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November 23, 1999

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REC'D
FPSC

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

991755-TP

Re: Complaint of MCImetro Access Transmission Services, LLC. and MCI WorldCom Communications, Inc. against BellSouth Telecommunications, Inc. For Breach of Approved Interconnection Agreement

Dear Ms. Bayó:

Enclosed for filing on behalf of MCImetro Access Transmission Services, LLC. and MCI WorldCom Communications, Inc. are the original and fifteen copies of their Complaint For Arbitration Regarding Interconnection Agreements 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, LLC and MCI)
WorldCom Communications, Inc. against) Docket No. _____
BellSouth Telecommunications, Inc.)
For Breach of Approved) Filed: November 23, 1999
Interconnection Agreement)

**COMPLAINT OF MCIMETRO AND MCI WORLDCOM
FOR ARBITRATION REGARDING INTERCONNECTION
AGREEMENTS WITH BELLSOUTH**

MCImetro Access Transmission Services, LLC ("MCIm") and MCI
WORLDCOM Communications, Inc. ("MWC") bring this Complaint against BellSouth
Telecommunications, Inc. ("BellSouth") for BellSouth's violation of the
Telecommunications Act of 1996, 47 U.S.C. §§ 151 *et seq.* (the "Act") and for its breach
of their respective interconnection agreements with BellSouth.

OVERVIEW

1. This complaint concerns the rate that BellSouth must pay when MCIm and
MWC terminate BellSouth traffic on their networks. Under the interconnection
agreements between MCIm and BellSouth (MCIm Agreement) and between MWC and
BellSouth (MWC Agreement), when MCIm and MWC terminate BellSouth traffic using a
switch that covers a geographic area comparable to the area served by a BellSouth
tandem, MCIm and MWC must charge BellSouth for call termination based solely on the
end office interconnection rate. Under FCC Rule 51.711, MCIm and MWC are entitled to
charge BellSouth both the tandem interconnection rate and the end office interconnection
rate. MCIm and MWC are seeking to charge both the tandem rate and the end office rate

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FILED-RECORDS REPORTING

going forward, and to obtain a credit for previous call termination service to reflect the additional tandem interconnection rate to which MCIIm and MWC are entitled.

PARTIES

2. MCIIm is a Delaware limited liability corporation with its principal place of business at 8521 Leesburg Pike, Vienna, Virginia 22182. MCIIm has a Certificate of Authority issued by the Commission that authorizes MCIIm to provide local exchange service in Florida.

3. MWC was previously known as WorldCom Technologies, Inc. and before that as MFS Communications Co., Inc. MWC is a Delaware corporation with its principal place of business at 500 Clinton Center Drive, Clinton, Mississippi 39056. MWC has a Certificate of Authority issued by the Commission that authorizes MWC to provide local exchange service in Florida.

4. BellSouth is a Georgia corporation with its principal place of business at 675 West Peachtree Street, Atlanta, Georgia 30375. BellSouth is an incumbent local exchange carrier ("ILEC") as defined by Section 251(h) of the Act.

JURISDICTION

5. The Commission has jurisdiction with respect to the claims asserted in this Complaint under the Act, 47 U.S.C. §§ 251, 252; Chapters 120 and 364, Florida Statutes; Chapter 25-22 and 28-106, Florida Administrative Code; the Commission's Order No. 97-0723-FOF-TP, dated June 19, 1997 approving the MCIIm Agreement; and the MCIIm Agreement and MWC Agreements themselves. See also Iowa Util. Bd. v. Federal

Communications Comm'n, 120 F.3d 753, 804 (8th Cir. 1997) (“state commissions retain the primary authority to enforce the substantive terms of the agreements made pursuant to sections 251 and 252”), rev'd on other grounds sub nom. AT&T Corp. v. Iowa Utils. Bd., 525 U.S. 366 (1999).

THE ACT AND FCC RULE 51.711

6. Section 251(b)(5) of the Telecommunications Act of 1996 (the “Act”) imposes on each local exchange carrier “[t]he duty to establish reciprocal compensation arrangements for the transport and termination of telecommunications.” Section 252(d)(2)(A) of the Act further provides as follows:

For the purposes of compliance by an incumbent local exchange carrier with section 251(b)(5), a State commission shall not consider the terms and conditions for reciprocal compensation to be just and reasonable unless --

(i) such terms and conditions provide for the mutual and reciprocal recovery by each carrier of costs associated with the transport and termination on each carrier’s network facilities of calls that originate on the network facilities of the other carrier; and

(ii) such terms and conditions determine such costs on the basis of a reasonable approximation of the additional costs of terminating such calls.

