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1 BELLSOUTH TELECOMMUNICATIONS, INC.
2 DIRECT TESTIMONY OF ROBERT C. SCHEYB
3 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
4 DOCKET NOS. 950985B-TP (MFS PETITION),
5 AND 950985C-TP (MCImetro PETITION)
6 NOVEMBER 27, 1995
7

8 Q. Please state your name, address and position with
9 BellSouth Telecommunications, Inc. ("BellSouth" or
10 "The Company").
11

12 A. My name is Robert C. Scheye and I am employed by
13 BellSouth Telecommunications, Inc., as a Senior
14 Director in Strategic Management. My address is
15 675 West Peachtree Street, Atlanta, Georgia
16 30375.
17

18 Q. Please give a brief description of your background
19 and experience.
20

21 A. I began my telecommunications company career in
22 1967 with the Chesapeake and Potomac Telephone
23 Company (C&P) after graduating from Loyola College
24 with a Bachelor of Science in Economics. After
25 several regulatory positions in C&P, I went to

1 AT&T in 1979, where I was responsible for the FCC
2 Docket dealing with competition in the long
3 distance market. In 1982, with the announcement
4 of divestiture, our organization became
5 responsible for implementing the MFJ requirements
6 related to nondiscriminatory access charges. In
7 1984, our organization became part of the divested
8 regional companies' staff organization which
9 became known as Bell Communications Research. I
10 joined BellSouth as a Division Manager responsible
11 for jurisdictional separations and other FCC
12 related matters. In 1993, I moved the BellSouth
13 Strategic Management organization, where I have
14 been responsible for various issues, including
15 local exchange interconnection, unbundling and
16 resale.

17

18 Q. What is the purpose of your testimony?

19

20 A. The purpose of my testimony is to describe
21 BellSouth's local interconnection plan and why it
22 is appropriate. My testimony will specifically
23 respond to the formal issues list attached as
24 RCS-1. I will also respond to the specific issues
25 raised by Mr. Timothy T. Devine for the petition

1 filed by Metropolitan Fiber Systems of Florida,
2 Inc. (MFS) in Docket No. 950985B-TP and by Dr.
3 Nina Cornell and Mr. Don Price for the petition
4 filed by MCI Metro Access Transmission Services,
5 Inc. (MCImetro) in Docket No. 950985C-TP.

6

7 Q. What is the status of your negotiations with MFS
8 and MCImetro?

9

10 A. Based on the affidavit submitted by Mr. Devine
11 dated November 10, 1995, MFS has concluded that
12 MFS-FL and BellSouth will not reach a negotiated
13 settlement. Contrary to Mr. Devine's conclusion,
14 BellSouth has attempted to reach agreements with
15 all ALECs that wish to interconnect, the agreement
16 reached with TCG being evidence of that resolve.
17 BellSouth has been, and continues to be, open to
18 further discussion and has continued to meet with
19 MFS and MCImetro in a effort to resolve the
20 outstanding issues. A list of BellSouth's
21 negotiation items is attached as RCS-2. BellSouth
22 still remains optimistic that an agreement can be
23 reached with MFS and MCImetro.

24

25 Q. What are the appropriate interconnection rate

1 structure, interconnection rates or other
2 compensation arrangements for the exchange of
3 local and toll traffic between ALECs and
4 BellSouth? (Issue No. 1)

5

6 A. BellSouth supports a local interconnection plan
7 that includes the following components:

8

- 9 * Compensation arrangements for terminating
10 traffic on BellSouth and ALEC networks;
- 11 * A default to the toll access model if local
12 calls cannot be distinguished from toll;
- 13 • Charges for local interconnection based on the
14 switched access rate structure and rate levels
15 (the level and components may vary based on the
16 universal service mechanism adopted); and
- 17 * A transitional structure that will eventually
18 merge all interconnection plans (local, toll,
19 independent, cellular/wireless) into one common
20 structure.

21

22 BellSouth's plan recognizes that carriers will not
23 be able to distinguish between different types of
24 calls and carriers. The arrangements existing
25 today have been predicated on the Modified Final

1 Judgment (MFJ) requirements and BellSouth's
2 ability to distinguish between the types of
3 traffic and class of carrier terminating on our
4 network. Under the MFJ, BellSouth is required by
5 law to charge access on long distance calls. Once
6 local competition is permitted, ALECs will begin
7 terminating both local and toll traffic on
8 BellSouth's network. This, coupled with the
9 impacts of number portability and the assignment
10 of NXX codes to ALECs, will result in BellSouth
11 being unable to differentiate among the types of
12 traffic terminating on its network. Thus, one
13 comprehensive structure for all types of calls and
14 carriers should be the ultimate goal. Many issues
15 are likely to arise in reaching that goal,
16 including the issue of cost recovery.

17

18 Q. Why will number portability and the assignment of
19 NXX codes result in BellSouth being unable to
20 distinguish the types of traffic being terminated
21 on its network?

22

23 A. First, with location (geographic) number
24 portability, end users will be able to move from
25 one area to another and still retain their same

1 telephone numbers. Therefore, it will be
2 impossible for BellSouth to know if an end user is
3 calling a point within the traditional local
4 calling area. If this happens, the concept of
5 Local Calling Areas will become virtually
6 meaningless.

7
8 Second, NXXs assigned to ALECs may be deployed in
9 a manner completely different from the way
10 BellSouth utilizes its own NXXs. For example, an
11 ALEC may use an NXX for an area greater than a
12 BellSouth Local Calling Area, such as a whole
13 LATA, the entire state, or multiple states.
14 Assignment of NXXs in such a manner will make it
15 impossible for BellSouth to tell whether a call to
16 or from such NXXs is a "traditional local" call or
17 a "traditional long distance" call.

18
19 Q. MFS and MCImetro propose bill and keep as the
20 appropriate local interconnection arrangement.
21 What is BellSouth's position regarding this
22 proposal?

23
24 A. BellSouth does not support adoption of the "bill
25 and keep" arrangement proposed by MFS and MCImetro

1 for several reasons.

2

3 First, bill and keep does not recognize the
4 different types of technical interconnection
5 arrangements that may exist. Under a bill and
6 keep arrangement, ALECs will not be encouraged to
7 provide efficient functionality internal to their
8 own networks. Rather, ALECs will be encouraged to
9 use the efficiencies inherent to BellSouth's
10 network, functionalities for which BellSouth
11 would not be compensated. For example, under a
12 bill and keep arrangement, ALECs may decide to
13 interconnect their end offices with BellSouth's
14 tandems, rather than building their own tandems
15 because there will be no financial incentive to
16 make this investment.

