identified to prepare for Year 2000? For each timetable and milestone, please report the following: (1) the percentage completed and expected full-completion date; (2) the specific problems anticipated.

RESPONSE: The Company has targeted Year 2000 compliance for the majority of its mission-critical systems, including network and business customer interfacing systems, on or before March 31, 1999. The remaining mission-critical systems and non-mission critical systems are targeted for compliance by June 30, 1999, with full deployment of the remediation solutions throughout the company's network targeted for no later than September 30, 1999.

Methods for applications range from complete remediation, using windowing, expansion or a combination of both, to decommissioning of particular systems. Compliance for hardware and network components may be achieved through upgrades or replacement. Year 2000 compliance is a complex issue, and the ultimate performance of a system or application may depend upon compliance by

other carriers or entities over whom MCI WorldCom has no control. The percentage completed is as reported in the attached status report.

As the telecommunications industry is extraordinarily complex and interrelated, It is impossible to list in strict "priority order" each problem that major participants in the industry face in ensuring that there are no major service disruptions or degradation in service caused by the change in date to the Year 2000. There have been a number of systems with "forward looking" functions that have experienced date-related problems. These problems were addressed immediately, either through the implementation of permanent remediation, or through temporary "work arounds" while permanent remediation is being designed and implemented.

MCI WorldCom's comprehensive Year 2000 Program addresses all aspects of the Year 2000 problem as it affects our Company. That Program addresses as "critical one" those aspects of our business that we see as most significant in addressing the Year 2000 problem. MCI WorldCom has assigned first priority to these tasks and has addressed most of them simultaneously. For example, MCI WorldCom has addressed as a first priority the problem of ensuring that hardware and software associated with its major network components are made Year 2000 compliant. Also of first priority, and proceeding at the same time, is the task of ensuring that the hardware and software used in our major business applications is Year 2000 compliant. Both of these priorities require working with major hardware and software vendors, particularly those who sell switches, routers, major software packages and other similar equipment and services, either to ensure that current equipment and software is compliant or if it is not, to bring it into compliance or purchase new equipment that is Year 2000 compliant, then test and bring on line that improved or new equipment.

Also of equal priority, concerns the problem of testing and, wherever necessary, modifying or replacing software applications that MCI WorldCom has built internally and any third party vendor software that MCI WorldCom has modified for it's own use. In each case, MCI WorldCom has considered the impact of the various known date issues associated with the change to the Year 2000, including the fact that the Year 2000 is a leap year. In addition, other carriers, including major competing network carriers, local interconnect carriers and international carriers, generally regard their systems as proprietary and confidential. MCI WorldCom cannot compel these carriers, either domestic or international, to address the Year 2000 problem in any particular way, although we continue to request certification of their Year 2000 readiness. Given the complex nature of the problem and the interrelated nature of the industry, no one can warrant that there will not be some form of service interruption or degradation associated with the Year 2000. However, MCI WorldCom continues to do everything reasonable to ensure that no such outages or degradation in service occur.

If the company does not meet its Y2K compliance goals, problems ranging from service outages to incorrect billing may occur. MCI WorldCom is keenly aware of

the critical nature of the Year 2000 issue. Given the industry that the company is in, and its dependence on information technology infrastructure, the company fully understands the risks associated with Year 2000 compliance.

3. What is the status of the **inventory** phase of your company's Year 2000 preparations? Please report the following: (1) the percentage of this phase completed and expected full-completion date; (2) the specific tasks remaining to be completed; (3) problems found where corrective action(s) is being taken; and (4) the expected completion date for each problem identified.

RESPONSE: The inventory and assessment of the majority of our application and network systems is substantially complete. Despite a thorough inventory of its systems, given the tremendous number of systems utilized by MCI WorldCom and the fact that as technology changes various systems are replaced or de-commissioned, it is impossible to know with certainty that all systems have in fact been inventoried. MCI WorldCom is confident that it has accounted for all mission critical systems. Please see the response to question 2, with respect to the targeted dates for Year 2000 compliance and problems that were found and corrected. Also see the attached status report, with respect to percentage of completion.

4. What is the status of the **assessment** phase of your company's Year 2000 preparations? Please report the following: (1) the percentage of this phase completed and expected full-completion date; (2) the specific tasks remaining to be completed; (3) problems found where corrective action(s) is being taken; and (4) the expected completion date for each problem identified.

