

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 DIRECT TESTIMONY

3 OF

4 JOHN CLAYTON

5
6
7 Q. Please state your name and business address.

8
9 A. My name is John Clayton. I am employed as Director,
10 Local Carrier Markets at Sprint/United Management
11 Company, an affiliate of Sprint-Florida, Incorporated. My
12 business address is 6480 Sprint Parkway, Overland Park,
13 Kansas, 66251.

14
15 In this position I have responsibility for overseeing
16 negotiation of interconnection, collocation and resale
17 agreements with Class A ILECs, all wireless service
18 providers, and all ALECs that wish to interconnect with
19 Sprint's local network or wish to provide competitive
20 local exchange service in Sprint's local serving areas.
21 Since 1996 this organization has negotiated over 1,200
22 such agreements. I am also responsible for negotiation
23 of Calling Name (CNAM) storage and query agreements and

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1 managing dial-around compensation for Sprint's local
2 division.

3

4 **Q. Please describe your educational background and work**
5 **experience.**

6

7 I received an Associate of Arts degree from Schreiner
8 College in 1970 and have been employed in the
9 telecommunications market since 1976. Prior to assuming
10 my present responsibilities in 1995, I managed business
11 relationships with interexchange carriers in 18 states
12 from 1994 - 1995 and served as the national account
13 manager assigned to MCI from 1988 - 1994. In these
14 positions I was responsible for negotiating revised equal
15 access implementation schedules, negotiating billing and
16 collection agreements, resolving billing complaints and
17 disputes, and managing the overall relationship between
18 interexchange carriers and Sprint's local division. I
19 have experience in terminal equipment sales, network
20 sales, sales management, administration, payphone
21 operations, and local interconnection.

22

23 **Q. Have you previously testified in a regulatory proceeding**
24 **before a state utility commission or FCC?**

1 A. No.

2

3 Q. What is the purpose of your testimony in this proceeding?

4

5 A. The purpose of my testimony is to describe the
6 circumstances that led to Sprint's decision to terminate
7 MCImetro's interconnection agreement in Florida and to
8 testify to the history and current nature of the business
9 relationship between Sprint and MCImetro.

10

11 Q. Please describe the background and events of the dispute
12 between MCImetro and Sprint.

13

14 A. In mid-1996, MCImetro approached Sprint to negotiate a
15 comprehensive interconnection agreement that would be
16 used by the respective companies in the Sprint states
17 where MCImetro wanted to provide local service.
18 Specifically, MCImetro was interested in agreements in
19 three states - Florida, North Carolina and Illinois.
20 The starting point for negotiations was a draft agreement
21 that MCImetro prepared. Although the companies conducted
22 negotiations over the next few months no final agreement
23 was reached. By late 1996, MCImetro had filed for
24 arbitration with Sprint in Illinois, Florida and North

1 Carolina. Of the three proceedings the Illinois
2 arbitration was moved forward the quickest. At one
3 point, the Illinois ALJ asked the parties to resolve as
4 many issues as possible so that only a few major issues
5 would remain to actually be arbitrated. In January 1997,
6 Sprint and MCImetro agreed that the contract resulting
7 from the Illinois negotiation and arbitration would be
8 used to the extent possible in other states, including
9 Florida.

10
11 At the same time these negotiations were occurring, there
12 were numerous regulatory and court actions challenging
13 the FCC's orders and rules that had been initiated since
14 the enactment of the 1996 Telecommunications Act. The
15 issues involved in implementing the Act were new to
16 everyone involved and there was a lot of uncertainty as
17 to what the rules would ultimately look like. Both
18 MCImetro and Sprint, however, knew a clock was ticking,
19 that we were in arbitration in several states and that we
20 needed to find a way to resolve as many issues as
21 possible.

1 Q. How were MCImetro and Sprint able resolve the uncertainty
2 regarding all these court challenges and arbitration
3 hearings?

4

5 A. Both parties were attempting to arrive at contract
6 obligations that conformed to the rules, but neither
7 party could be totally sure of what the rules really
8 would be until the regulatory and court challenges played
9 out. For example, the FCC had issued a list of network
10 elements that were to be provided to the ALECs, however,
11 that order had been challenged in court, and the parties
12 recognized that the list of required network elements
13 could change. To address this, the attorneys for MCImetro
14 and Sprint drafted the "change in law" language that
15 recognized that changes could occur, and if they did
16 contract provisions would ultimately be renegotiated as a
17 result of future court or regulatory action.

18

19 Q. Is this change of law provision contained in the
20 interconnection agreement in Florida?

21

22 A. Yes. Part A, Section 2.2 states:
23 "In the event the FCC or the Commission promulgates rules
24 or regulations or issues orders, or a court with

1 appropriate jurisdiction issues orders which conflict
2 with or make unlawful any provision of this Agreement,
3 the Parties shall negotiate promptly and in good faith in
4 order to amend the Agreement to substitute contract
5 provisions which are consistent with such rules,
6 regulations or orders.”

7
8 In addition, Part A, Section 6 provides that in the event
9 any rules or regulations are held invalid, the Parties
10 shall promptly renegotiate any provisions of the
11 Agreement which, in the absence of such invalidated rule
12 or regulation, are insufficiently clear to be
13 effectuated.

14
15 **Q. When did Sprint first contact MCImetro regarding amending**
16 **or replacing the interconnection agreement?**

17
18 **A. I recall first contacting Charlene Keys, MCImetro's**
19 Director Carrier Markets, in late 1998 or early 1999. I
20 asked that she assign the needed resources to either
21 renegotiate or replace the interconnection agreement in
22 Florida due to changes in regulation and outdated
23 operational requirements. Ms. Keys responded that
24 MCImetro did not have the resources available at that

1 time to address these changes, but would consider making
2 resources available before the end of 1999.

3

4 Q. Did MCImetro follow through with this commitment to make
5 resources available for negotiations before the end of
6 1999?

7

8 A. No they did not.

9

10 Q. Were there any subsequent discussions with MCImetro
11 regarding amending or replacing the interconnection
12 agreement in Florida?

13

14 A. Yes. Because of the changes that were occurring in the
15 regulatory arena, I contacted Brian Green, Ms. Keys'
16 replacement, in April 2000 and asked him to assign the
17 needed resources to either renegotiate or replace the
18 interconnection agreement in Florida. Mr. Green
19 indicated he would consider the request and get back to
20 me as soon as he had an updated status on availability of
21 resources for the negotiation.

22

23 I again contacted Mr. Green in May 2000 and made the same
24 request. Mr. Green agreed that the parties needed to

1 meet to review the contract provisions Sprint felt needed
2 to replaced or renegotiated and asked me to provide dates
3 when we could meet at MCImetro's offices in Alpharetta,
4 GA. I sent him both email and voicemail messages with
5 several dates indicating when I was available between the
6 last week of May and the end of June. Mr. Green never
7 responded to these messages, and he failed to contact me
8 after repeated voicemail and email attempts to schedule
9 the agreed-upon meeting.

10
11 **Q. When was your next communication with MCImetro?**

12
13 **A.** Mr. Ron Martinez, MCImetro's Senior Manager - Carrier
14 Agreements who reports to Mr. Green, called me in August
15 2000 regarding the renewal of their interconnection
16 agreement in North Carolina (which is nearly identical to
17 the agreement in Florida). I notified Mr. Martinez in a
18 letter dated August 9, 2000 (attached as Exhibit ____, JC-
19 1), that his renewal letter for the North Carolina
20 agreement did not reach us prior to the expiration date,
21 and as a result Sprint considered the North Carolina
22 agreement to be terminated. I also told Mr. Martinez
23 that Sprint was unwilling to renew the North Carolina

1 agreement and instead wanted to negotiate a new
2 agreement.

3

4 Q. How is this related the Florida agreement?

5

6 A. In a letter dated August 18, 2000 (attached as Exhibit
7 ____, JC- 2), Mr. Martinez objected to our position. In
8 that letter he indicated that while MCImetro may consider
9 renegotiations of the agreement based on changes in the
10 way the two companies are doing business relative to the
11 agreement, they would not relinquish the right to have
12 the agreement continue at their option.

13

14 I followed up with a call to Mr. Martinez and told him
15 Sprint had not changed its position regarding the
16 termination of the North Carolina agreement. However, I
17 told him Sprint would consider extending all current
18 compensation and service arrangements in North Carolina
19 and Florida if MCImetro would agree to terminate and/or
20 renegotiate the Florida agreement. Mr. Martinez
21 immediately refused and indicated MCImetro did not have
22 any resources available for this activity until it
23 concluded the GTE (now Verizon) negotiation/arbitration
24 that was currently in process. He estimated this would

1 take 60 - 90 days, but he said he would not make a
2 commitment on the resources to renegotiate the North
3 Carolina or Florida agreements.

