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RECORDS AND
REPORTING

November 9, 2000

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. 001568-TP (Adelphia Arbitration)

Dear Ms. Bayó:

Enclosed please find an original and 15 copies of BellSouth Telecommunications, Inc.'s Response To Petition of Adelphia Business Solutions of Florida, LLC and Adelphia Business Solutions of Jacksonville, Inc. for Arbitration and New Issue, 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,

A. Langley Kitchings

- APP _____
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- SEC 1 _____
- SER _____
- OTH _____

cc: All Parties of Record
Marshall M. Criser III
R. Douglas Lackey
Nancy B. White

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14546 NOV-98

FPSC-RECORDS/REPORTING

CERTIFICATE OF SERVICE
Docket No. 001568-TP

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

U.S. Mail this 9th day of November, 2000 to the following:

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A. Langley Kitchings

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

Petition of ADELPHIA BUSINESS SOLUTIONS,)
OF FLORIDA, LLC and ADELPHIA BUSINESS)
SOLUTIONS OF JACKSONVILLE, INC.)
For Arbitration with BellSouth)
Telecommunications, Inc. Pursuant to)
Section 252(b) of the Communications)
Act of 1934, as amended by the)
Telecommunications Act of 1996)
_____)

Docket No. 001568-TP

Filed: November 9, 2000

**BELLSOUTH TELECOMMUNICATIONS, INC.'S RESPONSE TO
PETITION OF ADELPHIA BUSINESS SOLUTIONS OF
FLORIDA, LLC AND ADELPHIA BUSINESS SOLUTIONS OF
JACKSONVILLE, INC. FOR ARBITRATION AND NEW ISSUE**

In accordance with 47 U.S.C. § 252(b)(3), BellSouth Telecommunications, Inc. ("BellSouth") submits this Response to the Petition for Arbitration filed by Adelphia Business Solutions of Florida, LLC ("Adelphia") pursuant to the Telecommunications Act of 1996, 47 U.S.C. § 251, et seq., 110 Stat. 56 ("the 1996 Act").

INTRODUCTION

Sections 251 and 252 of the 1996 Act encourage negotiations between parties to reach voluntary local interconnection agreements. Section 251(c)(1) requires incumbent local exchange companies to negotiate the particular terms and conditions of agreements to fulfill the duties described in §§ 251(b) and 251(c)(2-6).

Since passage of the 1996 Act on February 8, 1996, BellSouth has successfully conducted negotiations with numerous alternative local exchange carriers ("ALECs") in Florida. To date, the Florida Public Service Commission ("the Commission") has approved many agreements between BellSouth and certified ALECs. The nature and extent of those agreements

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vary depending on the individual needs of the companies, but the conclusion is inescapable: BellSouth has a strong record of embracing competition and displaying a willingness to compromise to interconnect on fair and reasonable terms. BellSouth has been negotiating the terms of a new interconnection agreement with Adelphia in Florida since May 11, 2000. Although the parties reached agreement on a number of issues, many issues remain unresolved. As a result, Adelphia filed the Petition for Arbitration (“Petition”) on October 18, 2000.

Pursuant to the 1996 Act, when parties cannot successfully negotiate an interconnection agreement, either may petition a state commission for arbitration of unresolved issues between the 135th and 160th day from the date a request for negotiation was received.¹ The petition must identify which issues have been resolved through negotiation, as well as those that remain unresolved.² Along with its petition, the petitioning party must submit “all relevant documentation concerning: (1) the unresolved issues; (2) the position of each of the parties with respect to those issues; and (3) any other issue discussed and resolved by the parties.”³ A non-petitioning party to a negotiation under this section may respond to the other party’s petition and provide such additional information as it wishes within twenty-five days after the state commission receives the petition.⁴ The 1996 Act limits the state commission’s consideration of any petition (and any response thereto) to the unresolved issues set forth in the petition and in the response.⁵

¹ 47 U.S.C. § 252(b)(2).

² See generally, 47 U.S.C. §§ 252 (b)(2)(A) and 252 (b)(4).