7. On August 8, 1996, the FCC issued its rules implementing sections 251 and 252 of the Act. FCC Rule 51.711(a) requires that “[r]ates for transport and termination of local telecommunications traffic shall be symmetrical,” subject to certain exceptions that do not apply to MCIIm and MWC. Rule 51.711 (a)(1) defines “symmetrical rates” as rates that a carrier such as MCIIm or MWC “assesses upon an incumbent LEC for transport and

termination of local telecommunications traffic equal to those that the incumbent LEC assesses upon the other carrier for the same services.” Rule 51.711(a)(3) specifically provides:

Where the switch of a carrier other than an incumbent LEC serves a geographic area comparable to the area served by the incumbent LEC’s tandem switch, the appropriate rate for the carrier other than an incumbent LEC is the incumbent LEC’s tandem interconnection rate.

8. By order filed on October 15, 1996, the Eighth Circuit stayed the FCC’s pricing rules, including Rule 51.711. Iowa Util. Bd. v. Fed. Communications Comm’n, 109 F.3d 418 (8th Cir. 1996). The Eighth Circuit vacated the pricing rules on jurisdictional grounds on July 18, 1997. Iowa Util. Bd. v. Fed. Communications Comm’n, 120 F.3d 753 (8th Cir. 1997). The United States Supreme Court reversed, holding that the FCC did have jurisdiction to issue its pricing rules. AT&T Corp. v. Iowa Util. Bd., 525 U.S. 366 (1999). On remand, the Eighth Circuit issued an order reinstating the pricing rules, including Rule 51.711. Iowa Util. Bd. v. FCC, No. 96-3321 (8th Cir. June 10, 1999).

MCIM AGREEMENT

9. The MCIm Agreement was executed on June 3, 1997 and approved by the Commission on June 19, 1997. The provisions in Attachment IV of the MCIm Agreement concerning the symmetry issue reflect the Commission’s Order No. PSC-97-0309-FOF-TP. These provisions are as follows:

2.4 MCIm may designate an IP [interconnection point] at any Technically Feasible point including but not limited to any electronic or manual cross-connect points, collocations, telco closets, entrance facilities, and mid-span

meets where mutually agreed upon. The transport and termination charges for local traffic flowing through an IP shall be as follows:

2.4.1 When calls from MCIIm are terminating on BellSouth's network through the BellSouth tandem, MCIIm will pay to BellSouth the tandem switching rate.

2.4.2 When BellSouth terminates calls to MCIIm's subscribers using MCIIm's switch, BellSouth shall pay to MCIIm the appropriate interconnection rate(s). BellSouth shall not compensate MCIIm for transport and tandem switching unless MCIIm actually performs each function.

2.4.3 MCIIm may choose to establish direct trunking to any given end office. If MCIIm leases trunks from BellSouth, it shall pay charges for dedicated or common transport. For calls terminating from MCIIm to subscribers served by these directly trunked end offices, MCIIm shall also pay BellSouth the end office switching rate. For BellSouth traffic terminating to MCIIm over the direct end office trunking, BellSouth shall pay the same rate.

10. Because the foregoing contractual provisions prevent MCIIm from recovering both the tandem interconnection rate and the end office interconnection rate when it terminates calls using a switch serving a geographic area comparable to a BellSouth tandem, they violate FCC Rule 51.711 and the Act.

11. The MCIIm Agreement addresses how the parties are to address a situation when a provision of the Agreement is unlawful. Part A, Section 2.2 provides:

In the event the FCC or the State regulatory body promulgates rules or regulations, or issues orders, or a court with appropriate jurisdiction issues orders, which make unlawful any provision of this Agreement, the parties shall negotiate promptly and in good faith in order to amend the Agreement to substitute contract provisions which are consistent with such rules, regulations or orders. In the event the parties cannot agree on an amendment within thirty (30) days from the date any such rules, regulations or orders become effective, then the parties shall resolve their dispute under the applicable procedures set forth in Section 23 (Dispute Resolution Procedures) hereof.