RESPONSE: Please see the answer to question 3, as well as the attached status report.

5. Which of your company's hardware and software systems, such as billing, administrative, customer service, infrastructure, and operational support systems, do you consider critical? For each such system, what functions (in whole or part) are done via mainframe computers and which functions electronically interface with PC-based computers? How are these systems being remediated and tested? What problems have been identified that require additional work to make them Year 2000 compliant? Please report estimated completion dates for each problem identified.

RESPONSE: The company has thousands of technology components upon which it depends to operate its business and provide service.

For Y2K remediation purposes, these components have been classified as either mission critical or non-mission critical. These projects were determined to be

mission critical: Public Network; Business-customer-facing systems (which are systems such as billing and CPE, with respect to business customers); Revenue stream systems and applications. The Company has targeted Year 2000 compliance for the majority of its mission-critical systems, including network and business customer interfacing systems, on or before March 31, 1999. The remaining mission-critical systems are targeted for compliance by June 30, 1999, with full deployment of the remediation solutions throughout the company's network targeted for no later than September 30, 1999.

6. What is the status of the remediation, or renovation, phase of your company's Year 2000 preparations. Please report the following: (1) the percentage of this phase completed and expected full-completion date; (2) the specific tasks remaining to be completed; (3) problems found where corrective action(s) is being taken; and (4) the expected completion date for each problem identified.

RESPONSE: Please see the answer to question 3 above, as well as the attached status report.

7. What is the status of the testing (both unit and system) phase of your company's Year 2000 preparations? Please report the following: (1) the percentage of this phase completed and expected full-completion date; (2) the specific tasks remaining to be completed; (3) problems found where corrective action(s) is being taken; and (4) the expected completion date for each problem identified. What tests are being done or will be done on network elements and customer-affecting systems? Please describe your company's testing process, including its approach and steps.

RESPONSE: MCI WorldCom has designed and implemented a fully compliant testbed for both mainframe and midrange environments. These testbeds are configured as each test is performed to mirror the production environment for the applications that are being tested at that time. In addition, MCI WorldCom has a network lab that mirrors the MCI "legacy" network production environment where Year 2000 network equipment tests are performed prior to compliance deployments into the live network.

MCI WorldCom does Unit Testing and Integration Testing for Network and application components. In addition to standard integration testing, the Company does separate Year 2000 compliance environment testing, recurring product integration testing, current and future date integration testing and verification testing.

MCI WorldCom's standard test dates include: 9/9/1999, 12/31/1999, 1/01/2000, 2/29/2000, 12/31/2000, and 1/01/2000.

In general, other carriers, including major competing network carriers, local interconnect carriers and international carriers, generally regard their systems as proprietary and confidential. MCI WorldCom cannot compel these carriers, either domestic or international, to address the Year 2000 problem in any particular way, although we continue to request certification of their Year 2000 readiness. Also, MCI WorldCom is a participant in both the ITU (International Telecommunications Union) testing forum and Alliance for Telecommunications Industry Solutions ("ATIS") network interoperability testing efforts. For further information regarding participation with other carriers, please see the answer to question 8. The ATIS results will soon be made available on the internet website at: <http://www.atis.org>.

MCI WorldCom is currently in the process of both system and integration testing and will continue testing into 1999. The PMO Quality Assurance analysts provide an internal independent review of test plans and test results. Please see the answer to question 3, as well as the attached status report, for further information.

8. Please describe your company's plans to address interoperability issues with other domestic carriers, such as LECs, IXCs, ALECs, CAPs, and wireless providers, and with interconnected networks and outside systems. Please describe the status or such plans and related discussions, including percentage of completion.

RESPONSE: MCI WorldCom works with its interconnecting carriers on a regular basis, both individually and in industry groups, to address interoperability issues - the Year 2000 problem is no exception. The company does inventory, assessment and integration testing and places the network back into production. In addition, MCI WorldCom tracks progress on interoperability testing and escalates schedules to make sure they are on track. These efforts also minimize the risk of network and service failures and ensure functionality of date/time sensitive operations is not adversely affected.