³ 47 U.S.C. § 252(b)(2).

⁴ 47 U.S.C. § 252(b)(3).

⁵ 47 U.S.C. § 252(b)(4).

Through the arbitration process, the Commission must decide the unresolved issues that are properly set forth in the Petition and this Response to ensure that the requirements of Sections 251 and 252 of the 1996 Act are met. The obligations contained in those sections of the 1996 Act are the obligations that form the basis for negotiation and, if negotiations are unsuccessful, also form the basis for arbitration. Issues or topics not specifically related to these areas are outside the scope of an arbitration proceeding. Once the Commission has provided guidance on the unresolved issues, the parties must incorporate those resolutions into a final agreement to be submitted to the Commission for approval.⁶

BellSouth submits the following responses to the individual paragraphs of the Petition:

PARTIES

1. BellSouth admits that Adelphia is certified to provide local exchange service in Florida and is a “telecommunications carrier” and “local exchange carrier” as defined under the 1996 Act. BellSouth is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 1.

2. The allegations in Paragraph 2 do not require a response from BellSouth.

3. BellSouth admits the allegations in Paragraph 3.

4. BellSouth admits the allegations in Paragraph 4.

JURISDICTION

5. BellSouth admits that the Commission has jurisdiction over the unresolved issues that have properly been raised in the Petition. BellSouth also admits the remaining allegations in Paragraph 5, noting that the parties mutually agreed to extend the date upon which the window

⁶ 47 U.S.C. § 252(a).

for requesting arbitration of the agreement opened by one week from September 16, 2000 to September 23, 2000.

NEGOTIATIONS

6. BellSouth admits the allegations in Paragraph 6.

7. The allegations in Paragraph 7 do not require a response from BellSouth, except that BellSouth admits that the document attached to the Petition as Exhibit B is a draft of the interconnection agreement at issue, and that the agreed to and disputed language is accurately reflected except for Sections 1.5, 1.6 and 1.7 of Attachment 3 to the interconnection agreement. BellSouth hereby attaches as Exhibit A to this Response BellSouth's proposed language for Sections 1.5, 1.6 and 1.7 of Attachment 3.

8. Although BellSouth admits that Adelphia is requesting that the Commission approve Adelphia's proposed language as well as the language in the "draft" interconnection agreement (Exhibit B to the Petition) to which the parties have already agreed, BellSouth affirmatively asserts that the Commission should not do so. Instead, BellSouth requests that the Commission approve BellSouth's proposed language as well as the language in the "draft" interconnection agreement to which the parties have already agreed.

STATEMENT OF RESOLVED ISSUES

9. BellSouth admits the allegations in Paragraph 9 of the Petition.

STATEMENT OF UNRESOLVED ISSUES

ISSUE 1 (Attachment 3, Section 1.8 and 2.3)

Issue: *(A) May Adelphia continue to charge its tariffed rates to BellSouth for leased facility interconnection; (B) If not, should BellSouth be permitted to charge more than Adelphia for the same facility because BellSouth has deployed more switches in the LATA?*

10. BellSouth admits that it has proposed to allow the parties the option to interconnect through leased facilities. BellSouth denies that it is interconnected to Adelphia in Kentucky, Louisiana, Mississippi and Tennessee via leased facilities. BellSouth admits to be paying Adelphia's tariffed channel termination rates. BellSouth's proposal contemplates the parties' charging tariffed rates for interconnection, or alternatively, the parties charging TELRIC rates. All other allegations in Paragraph 10 are denied.

11. BellSouth admits the first sentence of Paragraph 11 of the Petition. BellSouth denies the remaining allegations in Paragraph 11 of the Petition and notes that the Act requires Adelphia to "interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers" and to "establish reciprocal compensation arrangements for the transport and termination of telecommunications." *See* 47 U.S.C. §§251(a)(1) and 251(b)(5).

