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20 DEC 20 PM 4:38

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RECORDS AND  
REPORTING

December 20, 1999

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

Re: Docket No. 991755-TP

Dear Ms. Bayó:

Enclosed please find an original and fifteen copies of BellSouth Telecommunications, Inc.'s Answer to Complaint of MCImetro Access Transmission Services, LLC and MCI WorldCom Communications, Inc., which we ask that you file in the above-referenced matter.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,

*E. Earl Edenfield*  
(Att)

E. Earl Edenfield

- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMR 1 \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG 1 \_\_\_\_\_
- MAS 3 \_\_\_\_\_
- OPC \_\_\_\_\_
- RRR \_\_\_\_\_
- SEC 1 \_\_\_\_\_
- WAW \_\_\_\_\_
- OTH \_\_\_\_\_

cc. All Parties of Record  
Marshall M. Criser III  
R. Douglas Lackey

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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 BellSouth Telecommunications, Inc. for Breach of Approved Interconnection Agreement ) ) ) ) ) )

Docket No. 991755-TP

Filed: December 20, 1999

**BELLSOUTH TELECOMMUNICATIONS, INC.'S ANSWER TO COMPLAINT OF MCIMETRO ACCESS TRANSMISSION SERVICES, LLC AND MCI WORLDCOM COMMUNICATIONS, INC.**

BellSouth Telecommunications, Inc. ("BellSouth") files its Answer to the Complaint of MCImetro Access Transmission Services, LLC ("MCIIm") and MCI WorldCom Communications, Inc. ("MWC") (jointly "WorldCom"), and says:

INTRODUCTION

Apparently not satisfied with the previous Orders<sup>1</sup> of the Florida Public Service Commission ("Commission") on this identical issue, WorldCom again files a Complaint seeking compensation for transport and tandem switching functions that WorldCom does not perform. WorldCom does not contend that it now performs transport and tandem switching functions; instead, WorldCom alleges that Federal Communications Commission ("FCC") Rule 51.711 serves as a fundamental change in the law requiring an amendment to the two interconnection agreements BellSouth has with WorldCom ("MCIIm Agreement" and "MWC Agreement"). To

<sup>1</sup> Final Order on Arbitration, *In Re: Petition by MCI Telecommunications Corporation for Arbitration with United Telephone Company of Florida and Central Telephone Company of Florida concerning interconnection rates, terms, and conditions, pursuant to the Federal Telecommunications Act of 1996*, Order No. PSC-97-0294-FOF-TP, Docket No. 961230-TP (March 14, 1997); Order on Petition for Arbitration, *In Re: Petition by Metropolitan Fiber Systems of Florida, inc. for Arbitration of certain terms and conditions of a proposed agreement with Central Telephone Company of Florida and United Telephone Company of Florida concerning interconnection and resale*

the contrary, there is nothing in FCC Rule 51.711 that conflicts with the express provisions of the Interconnection Agreements<sup>2</sup> or the Commission's prior decision that:

We find that the Act does not intend for carriers such as MCI to be compensated for a function they do not perform. Even though MCI argues that its network performs 'equivalent functionalities' as Sprint in terminating a call, MCI has not proven that it actually deploys both tandem and end office switches in its network. If these functions are not actually performed, then there cannot be a cost and a charge associated with them. Upon consideration, we therefore conclude that MCI is not entitled to compensation for transport and tandem switching unless it actually performs each function.

Order No. PSC-97-0294-FOF-TP, Docket 961230-TP, at 10-11 (March 14, 1997). See also Order No. PSC-96-1532-FOF-TP, Docket No. 960838-TP, at 6 (Dec. 16, 1996) ("The evidence in the record does not support MFS' position that its switch provides the transport element; and the Act does not contemplate that the compensation for transporting and terminating local traffic should be symmetrical when one party does not actually use the network facility for which it seeks compensation").

In its Complaint, WorldCom fails to consider the totality of the FCC's discussion of Rule 51.711, which sets forth a two-prong test that must be satisfied prior to an alternative local exchange carrier ("ALEC") being entitled to reciprocal compensation at the incumbent local exchange carrier's ("ILEC") tandem interconnection rate. The FCC noted:

We find that the "additional costs" incurred by a LEC when transporting and terminating a call that originated on a competing carrier's network are likely to vary depending on whether tandem switching is involved. We, therefore, conclude that states may establish transport and termination rates in the arbitration process that vary according to whether the traffic is routed through a tandem switch or directly to the end-office switch. In such event, states shall also

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*under the Telecommunications Act of 1996*, Order No. PSC-96-1532-FOF-TP, Docket No. 960838-TP (December 16, 1996).