4

5 ~~Q.~~ Can you expand on why Sprint agreed to the terms that
6 appear to allow the Florida agreement to continue solely
7 at MCImetro's option?

8

9 A. As I discussed earlier, the parties originally intended
10 for the agreement to be a living document with the change
11 of law provision being the trigger for renegotiations.
12 Sprint would never have agreed to a contract without a
13 termination date, or for the agreement to continue solely
14 at MCImetro's option, if the parties could never
15 renegotiate outdated contract provisions as a result of
16 changes in law and/or regulation. Some of the contract
17 provisions were intentionally left open-ended with the
18 intent that parties would renegotiate once we knew what
19 the rules were and, in some instances, what business
20 processes the companies would develop and implement to
21 comply with the rules.

22

23 Q. Is the Florida interconnection agreement reflective of
24 the business relationship between MCImetro and Sprint?

1 A. No, it is not. Although MCImetro initially wanted a
2 comprehensive agreement to cover services such as resale
3 and unbundled network elements, they have never used the
4 agreements in North Carolina or Florida for these
5 purposes. In the four years since these agreements were
6 signed Sprint has processed a total of only 60 orders in
7 Florida, with 58 of those orders for local number
8 porting; the remaining two were for directory listings.
9 Other than these 60 orders, the parties terminate local
10 traffic to each other and exchange reciprocal
11 compensation. That is the extent of the business
12 relationship of these two parties in Florida.

13
14 Q. Is MCImetro's refusal to renegotiate the interconnection
15 agreement causing any other problems for Sprint in
16 Florida?

17
18 A. Yes. Other ALECs have opted into the Florida agreement.
19 Many of these ALECs are small companies that do not have
20 substantial expertise regarding all the laws and court
21 decisions. This creates a real problem and is a source
22 for disputes when they attempt to implement sections of
23 the agreement which, under current law and rules, are not
24 appropriate. In many cases the troublesome provisions

1 are not terms and conditions that Sprint would agree to
2 in the current regulatory/legal environment.

3

4 Q. Have there been any amendments to the Florida
5 interconnection agreement?

6

7 A. There are two amendments to the agreement. The first
8 amendment dated May 11, 1998, replaced interim rates with
9 permanent rates established in FPSC Docket No. 961230-TP.
10 The second amendment dated December 15, 1999, allowed
11 MCImetro to collocate a remote digital line unit
12 ("RDLU").

13

14 Q. Who requested the amendments?

15

16 A. The parties had always intended that Sprint would replace
17 the interim rates ordered by the Commission in the
18 initial phase of the arbitration with MCImetro with
19 permanent rates once Sprint completed the cost studies
20 that the Commission ordered it to file. This is further
21 evidence the parties clearly intended the agreement to be
22 a living document to be amended from time-to-time with
23 new rules, or in this case rates, once they were known.

24

1 The agreement was amended a second time at MCImetro's
2 request. I believe it was in response to rules
3 promulgated by the FCC in its First Report and Order and
4 Further Notice of Proposed Rulemaking in CC Docket 98-
5 147, released March 31, 1999, FCC 99-42, which permitted
6 the collocation of any equipment "used or useful" for
7 interconnection or access to unbundled network elements.
8 On March 17, 2000, the United States Court of Appeals for
9 the District of Columbia Circuit vacated the rule, and on
10 remand, the FCC in its Fourth Report and Order in CC
11 Docket No. 98-147, FCC 01-204, released August 8, 2001,
12 concluded that only "necessary" equipment is allowed to
13 be collocated. MCImetro willingly agreed to this
14 amendment, which was necessary because of the above-
15 described change of law, because it was in MCImetro's
16 interest to do so. However, MCImetro has refused and
17 rebuffed Sprint's attempts to amend the agreement or
18 negotiate a new agreement when MCImetro perceives there
19 is no benefit to them to do so.

20
21 Q. What other discussions have you had to amend or replace
22 the Florida interconnection agreement?
23

1 A. I attended an Executive Meeting between MCI Worldcom and
2 Sprint on September 20, 2000 that was held at Sprint's
3 offices at 6360 Sprint Parkway in Overland Park, Kansas
4 (Meeting agenda attached as Exhibit ____, JC- 3). At
5 MCImetro's request we allotted time for a discussion of
6 local interconnection during this meeting. This portion
7 of the meeting was attended by Marcel Henry, MCImetro's
8 Vice President of Eastern Telco Line Cost Management,
9 Brian Green, MCImetro's Director - Carrier Management,
10 Bill Cheek, Sprint's Vice President Sales and Account
11 Management, Ross Marsh, Sprint's Director - Carrier
12 Account Management, David Owens, Sprint's Director -
13 Infrastructure Services, Cindy Heiman, Sprint's Account
14 Manager assigned to MCImetro, and me. In the meeting, we
15 discussed Sprint's desire to either amend or replace the
16 Florida agreement.

17

18 During that discussion MCImetro informed us they were
19 planning a residential market entry in early 2001 and
20 planned to enter using UNE-P. We immediately informed
21 MCImetro we were willing to support their request but we
22 pointed out that we did not believe UNE-P was included in
23 the current agreement. While the current contract does
24 contain language regarding combinations of elements, it

1 was drafted before the law evolved regarding UNE-P. As a
2 result there is no definition of UNE-P in the agreement,
3 no pricing for UNE-P and no language covering processes
4 needed to provision UNE-P. This is a very good example
5 where the changes in law that have occurred in this area
6 since 1997 have made the contract provision in question
7 so unclear as to be ineffectual. In these instances,
8 Section 6 requires the parties to renegotiate. We
9 discussed this with MCImetro at the September 20, 2000
10 meeting, and while they did not agree that the services
11 were unavailable under the current agreement, we received
12 assurance from Mr. Green that he would ask Mr. Martinez
13 to move amending or renegotiating the agreement to a
14 higher priority.

15
16 **Q. What happened next?**

17
18 I contacted Mr. Martinez in December 2000 and, again,
19 asked that MCImetro amend or renegotiate the Florida
20 agreement. At this time Mr. Martinez told me no
21 resources were available until MCImetro's current
22 negotiation with BellSouth was completed. He estimated
23 this would take a minimum of 60 - 90 days but would not
24 make a commitment to renegotiate once the BellSouth

1 negotiation was completed. He did suggest that when he
2 was able to make resources available the parties should
3 consider using this new MCImetro - BellSouth agreement as
4 a baseline for a new agreement with Sprint. I informed
5 Mr. Martinez that Sprint could not agree to this
6 suggestion without first reviewing the MCImetro -
7 BellSouth agreement, but that Sprint would be open to
8 incorporating into our agreement any MCImetro dispute or
9 issue that was decided through a Florida arbitration
10 between MCImetro and BellSouth or others.

11
12 During the December 2000 call Mr. Martinez and I also
13 discussed Sprint's concerns with the fact that other
14 ALECs had adopted the agreement in Florida and that this
15 was causing concern for Sprint due to the outdated
16 contract provisions that were affected by changes in law
17 and regulation.

18
19 **Q. When was the next contact or communication with MCImetro?**

20
21 **A.** On May 24, 2001 I sent a courtesy email (attached as
22 Exhibit ____, JC- 4) to Mr. Martinez letting him know that
23 Sprint was sending two letters to MCImetro that same day.
24 The first letter was a request to renegotiate several

1 sections of the Florida interconnection agreement. The
2 second letter advised MCImetro that Sprint's obligation
3 to provide post termination services in North Carolina
4 had expired, and that Sprint would keep all existing
5 services intact but would no longer process new orders
6 for services in North Carolina. Further, we told
7 MCImetro since there was no longer an effective agreement
8 in North Carolina, compensation between the companies
9 would become Bill & Keep. Mr. Martinez sent an immediate
10 response indicating he would "set aside some time" to
11 negotiate the changes we felt were needed to the Florida
12 agreement but that MCImetro will "see you in court"
13 regarding the North Carolina agreement (Mr. Martinez's e-
14 mail response is included in Exhibit ____, JC- 4).

15
16 Sprint's letter (attached as Exhibit ____, JC- 5) was sent
17 on May 24, 2001, formally requesting renegotiation of
18 numerous sections of the existing Florida agreement and
19 expressing Sprint's view that the changes in law and
20 regulation impacted so much of the current agreement we
21 felt the best and most expedient solution was to
22 negotiate a replacement agreement. A three-page matrix
23 listing some of the provisions in the agreement that
24 conflicted with current law was attached to the letter.