12. BellSouth denies the allegations in Paragraph 12 of the Petition.

13. BellSouth denies the allegations in Paragraph 13 of the Petition. Contrary to Adelphia's allegation, BellSouth agrees that symmetrical compensation should be provided when the services provided are equal. Adelphia, however, is not seeking symmetrical compensation. Effectively, Adelphia is asking BellSouth to subsidize Adelphia for the economic choices made by Adelphia. In its First Report and Order in Docket 96-325, the FCC states that the ALEC must bear the additional costs caused by a ALEC's chosen form of interconnection: "a requesting carrier that wishes a 'technically feasible' but expensive interconnection would, pursuant to section 252(d)(1), be required to bear the cost of that interconnection, including a reasonable profit." First Report and Order, ¶ 199. Further, at paragraph 209, the FCC states:

Section 251(c)(2) lowers barriers to competitive entry for carriers that have not deployed ubiquitous networks by permitting them to select the points in an incumbent LEC's network at which they wish to deliver traffic. Moreover, because competing carriers must usually compensate incumbent LECs for the

additional costs incurred by providing interconnection, competitors have an incentive to make economically efficient decisions about where to interconnect.

If Adelphia has chosen to install a single switch to serve an entire LATA, then Adelphia does not transport traffic between switches, as does BellSouth. Contrary to Adelphia's contention, BellSouth's proposal offers an identical rate structure for dedicated transport. Adelphia, like BellSouth, is entitled to receive compensation for the facilities used to perform the function for which the compensation is intended.

14. BellSouth admits that the manner in which Adelphia has elected to configure its network may impact the amount and type of compensation it receives for the exchange of traffic. BellSouth denies the remaining allegations in Paragraph 14, and denies any implication that anything in the 1996 Act compels BellSouth to give Adelphia compensation to which it is not entitled.

15. BellSouth admits that the manner in which Adelphia has elected to configure its network may impact the amount and type of compensation it receives for the exchange of traffic. With regard to the last sentence in Paragraph 15 of the Petition, BellSouth admits that BellSouth and Adelphia should be required to compensate one another for leased facility interconnection as set forth in the interconnection agreement proposed by BellSouth. To the extent that the allegations in the last sentence in Paragraph 15 of the Petition are inconsistent with this admission, those allegations are denied. BellSouth denies the remaining allegations in Paragraph 15, and denies any implication that anything in the 1996 Act compels BellSouth to give Adelphia compensation to which it is not entitled.

16. BellSouth admits that the manner in which Adelphia has elected to configure its network may impact the amount and type of compensation it receives for the exchange of traffic. BellSouth denies the remaining allegations in Paragraph 16, and denies any implication that

anything in the 1996 Act compels BellSouth to give Adelphia compensation to which it is not entitled. Further, BellSouth incorporates its response to Paragraph 13 above.

ISSUE 2 (Attachment 3, Sections 6.1.9 and 6.1.9.1)

Issue: *(A) Should the parties be obligated to compensate each other for calls to numbers with NXX codes associated with the same local calling area? (B) Should BellSouth be able to charge originating access to Adelphia on all calls going to a particular NXX code based upon the location of any one customer using that NXX code?*

17. BellSouth denies the allegations in Paragraph 17 of the Petition, and BellSouth specifically denies Adelphia's characterization of BellSouth's position on this issue. The jurisdictional nature of a call is determined by the location at which the call originates and the location at which the call terminates – not by the NXX that is assigned to either the calling party or the called party.

18. BellSouth admits that Adelphia wishes to assign telephone numbers to customers that have no physical presence in the local calling area associated with the telephone number. BellSouth also admits that when calls placed to such numbers terminate in a local calling area that is different than the local calling area in which they originate, such calls are not local calls and, therefore, reciprocal compensation is not allowed for such calls. BellSouth denies the remaining allegations in Paragraph 18 of the Petition.