12. The dispute resolution provision in Section 23 of Part A of the MCIIm

Agreement provides in pertinent part:

The parties recognize and agree that the Commission has continuing jurisdiction to implement and enforce all terms and conditions of this Agreement. Accordingly, the parties agree that any dispute arising out of or relating to this Agreement that the parties themselves cannot resolve, may be submitted to the Commission for resolution. 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.

MWC AGREEMENT

13. By letter dated June 28, 1999, MWC gave notice to the Commission of its adoption of the MCIIm Agreement (except for Attachment VIII) pursuant to Section 252(i) of the Act. Pursuant to the MWC Agreement filed with the June 28 letter, MWC and BellSouth incorporated all sections of the MCIIm Agreement, as amended, except for Attachment VIII. The effective date of the Agreement is December 1, 1998. The Commission approved the MWC Agreement by order dated September 20, 1999.

14. The MWC Agreement includes the same Attachment IV, Sections 2.4, 2.4.1, 2.4.2 and 2.4.3 as the MCIIm Agreement. These provisions in the MWC Agreement are unlawful under FCC Rule 51.711 and the Act.

15. Paragraph 3 of the MWC Agreement expressly states:

WTI and BellSouth shall accept and incorporate any amendments to the Florida BellSouth/MCIIm Interconnection Agreement, which relate to the above attachments and Terms and Conditions, executed as a result of any final judicial, regulatory, or legislative action.

MWC therefore stands in the same position as MCIIm with respect to provisions of the agreement that are unlawful and require amendment.

CLAIM FOR VIOLATION OF ACT AND BREACH OF AGREEMENT

16. MCIIm and MWC incorporate Paragraphs 1-15 by reference as if fully stated herein.

17. MCIIm and MWC have installed switches in Florida that cover geographic areas that are comparable to the geographic areas served by BellSouth tandems. But under the MCIIm Agreement and the MWC Agreement, MCIIm and MWC are precluded from recovering reciprocal compensation that includes the tandem interconnection rate for calls terminated by these switches.

18. By letter dated July 8, 1999, MCIIm notified BellSouth that pursuant to Part A, Section 2.2 of the MCIIm Agreement, it was requesting BellSouth to negotiate amendments to the Agreement that conformed its reciprocal compensation provisions to FCC Rule 51.711. (A copy of this letter is attached as Exhibit A.) BellSouth responded by letter dated July 30, 1999 and refused to negotiate. (A copy of this letter is attached as Exhibit B.)

19. By letter dated August 10, 1999, MCIIm informed BellSouth that it intended to file an enforcement complaint seeking an amendment incorporating the requirements of Rule 51.711 and payment of reciprocal compensation in accordance with those requirements on a retroactive basis. (A copy of this letter is attached as Exhibit C.) BellSouth responded by letter dated November 18, 1999, claiming, despite the clear language of Rule 51.711, that the MCIIm Agreement calls for symmetry in reciprocal compensation. (A copy of this letter is attached as Exhibit D.)

20. BellSouth has breached its agreement with MCIIm by refusing to promptly and in good faith negotiate an amendment to reflect proper reciprocal compensation for

termination by MCIIm of local calls from BellSouth customers. MWC stands in the same shoes as MCIIm and is entitled to the same relief as MCIIm.

21. MCIIm and MWC are entitled to charge BellSouth for call termination based on the sum of the tandem interconnection rate and the end office interconnection rate going forward, and are further entitled to credits for amounts equal to the tandem interconnection rate to which they were entitled, but have not been paid, for the period from January 25, 1999 (the date the United States Supreme Court issued its ruling in Iowa Utilities Board) until the date BellSouth begins paying the tandem rate. MCIIm and MWC also are entitled to have their Agreements amended to incorporate the requirements of FCC Rule 51.711. A proposed amendment, marked to show changes, is attached as Exhibit E.

22. MCIIm and MWC request that this dispute be handled in an expeditious fashion. Under Part A, Section 23, of the interconnection agreements, the parties have agreed to seek resolution of this type of dispute within 60 days from the date the dispute is submitted to the Commission.

23. MCIIm and MWC believe that the primary question to be resolved by the Commission is the legal issue of whether or not BellSouth is required to amend Part IV, Section 2.4 of the interconnection agreements to conform to FCC Rule 51.711. That rule, the effectiveness of which had been stayed when the agreement was approved, is now in effect and clearly entitles MCIIm and MWC to receive compensation at the sum of the tandem interconnection rate and the end office interconnection rate when they terminate BellSouth local traffic using a local switch which has at least the same geographic coverage as a BellSouth tandem.