17

18 By contrast, under BellSouth's proposed structure,
19 BellSouth will be encouraged to provide
20 functionality to ALECs that will allow them to
21 operate effectively because BellSouth would be
22 compensated. Where there is no compensation, and
23 the carriers do not share equally in providing the
24 necessary overall capabilities, a significant
25 disincentive will exist for one carrier to provide

1 functionality to the other. For example,
2 regulators, through the restructure of access
3 transport and collocation, have created additional
4 competition for both transport and tandem
5 switching. If no one is directly compensated for
6 providing these functions, it is highly unlikely
7 that any party would be motivated to provide them.

8
9 Second, bill and keep also does not eliminate the
10 need for billing and administrative systems as
11 suggested by Mr. Devine. There will still be a
12 need to hand off toll and 800 traffic to IXCs, to
13 LECs (for intraLATA toll only) and to ALECs, which
14 requires the billing of switched access rates.
15 Because ALECs will bill switched access to many
16 different carriers, BellSouth's proposal of
17 applying switched access elements for local
18 interconnections places no additional billing
19 requirements on the ALECs.

20
21 Third, it is suggested that bill and keep is
22 appropriate because it is the arrangement used
23 today for the exchange of traffic between
24 BellSouth and independent companies. This is not
25 an accurate statement. Today, except for some

1 extended calling service arrangements, BellSouth
2 and other LECs in Florida compensate each other
3 with terminating access charges. Additionally,
4 the traditional arrangements between independent
5 companies and BellSouth arose from very different
6 circumstances than those existing between the
7 ALECs and BellSouth. For example, historically,
8 independent companies served geographic
9 territories different from BellSouth and,
10 therefore, did not compete for the same customers
11 as BellSouth. Moreover, interconnection
12 arrangements were typically end office to end
13 office. Attempting to use such arrangements in
14 the competitive environment envisioned by the
15 statute would be comparable to suggesting that
16 LECs and IXCs ought to pool their access and toll
17 revenues. Dr. Banerjee will specifically address
18 the economic issues raised by MFS and MCImetro in
19 their testimony.

20

21 Q. Would BellSouth have to develop new measurement
22 and billing systems to measure terminating local
23 exchange traffic as suggested by MCImetro?

24

25 A. No. Although BellSouth currently has no need to

1 and, therefore, does not normally measure
2 terminating local exchange traffic, the capability
3 exists to both measure and bill terminating local
4 exchange traffic. Furthermore, ALECs such as MFS
5 and MCImetro will have to develop measurement and
6 billing systems in light of rulings by the Public
7 Service Commissions in Maryland and New York which
8 have adopted usage sensitive local interconnection
9 arrangements.

10

11 Q. Does BellSouth's proposed local interconnection
12 arrangement preclude ALECs from competing in the
13 local exchange market?

14

15 A. No. BellSouth's proposal includes charges for the
16 technical arrangements that ALECs may require for
17 interconnection and subsidy elements related to
18 carrier of last resort (universal service)
19 obligations. Based on revised Chapter 364, any
20 carrier entering the market in Florida must
21 recognize that support for universal service will
22 be required and that there will be expenses
23 associated with local interconnection.
24 BellSouth's proposal recognizes these components.
25 Indeed, rather than thwarting competition,

1 BellSouth's proposal actually encourages
2 competition by the offering of its network
3 capabilities in an economically sound manner which
4 will encourage efficient use of both BellSouth's
5 and ALEC's networks.

6

7 Q. MFS contends that it is inappropriate to have a
8 usage sensitive rate structure in a flat-rate
9 local exchange environment. Do you agree?

10

11 A. No. MFS uses the analysis on this issue put forth
12 by Teleport Communications Group Inc. (TCG) in
13 testimony filed on September 1, 1995 which
14 purported to show that an ALEC would be unable to
15 offer a flat-rate service if charged usage
16 sensitive interconnection rates. The chart and
17 analysis referenced by MFS is misleading by
18 omission because the revenue sources available
19 from vertical and toll services are not included.
20 It is these very revenue sources that have
21 permitted the LECs to offset the revenue deficit
22 that exist today with the current residential
23 rates. Further, the analysis referenced by MFS is
24 limited to residential services and ignores any
25 revenue from business customers that may be served

1 by ALECs.

2

3 The most significant deficiency, however, is the
4 refusal of the parties to acknowledge that the
5 compensation paid will be mutual. Because the
6 payments are mutual, the compensation to ALECs by
7 BellSouth to terminate traffic on an ALEC's
8 network will offset, to a great extent, the
9 compensation paid to BellSouth by an ALEC. This
10 revenue source has also been omitted from the
11 analysis used by MFS. In light of this, the real
12 issue becomes the net difference between the usage
13 sensitive rates paid and the usage sensitive rates
14 collected. The difference can be expected to be
15 fairly fixed (or flat) as traffic patterns between
16 BellSouth and the ALECs mature and become more
17 predictable.

18

19 Q. If the Commission sets rates, terms, and
20 conditions for interconnection between ALECs and
21 BellSouth, should BellSouth tariff the
22 interconnection rate(s) or other arrangements?

23 (Issue No. 2)

24

25 A. Yes, following the completion of negotiations or

1 upon receiving an order from the Commission,
2 BellSouth intends to file its rates for local
3 exchange interconnection in a tariff or in
4 contracts filed with the Commission. This will
5 ensure that the rates for local interconnection
6 will be available to all ALECs on a
7 non-discriminatory basis.

8

9 Q. What are the appropriate technical and financial
10 arrangements which should govern interconnection
11 between ALECs and BellSouth for the delivery of
12 calls originated and/or terminated from carriers
13 not directly connected to an ALEC's network?

14 (Issue No. 3)

15

16 A. BellSouth is analyzing the appropriateness of
17 providing an intermediary function that would
18 allow calls to transit through BellSouth's network
19 to another carrier's network. Based on
20 BellSouth's understanding of such interconnection
21 arrangements, it may not be appropriate for
22 BellSouth to be involved in these situations
23 because no BellSouth customer is involved.
24 Because of this, the situation goes beyond what is
25 considered "standard" types of interconnection.

1

2 To the extent that BellSouth and ALECs agree that
3 these arrangements are necessary and that the
4 technical and financial issues can be resolved,
5 BellSouth may consider providing this type of
6 interconnection. In these situations, meet point
7 billing arrangements, where each carrier bills its
8 portion of the interconnection arrangement, may be
9 required. While there can be many permutations
10 involving both local and toll traffic, these
11 should be manageable. It should be emphasized,
12 however, that all parties to such an arrangement
13 must agree on both the technical and financial
14 arrangements to assure a seamless configuration in
15 which all parties are properly compensated.

16

17 Q. What are the appropriate technical and financial
18 requirements for the exchange of intraLATA 800
19 traffic which originates from an ALEC customer and
20 terminates to an 800 number served by or through
21 BellSouth? (Issue No. 4)

22

23 A. It is BellSouth's position that, during at least
24 the initial phase of local exchange competition,
25 the traffic at issue will be minimal. While

1 BellSouth provides minimal intraLATA 800 services,
2 ALECs may opt not to provide a comparable service,
3 further reducing the potential volume of traffic.
4 There will also be a need for procedures to be
5 established for the exchange of data in both
6 directions for billing purposes between the two
7 parties involved. Given the minimal amount of
8 traffic involved, it is BellSouth's opinion that
9 the parties can resolve this issue.