19. BellSouth denies the allegations in Paragraph 19. Adelphia's assertion that assigning NXX codes located outside the physical area to which that code corresponds is the functional equivalent to BellSouth's own Foreign Exchange (FX) service would only be correct in the event that Adelphia configured its network in a manner whereby an end user in one exchange obtained dial tone from an exchange other than his local exchange (i.e., a foreign exchange). Given Adelphia's position that it not be required to mimic an ILEC's structure, it seems highly unlikely that this is the case. Additionally, in a traditional FX service, the

geographical rating points are retained for purposes of calculating interoffice transport mileage charges assessed to the FX end user customer.

20. BellSouth denies the allegations in Paragraph 20. Adelphia's discussion regarding billing of end users is misplaced. The issue Adelphia has presented in its Petition deals strictly with compensation that one carrier pays to another carrier. The resolution of this issue, therefore, will not affect the manner in which either party is permitted to charge its end users for the services provided by that party. Further, while the parties are in disagreement as to whether ISP bound traffic should be subject to reciprocal compensation, Adelphia is using this issue to expand its argument that all ISP bound traffic should be compensated as local, regardless of the physical location of the calling party and the ISP. Under the scenarios posed by Adelphia, Adelphia would be entitled to charge reciprocal compensation where an Adelphia ISP customer located in a distant state is assigned a local number in each local calling area of other states yet maintains only one server or modem bank. A call placed under such a configuration certainly cannot and should not be subject to reciprocal compensation.

21. BellSouth denies the allegations in Paragraph 21 and notes that under Adelphia's erroneous reasoning, a call which originates in Miami and terminates in California would be a local call subject to reciprocal compensation.

22. BellSouth denies the allegations in Paragraph 22 and notes that under Adelphia's erroneous reasoning, a call which originates in Miami and terminates in California would be a local call subject to reciprocal compensation.

23. BellSouth denies the allegations in Paragraph 23. While the parties are in disagreement as to whether ISP bound traffic should be subject to reciprocal compensation, Adelphia is using this issue to expand its argument that all ISP bound traffic should be compensated as local, regardless of the physical location of the calling party and the ISP. Under

Adelphia's erroneous reasoning, a call from a customer in Miami to an ISP modem bank in California would be a local call subject to reciprocal compensation. Even if such a call terminated at the modem bank (which it does not) as opposed to elsewhere, the call still would originate in Miami and terminate in California. Clearly, such a call is not local by any stretch of the imagination.

24. BellSouth denies the allegations in Paragraph 24. While the parties are in disagreement as to whether ISP bound traffic should be subject to reciprocal compensation, Adelphia is using this issue to expand its argument that all ISP bound traffic should be compensated as local, regardless of the physical location of the calling party and the ISP. Under Adelphia's erroneous reasoning, a call from a customer in Birmingham to an ISP modem bank in California would be a local call subject to reciprocal compensation. Even if such a call terminated at the modem bank (which it does not) as opposed to elsewhere, the call still would originate in Miami and terminate in California.

25. BellSouth denies the allegations in Paragraph 25. Adelphia appears to be attempting to evade its obligation to pay access charges for calls which clearly are long distance and not local.

26. BellSouth denies the allegations in Paragraph 26. BellSouth's position is simply that calls that originate and terminate in the same local calling area are subject to reciprocal compensation, while calls that originate in one local calling area and terminate in another local calling area are not subject to reciprocal compensation. This is true regardless of the NXX that is assigned to either the originating or terminating number.

27. BellSouth denies the allegations in Paragraph 27. Adelphia's discussion regarding billing of end users is misplaced. The issue Adelphia has presented in its Petition deals strictly with compensation that one carrier pays to another carrier. The resolution of this

issue, therefore, will not affect the manner in which either party is permitted to charge its end users for the services provided by that party.

28. BellSouth denies the allegations in Paragraph 28. Adelphia's scenario set forth in Paragraph 28 is irrelevant because, again, this issue involves inter-carrier compensation, not end user billing. Adelphia's factual assumptions set forth herein are speculative, and may not be true in any given situation.

29. BellSouth denies the allegations in Paragraph 29 and incorporates its responses in Paragraphs 17-28 above. Adelphia is seeking to undermine long-established state Commission and FCC switched access billing structures in attempt to obscure its obvious goal of a higher profit margin at BellSouth's expense.