24. As to the amount of the credit due, MCIIm and MWC propose to share with BellSouth their calculation of the number of minutes for which additional compensation equal to the tandem interconnection rate of \$0.00125 is due. MCIIm and MWC would expect that the parties could reach agreement on such a straightforward calculation and enter into a stipulation of the credit due.

WHEREFORE, MCIIm and MWC request that the Commission, within 60 days of the filing of this Complaint:

(a) hold an expedited evidentiary hearing on this complaint pursuant to Section 120.57(1), Florida Statutes;

(b) as a result of the hearing, declare that MCIIm and MWC are entitled to be compensated at the sum of the tandem interconnection rate and the end office interconnection rate for calls terminated on their switches that serve a geographic area comparable to the area served by BellSouth's tandem switches;

(c) order BellSouth to provide MCIIm with a credit equal to the additional per minute amount of the tandem interconnection rate for the period from January 25, 1999 until the date of BellSouth's conformance with the Agreement;

(d) order BellSouth to provide MWC with a credit equal to the additional per minute amount of the tandem interconnection rate for the period from January 25, 1999 until the date of BellSouth's conformance with the Agreement;

(e) order BellSouth to execute an amendment to the MCIIm Agreement and the MWC Agreement that would incorporate the requirements of FCC Rule 51.711; and

(f) order such other and further relief as the Commission deems just and proper.

RESPECTFULLY SUBMITTED this 23rd day of November, 1999.

HOPPING GREEN SAMS & SMITH, P.A.

By: Richard D. Melson
Richard D. Melson
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Attorneys for MCImetro Access
Transmission Services, LLC and
MCI WORLDCOM Communications, Inc.

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 23RD day of November, 1999.

Nancy White*
c/o Nancy Sims
BellSouth Telecommunications
150 S. Monroe Street, Suite 400
Tallahassee, FL 32301



Attorney



**MCI Telecommunications
Corporation**

Two Northwinds Center
2520 Northwinds Parkway
Alpharetta, GA 30004

July 8, 1999

Mr. Pat Finlen, Manager – Interconnection Services
BellSouth Telecommunications, Inc.
Room 34S91 BellSouth Center
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375

Re: Reinstatement of Rule 51.701

Dear Mr. Finlen:

As you know, on June 10, 1999, the Eighth Circuit reinstated several FCC pricing rules that it had previously vacated, including Rule 51.711. That rule requires that “[r]ates for transport and termination of local telecommunications traffic shall be symmetrical,” subject to limited (and here inapplicable) exceptions. Rule 51.711 (a)(1) defines “symmetrical rates” as rates that a carrier such as a CLEC “assesses upon an incumbent LEC for transport and termination of local telecommunications traffic equal to those that the incumbent LEC assesses upon the other carrier for the same services.” Rule 51.711(a)(3) specifically provides:

Where the switch of a carrier other than an incumbent LEC serves a geographic area comparable to the area served by the incumbent LEC’s tandem switch, the appropriate rate for the carrier other than an incumbent LEC is the incumbent LEC’s tandem interconnection rate.

Contrary to reinstated Rule 51.711, the interconnection agreements between MCImetro Access Transmission Services, Inc. (“MCIm”) and BellSouth Telecommunications, Inc. (“BellSouth”) in Florida and Georgia expressly provide for asymmetrical rates. Those agreements provide that when BellSouth terminates a call through a tandem it may charge the tandem rate, but when MCIm terminates a call through a switch, it only may charge the switching rate (regardless of the switch’s geographic reach). (Georgia Agreement, Part IV, §§ 2.4, 2.4.1, 2.4.2; Florida Agreement, Part IV, §§ 2.4, 2.4.1, 2.4.2.) Likewise, the interconnection agreements between MCIm and BellSouth in Alabama, North Carolina, South Carolina, Louisiana and Mississippi do not contain provisions that permit MCIm to charge the tandem rate when its switches serves a geographic area comparable to the area served by a BellSouth tandem. (The Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina and South Carolina interconnection agreements will be referred to below as the “Agreements”).