MCI WorldCom works with its interconnecting carriers on a regular basis, both individually and in industry groups, to address interoperability issues - the Year 2000 problem is no exception. As mentioned in answer to question 7, MCI WorldCom is also involved in ATIS and the ITU, as well as the NRIC (Network Reliability and Interoperability Council) interoperability testing through participation in sessions for Y2K planning, assessing, testing and implementing. The Year 2000 Information and Readiness Disclosure Act which was signed into law is designed to promote the voluntary sharing of information required to ascertain, avoid, or fix problems with Year 2000 calculations in our nation's software, computers, and technology products.

With respect to the MCI WorldCom's Year 2000 Plan itself, it is "complete" and publicly available.

9. What network inter-operability testing has your company conducted or will your company conduct? Is your company working with ATIS and NRIC to perform network inter-operability tests? Please report the following concerning such testing: (1) the percentage of this phase completed and expected full-completion date; (2) the specific tasks remaining to be completed; (3) problems found where corrective action(s) is being taken; and (4) the expected completion date for each problem identified.

RESPONSE: See answer to question 8.

10. What is your company doing to avoid network failures that could arise due to non-compliant network providers? What safeguards are being taken? What communications channels have been opened with other network providers?

RESPONSE: See all of the above answers. In addition, quality analysts are monitoring and managing field activities in accordance with PMO-developed strategy and guidelines which have been published across all MCI WorldCom business segments. The strategy focuses on the following areas:

- Vendor hardware, vendor software, MCI WorldCom software and modified vendor software
- Customer Premise Equipment (CPE) inclusive of MCI WorldCom owned and managed equipment
- Network interfaces inclusive of MCI WorldCom's relation with Interconnects (Carriers)
- Vendor Management inclusive of all vendors such as Facility and Fleet management corporations
- Products and Services inclusive of MCI WorldCom and Alliance products
- Communications and content reviews

The plans that have been designed and implemented to address these problems are summarized in the MCI WorldCom Program Management Plan.

11. Please describe your company's efforts to work with suppliers of your company's critical hardware and software systems to ensure that each supplier's equipment is Year 2000 compliant. Have you inventoried supplier and third-party products? Have you established compliance standards? What tests (unit and system) remain to be completed to verify that supplier's products are Year 2000 compliant, and when will they be completed? Please describe any contingency plans your company has developed to address the situation where a supplier's product is found to be non-compliant?

RESPONSE: Suppliers generally do not warrant the compliance of their software. The Company has sent letters to vendors, carriers and other business partners requesting information on their Y2K compliance efforts, however, while MCI WorldCom makes all efforts to have vendors and suppliers address the Year 2000 problem, we have not received assurances that they all will be Year 2000 compliant. There are certain aspects of the Year 2000 problem that are difficult to address. Other carriers and suppliers generally regard their systems as proprietary and confidential. MCI WorldCom has no power to compel other companies to address the Year 2000 problem in any particular way, although we are continuing to request certification of their Year 2000 readiness. There has been little sharing of general Year 2000 information. This lack of information sharing is due, to a large extent, to concerns regarding possible litigation. With passage of the Year 2000 Information and Readiness Disclosure Act, it is hoped that the sharing of information will increase between all entities. MCI WorldCom is continuing to do everything it reasonably can to ensure that no outages or degradation in service occurs.

With respect to contingency planning, see the answer to question 14.

12. What effort is your company making to contact and educate critical customers to ensure that their telecommunications services and customer premises equipment (CPE) are Year 2000 compliant? What tests are being conducted or can be conducted by a customer to test its equipment?

RESPONSE: It is not known what is meant by "critical customers." Information is available to all customers on the website at: http://www.mciworldcom.com/about_the_company/year_2000_compliance/. This site will be updated periodically. Customer letters are also being sent as requested. In addition, business customers can receive information and request test results through their account teams.

13. What communications channels has your company established with the Department of Emergency Services' Emergency Operations Center? With other industries/companies that depend on your company's services?