10

11 Q. What are the appropriate technical arrangements
12 for the interconnection of an ALEC's network to
13 BellSouth's 911 provisioning network such that
14 ALEC customers are ensured the same level of 911
15 service as they would receive as a customer of
16 BellSouth? What procedures should be in place for
17 the timely exchange and updating of ALEC customer
18 information for inclusion in appropriate E911
19 databases? (Issue No. 5a and 5b)

20

21 A. Each ALEC must provide its own facilities or lease
22 facilities from BellSouth that will connect the
23 trunk side of the ALEC's end office to the
24 BellSouth 911 tandem serving the calling
25 customer's Public Safety Answering Point (PSAP).

1 The trunks must be capable of carrying Automatic
2 Number Identification (ANI) to the 911 tandem.
3 The trunk facility must conform with ANSI
4 T1.405-1989 (Interface Between Carriers and
5 Customer Installations - Analog voice Grade
6 Switched Access). The trunk interface between the
7 ALEC end office and the BellSouth tandem may be
8 either a 2-wire analog interface or a digital DS1
9 interface. A minimum of two trunks are required.
10 Additional trunks may be required depending on the
11 volume of traffic.

12
13 Procedures must be in place to handle
14 transmission, receipt and daily updates of the
15 customer telephone number and the name and address
16 associated with that number. At least three data
17 files or databases are generally required to
18 provide data for display at the Public Service
19 Answering Position (PSAP). These are
20 Master Street Address Guide (MSAG), Telephone
21 Number (TN), and Network Information (TN/ESN)
22 databases.

23

24 Q. What are the appropriate technical and financial
25 requirements for operator handled traffic flowing

1 between an ALEC and BellSouth including busy line
2 verification and emergency interrupt services?
3 (Issue No. 6)

4

5 A. A dedicated trunk group, either one way or two
6 way, is required from the ALEC's end office to the
7 BellSouth Operator Services System. The trunk
8 group can be the same as that used for Inward
9 Operator Services (busy line verification and
10 emergency interrupt services) and Operator
11 Transfer Service. Busy line verification and
12 emergency interrupt services are currently
13 tariffed in the Access Service Tariff.

14

15 Q. What are the appropriate arrangements for the
16 provision of directory assistance services and
17 data between BellSouth and ALECs? (Issue No. 7)

18

19 A. If an ALEC desires to list its customers in
20 BellSouth's directory assistance database,
21 BellSouth will provide this service as long as
22 the ALEC provides BellSouth with necessary
23 information in the format specified by BellSouth
24 to populate the database. To the extent that
25 additional costs are incurred by BellSouth to

1 store ALEC directory assistance information, ALECs
2 should be required to pay BellSouth these costs.

3

4 Q. Mr. Devine suggests that BellSouth should be
5 required to provide branded and unbranded
6 directory assistance. What is BellSouth's
7 position?

8

9 A. BellSouth currently provides directory assistance
10 service via the access tariff. Branding is not
11 available with this offering at this time. The
12 company is examining the possibility of providing
13 branding on directory assistance access calls.

14

15 Q. Mr. Devine also suggests that ALECs be permitted
16 to license BellSouth's directory assistance
17 database for use in providing competitive
18 directory assistance services. What is
19 BellSouth's position?

20

21 A. BellSouth currently licenses the use of data
22 contained in its directory assistance database via
23 DADS (Directory Assistance Database Service),
24 tariffed in the BellSouth General Subscriber
25 Services Tariff. ALECs may use DADS data to

1 provide their own directory assistance type
2 service.

3

4 Q. Under what terms and conditions should BellSouth
5 be required to list ALEC customers in its white
6 and yellow pages directories, and to publish and
7 distribute these directories to ALECs customers?
8 [Issue No. 8]

9

10 A. BellSouth intends to list ALEC business customers
11 in BellSouth's yellow and white page directories,
12 as well as ALEC residence customers in BellSouth's
13 white page directories. It is also BellSouth's
14 intention to distribute yellow and white page
15 directories to ALEC customers. White page
16 listings for individual customers will be offered
17 at no charge. Additional listing options (e.g.,
18 design listings) and the provision of directories
19 outside a customer's service area will be provided
20 to ALEC customers under the same terms, conditions
21 and rates offered to BellSouth customers.

22

23 Q. What are the appropriate arrangements for the
24 provision of billing and collection services
25 between BellSouth and ALECs including billing and

1 clearing credit, collect, third party calls and
2 audiotext calls? (Issue No. 9)

3

4 A. All ALECs entering the market in the BellSouth
5 region have two options for handling their
6 non-sent paid traffic.

7

8 First, an ALEC may elect to have another Regional
9 Bell Company (RBOC) serve as its Centralized
10 Message Distribution System (CMDS) host. CMDS
11 will provide the ALEC with the ability to bill for
12 its services when the messages are recorded by a
13 local exchange company. This would include credit
14 card, collect and third-party calls.

15

16 Under this option, all messages that are
17 originated by the ALEC but billable by another
18 company, or that are originated by another company
19 and billable by the ALEC, will be sent through
20 that RBOC host for distribution. BellSouth would
21 not be involved in this scenario. If a call
22 originates in BellSouth territory that is billable
23 by the ALEC, BellSouth would send that message to
24 Kansas City (where the CMDS system resides).
25 CMDS would forward the message to the host RBOC

1 who would then distribute it to the ALEC. The
2 reverse would be true for any ALEC originated
3 message that is billable to a BellSouth customer.
4 If the ALEC elects to purchase operator and/or 800
5 database service from BellSouth, and BellSouth is
6 therefore recording messages on the ALEC's behalf,
7 BellSouth will send those messages directly to the
8 ALEC for rating. The ALEC would then distribute
9 the messages to the appropriate billing company
10 via their RBOC host.

11

12 The second possible option is that the ALEC may
13 elect to have BellSouth serve as their CMDS host.
14 The only requirement for this option is that the
15 ALEC have Regional Accounting Office status
16 (RAO-status), which means that it has been
17 assigned its own RAO code from Bellcore. When
18 BellSouth provides the CMDS host function,
19 BellSouth will send CMDS all messages that are
20 originated by an ALEC customer that are billable
21 outside the BellSouth region. BellSouth will also
22 forward all messages that originate outside the
23 BellSouth region from CMDS to the ALEC for billing
24 where applicable. This service will be provided
25 via contract between the two companies.