30. BellSouth denies the allegations in Paragraph 30 and incorporates its responses in Paragraphs 17-29 above. Adelphia is raising the specter of diminished competition for "lightly" or "sparsely" populated areas and seeking to undermine long-established state Commission and FCC switched access billing structures in attempt to obscure its obvious goal of a higher profit margin at BellSouth's expense.

31. BellSouth admits that this Commission addressed this issue in the BellSouth-Intermedia arbitration. BellSouth denies the remaining allegations in Paragraph 31 and affirmatively states that Adelphia presents nothing new to the Commission which should cause the Commission to change its decision as set forth in the BellSouth-Intermedia arbitration. The Commission should affirm its prior decision in this arbitration.

32. BellSouth denies the allegations in Paragraph 32 and incorporates its response as set forth in Paragraph 31 above.

33. BellSouth agrees that if calls to its FX customers terminate in the same local calling area in which they originate, reciprocal compensation should apply and that if calls to its

FX customer terminate in a different local calling area than the local calling area in which they originate, reciprocal compensation should not apply. To the extent that the allegations in Paragraph 32 are inconsistent with this agreement, they are denied.

ISSUE 3 (Attachment 3, Section 6.8)

Issue: *Should Internet Protocol Telephony be excluded from local traffic subject to reciprocal compensation?*

34. BellSouth denies the allegations in Paragraph 34. Further, Adelphia has misstated BellSouth's position. BellSouth's position is that calls where the originating and terminating end points are located in different local calling areas are not local calls and should not be subject to reciprocal compensation, regardless of the transport method used, including Internet Protocol.

35. BellSouth admits that Section 251(b) of the Act is intended to apply to compensation for transport and termination of local traffic. BellSouth denies the remaining allegations of Paragraph 35. Further, Adelphia's claims that reciprocal compensation is due on traffic which has been specifically exempted from access charges, has no basis in law or fact. It is the origination and termination points of a call that determines whether switched access charges are due.

36. BellSouth denies the allegations in Paragraph 36 and incorporates its response to Paragraph 33.

37. The Report to Congress by the Federal-State Joint Board on Universal Service, CC Docket No. 96-45 (April 10, 1998) speaks for itself. The Commission should, however, note that the FCC's April 10, 1998 Report to Congress states: "The record... suggests... 'phone-to-phone IP telephony' services lack the characteristics that would render them 'information services' within the meaning of the statute, and instead bear the characteristics of 'telecommunication services.'" Given this statement by the FCC, it is logical to expect that the

FCC believes that long distance phone-to-phone calls using IP Telephony are subject to applicable switched access charges. BellSouth admits that the FCC has not acted on US West's filing. BellSouth denies any remaining allegations in Paragraph 37 not specifically admitted herein.

38. BellSouth denies the allegations in Paragraph 38. BellSouth's position is simple: switched access charges should apply to any long distance telephone call regardless of whether Internet Protocol or some other transport technology is used for a portion of the call. However, BellSouth is not asking this Commission to determine whether switched access charges are due for calls subject to the jurisdiction of the FCC. BellSouth is asking the Commission to determine that such intrastate calls are subject to switched access charges. Alternatively, regardless of whether such calls are or are not exempt from switched access charges, such calls are not local calls for which reciprocal compensation is due and BellSouth requests the Commission to so decide.

39. BellSouth denies the allegations in Paragraph 39, and incorporates its response to Paragraph 38 above.

40. BellSouth admits that the Commission also addressed this issue in the BellSouth-Intermedia arbitration, and found that it was within the Commission's jurisdiction to rule on the issue presented. The remaining allegations in Paragraph 40 are denied. BellSouth affirmatively states that the Commission should affirm its decision on this issue herein.