<sup>2</sup> Although it cites Attachment IV, Section 2.4.2 in the Complaint, WorldCom completely ignores the import of the fact that both the MCI Agreement and the MWC Agreement *expressly* provide that "BellSouth shall not compensate MCI for transport and tandem switching unless MCI actually performs each function."

consider whether new technologies (e.g., fiber ring or wireless networks) *perform functions similar to those performed by an incumbent LEC's tandem switch* and thus, whether some or all calls terminating on the new entrant's network should be priced the same as the sum of transport and termination via the incumbent LEC's tandem switch. Where the interconnecting carrier's switch serves a geographic area comparable to that served by the incumbent LEC's tandem switch, the appropriate proxy for the interconnecting carrier's additional costs is the LEC tandem interconnection rate.

*First Report and Order*, CC Docket 96-98, ¶ 1090 (Aug. 6, 1996).

The FCC provided additional insight into the functionality portion of the two-prong test in the recent *Third Report and Order*, CC Docket No. 96-98, Appendix C, p. 5, (Nov. 5, 1999), when it defined "local tandem switching capability" as:

- (A) Trunk-connect facilities, which include, but are not limited to, the connection between trunk termination at a cross connect panel and switch trunk card;
- (B) The basic switch trunk function of connecting trunks to trunks; and
- (C) The functions that are centralized in tandem switches (as distinguished from separate end office switches), including but not limited, to call recording, the routing of calls to operator services, and signaling conversion features.

Consistent with the Commission's findings in the MCI/Sprint Arbitration, WorldCom's switch is not providing a transport or tandem function, but is switching traffic through its end office for delivery of traffic from that switch to the called party's premises. The lines used to deliver this traffic are not trunks, but simply long loop facilities, which do not qualify as facilities over which local calls are transported and terminated as described by the Telecommunications Act of 1996 ("1996 Act"). Thus, WorldCom is not entitled to reciprocal compensation, which was designed to compensate a carrier for the cost of transporting and terminating local calls when the originating carrier collects the revenue. As noted by the FCC more than three years ago, reciprocal compensation does not and was not designed to compensate a carrier for loop costs:

We find that, once a call has been delivered to the incumbent LEC end office serving the called party, the 'additional cost' to the LEC of terminating a call that originated on a competing carrier's network primarily consists of the traffic-sensitive component of local switching. The network elements involved with the termination of traffic include the end-office switch and local loop. The costs of local loops and line ports associated with local switches do not vary in proportion to the number of calls terminating over these facilities. We conclude that such non-traffic costs should not be considered 'additional costs' when a LEC terminates a call that originated on the network of a competing carrier.

*First Report and Order*, ¶ 1057.

In short, the FCC identified two requirements that WorldCom, or any ALEC, must satisfy in order to be compensated at the tandem interconnection rate: (1) WorldCom's network must perform functions similar to those performed by BellSouth's tandem switch; and (2) WorldCom's switch must serve a geographic area comparable to the geographic area served by BellSouth. In its Complaint, WorldCom generally alleges that its switches serve a geographic area comparable to that served by BellSouth's tandem switches, but fails to allege that it satisfies the functionality requirement of FCC Rule 51.711; thus the Complaint should be dismissed.

#### RESPONSE TO SPECIFIC ALLEGATIONS

BellSouth responds to the numbered paragraphs in WorldCom Complaint as follows:

1. BellSouth acknowledges that WorldCom's complaint concerns the rate at which the parties will provide compensation to each other for traffic termination. BellSouth affirmatively alleges that this issue raised by WorldCom was previously considered and rejected by the Commission. The language in the two Interconnection Agreements referenced by WorldCom speaks for itself. The provisions of FCC Rule 51.711 speak for themselves. BellSouth acknowledges that WorldCom seeks the relief it references; however, BellSouth denies that WorldCom is entitled to any such relief. BellSouth denies the remaining allegations in paragraph 1 of the Complaint.