1 Additionally, a copy of Sprint's current baseline
2 interconnection agreement was included for MCImetro's
3 review. All changes in law or regulation Sprint
4 identified in the matrix attached to this letter are
5 included in the new baseline agreement.

6
7 **Q.** How did MCImetro respond to the written request to
8 negotiate under the change in law provision?

9
10 A. In a letter from dated May 31, 2001 (attached as
11 Exhibit ___, JC- 6), Mr. Martinez objected to Sprint's
12 assertion that the change in law provisions of the
13 contract applied. He asserted that none of the items
14 listed in the matrix were "unlawful or inconsistent with"
15 the legal references that Sprint cited. I interpreted
16 Mr. Martinez's letter to mean that MCImetro's position is
17 that even though the law and rules had changed neither
18 Sprint nor MCImetro was prohibited from honoring the
19 contract despite the Agreement's requirement to
20 renegotiate when laws and rules do change. This was
21 clearly not the intent of the agreement when the "change
22 in law" language was negotiated.

1 Q. Is Mr. Martinez correct in his assessment that the change
2 in law provision did not apply?

3

4 A. No. The matrix of negotiation items provided in the May
5 24, 2001 letter sets forth numerous instances where the
6 provisions in the Florida agreement are clearly in
7 conflict with current law. Over four years have passed
8 since the agreement was first executed and many of the
9 provisions are either stale or inconsistent with current
10 law. Examples of some of the more significant rulings
11 since the Florida agreement was executed include: the
12 July 18, 2000, decision by the United States Court of
13 Appeals for the Eighth Circuit in *Iowa Utilities Board v.*
14 *FCC*, Case No. 96-3321; the August 10, 2000, UNE Remand
15 Order at CC Docket No. 96-98; the Collocation Orders at
16 CC Docket No. 98-147 and the FCC Order on Intercarrier
17 Compensation for ISP-bound Traffic at CC Docket No. 96-
18 98.

19

20 Q. How did Sprint respond to MCImetro's refusal to
21 negotiate?

22

23 A. On June 21, 2001, Sprint notified MCImetro (the letter is
24 attached as Exhibit ____, JC- 7) it was in material breach

1 of Section 2.2 of the agreement for not negotiating in
2 good faith.

3

4 Q. Did MCImetro respond to the notice of breach?

5

6 A. No it did not. MCImetro has claimed in this complaint
7 that it sent a letter on June 22, 2001 in response to the
8 breach notice. If, in fact, that letter was sent Sprint
9 did not receive it. As a result of inaction on the part
10 of MCImetro, on August 21, 2001 Sprint exercised its
11 right to terminate the agreement under Section 20.1.3 of
12 the Florida agreement (letter attached as Exhibit ____,
13 JC- 8). During the week of August 27, 2001, Bill Cheek,
14 Sprint's Vice President Sales and Account Management
15 spoke by telephone with Brian Green of MCImetro regarding
16 Sprint's decision to terminate the agreement. During
17 this conversation Mr. Green told Mr. Cheek that MCImetro
18 had previously had some secretary problems and he was not
19 sure whether a particular letter it intended to send to
20 Sprint had actually been mailed to Sprint. Mr. Green
21 asked Mr. Cheek if Sprint would have a problem if
22 MCImetro backdated and resent a letter to Sprint (Bill
23 Cheek affidavit attached as Exhibit ____, JC- 9). While
4 Mr. Cheek is not positive that Mr. Green was talking

1 about the June 22 letter from Ron Martinez to John
2 Clayton, which Sprint did not see until it received a
3 copy of MCImetro's Complaint, Sprint is also not aware of
4 any other "missing" letter from MCImetro.

5
6 Sprint's August 21 termination letter also noted that
7 MCImetro had submitted a request to opt-into the
8 Sprint/XO Communications interconnection and resale
9 agreement in Nevada (attached as Exhibit ____, JC- 10).
10 In that letter I advised MCImetro that an identical
11 Sprint/XO agreement (with the exception of Florida-
12 specific pricing) was available to MCImetro in Florida,
13 and by opting into the XO agreement in Florida MCImetro
14 could ensure its services in Florida would not be
15 interrupted.

16
17 Q. What was MCImetro's response to the termination letter?

18
19 A. On August 30, 2001 MCImetro sent a letter (attached as
20 Exhibit ____, JC- 11) objecting to the termination and
21 denying any breach of the agreement had occurred.

22
23 MCImetro also rescinded its request to opt into the XO
24 agreement in Nevada (attached as Exhibit ____, JC- 12),

1 although it later reinstated that request through an
2 affiliate company, MCI WorldCom Communications, Inc.

3

4 **Q. Did Sprint disconnect service to MCImetro as a result of**
5 **Sprint's termination of the agreement?**

6

7 **A. No, Sprint stopped processing new orders for MCImetro.**
8 Section 20.3 of the agreement states that Sprint will
9 provide post-termination services for 90 days in the
10 event of breach, however, it only provides for the
11 continuation or transition of any existing services. It
12 does not require Sprint to provision new services. In
13 the spirit of cooperation and pursuant to conversations
14 between Bill Cheek, Marcel Henry and Brian Green, Sprint
15 agreed, in a letter dated September 5, 2001 (attached as
16 Exhibit ___, JC- 13), to continue processing new orders
17 for MCImetro for ninety (90) days which mirrors the
18 timeframe provided in Section 20.3.

19

20 **Q. What would you like the Florida Public Service Commission**
21 **to do?**

22

23 **A. Sprint requests the Commission to enforce Sprint's right**
24 **to terminate the Agreement under the breach provision of**

1 Section 20 and require MCImetro to negotiate a
2 replacement interconnection agreement, if it wishes to
3 continue receiving interconnection services from Sprint.

4

5 The changes needed to bring the four year old Agreement
6 into compliance with current law are so numerous and so
7 interwoven into the heart of the agreement that the most
8 expedient course of action is to replace the Florida
9 agreement in its entirety with a new agreement. I
10 provided to MCImetro a copy of Sprint's standard
11 interconnection agreement, which not only reflects
12 current changes in law, but also changes in Sprint's
13 processes and procedures that have evolved over the
14 years. It should be noted this Commission, in other
15 proceedings, has previously approved Sprint's standard
16 agreement. Just since January of this year, the
17 Commission has approved Sprint's standard agreement for
18 companies such as Time Warner, Direct2internet, Suntel
19 Metro, Inc., Tel West Communications, 1-800-Reconex,
20 Orlando Telephone Company, Zephion Network
21 Communications, Inc., Business Telecom, Inc., and
22 Preferred Carrier Services.

23

1 In the alternative, Sprint requests the Commission to
2 require MCImetro to opt into the Sprint/XO agreement in
3 Florida, or another Sprint/ALEC agreement in Florida that
4 is acceptable to MCImetro, until the parties are able to
5 negotiate a replacement agreement. Subsequent to filing
6 this complaint MCImetro's affiliate company, MCI WorldCom
7 Communications, Inc., reinstated its Nevada opt-in
8 request (attached as Exhibit ____, JC- 14) and has
9 recently adopted the Sprint/XO Communications
10 interconnection agreement in Nevada (attached as Exhibit
11 ____, JC- 15). The identical agreement, with the
12 exception Florida-specific pricing, is available in
13 Florida.

14
15 Q. Does this conclude your testimony?

16

17 A. Yes.



John W. Clayton
Director
Local Carrier Markets

Local Telecommunications Division
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Overland Park, KS 66251
Mailstop KSOPHM0310-3A453
Voice 913 315 7839
Fax 931 315 0628
john.clayton@mail.sprint.com

August 9, 2000

Ron Martinez
Senior Manager
WorldCom
Two Northwinds Center
2520 Northwinds Parkway
Alpharetta, GA 30004

Dear Mr. Martinez:

I received your letters dated July 11, 2000 and July 17, 2000 requesting that we equate the Commission Approval Date with the latest date of execution of the Agreement. My research indicates that the Commission approved the Agreement in its July 1, 1997 Order. As such, the Agreement expired July 1, 2000 and I am unable to accept your letter as an exercise of MCIMetro's option to extend the term for another year.

Based on a review of the actual MCIMetro / Sprint interconnection situation in North Carolina, I believe Sprint's standard interconnection only agreement will meet our mutual business needs. If you would like a copy of our current draft of that agreement please let me know and I will see that a copy is forwarded for your review. The expired agreement did not address continued service after expiration; however, Sprint will provide post-expiration interim service for 60 days from the date of this letter.

I am also prepared to begin the negotiation of a new agreement upon receipt of written notice of MCIMetro's intent to begin negotiations under Sections 251 and 252 of the Telecommunications Act of 1996. Please forward the notice to me at the above address.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Clayton".