1
2 As for audiotext calls, N11 service is the only
3 service currently offered by BellSouth in its
4 General Subscriber Service Tariff specifically
5 tailored for audiotext customers. 976 service is
6 grandfathered. For an ALEC to be able to provide
7 N11 service to an audiotext customer, they would
8 have to translate the audiotext provider's seven
9 or ten digit local telephone number to the
10 appropriate N11 service three-digit code at their
11 end office. Since the recording for that call
12 would be done at the ALEC's end office, BellSouth
13 would not be involved. The ALEC would then have
14 to make its own arrangement with the audiotext
15 provider for billing and collection of N11 calls
16 to their customers. It should be noted that
17 BellSouth does not jointly provide N11 service
18 with any other carrier anywhere in its service
19 region.

20

21 Q. What arrangements are necessary to ensure the
22 provision of CLASS/LASS services between BellSouth
23 and an ALECs interconnected networks? [MFS Issue
24 No. 10]

25

1 A. Full Signaling System 7 (SS7) connectivity is
2 required between end offices to ensure the
3 provision of CLASS/LASS services between BellSouth
4 and an ALEC. BellSouth plans to unbundle SS7
5 signaling in its Switched Access Service tariff
6 and ALECs will be able to purchase this
7 connectivity as an unbundled service.

8

9 Q. What are the appropriate arrangements for physical
10 interconnection between ALECs and BellSouth,
11 including trunking and signaling? (Issue No. 11)

12

13 A. It is BellSouth's position that local
14 interconnection, which includes trunking and
15 signaling, should be provided at the access tandem
16 and end office level. This is the only
17 technically feasible arrangement and is the
18 arrangement that currently exists with the
19 interexchange carriers.

20

21 Q. To the extent not addressed in the Number
22 Portability Docket, what are the appropriate
23 financial and operational arrangements for
24 interexchange calls terminated to a number that
25 has been "ported" to an ALEC? (Issue No. 12)

1

2 A. The arrangement referenced above is identical to a
3 situation in which an interexchange carrier is
4 connected through the BellSouth access tandem and
5 then is connected to an ALEC end office. Under
6 these circumstances, BellSouth would bill its
7 switched access rate elements to the interexchange
8 carrier and would anticipate that ALECs would do
9 likewise. This same arrangement would be
10 applicable to a call that has been "ported",
11 therefore, no special technical provisions are
12 required.

13

14 Q. What, if any, arrangements are necessary to
15 address other operational issues? (Issues No. 13)

16

17 A. Operational issues such as handling of repair
18 calls, white page directory information pages and
19 order processing provisions are most appropriately
20 resolved through the negotiation process. It is
21 BellSouth's intention to address them in this
22 manner. Should issues arise between the parties
23 that cannot be resolved, the existing Commission
24 complaint procedures are the appropriate means for
25 resolution.

1

2 Q. What, if any, arrangements are appropriate for the
3 assignment of NXX codes to ALECs? (MFS Issue No.
4 14)

5

6 A. BellSouth acknowledges that numbers should be
7 available to all carriers on a equal basis in a
8 competitive local exchange environment. This
9 issue is currently being examined at the federal
10 level. BellSouth supports the national work as
11 well as the use of an independent administrator
12 for the assignment and control of NPA and NXX
13 codes and other special codes available in the
14 North American Numbering Plan (NANP). BellSouth
15 will continue to participate in national forums
16 established to develop and implement such an
17 independent administrator.

18

19 Until such time that these issues are resolved at
20 the national level, ALECs must process requests
21 through BellSouth as long as BellSouth is the NXX
22 administrator for its region.

23

24 Q. Mr. Devine contends in his direct testimony that
25 BellSouth is violating revised Chapter 364 by

1 including universal service when addressing the
2 appropriate local interconnection arrangement. Do
3 you agree?

4

5 A. No. There is nothing in revised Chapter 364 that
6 prohibits drawing a relationship between universal
7 service and local interconnection. Therefore,
8 BellSouth is not in violation of any statutory
9 provision. Moreover, the legislation actually
10 contemplates that the ALEC will pay a local
11 interconnection charge, as well as contribute its
12 fair share to the support of universal
13 service/carrier of last resort obligations.

14

15 Q. Why is it appropriate to consider universal
16 service issues when addressing local
17 interconnection issues?

18

19 A. It is appropriate to consider universal service
20 issues when addressing local interconnection
21 arrangements because the local interconnection
22 arrangement could be significantly affected by the
23 universal service and carrier of last resort
24 issues being addressed in Florida Docket No.
25 950696-TP. Specifically, the manner in which the

1 universal service support mechanism is modified to
2 include the required ALEC support will affect the
3 structure and price level for local
4 interconnection arrangements. Consequently, these
5 issues cannot be viewed in a vacuum. For example,
6 under BellSouth's proposed bulk billed universal
7 service arrangement (Alternative 1), the resulting
8 fixed or flat differences are not likely to differ
9 significantly from month to month.

10

11 Q. Does the BellSouth Stipulation and Agreement with
12 Teleport Communications Group, Inc. (TCG)
13 recognize the interrelationship between local
14 interconnection, universal service issues, and
15 other issues before this Commission?

16

17 A. Yes. BellSouth's agreement with TCG reflects the
18 interrelationship between local interconnection,
19 interim universal service and carrier of last
20 resort support, temporary telephone number
21 portability, unbundling and resale. BellSouth
22 believes that the Stipulation and Agreement is
23 reasonable because it is a comprehensive package
24 which recognizes the interrelationships of all
25 local competition issues and addresses these

1 issues in a manner that is both logical and
2 rational. Because it is a total package, each of
3 the elements can be changed only if all of the
4 other elements are also changed. A copy of the
5 Stipulation and Agreement is attached as RCS-3.

6

7 Q. Mr. Devine proposes that BellSouth permit ALECs to
8 directly interconnect to any other entity which
9 maintains a collocation facility at the same
10 BellSouth wire center at which an ALEC maintains a
11 collocation facility. What is BellSouth's
12 position?

13

14 A. BellSouth currently provides collocation to any
15 provider wishing to interconnect with BellSouth.
16 BellSouth should not be required to permit ALECs
17 to directly interconnect to other entities which
18 maintain a collocation facility at the same
19 BellSouth wire center at which an ALEC maintains a
20 collocation facility for two reasons.

21

22 First, collocation was not intended to require
23 LECs to interconnect service providers with anyone
24 but the LEC. ALECs wishing to directly
25 interconnect with each other should negotiate

1 alternative interconnection arrangements between
2 each other.

3
4 Second, the situation envisioned by MFS would
5 appear to be one in which BellSouth would provide
6 space to two unrelated entities. Under the
7 Florida collocation tariff filed by BellSouth on
8 November 20, 1995 in Docket No. 921074-TP, this
9 arrangement would not be permitted. It is
10 BellSouth's position, therefore, that this issue
11 is beyond the scope of this proceeding.