Exhibit A



Part A, Section 2.2 of each of the Agreements provides that in the event of a change in the law that makes a provision in the Agreement unlawful, "the parties shall negotiate promptly and in good faith in order to amend the Agreement to substitute contract provisions which are consistent with" the new law. To the extent the Agreements do not permit MCI to charge the tandem rate when its switches cover a geographic area comparable to the area served by a BellSouth tandem, they violate the Telecommunications Act of 1996 and Rule 51.711 and are therefore unlawful.

Pursuant to Part A, Section 2.2 of the Agreements, MCI requests that the Agreements be amended to conform to the requirements of Rule 51.711. Please inform me in writing no later than July 19, 1999, whether BellSouth will proceed with negotiations as required by the Agreements.

Sincerely,

A handwritten signature in black ink, appearing to read "Bryan K. Green". The signature is fluid and cursive, with a large initial "B" and "G".

Bryan K. Green
Senior Manager - Carrier Agreements

Cc: Marcel Henry
Michelle Berkovitz
Jerry Hendrix



BellSouth Interconnection Services
34S91 BellSouth Center
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375

July 30, 1999

Mr. Bryan Green
Senior Manager
MCI-WorldCom
2 Northwinds Center
2520 Northwinds Parkway
Alpharetta, GA 30004

Dear Bryan:

This letter is in response to your letter dated, July 8, 1999 regarding the Eighth Circuit Court's reinstatement of the FCC's pricing rules that had previously been vacated, particularly rule §51.711.

MCI's interpretation of the Code of Federal Regulations ("CFR") §51.711 is not correct. Rule 47 C.F.R. §51.711(a)(3) is simply a proxy that may be utilized by a state commission to determine the appropriate rate to be charged to recover the "additional costs" incurred by a new entrant such as MCI to terminate local traffic. When the compensation for termination of local traffic was determined by the state commissions for the purposes of the current Interconnection Agreement, the proxy rule was not utilized by the state commissions and therefore the rule has no effect under the current compensation arrangements. BellSouth assumes that this proxy rule will be an issue for discussion when the Interconnection Agreements are negotiated between MCI metro and BellSouth.

As 47 C.F.R. §51.711(a)(3) is simply a proxy, the effect of the reinstatement of the rule cannot cause the compensation rates contained within the current agreements to be unlawful. Therefore, the language of section 2.2 is not called into play.

If you have any questions, please contact me at (404) 927-8389.

Sincerely,

A handwritten signature in cursive script that reads "Michael Willis for Pat Finlen".

Pat Finlen
Manager-Interconnection Services

Exhibit B

Cc: Michael Willis, Manager-Interconnection Services
Parkey Jordan, Esq.
Jerry Hendrix, Senior Director- Interconnection Services



MCI Telecommunications
Corporation

Two Northwinds Center
2520 Northwinds Parkway
Alpharetta, GA 30004

August 10, 1999

Mr. Pat Finlen
BellSouth Interconnection Services
34S91 BellSouth Center
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375

Re: Reinstatement of Rule 51.701

Dear Pat:

I have reviewed your letter of July 30, 1999 in which BellSouth takes the position that it is not required to pay reciprocal compensation at symmetrical rates under our interconnection agreements despite the reinstatement of the FCC's rules requiring such rates. MCI WorldCom emphatically disagrees with BellSouth on this issue.

Your letter asserts that Rule 51.711(a)(3) is a proxy that "may" be used by a state commission in determining reciprocal compensation rates. The plain language of Rule 51.711 provides no support for this reading. To the contrary, Rule 51.711(a) provides unequivocally that "[r]ates for transport and termination of local telecommunications traffic shall be symmetrical," subject to two exceptions that are not applicable here. This rule is mandatory and may not be disregarded by state commissions as you suggest. Rule 51.711(c), which requires tandem rates when a CLEC's switch serves a geographic area comparable to an ILEC's tandem, simply describes one aspect of what it means to provide symmetrical treatment. That rule is not optional and may not be ignored by state commissions or BellSouth.

BellSouth also contends that Rule 51.711 does not apply because it was stayed when state commissions approved our interconnection agreements. But Part A, Section 2.2 of our agreements was intended to address situations like this in which the law changes after approval of the agreements. Your letter simply ignores this provision.