John W. Clayton

cc: Attention: Director – Carrier Markets
Southern Financial Operations
MCI Telecommunications Corporation
2 Northwinds Center
2520 Northwinds Parkway, 5th Floor
Alpharetta, GA 30004

Attention: Commercial Counsel – Law and Public Policy
Southern Financial Operations
MCI Telecommunications Corporation
2 Northwinds Center
2520 Northwinds Parkway, 5th Floor
Alpharetta, GA 30004



August 18, 2000

Sprint
Attention: John W. Clayton
Director, Local Carrier Markets
6480 Sprint Parkway
Overland Park, KS 66251
Mailstop KSOPHM0310-3A453

Re: Renewal of the North Carolina MCImetro/Sprint Interconnection
Agreement, Executed 7/15/1997

Dear John:

We are in receipt of your letter dated August 9, 2000 stating that you were "unable to accept our letter as an exercise of MCImetro's option to extend the term for another year." You apparently base your decision about this on your interpretation of our agreement expiring on July 1, 2000 rather than July 15, 2000. You state that "your research indicates that the Commission approved the Agreement in its July 1, 1997 Order." We have done research on this matter as well. I would like to quote language to you from a letter dated August 18, 1997 from Jeffrey P. Caswell, a National Account Manager with Sprint addressed to Michelle Berkovitz of MCImetro which reads:

"On or about June 16, 1997, Carolina Telephone and Telegraph Company and Central Telephone Company, North Carolina Division ("Sprint"), and MCImetro Access Transmission Services, Inc., entered into an Interconnection/Resale Agreement for the purposes designated under Sections 251 and 252 of the Telecommunications Act of 1996. The Agreement was filed with the North Carolina Utilities Commission on or about July 16, 1997, and is currently pending Commission approval."

I will be happy to provide you with a copy of this letter.

In addition to Sprint being incorrect about the expiration date of the initial term of our Agreement, you are also incorrect in your assessment that our notification to you subsequent to July 1, 2000 somehow voids our option to renew the agreement for another one year term.

Please reconsider the clear language of Part A, Section 3 of our Agreement which reads:

"This Agreement shall become binding upon the Effective Date and continue for a period of three (3) years from the Commission approval date ("Approval Date"), unless earlier terminated or withdrawn in accordance with Section 20 (Termination). Renewal after the initial term for successive one (1) year terms shall be at MCI's option upon written notice to Sprint."

Our interpretation of this language is that we have the option to renew this agreement and we are required only to give Sprint written notice "after" the initial term of the agreement not "prior to" the expiration of the initial term which is the interpretation that resembles the position you take in your August 9th letter.



Letter to John Clayton
Page Two
August 18, 2000

While we may consider renegotiation of this agreement based on changes in the way we are doing business with each other today relative to the agreement, we will not relinquish our contractual right to have this agreement continue forward in effect at our option.

Please consider this letter a reiteration of our exercising our option to renew our agreement for an additional one year term. We need to come to some agreement as to what the end date for that one year term will be and we would like to reiterate our suggestion that the end date of this one year term be July 15, 2001. We look forward to your reply

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Martinez", with a stylized flourish at the end.

Ron Martinez
Senior Manager
Carrier Agreements Team South
2520 Northwinds Parkway
Alpharetta, GA 30004
(770) 625-6830
ron.martinez@wcom.com

cc: Ken Woods
John Monroe
Lori Warren
Bryan Green

MCIWorldcom – Sprint LTD
Executive Meeting
Wednesday, September 20, 2000
Overland Park, Kansas

Continental Breakfast	All	30 minutes
Welcome and Introductions	Bill Cheek	10 minutes
Purpose & Agenda	Bill Cheek	10 minutes
Recent Accomplishments	Cindy Heiman	10 minutes
Future Direction	David Owens	10 minutes
Approach/Plans for Price Flexibility	Brooks Albery	20 minutes
Special Services Improvement Program	Ross Marsh	60 minutes
> ASE		
> Initiatives included in 120-day trial		
> One Dispatch Center		
> Dedicated Technician Pool		
> Develop Intelligent FOC		
> Improve Data Integrity		
> Accelerate Remote Test Unit Deployment		
Break		15 minutes
Service Improvement Plan (SIP) Review	Todd Davis	45 minutes
Local Interconnection Discussion	John Clayton	30 minutes
Worldcom Response	Marcel Henry	30 minutes
Next Steps/Review Parking Lot & Action Items	All	20 minutes
Lunch	All	30 minutes

Limits:

The meeting will be held at the Sprint Campus, Building 5 (6360), conference room 1C305 and it will begin at 7:30 a.m. with a continental breakfast.

Chuang, John Y.

From: ron.martinez [ron.martinez@wcom.com]
Sent: Thursday, May 24, 2001 2:43 PM
To: John.Clayton
Cc: John.Y.Chuang
Subject: RE: MCImetro Interconnection Agreements - FL and NC

On the first, thanks. I will set some time aside to negotiate these items. As to the second see you in court as we will be filing these letters with the Commissions.

-----Original Message-----

From: John.Clayton@mail.sprint.com [mailto:John.Clayton@mail.sprint.com]
Sent: Thursday, May 24, 2001 3:33 PM
To: ron.martinez@wcom.com
Cc: John.Y.Chuang@mail.sprint.com
Subject: MCImetro Interconnection Agreements - FL and NC

Ron - just a heads up. I just signed two letters regarding these agreements. First, we are sending a request to renegotiate several sections of the FL agreement due to changes in law and regulation - we also propose, as an alternative to making so many significant changes, replacing the current agreement in its entirety.

The second letter is a response to the renewal request for NC. Our position remains that the agreement was not renewed on a timely basis last and is expired. We are willing to continue existing business under Bill and Keep until a new agreement is in place in NC.

The lead for the negotiations at Sprint is John Chuang - he can be reached at 913/315-7844 or John.Y.Chuang@mail.sprint.com



John W. Clayton
Director
Local Carrier Markets

Local Telecommunications Division
6480 Sprint Parkway
Overland Park, KS 66251
Mailstop KSOPHM0310-3A453
Voice 913 315 7839
Fax 913 315 0628
john.clayton@mail.sprint.com

May 24, 2001

Attention: Director-Carrier Markets
Southern Financial Operations
MCI Telecommunications Corporation
2520 Northwinds Parkway, 5th Floor
Alpharetta, GA 30004

Re: Florida Interconnection Agreement Between MCImetro Access Transmission Services, Inc. and Sprint-Florida, Incorporated

Dear Madam or Sir:

Please accept this letter as Sprint's official request to renegotiate certain provisions of the Interconnection Agreement referenced above. Sprint is invoking its right to renegotiate terms and conditions under Part A, Section 2.2 and Section 6.

Part A, Section 2.2 provides that in the event the FCC or the Florida PSC promulgates rules, regulations or orders which conflict with or make unlawful any provision of the Agreement, MCI and Sprint will promptly and in good faith negotiate to amend the Agreement to substitute contract provisions which are consistent with such rules, regulations or orders. Further, Section 6 states that in the event any rules or regulations are held invalid, the Parties shall promptly renegotiate any provisions of the Agreement which, in the absence of such invalidated rule or regulation, are insufficiently clear to be effectuated.

As you know, it has been almost four years since the Florida Agreement was first executed and many of the provisions are either stale or conflict with current law. As evidence, MCI has also requested modifications to the current Agreement. I have enclosed a matrix of items that need to be renegotiated for your review (Attachment). Please note that this list is for illustration only and should not be considered an exhaustive list of negotiation items. Although not noted in the matrix, Sprint does reserve the right to immediately incorporate changes consistent with the most recent FCC order (96-98 and 99-68 released April 27, 2001) on reciprocal compensation once it goes into effect.

I have also enclosed a draft of our standard Interconnection Agreement for your review. The changes needed to bring this four year old Florida Agreement into compliance with current law are so numerous, we believe the most expedient course of action is to replace the Agreement in its entirety. This document serves as a our baseline for the replacement Agreement in Florida as well as any other states where MCI desires or needs new agreements. In addition, be aware that MCI has requested an interconnection agreement in New Jersey, the North Carolina Agreement expired on July 1, 2000 and MCI is operating without agreements in Oregon and Pennsylvania.

Our lead negotiator is John Chuang (913-315-7844 or john.y.chuang@mail.sprint.com). Please contact John Chuang or me with the name of the individual that will serve as your lead so we can move forward.