12
13 Q. Mr. Devine proposes certain terms and conditions
14 that should apply to end user customers that
15 switch local exchange carriers and do not retain
16 their original telephone number, i.e., that the
17 customer be provided a transfer of service
18 announcement on the abandoned telephone number by
19 the party formerly providing service. What is
20 BellSouth's position on this issue?

21
22 A. BellSouth currently provides a standard intercept
23 announcement service when a customer's service is
24 transferred. BellSouth proposes that this service
25 will be provided to BellSouth customers when a

1 customer does not retain their original telephone
2 number.

3

4 Q. MFS proposes that, within each LATA served, MFS
5 and BellSouth would identify a wire center to
6 serve as the interconnection point (defined as the
7 Default Network Interconnection Point or "D-NIP").
8 What is BellSouth's position on this proposed
9 arrangement?

10

11 A. As stated previously, the most technically and
12 economically feasible points for interconnection
13 with BellSouth is at the access tandem and end
14 office level. A very similar issue was raised at
15 the time of divestiture to ensure that all
16 interexchange carriers could connect in the most
17 efficient manner with the RBOCs. It was
18 determined that the size and configuration of the
19 LATAs could be a major factor. Generally,
20 however, the RBOC deployment of access tandems
21 considered to provide the minimal number of points
22 of connection.

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24 Q. Does this conclude your testimony?

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1 A. Yes.

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**ISSUES LIST FOR MCI/MFS/CONTINENTAL/TELEPORT
DOCKET NO. 950985-TP**

1. What are the appropriate rate structures, interconnection rates, or other compensation arrangements for the exchange of local and toll traffic between Continental and BellSouth?
2. If the Commission sets rates, terms, and conditions for interconnection between Continental and BellSouth, should BellSouth tariff the interconnection rate(s) or other arrangements?
3. What are the appropriate technical and financial arrangements which should govern interconnection between Continental and BellSouth for the delivery of calls originated and/or terminated from carriers not directly connected to Continental's network?
4. What are the appropriate technical and financial requirements for the exchange of intraLATA 800 traffic which originates from a Continental customer and terminates to an 800 number served by or through BellSouth?
- 5a. What are the appropriate technical arrangements for the interconnection of Continental's network to BellSouth's 911 provisioning network such that Continental's customers are ensured the same level of 911 service as they would receive as a customer of BellSouth?
- 5b. What procedures should be in place for the timely exchange and updating of Continental customer information for inclusion in appropriate E911 databases?
6. What are the appropriate technical and financial requirements for operator handled traffic flowing between Continental and BellSouth, including busy line verification and emergency interrupt services?
7. What are the appropriate arrangements for the provision of directory assistance services and data between BellSouth and Continental?
8. Under what terms and conditions should BellSouth be required to list Continental's customers in its white and yellow pages directories, and to publish and distribute these directories to Continental's customers?

9. What are the appropriate arrangements for the provision of billing and collection services between BellSouth and Continental including billing and clearing credit, collect, third party and audiotext calls?
10. What arrangements are necessary to ensure the provision of CLASS/LASS services between Continental's and BellSouth's networks?
11. What are the appropriate arrangements for physical interconnection between Continental and BellSouth, including trunking and signalling?
12. To the extent not addressed in the Number Portability Docket, what are the appropriate financial and operational arrangements for interexchange calls terminated to a number that has been "ported" to Continental?
13. What, if any, arrangements are necessary to address other operational issues?
14. What, if any, arrangements are appropriate for the assignment of NXX codes to Continental?

NEGOTIATION ITEMS

Local Interconnection

- Price Level
- Toll Default
- Use of NXX (LCA)
- Network (Trunking)
- Operational and Administrative
- Forecasts/Timing
- Tariffs/Contracts

Mutual Compensation

- Differential Tied to USF
- Size of Differential
- Co Carrier Status
- Contracts/Agreements

Resale

- Interest
- Packaging Restriction
- Discounts
- Class of Service
- Tariffs

Unbundling

- Price Level
- DA
- Listings
- CMDS
- Collocation
- Loops and Ports
- Number Portability

NEGOTIATION ITEMS

Unbundling (Cont.)

- 911
- LIDB
- 800 Data Base
- Signaling
- Operator Services
- Poles, Ducts, and Conduits
- Forecasts/Timing

Universal Service

- Relationship to Interconnection
- Size (Calculations)
- Method of Recovery
- Recipients
- Timing

Stipulation and Agreement

This Stipulation and Agreement is entered into by and between the undersigned parties to Docket No. 950985-TP, addressing the establishment, on an interim basis, of nondiscriminatory rates, terms and conditions for local interconnection pursuant to Section 364.162, Florida Statutes; Docket No. 950696-TP, addressing the establishment of an interim universal service/carrier of last resort recovery mechanism pursuant to Section 364.025, Florida Statutes; Docket No. 950737-TP, addressing a temporary telephone number portability solution, e.g., Remote Call Forwarding pursuant to Section 364.16(4), Florida Statutes; and Docket No. 950984-TP, addressing unbundling and resale of local exchange telecommunications company network features, functions and capabilities pursuant to Section 364.161, Florida Statutes.

It is the undersigned parties' intention and understanding that this comprehensive Stipulation and Agreement will establish the interim prices, terms, conditions and mechanisms necessary to facilitate the introduction and development of local exchange competition, as required by the above-referenced sections of Florida Chapter Law 95-403, and will dispose of all outstanding issues in the aforementioned dockets. This Stipulation and Agreement also sets forth the undersigned parties' agreement with respect to other matters which relate to the Petition filed by Teleport Communications Group, Inc. (TCG) in Docket No. 950985-TP.

The undersigned parties agree that the issues addressed in the aforementioned proceedings, which have been framed in response to the requirements of the above-referenced sections of Florida Chapter Law 95-403, shall be resolved as follows:

A. Local Interconnection - Docket No. 950985-TP

Section 364.162, Florida Statutes, provides that an ALEC shall have until August 31, 1995, or sixty (60) days, to negotiate with the LEC mutually acceptable prices, terms and conditions of interconnection and for the resale of services and facilities. The statute also provides that if the parties are not able to negotiate a price by August 31, 1995, or within sixty days, either party may petition the Commission to establish non-discriminatory rates, terms and conditions of interconnection and for the resale of services and facilities. Whether set by negotiation or by the Commission, interconnection and resale prices, rates, terms and conditions shall be filed with the Commission before their effective date.