RESPONSE: The MCI WorldCom PMO is coordinating information on handling Y2K emergencies, and key personnel and equipment in each of our operational areas are being identified for emergency responses. Recognizing the potential impact of Year 2000 issues on the domestic and global telecommunications industry, MCI WorldCom has adopted enterprise-wide practices and procedures to identify and address Year 2000 readiness. These practices and procedures are intended to promote a successful transition into the Year 2000 and beyond for MCI WorldCom's services and products. 911/Enhanced-911 services and processes are being addressed as part of MCI

WorldCom's Year 2000 program. This includes testing application and network components that support 911/E-911. MCI WorldCom is also testing 911/E-911 with other carriers. This information will be made available to the Department of Emergency Services. The Company also is currently working on contingency plans, which would include communications with appropriate external entities, such as the Department.

14. Please describe your company's contingency or disaster recovery plans for Year 2000 related network problems and the status of such plans. If such plans are still being developed, please report the expected completion date. If such plans are complete, please bring a copy to the workshop. If such plans are not yet complete, please submit a copy to this Commission's Division of Communications prior to July 1, 1999.

RESPONSE: At this time, the company is in the process of finalizing all of its Y2K contingency plans. As part of the overall Y2K effort, each MCI WorldCom business unit is required to have a specific contingency plan for all mission critical systems which addresses delays in implementations from 1998 into 1999, issues regarding possible external source non-compliance, as well as vendor replacements for software and/or hardware that are purchased or leased. These plans would include provisions if no data are received from external sources, or if the data received is not Y2K compliant.

The specific contingency plans for vendor hardware and/or software are being developed, and in some cases are in progress. In other cases it is anticipated they will be ready for implementation in early 1999. It is anticipated that MCI WorldCom will begin contingency plan testing on vendor hardware and/or software no later than second quarter 1999.

For MCI WorldCom internally developed systems, contingency plans are being developed during the detail design and planning phases of each project. Mission critical systems may have already been tested during normal disaster recovery plan implementations. It is anticipated that contingency plan testing for MCI WorldCom internally developed systems will begin in the first quarter of 1999.

THE INFORMATION PROVIDED HEREIN CONSTITUTES A YEAR 2000 READINESS DISCLOSURE FROM MCI
WORLD COM, INC. UNDER THE YEAR 2000 INFORMATION AND READINESS DISCLOSURE ACT

The following information is submitted on behalf of MCI WorldCom, Inc., and its subsidiaries certificated by the Florida Public Service Commission:

MCI Telecommunications, Inc.
MCI Metro Access Transmission Services, Inc.
Telecom*USA, Inc.
ALD Communications, Inc.
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Metropolitan Fiber Systems of Florida, Inc.
Transcall America, Inc. d/b/a ATC Long Distance
TTI National, Inc.
Touch 1 Long Distance, Inc.
BLT Technologies, Inc.
WorldCom Network Services, Inc.
WorldCom Technologies, Inc.

YEAR 2000 STATUS REPORT

Report addresses systems/items/elements that must be repaired or replaced in order to avoid adverse service impact ("Mission Critical").

Network Elements – systems, components or software that directly affect customers' transmission and/or reception of telecommunication services.

Support Systems – operations support and customer support systems.

Administrative Systems - payroll, human resources, finance and other administrative systems.

Facilities Systems – HVAC, FAX, security and alarm systems, and other similar systems.

Inventory and Assessment – activity to identify potentially affected items, systems, software and equipment, to ascertain compliance status.

Remediation – activity to repair replace or retire affected systems.

Testing/Verification – activity to test/verify affected systems.

MCI WorldCom, Inc.
Company Name

March 17, 1999
Date

Status Report By Project

	Inventory & Assessment	Remediation & Testing/Verification (Conversion Phase)
Network	Substantially Complete -- 67% - 95%	Substantial Progress -- 34% - 66%
Elements	Substantially Complete -- 67% - 95%	Substantial Progress -- 34% - 66%
Support Systems	Substantially Complete -- 67% - 95%	Substantial Progress -- 34% - 66%
Administrative Systems	Substantially Complete -- 67% - 95%	Substantial Progress -- 34% - 66%
Facilities Systems	Substantially Complete -- 67% - 95%	Substantial Progress -- 34% - 66%
Legend:		
Not started -- 0%		
Initial Stages -- 1%-33%		
Substantial Progress -- 34% - 66%		
Substantially Complete -- 67% - 95%		
Virtually or Fully Complete -- 96%-100%		

Additional Comments and Information

* The "conversion phase" encompasses remediation and testing. Our target date for mission critical systems is March 31st, 1999. At this point, all our mission critical systems are in substantial progress.