41. BellSouth denies the allegations in Paragraph 41, and incorporates its response to Paragraphs 38 and 40 above.

42. BellSouth denies the allegations in Paragraph 42, and incorporates its response to Paragraphs 38 and 40 above.

ISSUE 4 (Attachment 3, Section 6.1.1)

Issue: *Should the parties be required to pay reciprocal compensation on traffic originating from or terminating to an enhanced service provider, including an Internet Service Provider ("ISP")?*

43. BellSouth admits that it has proposed language which excludes from the definition of "local traffic" calls originating from or bound for enhanced service providers, including Internet Service Providers ("ISPs"). BellSouth also admits that in previous rulings, this Commission has decided that reciprocal compensation is due for ISP-bound traffic, subject to true-up. BellSouth denies the remaining allegations in Paragraph 43. Reciprocal compensation should not apply to ISP-bound traffic. Based on the 1996 Act and the FCC's First Report and Order, reciprocal compensation obligations under 47 U.S.C. § 251(b)(5) apply only to local traffic. As the Commission is well aware, BellSouth does not agree that ISP-bound traffic is local traffic subject to reciprocal compensation. Adelphia has not provided any evidence to the contrary, therefore, BellSouth's position has not changed with respect to this issue in this proceeding.

44. In the spirit of compromise and in order to avoid requiring the Commission to re-hear this issue, BellSouth agrees to apply previous Commission orders on this issue as an interim mechanism for inter-carrier compensation for ISP-bound traffic. BellSouth reserves the right, however, to appeal or seek judicial review on this issue. To the extent that the allegations in Paragraph 44 of the Petition are inconsistent with this statement, those allegations are denied.

45. BellSouth admits that on March 24, 2000, the United States Court of Appeals for the District of Columbia vacated the FCC's Declaratory Ruling and remanded the case to the FCC. The remaining allegations in Paragraph 45 are denied.

46. BellSouth denies the allegations in Paragraph 46.

47. The Order of the D.C. Circuit speaks for itself; therefore, allegations regarding the content of that Order require neither an admission nor a denial by BellSouth.

48. The Order of the D.C. Circuit speaks for itself; therefore, allegations regarding the content of that Order require neither an admission nor a denial by BellSouth.

49. The Order of the D.C. Circuit speaks for itself; therefore, allegations regarding the content of that Order require neither an admission nor a denial by BellSouth. BellSouth denies the allegations in the second sentence of Paragraph 49.

50. The Order of the D.C. Circuit speaks for itself; therefore, allegations regarding the content of that Order require neither an admission nor a denial by BellSouth.

51. BellSouth denies the allegations in Paragraph 51.

ISSUE 5 (Attachment 3, Section 6.1.5)

Issue: *Is BellSouth required to pay tandem charges when Adelphia terminates BellSouth local traffic using a switch serving an area comparable to a BellSouth tandem?*

52. BellSouth admits that Sections 251(b)(5) and 252(d)(2)(A) are quoted accurately in Paragraph 52. No further response is required of BellSouth.

53. BellSouth admits that the portions of FCC Rule 51.711(a), (a)(1) and (a)(3) set forth in Paragraph 53 are quoted accurately therein. BellSouth is unaware of whether the exceptions to Rule 51.711(a) are applicable to Adelphia, and therefore denies that the exceptions do not apply to Adelphia. All other allegations in Paragraph 53 are denied.

54. BellSouth denies the allegations in Paragraph 54. Contrary to Adelphia's statement of BellSouth's position, it is BellSouth's position that Adelphia should not be permitted to charge tandem rate elements unless it demonstrates to the Commission that: (1) its switch serves a geographic area comparable to that served by BellSouth's tandem switch; and (2) its switch performs functions similar to those performed by BellSouth's tandem switch. Simply

being capable of serving a comparable geographic area or performing tandem switching functions is not enough.

NEW MATTER

ISSUE 6 (Attachment 3, Sections 1.5, 1.6 and 1.7)

Issue: How should the parties define the Points of Interface for their networks?

BST position: The parties shall mutually agree upon Points of Interface. In the event that the parties cannot agree to a mutual Point of Interface, each party should designate its own Point of Interface for its originating traffic.