The parties were unable to negotiate mutually acceptable prices, terms and conditions of interconnection by August 31, 1995, or within sixty days, and one party, Teleport Communications Group ("TCG"), has filed a petition with the Commission to establish the rates, terms and conditions for interconnection and the exchange of traffic with BellSouth. After further negotiations, however, the undersigned parties now agree to the following interim prices, terms and conditions for interconnection and the exchange of traffic:

1. Local interconnection is defined as the delivery of local traffic to be terminated on each company's local network. The delivery of local traffic shall be reciprocal and compensation will be mutual. Each ALEC will pay BellSouth, and vice versa, unless it is mutually agreed that the administrative costs associated with local interconnection are greater than the net monies exchanged, in which case the parties will exchange local traffic on an in-kind basis; foregoing compensation in the form of cash or a cash equivalent. In the absence of an in-kind traffic exchange, the parties will compensate each other pursuant to BellSouth's intrastate switched network access rate elements. (See Attachment A which is incorporated herein by reference.) For purposes of charging for local interconnection, BellSouth will employ its intrastate switched network access service rate elements - exclusive of the Residual Interconnection Charge and the Carrier Common Line Charge - on a per minute of use basis for terminating local traffic. Each undersigned ALEC will have local interconnection rates that are no higher than those charged by BellSouth.
2. In order to mitigate the potential adverse impact on a local exchange provider (i.e., BellSouth or an ALEC) which might occur because of an imbalance of terminating local traffic between the local exchange providers, and to reflect the fact that terminating costs are associated with peak period demand, no local

exchange provider will be required to compensate the other local exchange provider for more than one-hundred-ten percent (110%) of the minutes of use of the local exchange provider with the lower minutes of use in the same month. For example, if in a given month BellSouth has 10,000 minutes of local traffic terminated on an ALEC's local exchange network and the ALEC has 15,000 minutes of local traffic terminated on BellSouth's local exchange network, the ALEC would be required to compensate BellSouth for local interconnection on the basis of 11,000 terminating minutes (10,000 mins. x 110% = 11,000 mins.), and BellSouth would compensate the ALEC for 10,000 terminating minutes.

3. BellSouth will provide intermediary tandem switching and transport to connect the end user of an ALEC to the end user of another ALEC, a LEC other than BellSouth, or wireless telecommunications service provider for the purpose of making a local call. When BellSouth provides this intermediary function, it will bill a \$.002 per minute charge over and above its local interconnection charge that applies when a BellSouth end user is involved.
4. When BellSouth or an ALEC provides intermediary functions for network access, i.e., between an IXC and an ALEC, the ALEC and BellSouth will each provide their own network access service elements on a meet-point basis. Each carrier will bill its own network access service rate elements to the IXC. BellSouth or

the ALEC will bill the residual interconnection charge ("RIC") to the IXC when either provides the intermediary tandem function.

5. Whenever BellSouth delivers traffic to an ALEC for termination on the ALEC's network, if BellSouth cannot determine whether the traffic will be local or toll because of the manner in which the ALEC uses NNX codes, BellSouth will not compensate the ALEC for local interconnection but will, instead, charge the ALEC originating intrastate network access service charges unless the ALEC can provide BellSouth with sufficient information to make a determination as to whether the traffic is local or toll. Provided, however, that the ALEC has access to a sufficient quantity of numbering sources. In the event the ALEC cannot determine whether traffic delivered to BellSouth is local or toll, then the same provisions shall also apply.
6. BellSouth has proposed an interim universal service/carrier of last resort mechanism in testimony and exhibits submitted by A.J. Varner and P.F. Martin, dated August 14, 1995, in Docket No. 950696-TP. The adoption of Alternative 1, as described in the testimony and exhibits, would allow BellSouth to eliminate the carrier common line and residual interconnection rate elements from intrastate switched access rates (and interstate if the same plan were adopted by the FCC

for Florida).¹ The rates for local interconnection and terminating switched network access associated with intrastate toll calls (and interstate, if adopted by the FCC) would be identical and the undersigned parties could terminate all traffic regardless of its jurisdiction at the same rates notwithstanding Section 364.16(3)(a), Florida Statutes. However, if BellSouth's proposed Alternative 1, as modified by this Stipulation and Agreement, i.e., the ALEC's assessable revenues for the period January 1, 1996 through December 31, 1997, will be zero, is not adopted by the Commission and the intrastate terminating switched access rates consequently differ from the local interconnection rates, the parties recognize that the local interconnection arrangements agreed to herein are not appropriate and are null and void. In that event, the parties will begin to negotiate different local interconnection arrangements as expeditiously as possible. These negotiations should include some interim arrangements that could become effective on January 1, 1996, while further negotiations or Commission proceedings, if necessary, continue. The parties stipulate and agree that the terms, conditions and prices ultimately ordered by the Commission, or negotiated by the parties, will be effective retroactive to January 1, 1996.

¹ Even with the elimination of the CCL and RIC elements from the intrastate switched network access service, there will be a \$.0012 per minute residual amount in the interstate switched network access rates.

Because the undersigned parties lack sufficient data with respect to the volumes of local terminating traffic being delivered to each LEC and ALEC, the prices, terms and conditions of local interconnection agreed to herein are deemed transitional and are to remain in effect for a two (2) year period ending December 31, 1997, and the undersigned parties agree to renegotiate the prices, terms and conditions prior to the end of the two (2) year period, based on specific traffic data. This period can be extended for up to six months if an ALEC is unable to operate because the ALEC is unable to obtain the necessary local interconnection arrangements, NNXs, etc. from BellSouth in a timely fashion.

The undersigned parties stipulate and agree that the local interconnection and traffic arrangements agreed to herein are interim and that the parties, no later than July 1, 1997, shall commence negotiations with regard to the terms, conditions and prices of interconnection arrangements to be effective beginning January 1, 1998. If the parties are unable to satisfactorily negotiate new interconnection terms, conditions and prices within 90 days, any party may petition the Commission to establish appropriate interconnection arrangements. The parties will encourage the Commission to issue its order by not later than December 31, 1997. In the event the Commission does not issue its order prior to January 1, 1998, or if the parties continue to negotiate the interconnection arrangements beyond January 1, 1998, the parties stipulate and agree that the terms, conditions and prices ultimately ordered by the Commission,

or negotiated by the parties, will be effective retroactive to January 1, 1998. Until the revised interconnection arrangements become effective, the parties shall continue to exchange traffic.

It is further understood and agreed that TCG and BellSouth shall jointly petition the Commission for a stay of this proceeding, but if the Commission does not grant the stay expeditiously TCG will dismiss without prejudice its petition filed with the Commission in this docket.

B. Unbundling and Resale of Local Exchange Telecommunications Company Network Features, Functions and Capabilities - Docket No. 950984-TP

Section 364.161, Florida Statutes, requires each LEC, upon request, to unbundle each of its network features, functions and capabilities, including access to signaling data-bases, systems and routing process, and offer them to any other telecommunications provider requesting such features, functions or capabilities for resale to the extent technically and economically feasible and at prices that are not below cost. The statute also requires that the parties first negotiate the terms, conditions and prices of any feasible unbundling request. If the parties cannot reach a satisfactory resolution within 60 days, either party may petition the Commission to arbitrate the dispute and the Commission shall make a determination within 120 days.