Sincerely,



John Clayton
Director – Local Markets

cc: Commercial Counsel - Law & Public Policy - MCImetro
Brian Green
Ron Martinez
Lori Warren
John Chuang
Tom Grimaldi
Kathryn Feeney
Janette Luehring

Attachment

Section	Language	Basis of renegotiations
3 rd Whereas	"purchase on an unbundled basis Network Elements . . .separately or in any combination"	The 8 th Circuit vacated 51.315(c)-(f), only required not to separate network elements (combinations that the LEC must provide are limited)

Part A – General Terms and Conditions

1.2	"Sprint shall provide the services in any combination requested by MCIIm."	The 8 th Circuit vacated 51.315(c)-(f), only required not to separate network elements, combinations that the LEC must provide are limited
13.3	"Sprint... will provide... unbundled network elements including... operator service and directory assistance"	Sprint provides customized routing, OS and DA no longer required UNEs – FCC UNE remand order – 51.519(f)
25.1	Relates to branding of OS and DA	If Sprint provides customized routing, OS and DA no longer required UNEs – FCC UNE remand order – 51.519(f)

Part B -- Definitions

"combinations"	Definition	The 8 th Circuit vacated 51.315(c)-(f), only required not to separate network elements, combinations that the LEC must provide are limited
"Expanded Interconnection Services"	Definition	Collocation orders (CC 98-147, March 31, 1999 and August 10, 2000) specific rulings on collocation, distinction from "Expanded Interconnection Services" separate collocation offering
"Wire Center"	References EIC service	Same as above

Attachment I – Price Schedule

3	Resale Discount	51.609 vacated by 8 th Circuit
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Attachment III – Network Elements

2.4	Sprint shall offer each Network Element individually and any Technically Feasible combination with any other Network Element	The 8 th Circuit vacated 51.315(c)-(f), combinations that the LEC must provide are limited
2.5	Where Sprint provides combined Network Elements . . . Sprint shall perform, at its expense, any work necessary to interconnect such Network Elements.	The 8 th Circuit vacated 51.315(c)-(f), combinations that the LEC must provide are limited, only required to "not separate requested network elements that the incumbent currently combines."
2.7	OS and DA listed as UNEs	UNE Remand order – OS and DA no longer required UNEs provided Sprint offers customized routing
3.4	Unless otherwise requested by MCIIm, each Network Element and the connections between Network Elements provided by Sprint to MCIIm shall be made available to MCIIm on a priority basis, at any Technically Feasible point, that is equal to or better than the priorities that Sprint provides to itself, Sprint's own	Contrary to service quality rules 8 th Circuit vacated superior quality rules 51.305(a)(4) and 51.311(c)

Attachment

	subscribers, to a Sprint Affiliate or to any other entity.	
4.1.1	If a particular grade of service is installed but MCI uses the Loop to provide a service that exceeds the engineered capacity of a medium (<i>i.e.</i> , interferes with other services) a mutually agreed upon process will be developed to resolve the issue.	Inconsistent with interference rules 51.233
4.4.2.3	MCI may require Sprint to provide copper twisted pair Loop Feeder which is unfettered by any intervening equipment (<i>e.g.</i> , filters, load coils, and range extenders) ...	UNE Remand order permits recovery of costs for line conditioning – 51.319(3)(i)(ii) and (iii)
Section 5 NID		UNE Remand order
6.2	“Distribution shall be capable of transmitting signals for the following services . . . ISDN, ADSL, HDSL, and DS1-level signals.”	FCC Order 01-26
6.3	“Sprint will provide Distribution to be a copper twisted pair which are unfettered by any intervening equipment (<i>e.g.</i> , filters, load coils, range extenders)...”	Inconsistent with interference rules 51.233
Section 7. Local Switching	Does not include language to limit availability of switching in top 50 MSAs	UNE Remand conditions on availability of local switching
Section 8. Operator Systems		UNE Remand – OS no longer offered at UNE rates.
9.1	Definition of common transport	UNE Remand – definition of shared transport 51.319(d)(1)(iii)
NOTE	Need network to look at SCP, STP and databases to see if rule changes effected these sections	Also need Mark Megee to review. – John – I’m not sure if Mark ever looked at this, I don’t have anything from him
15.1.2.1	Testing for combinations	The 8 th Circuit vacated 51.315(c)-(f), combinations limited
15.2.4.3	Loop combination Architecture Constraints	8 th Circuit vacated 51.315(c)-(f)
15.2.4.5.2.1	Downtime for loop combinations	related to previous sections for UNE combinations
15.2.4.7	Operator services – PM	OS no longer a UNE
15.6.1.10.4	Sprint Operator Services Trunk	OS no longer a UNE

Attachment IV

1.1	Agreement silent on internet traffic	FCC recently ruled that internet traffic is not local.
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Attachment V - Collocation

2.3	Escort required to access space	Collocation orders
2.4	Type of equipment to be collocated	FCC rule 51.323 and D.C. Circuit 3/17/00
2.5	Interconnection with other collocators	D.C. Circuit decision 3/17/00
2.23	Notify when construction 50% complete	51.321(f) allow reasonable access during construction.”
Generally		Changes due to FCC Orders in Docket 98-147 dated

		March 31, 1999 and August 10, 2000, DC Circuit case March 17, 2000
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Attachment VI – Rights of way, Conduit, Pole attachments

Section 1	Needs to be updated with current rules and regulations.	
Section 2	Needs to be updated with current rules and regulations	
Section 3	Needs to be updated with current rules and regulations	

Attachment VII – Number Portability

Section 3	“Number Portability is currently being worked on in industry forums.”	LNP resolved
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Attachment VIII – General Business Requirements

1.1.3	Operation and Technological Changes – twelve months notice	
2.2.15.1, 2.2.15.3, 2.2.15.4, 2.2.15.5,	MCI may order and Sprint shall provision unbundled Network Elements either individually or in any mutually agreed combination on a single order. Network Elements ordered as combined shall be provisioned as combined by Sprint . . .	The 8 th Circuit vacated 51.315(c)-(f), combinations that the LEC must provide are limited, only required to “not separate requested network elements that the incumbent currently combines.”
4.1.5	Testing, Changes and Controls	
6.2.2, 6.2.3.	OS/DA	OS/DA no longer UNEs

In addition:

1. The agreement does not cover the FCC rules relating to advanced services (§§51.230, 231, 232, 233).
2. The superior quality rule vacated (§§51.305(4) and 311(c)).
3. The agreement does not include requirements from the UNE remand order for dark fiber, databases, subloops, packet switching (§51.319).
4. The agreement does not include the FCC requirements as to line sharing (§51.319(h)).
5. The agreement does not include additional requirements for collocation from Docket 98-147 (§51.323).



**MCI Telecommunications
Corporation**

Two Northwinds Center
2520 Northwinds Parkway
Alpharetta, GA 30004

Docket No 011177-TP
Clayton Exhibit _____ (JC-6)
MCI Response to Renegotiations
Letter Page 1 of 3

May 31, 2001

Sprint
Local Telecommunications Division
Attn: John W' Clayton, Director
6480 Sprint Parkway
Overland Park, KS 66251
Mail Stop KSOPHMO310-3A453

Re: Your May 24, 2001 letter requesting re-negotiation of the
Florida Interconnection Agreement between MCI and Sprint

Dear John:

We are in receipt of the above-referenced letter with regard to our Florida Interconnection Agreement.

We do not agree that Part A, Section 2.2 and Section 6, when applied to the circumstances listed in the table attached to your letter, require an amendment to this Agreement. None of the items in your table are "unlawful or inconsistent with" the legal references you cite. In addition, we do not recall requesting modifications to our current Agreement.

If you have some issues of great importance to you that you would like to discuss, please bring them to our attention. We do not, however, believe it is appropriate to engage in full-blown re-negotiation of this contract at this time.

It is our understanding that we had reached an oral agreement with Sprint to use the FPSC-approved, BellSouth/MCI Florida Interconnection Agreement, currently in its final stages, as a baseline document for negotiations with Sprint region-wide, at a later date. This Agreement is in

Page 2
John Clayton

May 31, 2001

the "best and final offer" stage at the Commission and we expect to have this fully executed within 60 days. Once we have executed the Agreement with BellSouth, we will provide you with a copy for your review and comments. Please note that we are not intending, by this letter, to request, or to agree to commence, negotiation of an interconnection agreement.

Please be advised that MCI did not request an interconnection agreement with Sprint in New Jersey. We already have an interconnection agreement, as of July 28, 1997. Last year, we requested an amendment to that agreement, to provide terms regarding local number portability. We sent this amendment to Sprint for execution more than a year ago, but we have not received a reply.