Adelphia position: While Adelphia and BellSouth have discussed this issue, Adelphia is still reviewing BellSouth's position.

55. It is unclear whether the parties agree on this issue. Out of an abundance of caution, and pursuant to Sections 252(b)(3) and 252(b)(4)(A) of the Act, BellSouth submits this issue to the Commission for arbitration.

56. Neither the Act nor the FCC rules allow a CLP to choose the Points of Interface for an ILEC. Allowing each party to choose its own Point of Interface allows each party to choose points based on economic and technical efficiency.

STATEMENT OF BELL SOUTH'S POSITION ON THE ISSUES

57. BellSouth has attached an issues matrix (Attached as Exhibit B) setting forth the issues presented in this arbitration and the parties' positions on these issues. BellSouth denies Adelphia's characterization of BellSouth's position on any issue to the extent that such characterization is inconsistent with BellSouth's position as stated in the attached matrix.

REQUEST FOR RELIEF


58. BellSouth concurs in Adelphia's request that the Commission arbitrate the unresolved issues between Adelphia and BellSouth contained in sub-Paragraph A. BellSouth

also concurs in Adelpia's request that the Commission retain jurisdiction of the arbitration until the parties submit an agreement for approval in accordance with Section 252(e) of the Act contained in sub-Paragraph C. BellSouth denies that any further action by this Commission as set forth in the Request for Relief is warranted, and BellSouth further affirmatively requests that the Commission resolve the issues in accordance with the recommendation made by BellSouth.

59. Any allegations not specifically admitted are hereby denied.

BellSouth requests that the Commission arbitrate the issues set forth in Adelpia's Petition and adopt BellSouth's position on each of these issues.

Respectfully submitted, this 9th day of November, 2000.



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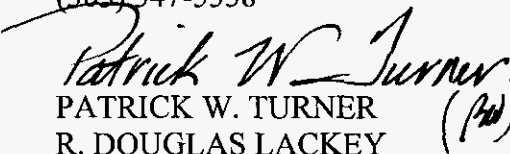

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Exhibit A

- 1.5 The **Point of Interconnection** is the point at which the originating Party delivers its originated traffic to the terminating Party's first point of switching on the terminating Party's common (shared) network for call transport and termination. Points of Interconnection are available at either Access Tandems, Local Tandems, or End Offices as described in this Agreement. Adelphia's requested Point of Interconnection will also be used for the receipt and delivery of transit traffic at BellSouth Access and Local Tandems. Points of Interconnection established at the BellSouth Local Tandem apply only to Adelphia-originated local, ISP-bound, and local originating and terminating transit traffic.
- 1.6 The Parties shall make available to each other one-way and two-way trunks for the reciprocal exchange of combined local, ISP-bound and intraLATA toll traffic. A minimum of one Point of Interface shall be established in each LATA in which Adelphia originates or terminates local traffic or delivers ISP-bound traffic and interconnects with BellSouth.
- 1.7 The location of the Point of Interface shall be established by mutual agreement of the Parties. In selecting the Point of Interface, both Parties will act in good faith and select the point which is most efficient for both Parties. Each Party shall be responsible for engineering and maintaining the network on its side of the Point of Interface. If the Parties are unable to mutually agree upon a Point of Interface, each Party will designate the Point of Interface for its originated traffic.

EXHIBIT B
Issues for Arbitration between Adelphia and BellSouth
Florida Docket No. 001568-TP