The undersigned parties have now satisfactorily resolved the terms, conditions and prices of those network features, functions and capabilities that are technically and economically feasible of unbundling as set forth in Attachment B which is incorporated herein by reference. It is understood by the parties that the list of network features, functions and capabilities is not

exhaustive and the parties commit to cooperate in the negotiation of additional network features, functions and capabilities as the parties' future needs require.

C. Universal Service/Carrier of Last Resort - Docket No. 950696-TP

Section 364.025, Florida Statutes, requires the Commission to establish an interim universal service/carrier of last resort ("US/COLR") recovery mechanism by January 1, 1996. This interim mechanism is to be applied in a manner that ensures that each alternative local exchange company ("ALEC") contributes its fair share of the local exchange telecommunications company's ("LEC's") recovery of investment in fulfilling its carrier of last resort obligations and the maintenance of universal service objectives. The statute further provides that the Commission shall ensure that the interim mechanism, which is to remain in effect, if necessary, until the implementation of a permanent mechanism, but not later than January 1, 2000, ensures the maintenance of universal service through a carrier of last resort, but does not impede the development of residential consumer choice or create an unreasonable barrier to competition.

The undersigned parties stipulate and agree that the interim universal service/carrier of last resort (US/COLR) recovery mechanism proposed by BellSouth (Alternative 1) in the direct testimony and associated exhibits of BellSouth's witnesses Alphonso J. Varner and Peter F. Martin, dated August 14, 1995, as modified by this Stipulation and Agreement, is an acceptable alternative under the requirements of Florida law concerning the interim US/COLR mechanism. Notwithstanding the foregoing, the parties are entering this Stipulation and Agreement as a result of negotiations and compromise and for the purpose of facilitating the development of local

exchange competition as intended by the Florida Legislature. Accordingly, the parties in no way waive their right to petition the Commission pursuant to Section 364.025(3), Florida Statutes. In the event the BellSouth-proposed US/COLR recovery mechanism - Alternative 1 - is adopted and implemented by the Commission, each ALEC payment required thereby will be based upon its proportionate share of assessable revenues.² The undersigned parties also agree that, in order to assure that the proper amounts of assessable revenues are being reported and the associated amounts of assessments are being collected, the Commission shall periodically audit each telecommunications service provider's appropriate records.

The undersigned parties agree for purposes of determining payments from the ALECs for the period January 1, 1996 through December 31, 1997, the assessable revenues will be zero and no payments will be due. Thereafter, each ALEC will be billed under the BellSouth-proposed US/COLR recovery mechanism. The undersigned parties agree that for the period after December 31, 1997, the parties may renegotiate the foregoing provisions to the extent permitted by Florida law and Commission rules.

The undersigned parties agree to use their best efforts to persuade the Commission to adopt BellSouth's proposed interim US/COLR recovery mechanism - Alternative 1, as modified by this Stipulation and Agreement. The undersigned parties also agree to use their best efforts

² Assessable revenues means revenues associated with the ALEC's provision of basic local telecommunications services - as defined in Section 364.02(2), Florida Statutes - and their associated vertical or ancillary services. Assessable revenues do not include ALEC revenues received from basic local telecommunications services offered at a price comparable to the incumbent LEC's or Lifeline service or from local interconnection and network access services.

to persuade the Commission and the Legislature to establish a permanent US/COLR recovery mechanism at the earliest possible date; provided, however, that such efforts shall not be construed or used as an admission by the undersigned parties concerning the necessity for a permanent US/COLR recovery mechanism.

D. Temporary Telephone Number Portability - Docket No. 950737-TP

At the Commission's regular agenda conference held on September 12, 1995, the Commission approved the Stipulation and Agreement of the parties to Docket No. 950737-TP, which addressed every issue relating to the implementation of a temporary telephone number portability solution, except the price to be charged for the temporary telephone number portability solution and the advantages and disadvantages of Remote Call Forwarding. The undersigned parties agree that the Commission-approved Stipulation and Agreement shall be incorporated herein by reference and be attached to this Stipulation and Agreement as Attachment C.

With regard to the price to be paid for remote call forwarding, which is the temporary telephone number portability solution to be implemented January 1, 1996, the undersigned parties agree to pay \$1.50 per line, per month, plus a non-recurring charge of no more than \$25.00 per order for remote call forwarding used between carriers. For additional paths, the undersigned parties agree to pay \$.75 per month, per additional path, plus a non-recurring charge of no more than \$25.00 per order. To the extent location portability is involved, i.e.,

movement of the customer to a different location, the rates applicable to end users for remote call forwarding would be charged.

In the event that an ALEC and the interexchange carriers have direct connections (i.e., no BellSouth tandem is involved) for all traffic except for terminating traffic through remote call forwarding (necessitating the inclusion of a BellSouth tandem), then the access revenues associated with these calls will be due to the ALEC.

E. Resolution of Disputes

The undersigned parties agree that if any dispute arises as to the interpretation of any provision of this Stipulation and Agreement or as to the proper implementation of any of the matters agreed to in this Stipulation and Agreement the parties will petition the Commission for a resolution of the dispute. However, each undersigned party reserves any rights it may have to seek judicial review of any ruling made by the Commission concerning this Stipulation and Agreement.

F. Duration

This Stipulation and Agreement takes effect on October __, 1995, and remains in effect until each of the matters and issues addressed herein has been implemented or resolved as contemplated by the undersigned parties.

G. Representations

Each person signing this Stipulation and Agreement represents that he or she has the requisite authority to bind the party on whose behalf the person is signing. By signing this Stipulation and Agreement, each undersigned party represents that it agrees to each of the stipulations and agreements set forth herein. In the event there are parties to the aforementioned dockets that do not sign this Stipulation and Agreement, the comprehensive resolution of the issues set forth in this Stipulation and Agreement shall, nonetheless, be binding upon the undersigned parties. Each undersigned party commits to use its best efforts to persuade the Commission, prior to and during the hearings scheduled in the aforementioned dockets, to accept the stipulations agreed to by the undersigned parties. The undersigned parties further agree that, in the event the Commission does not adopt this Stipulation and Agreement in its entirety, the Stipulation and Agreement shall, nonetheless, be binding upon the parties as if it had been adopted by the Commission, except as set forth elsewhere in this Stipulation and Agreement. The undersigned parties also stipulate and agree that the Commission shall, immediately upon approval of this Stipulation and Agreement, close Docket Nos. 950737-TP, 950984-TP and 950985-TP. The undersigned parties further agree to request the Commission to keep open Docket No. 950696-TP solely for the purpose of: (1) implementing the adoption of BellSouth's proposed interim US/COLR recovery mechanism - Alternative 1 as modified by this Stipulation and Agreement; and (2) for purposes of satisfying the Legislature's mandate to the Commission to research the issue of a permanent US/COLR mechanism and to determine and recommend

a reasonable and fair mechanism for providing to the greatest number of customers basic local exchange telecommunications service at an affordable price.