We do not agree with you that our North Carolina Interconnection Agreement is expired as you were notified of our intent to renew that agreement in accordance with its terms. As mentioned in our August 9, 2000 letter to you, Sprint stated in its August 18, 1997 letter, that the Agreement was not *filed* until July 16, 1997, and was awaiting commission approval on the date of your letter. This is not consistent with your statement now that the Agreement was approved on July 1, 1997. In either case, however, the Agreement allows us to renew *after* expiration, and we exercised that right.

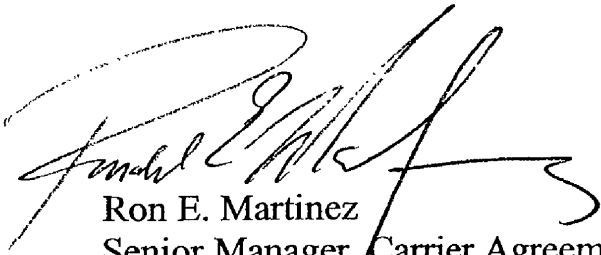
We also do not agree that we are operating without an agreement in Oregon and Pennsylvania. We have Traffic Exchange Agreements in both those states. You have elected to terminate those agreements, but both agreements have a provision contained in Section 11 which allows for the agreement to continue in full force and effect until such time as it is replaced with a superseding agreement. You even stated in your notice letters, dated January 4, 1999, that you plan to negotiate and execute a new agreement in these two states without any interruption of service.

You can contact either myself, or Lori Warren (770) 625-6834 for issues relating to negotiating/amending WorldCom agreements with Sprint.

Page 3
John Clayton

May 31, 2001

Sincerely,

A handwritten signature in black ink, appearing to read "Ron E. Martinez", with a large, sweeping flourish extending to the right.

Ron E. Martinez
Senior Manager, Carrier Agreements
(770) 625-6830
ron.martinez@wcom.com

CC: John Monroe
Lori Warren
Linda Prior
Donna McNulty
Ken Woods
Bryan Green

Local Telecommunications Division
6480 Sprint Parkway
Overland Park, KS 66251
Mailstop KSOPHM0310-3A453
Voice 913 315 7839
Fax 913 315 0628
john.clayton@mail.sprint.com



John W. Clayton
Director
Local Carrier Markets

June 21, 2001

Mr. Ron E. Martinez
Senior Manager, Carrier Agreements
Southern Financial Operations
MCI Telecommunications Corporation
Two Northwinds Center
2520 Northwinds Parkway
Alpharetta, GA 30004

Re: MCI Telecommunications May 31, 2001 letter regarding the Florida and North Carolina Interconnection Agreements Between MCImetro Access Transmission Services, Inc. and Sprint

Dear Ron:

We are in receipt of MCImetro's May 31, 2001 letter responding to our request to renegotiate certain provisions of our Florida Interconnection Agreement.

Sprint disagrees with MCImetro's claim that none of the items listed on our negotiation matrix are "unlawful or inconsistent with" the legal references that were cited. The negotiation matrix sets forth numerous examples where the language in our Florida Interconnection Agreement is clearly in conflict with or is inconsistent with current law. In addition, Section 6 allows renegotiation when any provision of the Agreement is "insufficiently clear to be effectuated" in the event FCC rules or regulations are held invalid.

MCImetro is refusing to negotiate promptly and in good faith to amend the Agreement so that it is consistent with existing changes in rules, regulations and orders. Because of this, Sprint concludes that MCImetro is in breach of Part A, Section 2.2 of our Florida Interconnection Agreement. Accordingly, this letter serves as written notice to MCImetro of material breach under Section 20 of the Florida Interconnection Agreement.

Sprint also refutes MCImetro's contention that there was an oral agreement to use the BellSouth/MCImetro Florida Interconnection Agreement as a baseline agreement for negotiations. Rather, Sprint only agreed that it would not be prudent for either party to challenge or arbitrate orders resulting from the BellSouth/MCImetro arbitration proceedings, and it agreed to incorporate any results into a new agreement to the extent that the same issues exist between Sprint and MCImetro.

Mr. Ron Martinez
MCI Telecommunications Corporation

Page 2 of 2

We do not agree with your position with respect to the North Carolina Interconnection Agreement. Taking your scenario to the extreme, MCImetro would have the option into perpetuity to revive an expired agreement. Such an outcome clearly makes no sense. To reiterate, Sprint has stopped processing new orders for MCImetro in North Carolina, and as of June 1, 2001 all local traffic will be exchanged on a "Bill and Keep" basis.

As you acknowledge, Sprint has provided notice of termination of the Oregon and Pennsylvania Traffic Exchange Agreements. Although Section 11 does provide for the agreements to continue in full force and effect until replaced by a superceding agreement, it does so only if both parties have undertaken renegotiations and such renegotiations does not conclude prior to the expiration of the then current term. Accordingly, our position is that these agreements have expired based on MCImetro's refusal to renegotiate new agreements.

I feel that it would be in the best interest of both companies to find an amicable solution to the disagreements outlined above. Sprint fully intends to continue providing services currently being provided to MCImetro. Sprint is willing to work with MCImetro to consider interim options that will be satisfactory for both companies. To that end, I propose that we cancel the current Florida and North Carolina Agreements and enter into an interim agreement that will meet MCImetro's needs, including the ability to port numbers and providing access to UNES. The interim agreement will be for one year, renewable by agreement of both parties. This offer is also available for any other Sprint ILEC states.

Please feel free to contact me or John Chuang at (913) 315-7844 if you have any additional questions or concerns.

Sincerely,



John Clayton
Director - Local Markets

cc: Commercial Counsel - Law & Public Policy - MCImetro
Lori Warren
John Chuang
Tom Grimaldi
Kathryn Feeney
Janette Luehring



John W. Clayton
Director
Local Carrier Markets

Local Telecommunications Division
6480 Sprint Parkway
Overland Park, KS 66251
Mailstop KSOPHM0310-3A453
Voice 913 315 7839
Fax 913 315 0628
john.clayton@mail.sprint.com

August 21, 2001

~~Attention: Director-Carrier Markets~~
Southern Financial Operations
MCI Telecommunications Corporation
2520 Northwinds Parkway, 5th Floor
Alpharetta, GA 30004

**Re: Termination of Florida Interconnection Agreement between Sprint and
MCImetro Access Transmission Services, Inc. ("Agreement")**

Dear Madam or Sir:

In a letter dated June 21, 2001, Sprint notified MCImetro that it was in material breach of its Interconnection Agreement for refusing to engage Sprint in negotiations to amend certain provisions of the Agreement that are out of compliance with or inconsistent with current law. MCImetro has failed to cure the breach within the 45-day cure period provided for in the Agreement, and consequently, Sprint is exercising its option to terminate the Agreement under Section 20.1.3.

Section 20.1.3 provides:

If such material breach is for any other failure to perform in accordance with this Agreement, the breaching Party shall cure such breach to the non-breaching Party's reasonable satisfaction within forty-five (45) days, and if does not, the non-breaching Party may, at its sole option terminate this Agreement, or any parts hereof. The non-breaching Party shall be entitled to pursue all available legal and equitable remedies for such breach.

Although Sprint has identified several provisions that are inconsistent or in conflict with current law, MCImetro summarily dismissed Sprint's request for re-negotiation in a letter dated May 31, 2001. Accordingly, Sprint notified MCImetro that it considered MCImetro to be acting in bad faith, and that it was in breach of the Agreement. MCImetro has not responded to Sprint's June 21 notice, and consequently, Sprint believes that it may exercise its right to terminate the Agreement pursuant to Section 20.

Sprint notes that MCImetro has requested to opt into the Sprint - XO Communications Interconnection and Resale agreement in the state of Nevada. There is an effective Sprint - XO Communications Interconnection and Resale Agreement in Florida that is identical (with the one exception of Florida-specific pricing) that is available to MCImetro.

Page 2 of 2
August 21, 2001

Should MCImetro desire to opt into this agreement, either as an interim or permanent replacement, please let us know.

Please feel free to contact me if you have any questions or concerns.

Sincerely,



John Clayton
Director – Local Markets

cc: Commercial Counsel – Law & Public Policy – MCImetro
Florida Public Service Commission
William E. Cheek
Tom Grimaldi
John Chuang

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Complaint of MCImetro Access Transmission) Docket No. 011177-TP
Services LLC against Sprint-Florida, Incorporated)
for improper attempt to terminate interconnection)
agreement, request for interim relief, and request) Filed: September 25, 2001
for expedited processing.)