We regret that BellSouth has refused to negotiate language to implement the symmetry requirements of Rule 51.711 despite the clear requirement in our agreements that such negotiations be undertaken. Unfortunately, BellSouth leaves us no choice but to take this issue to the state commissions for resolution. We soon will file enforcement complaints requesting commissions to require amendments to our agreements

Exhibit C



incorporating the requirements of Rule 51.711 and payment of reciprocal compensation in accordance with those requirements on a retroactive basis.

Should BellSouth wish to reconsider its position, please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "Bryan Green", with a large, sweeping flourish extending to the left.

Bryan Green
Sr. Manager- Carrier Agreements

Cc: Marcel Henry
Michelle Berkovitz
Jerry Hendrix



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

November 18, 1999

Mr. Bryan Green
Senior Manager
MCI-WorldCom
2 Northwinds Center
2520 Northwinds Parkway
Alpharetta, GA 30004

Dear Bryan:

This is in response to your letter dated August 10, 1999 regarding the Eighth Circuit Court's reinstatement of the FCC's pricing rules, particularly rule §51.711, that had previously been vacated.

First, let me say that BellSouth emphatically denies that it has taken the position that it is not required to pay reciprocal compensation symmetrically under the existing MCI/BellSouth Interconnection Agreement. As evidenced in the following paragraphs from Attachment III of the Agreement, it is quite clear that each party will pay symmetrically for the network facilities used to terminate local calls:

2.4.1 When calls from MCI are terminating on BellSouth's network through the BellSouth tandem, MCI will pay to BellSouth the local interconnection rates provided in this Agreement for BellSouth's network facilities used in terminating such calls. [Emphasis added]

2.4.2 When BellSouth terminates calls to MCI's subscribers using MCI's switch, BellSouth shall pay to MCI the local interconnection rates provided in this Agreement for MCI's network facilities used in terminating such calls. [Emphasis added]

Attachment III further states:

2.4.3 MCI may choose to establish direct trunking to any given end office. If MCI leases trunks from BellSouth, it shall pay charges for dedicated or common transport.

Exhibit D

- 2.4.3.1 For calls terminating from MCI to subscribers served by these directly trunked end offices, MCI shall also pay BellSouth's local interconnection rates provided in this Agreement for BellSouth's network facilities used in terminating such calls. [Emphasis added]
- 2.4.3.2 For BellSouth traffic terminating to MCI over the direct end office trunking, BellSouth shall pay to MCI the local interconnection rates provided in this Agreement for MCI's network facilities used in terminating such calls. [Emphasis added]

Thus, BellSouth has agreed that the rates for reciprocal compensation should be symmetrical, based on the functions performed by each party. If MCI utilizes a tandem for terminating local calls, BellSouth will pay the applicable tandem switching, transport and end office switching rates contained in our existing agreements. If MCI does not utilize a tandem, compensation for tandem switching and transport is not applicable.

MCI certainly has the right to take this issue to the state Public Service Commissions for resolution. However, the FCC's rules and our Interconnection Agreement favor BellSouth on this issue.

Please call me if you have any questions in this regard. I can be reached at (404) 927-8389.

Sincerely,



Pat Finlen
Manager-Interconnection Services

Cc: Michael Willis, Manager-Interconnection Services
Parkey Jordan, Esq.
Jerry Hendrix, Senior Director- Interconnection Services

EXHIBIT E

2.4.2 When BellSouth terminates calls to MCIIm's subscribers using MCIIm's switch, BellSouth shall pay to MCIIm the appropriate interconnection rate(s). ~~BellSouth shall not compensate MCIIm for transport and tandem switching unless MCIIm actually performs each function.~~ If MCIIm's switch serves a geographic area comparable to the area served by BellSouth's tandem switch, BellSouth shall pay MCIIm the end office interconnection rate plus the tandem interconnection rate set forth in Table 1 of Attachment 1. This pricing shall apply retroactively to all traffic terminated since January 25, 1999.

2.4.3 MCIIm may choose to establish direct trunking to any given end office. If MCIIm leases trunks from BellSouth, it shall pay charges for dedicated or common transport. For calls terminating from MCIIm to subscribers served by these directly trunked end offices, MCIIm shall also pay BellSouth the end office switching rate. For BellSouth traffic terminating to MCIIm over the direct end office trunking, BellSouth shall pay the same rate, plus the tandem interconnection rate if required under 2.4.2.