2. Subject to check, BellSouth admits the allegations in paragraph 2 of the Complaint.

3. Subject to check, BellSouth admits the allegations in paragraph 3 of the Complaint.

4. BellSouth admits the allegations in paragraph 4 of the Complaint.

5. BellSouth admits that the Commission has jurisdiction over the issues raised in WorldCom's Complaint. The referenced legal authorities and citations speak for themselves. BellSouth denies the remaining allegations in paragraph 5 of the Complaint.

6. Sections 251(b)(5) and 252(d)(2)(A) of the Telecommunications Act of 1996 ("1996 Act") speak for themselves. BellSouth denies the remaining allegations in paragraph 6 of the Complaint.

7. BellSouth admits that the FCC issued its First Report and Order on August 8, 1996. The provisions of FCC Rule 51.711 speak for themselves. BellSouth denies the remaining allegations in paragraph 7 of the Complaint.

8. The referenced legal authorities and citations speak for themselves. BellSouth denies the remaining allegations in paragraph 8 of the Complaint.

9. BellSouth admits that the MCI Agreement was executed on June 3, 1997 and was approved on June 19, 1997. BellSouth admits that the referenced provisions are found in Attachment IV of the MCI Agreement; those provisions, however, speak for themselves. BellSouth denies the remaining allegations in paragraph 9 of the Complaint.

10. BellSouth denies the allegations in paragraph 10 of the Complaint.

11. The provisions in Section 2.2 of Part A of the MCI Agreement speak for themselves. BellSouth denies the remaining allegations in paragraph 11 of the Complaint.

12. The provisions in Section 23 of Part A of the MCIIm Agreement speak for themselves. BellSouth denies the remaining allegations in paragraph 12 of the Complaint.

13. BellSouth admits the allegations in paragraph 13 of the Complaint. The referenced Agreements, however, speak for themselves.

14. BellSouth admits that Attachment IV, Sections 2.4, 2.4.1, 2.4.2 and 2.4.3 of the MCIIm Agreement are also found in the MWC Agreement. BellSouth denies that the referenced provisions are unlawful. BellSouth denies the remaining allegations in paragraph 14 of the Complaint.

15. The provisions in paragraph 3 of the MWC Agreement speak for themselves. BellSouth denies the remaining allegations in paragraph 15 of the Complaint.

16. BellSouth adopts its responses to paragraphs 1-15 of the Complaint as if fully set forth herein.

17. BellSouth is without knowledge as to the switches that WorldCom may have installed in Florida. The referenced Agreements speak for themselves. BellSouth denies the allegations in paragraph 17 of the Complaint.

18. The referenced letters of July 8, 1999 and July 30, 1999 speak for themselves. BellSouth denies the remaining allegations in paragraph 18 of the Complaint.

19. The referenced letters of August 10, 1999 and November 18, 1999 speak for themselves. BellSouth denies the remaining allegations in paragraph 19 of the Complaint.

20. BellSouth denies the allegations in paragraph 20 of the Complaint.

21. BellSouth denies the allegations in paragraph 21 of the Complaint.

22. Given the lack of merit of WorldCom's Complaint, BellSouth has no objection to proceeding on an expedited basis. The provisions of Section 23, Part A of the MCIIm and MWC

Agreements speak for themselves. BellSouth denies the remaining allegations in paragraph 22 of the Complaint.

23. BellSouth lacks information sufficient to form a belief as to the truth of WorldCom's beliefs as to the legal issues raised in the Complaint; thus, those allegations are denied. BellSouth acknowledges the reinstatement of FCC Rule 51.711. BellSouth denies the remaining allegations in paragraph 23 of the Complaint.


24. BellSouth denies the allegations in paragraph 24 of the Complaint.


25. To the extent a response is required, BellSouth denies that WorldCom is entitled to any of the relief that it seeks in the *ad damnum* clause, or elsewhere, in the Complaint.

WHEREFORE, BellSouth respectfully requests that the Commission deny the relief sought by WorldCom, enter judgment in favor of BellSouth, dismiss the Complaint, and grant any other relief deemed appropriate by the Commission.

Respectfully submitted this 20th day of December 1999.

BELLSOUTH TELECOMMUNICATIONS, INC.

  
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**CERTIFICATE OF SERVICE**  
**Docket No. 991755-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via

U.S. Mail this 20th day of December, 1999 to the following:

Staff Counsel  
Florida Public Service  
Commission  
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