STATE OF KANSAS)
)
COUNTY OF JOHNSON)

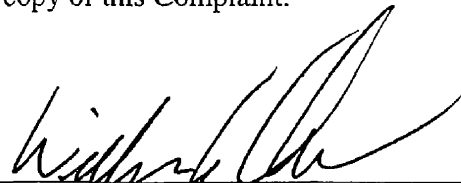
Affidavit of William E. Cheek

I, William E. Cheek, Vice President for Sales and Account Management for Sprint's Carrier Markets Organization, having first been duly sworn, hereby make this affidavit and testify and state as follows:

1. During the week of August 27, 2001, I had a telephone conversation with Brian Green, MCImetro's Director – Carrier Management, regarding the termination letter that Sprint sent to MCImetro dated August 21.
2. In that telephone conversation Mr. Green mentioned a letter that MCImetro intended to send Sprint but which Mr. Green wasn't sure had ever been sent. Mr. Green told me that MCImetro had previously had some problems with the secretary who was supporting his organization, and that they had been forced to let her go, and that they were not sure whether she had sent out a particular letter to Sprint.
3. Mr. Green asked me in this telephone conversation whether Sprint would have a problem if MCImetro resent the letter and backdated it to the date that they

intended to send it. I told Mr. Green that he and MCImetro should do whatever they felt they needed to do.

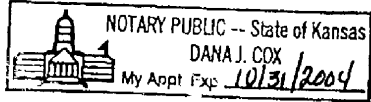
4. At the time I spoke with Mr. Green I did not know what letter he was talking about. However, from my conversation with Mr. Green I know that MCImetro had received Sprint's August 21 termination letter before we spoke. This termination letter was based in part on the fact that Sprint had not received a response from MCImetro to Sprint's notice of breach letter dated June 21, 2001.
5. The first time I saw the letter from Ron Martinez at MCImetro dated June 22, 2001, was when we received a copy of MCImetro's Complaint. See, Exhibit ___ (RM-4), attached to Mr. Martinez' testimony. I am not aware of any other "missing" letter that Mr. Green may have been talking about.
6. Upon seeing the June 22, 2001 letter from Mr. Martinez that was attached to the MCImetro Complaint, I checked with John Clayton and his staff, who had been involved in the ongoing discussions with MCImetro over the Florida Interconnection Agreement, as well as with our legal group, to see if any of them had received or seen this letter before being served with MCImetro's Complaint. No one within Sprint, to my knowledge, had seen or received MCImetro's June 22, 2001 letter until being served with a copy of this Complaint.
7. This concludes my affidavit.



William E. Cheek

STATE OF KANSAS)
)
COUNTY OF JOHNSON)

Before me this 25th day of September, 2001, personally appeared William E. Cheek,
after having first been duly sworn, and stated that the above affidavit was his testimony and was
true and correct.



Dana J Cox
Notary Public

My Commission Expires:

10/31/2004

CLEC NEGOTIATION REQUEST

Date: 8/22/01

CLEC Name (Legal Name including DBA to be included in the Contract): MCIMETRO ACCESS TRANSMISSION SERVICES, INC.

CLEC 4-Digit Operating Company Number (OCN): 7229

CLEC Contact Name: Ron Martinez or Lori Warren

CLEC Headquarters Address: 2520 Northwinds Parkway, 5th Floor,

CLEC City, State, ZIP Alpharetta, Georgia 30004

Negotiator's Phone Number: (770) 625-6830 or (770) 625-6834

CLEC's Negotiator's Address (If Different Than Above): same

CLEC's Negotiator's Name (If Different Than Above): same

Negotiator's Fax Number: (770) 625-6881

Negotiator's E-mail: ron.martinez@wcom.com or lori.warren@wcom.com

CLEC's Implementation Contact: Michael Nash

CLEC's Implementation Contact's Phone Number: (630) 203-7052

CLEC's Implementation Contact's E-mail: michael.nash@wcom.com

Do you want to opt-in to another CLEC/Sprint Agreement that has already been negotiated and approved by your requested State's PUC? Yes If so, do you know which one(s)? Yes If so, please provide below the name of the Agreement per state.

Master Interconnection and Resale Agreement for the State of Nevada, dated October 1, 2000 – Telecommunications of Nevada, L.L.C., a.k.a. XO Nevada, L.L.C. and The Nevada Division of Central Telephone Company D/B/A Sprint of Nevada

Please provide date (if known) next to each state requested concerning the anticipated market rollout.

Place an IR for Interconnection and Resale; I for Interconnection; IPC for Interconnection/Resale & Physical Collocation; IVC for Interconnection/Resale & Virtual Collocation, R for Resale, A for Amendment associated with UNE Remand order (UNEP, EELS, Subloop, Dark Fiber, Line Sharing, etc.), IWM Inside Wire Maintenance, L for Line Sharing only; and if Other explain:

State	Market Rollout Date	Type of Agreement Requested (IR, I, IC, R, O)	Name of Agreement to opt-in to (if applicable)
FL			
IN			
KS			
MO			
MN			
NC			
NE			
NJ			
NV	ASAP	IR	XO Master Interconnection and Resale
OH			
OR			
PA			
SC			
TN			
TX			
VA			
WA			
WY			

Is your company affiliated with any other CLEC or Telecommunications Company? If so, please provide the name of Affiliated Company. WorldCom



**MCI Telecommunications
Corporation**

Two Northwinds Center
2520 Northwinds Parkway
Alpharetta, GA 30004

Docket No 011177-TP
Clayton Exhibit _____ (JC-11)
MCI Response to Termination
Page 1 of 1

August 30, 2001

Sprint Local Telecommunications Division
Attn: John W. Clayton, Director
6480 Sprint Parkway
Overland Park, KS 66251
Mail Stop KSOPHMO310-3A453

Dear Mr. Clayton:

I am writing you in reply to your letter of August 21, 2001, in which you notified us that you are terminating our interconnection agreement in Florida. Your termination is based on your opinion that MCImetro is in breach of the agreement "for refusing to engage Sprint in negotiations to amend certain provisions of the Agreement...."

If you will review our May 31, 2001, and June 22, 2001, letters, you will find that, not once but twice, MCImetro asked Sprint to provide proposed language for the amendments Sprint sought to make to the agreement. Sprint never responded to these requests. We still stand ready to review any amendments Sprint would like to propose, but until Sprint actually proposes an amendment, there is no further action for us to take. We do not agree with your assertion that we are in breach of the agreement by waiting for Sprint to propose amendments that Sprint would like to make to the agreement. Sprint has no right, therefore, to terminate the agreement, and we expect Sprint to perform the agreement fully.

We have discovered since receipt of your letter that you have disconnected our access to your systems, so we no longer are able to place orders. This is a serious breach of our interconnection agreement, which we view as intentional misconduct. We will seek appropriate relief immediately to remedy your breach.

Sincerely,

Ron E. Martinez
Sr. Manager, Carrier Agreements

cc: John Monroe
Lori Warren
Donna McNulty
Bryan Green
Brian Sulmonetti
Blanca S. Bayo, Florida Public Service Commission



Chuang, John Y.

From: Lori.Warren [Lori.Warren@wcom.com]
Sent: Thursday, August 30, 2001 1:02 PM
To: Chuang, John Y.
Cc: Lori.Warren; ron.martinez; john.monroe; robert.munoz; linda.prior; patricia.b.woods
Subject: Negotiation Request Form - Nevada Opt-in

John:

I just left you a voicemail letting you know that I wanted you to disregard the negotiation request form I previously sent you on 8/22/01.

We still want to opt-in to the Sprint/XO Interconnection Agreement in Nevada, however, I indicated an incorrect CLEC name (legal name) and an incorrect OCN.

As soon as I can provide you with a new form containing the correct information, I will do so. I anticipate this will occur in the next week or two.

Thank you for your attention to this matter.

Sincerely,

Lori Warren
WorldCom Carrier Agreements
2520 Northwinds Parkway
Alpharetta, GA 30004
(770) 625-6834
lori.warren@wcom.com

-----Original Message-----

From: John.Y.Chuang@mail.sprint.com
[mailto:John.Y.Chuang@mail.sprint.com]
Sent: Tuesday, August 21, 2001 6:28 PM
To: Lori.Warren@wcom.com
Subject: Negotiation Request Form

Lori, per our conversation, attached is the form that Worldcom needs to fill out. Please indicate that you are requesting to opt-in to XO's agreement in Nevada and return to the address at the bottom.