	Issue	Adelphia Position	BellSouth Position
1A.	May Adelphia continue to charge its tariffed rates to BellSouth for leased facility interconnection? (Attachment 3, Sections 1.8 and 2.3)	BellSouth is not required to purchase facilities from Adelphia for leased facility interconnection and may make its buy or build decision based on the prices Adelphia is willing to offer. In all States where BellSouth and Adelphia (or Adelphia affiliates) are interconnected, BellSouth is currently paying Adelphia's tariffed rates for leased facility interconnection.	Adelphia and BellSouth should charge symmetrical rates for their respective interconnection facilities.
1B.	If not, should BellSouth be permitted to charge more than Adelphia for the same facility because BellSouth has deployed more switches in the LATA? (Attachment 3, Sections 1.8 and 2.3).	Alternatively, if the Commission determines, for policy reasons, that Adelphia is required to charge identical rates to those charged by BellSouth for leased facility interconnection, it must ensure that both parties charge the same rates for the same facility.	The parties should charge for the facility utilized. If Adelphia only deploys a single switch in a LATA, Adelphia may only charge BellSouth the flat-rated local channel charge.
2A.	Should the parties be obligated to compensate each other for calls to numbers with NXX codes associated with the same local calling area? (Attachment 3, Sections 6.1.9 and 6.1.9.1).	Historically, calls have been determined to be local or interexchange based upon the NXX of the originating and terminating number. This practice should be continued such that calls between an originating and terminating NXX, associated with the same local calling area, should continue to be rated as local. Under any scenario, the only costs BellSouth incurs are the transport and	BellSouth should not be required to pay reciprocal compensation for any call terminating to a customer who is physically located outside of the local calling area where the call originates.

		switching charges required to bring traffic to the point of interconnection between BellSouth and Adelphia, and these costs do not change based upon the location of Adelphia's customers.	
2B	Should BellSouth be able to charge originating access to Adelphia on all calls going to a particular NXX code based upon the location of any one customer using that NXX code?	BellSouth should not be allowed to charge Adelphia originating access for all calls to a whole NXX code based upon the location of any single customer with a telephone number in that NXX code.	If Adelphia assigns telephone numbers to customers that are physically located in a different local calling area than the local calling to which the NPA/NXX is assigned, calls originated by BellSouth end users in the local calling area to which the NPA/NXX is assigned to those numbers are not local calls. Reciprocal compensation, therefore, does not apply to such calls. Accordingly, if Adelphia assigns NPA/NXX numbers to customers outside the local calling area to which the NPA/NXX is assigned, Adelphia must provide the necessary information to BellSouth so that BellSouth can rate the calls appropriately.
3.	Should Internet Protocol Telephony be excluded from local traffic subject to reciprocal compensation? (Attachment 3, Section 6.8).	No. BellSouth's exemption would, for the first time, classify calls delivered through Internet Protocol methods as a third category of traffic for which no compensation would be due.	Yes. Internet Protocol Telephony calls that originate in one local calling area and terminate in another local calling area are not local calls and, therefore, are not subject to reciprocal compensation. Such calls are long distance calls which should be subject to switched access.
4.	Should the parties be required to pay	The parties should compensate one another at	Traffic originating from or terminating to an enhanced

	reciprocal compensation on traffic originating from or terminating to an enhanced service provider, including an Internet Service Provider ("ISP")? (Attachment 3, Section 6.1.1)	the reciprocal compensation rates for traffic originating from or terminating to an enhanced service provider, including an ISP, just as they would for any other local call.	service provider, including an ISP, is not local traffic and should not be subject to reciprocal compensation.
5.	Is BellSouth required to pay tandem charges when Adelphia terminates BellSouth local traffic using a switch serving an area comparable to a BellSouth tandem? (Attachment 3, Section 6.1.5).	Yes. When an Adelphia local switch covers a geographic area comparable to the area served by a BellSouth tandem, Adelphia is entitled to charge BellSouth the tandem rate, meaning the rate for tandem switching, transport and end office switching.	Adelphia must demonstrate to the Commission that (1) its switch serves a comparable geographic area and (2) the switch performs functions similar to those performed by BellSouth's tandem switch. Simply being capable of serving a comparable geographic area or of performing tandem switching functions is not sufficient evidence.
6.	How should the parties define the Points of Interface for their networks?	Adelphia has not yet presented its position on this issue.	The parties shall mutually agree on Points of Interface. In the event that the parties cannot agree to a mutual Point of Interface, each party should designate its own Points of Interface for its originating traffic.

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