William E. Cheek
Vice President
Sales & Account Management

Docket No. 011177-TP
Clayton Exhibit ____ (JC-13)
Sprint's Commitment to Florida
Service Page 1 of 1
Local Telecommunications Division
6480 Sprint Parkway
Overland Park, KS 66251
Mailstop KSOPHM0316-3B925
Voice 913 315 8026
Fax 913 315 0627

Via Fed Ex

September 5, 2001

Mr. Bryan Green
Southern Financial Operations
MCI Telecommunications Corporation
2520 Northwinds Parkway, 5th Floor
Alpharetta, GA 30004

Re: Post Termination Services in Florida

Dear Bryan:

In an August 21, 2001 letter, Sprint notified MCImetro of our exercise to terminate the Florida Interconnection Agreement due to MCImetro's breach of contract and failure to cure. Pursuant to subsequent conversations, however, Sprint has agreed to accommodate MCImetro's request to continue processing new orders for a period of ninety (90) days which mirrors the timeframe provided in the post-termination services provision of Section 20.3 of the Interconnection Agreement.

The post-termination services provision under Section 20.3 is invoked in the event of termination for breach. Section 20.3, however, only provides for the continuation or transition of existing services and does not contemplate the provision of new services. As agreed to by Sprint and MCImetro, Sprint will continue to process new orders for a ninety (90) period commencing August 21 and ending on November 19, 2001.

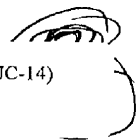
For new services after November 19, 2001, MCImetro will need to have a valid interconnection agreement with Sprint. As noted in Sprint's August 21 letter to MCImetro, Sprint is willing to explore different options with MCImetro including entering into an interim agreement until a new interconnection agreement is negotiated, or helping facilitate MCImetro's opt-in of XO Communication's Florida interconnection agreement.

Please feel free to contact me if you have any questions or concerns.

Sincerely,

William E. Cheek
Vice President – Sales and Account Management

cc: Commercial Counsel - Law & Public Policy – MCImetro
John Clayton
Tom Grimaldi
John Chuang



CLEC NEGOTIATION REQUEST

Date: 9/12/01

CLEC Name (Legal Name including DBA to be included in the Contract): MCI WorldCom Communications, Inc.

CLEC 4-Digit Operating Company Number (OCN): 7132

CLEC Contact Name: Ron Martinez or Lori Warren

CLEC Headquarters Address: 2520 Northwinds Parkway, 5th Floor,

CLEC City, State, ZIP Alpharetta, Georgia 30004

Negotiator's Phone Number: (770) 625-6830 or (770) 625-6834

CLEC's Negotiator's Address (If Different Than Above): same

CLEC's Negotiator's Name (If Different Than Above): same

Negotiator's Fax Number: (770) 625-6881

Negotiator's E-mail: ron.martinez@wcom.com or lori.warren@wcom.com

CLEC's Implementation Contact: Michael Nash

CLEC's Implementation Contact's Phone Number: (630) 203-7052

CLEC's Implementation Contact's E-mail: michael.nash@wcom.com

Do you want to opt-in to another CLEC/Sprint Agreement that has already been negotiated and approved by your requested State's PUC? Yes If so, do you know which one(s)? Yes If so, please provide below the name of the Agreement per state.

Master Interconnection and Resale Agreement for the State of Nevada, dated October 1, 2000 – Telecommunications of Nevada, L.L.C., a.k.a. XO Nevada, L.L.C. and The Nevada Division of Central Telephone Company D/B/A Sprint of Nevada

Please provide date (if known) next to each state requested concerning the anticipated market rollout.

Place an IR for Interconnection and Resale; I for Interconnection; IPC for Interconnection/Resale & Physical Collocation; IVC for Interconnection/Resale & Virtual Collocation, R for Resale, A for Amendment associated with UNE Remand order (UNEP, EELS, Subloop, Dark Fiber, Line Sharing, etc.), IWM Inside Wire Maintenance, L for Line Sharing only; and if Other explain:

State	Market Rollout Date	Type of Agreement Requested (IR, I, IC, R, O)	Name of Agreement to opt-in to (if applicable)
FL			
IN			
KS			
MO			
MN			
NC			
NE			
NJ			
NV	ASAP	IR	XO Master Interconnection and Resale
OH			
OR			
PA			
SC			
TN			
TX			
VA			
WA			
WY			

Is your company affiliated with any other CLEC or Telecommunications Company? If so, please provide the name of Affiliated Company.

INTERCONNECTION AND RESALE AGREEMENT

This Interconnection and Resale Agreement ("Agreement"), entered into September 25th, 2001, is entered into by between MCI WorldCom Communications, Inc., a Delaware corporation ("CLEC"), and Central Telephone Company d/b/a Sprint of Nevada ("Sprint"), a Delaware corporation (collectively referred to herein as "the Parties"), to establish the rates, terms and conditions for local interconnection, local resale and the purchase of unbundled network elements for the state of Nevada.

NOW THEREFORE, the Parties agree as follows:

The Parties agree that the Agreement between the Parties shall consist of the Telecommunications of Nevada L.L.C. a.k.a. XO Nevada L.L.C. Interconnection and Resale Agreement dated October 1, 2000 (the "Adopted Agreement").

All services provided under this Agreement will be consistent with the decisions of courts having jurisdiction over this Agreement, including but not limited to the decisions of the Court of Appeals and the United States Supreme Court.

Except as modified herein, the Agreement shall, in all other respects, reflect the same terms and conditions as the Adopted Agreement.

1. PARTIES:

MCI WorldCom Communications, Inc., hereinafter referred to as "MCIW", is hereby substituted in the Adopted Agreement for Telecommunications of Nevada L.L.C. a.k.a. XO Nevada L.L.C. and Sprint shall remain as the other Party to the Agreement.

2. TERM:

This Agreement shall have a termination date of October 1, 2002, which corresponds with the termination date of the Adopted Agreement.

3. REGULATORY APPROVAL:

On April 27, 2001, the Federal Communications Commission (FCC) released *Order on Remand and Report and Order*, FCC 01-131, CC Docket No. 96-98, adopted April 18, 2001 (the "Order"), relating to intercarrier compensation for telecommunications traffic delivered to Internet service providers. The FCC's decision modifies FCC rules 47 CFR §§51.701(b)(1)-(2), 51.701(a), 51.701(c)-(e), 51.703, 51.705, 51.707, 51.709, 51.711, 51.713, 51.715 and 51.717. The Order became effective 30 days after publication in the Federal Register, except the 251(i) rights as set forth in paragraph 82 of the Order, became effective upon publication in the Federal Register. The Order affects certain provisions of this Agreement, including some of the rates.

The Parties agree that ISP-bound traffic terminated under this Agreement will be compensated consistent with the Order and that by executing this Agreement and carrying out the intercarrier compensation rates, terms and conditions herein, neither Party waives any of its rights, and expressly reserves all of its rights, under the Order, including but not limited to Sprint's option to invoke on a date specified by Sprint the FCC's ISP terminating compensation plan.

4. NOTICES:

Except as otherwise provided, all notices and other communication hereunder shall be deemed to have been duly given when made in writing and delivered in person or deposited in the United States mail, certified mail, postage paid, return receipt requested and addressed as follows:

To MCIW: MCI WorldCom, Inc.
2520 Northwinds Parkway, 5th Floor
Alpharetta, GA 30004
Attn: Vice President, Eastern Telco Line Cost

Copy to: Vice President & Chief Network Counsel
WorldCom, Inc.
22001 Louden County Parkway, Bldg. E1-3-610
Ashburn, VA 20147

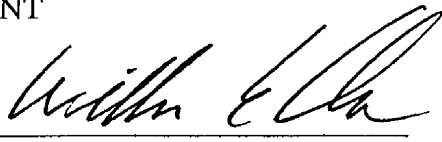
Carrier Agreements
MCI WorldCom, Inc.
2520 Northwinds Parkway, 5th Floor
Alpharetta, GA 30004

Commercial Counsel
MCI WorldCom, Inc.
2520 Northwinds Parkway, 5th Floor
Alpharetta, GA 30004

To Sprint: Director -- Local Carrier Markets
Sprint
6480 Sprint Parkway
Mailstop: KSOPHM0310-3A453
Overland Park, KS 66251

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly respective authorized representatives.

SPRINT

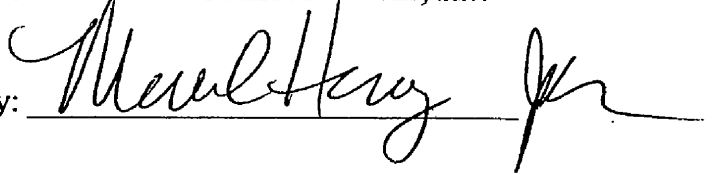
By: 

Name: William E. Cheek

Title: VP-Sales & Account Mgm.

Date: 9/24/01

MCI WorldCom Communications, Inc.

By: 

Name: Marcel Henry

Title: Vice President, ETLCM

Date: September 13th, 2001