H. Limitation of Use

The undersigned parties understand and agree that this Stipulation and Agreement was entered into to resolve issues and matters which are unique to the State of Florida because of regulatory precedent and legislative requirements. The undersigned parties therefore agree that none of the agreements and stipulations contained herein shall be proffered by an undersigned party in another jurisdiction as evidence of any concession or as a waiver of any position taken by another undersigned party in that jurisdiction or for any other purpose.

I. Waivers

Any failure by any undersigned party to insist upon the strict performance by any other entity of any of the provisions of this Stipulation and Agreement shall not be deemed a waiver of any of the provisions of this Stipulation and Agreement, and each undersigned party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Stipulation and Agreement.

J. Governing Law

This Stipulation and Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida, without regard to its conflict of laws principles.

K. Purposes

The undersigned parties acknowledge that this Stipulation and Agreement is being entered into for the purposes of complying with the requirements of Florida Chapter Law 95-403 with respect to negotiating the matters at issue in Docket Nos. 950737-TP, 950984-TP and 950985-TP; and in order to avoid the expense and uncertainty inherent in resolving the matters at issue in Docket No. 95696-TP. Neither this Stipulation and Agreement nor any action taken to reach, effectuate or further this Stipulation and Agreement may be construed as, or may be used as an admission by or against any party. Entering into or carrying out this Stipulation and Agreement or any negotiations or proceedings related thereto, shall not in any event be construed as, or deemed to be evidence of, an admission or concession by any of the undersigned parties, or to be a waiver of any applicable claim or defense, otherwise available, nor does it indicate that any party other than BellSouth believes that a universal service "subsidy" exists or is necessary beyond what has historically been recognized as a "toll-to-local" subsidy in the switched access charge rate design.

L. Arm's Length Negotiations

This Stipulation and Agreement was executed after arm's length negotiations between the undersigned parties and reflects the conclusion of the undersigned that this Stipulation and Agreement is in the best interests of all the undersigned parties.

M. Joint Drafting

The undersigned parties participated jointly in the drafting of this Stipulation and Agreement, and therefore the terms of this Stipulation and Agreement are not intended to be construed against any undersigned party by virtue of draftsmanship.

N. Single Instrument


This Stipulation and Agreement may be executed in several counterparts, each of which, when executed, shall constitute an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, this Stipulation and Agreement has been executed as of the
17 day of October, 1995, by the undersigned representatives for the parties hereto.

Teleport Communications Group, Inc.

BellSouth Telecommunications, Inc.

By: 
Authorized Representative

By: 
Authorized Representative

By: _____
Authorized Representative

By: _____
Authorized Representative

By: _____
Authorized Representative

By: _____
Authorized Representative

By: _____
Authorized Representative

By: _____
Authorized Representative

By: _____
Authorized Representative

ATTACHMENT A

BELLSOUTH FLORIDA - INTRASTATE
 SWITCHED ACCESS

Rate Elements	Proposed 11/04/95	With BellSouth Alternative 1 Proposal
Carrier Common Line		
Originating	\$0.01061	--
Terminating	\$0.02927	--
Transport ¹		
DS1 Local Channel - Entrance Facility	\$0.00062	\$0.00062
Residual Interconnection	\$0.005159	--
Switched Common Transport per minute of use per mile	\$0.00004	\$0.00004
Facilities Termination per MOU	\$0.00036	\$0.00036
Access Tandem Switching	\$0.00074	\$0.00074
Local Switching 2	\$0.00876	<u>\$0.00876</u> \$0.01052 ²

¹ Assumptions:

- Tandem Connection with Common Transport
- No Collocation
- DS1 local channel @ 9000 minutes per month and 24 voice grade equivalents

² If BellSouth's Alternative 1 proposal is adopted by the Florida Public Service Commission, this will also be the local interconnection rate.

ATTACHMENT B
UNBUNDLED NETWORK FEATURES, FUNCTIONS
AND CAPABILITIES

The parties to the Stipulation and Agreement have negotiated the following terms, conditions and prices relating to unbundled network features, functions and capabilities:

(1) Access to 911/E911 Emergency Network.

For basic 911 service, BellSouth will provide a list consisting of each municipality in Florida that subscribes to Basic 911 service. The list will also provide the E911 conversion date and for network routing purposes a ten-digit directory number representing the appropriate emergency answering position for each municipality subscribing to 911 service. Each ALEC will arrange to accept 911 calls from its customers in municipalities that subscribe to Basic 911 service and translate the 911 call to the appropriate 10-digit directory number as stated on the list provided by BellSouth and route that call to BellSouth at the appropriate tandem or end office. When a municipality converts to E911 service, the ALEC shall discontinue the Basic 911 procedures and begin the E911 procedures.

For E911 service, the ALEC will connect the necessary trunks to the appropriate E911 tandem, including the designated secondary tandem. If a municipality has converted to E911 service, the ALEC will forward 911 calls to the appropriate E911 primary tandem, along with ANI, based upon the current E911 end office to tandem homing arrangement as provided by BellSouth. If the primary tandem trunks are not available, the ALEC will alternate route the call to the designated secondary E911 tandem. If the secondary tandem trunks are not available, the ALEC will alternate route the call to the appropriate Traffic Operator Position System (TOPS) tandem.

In order to ensure the proper working of the system, along with accurate customer data, the ALEC will provide daily updates to the E911 data-base. BellSouth will work cooperatively with the ALEC to define record layouts, media requirements, and procedures for this process.

In some instances BellSouth is responsible for maintenance of the E911 data-base and is compensated for performing these functions by either the municipality or the ALEC - for maintaining the ALEC's information. In no event, however, shall BellSouth be entitled to compensation from both parties for the same function.

(2) Directory Listings and Directory Distribution.

BellSouth will include ALEC's customers' primary listings in the white page (residence and business listings) and yellow page (business listings) directories, as well as the directory assistance data-base, as long as the ALEC provides information to BellSouth in a manner compatible with BellSouth's operational systems. BellSouth will not charge the ALECs to (a) print their customers' primary listings in the white pages and yellow page directories; (b) distribute directory books to their customers; (c) recycle their customers' directory books; and (d) maintain the Directory Assistance data-base. BellSouth will work cooperatively with the ALECs on issues concerning lead time, timeliness, format, and content of listing information.

(3) IntraLATA 800 Traffic.

BellSouth will compensate ALECs for the origination of 800 traffic terminated to BellSouth pursuant to the ALEC's originating switched access charges, including the data-base query. The ALEC will provide to BellSouth the appropriate records necessary for BellSouth to bill its customers. The records will be provided in a standard ASR format for a fee of \$0.015 per record. At such time as an ALEC elects to provide 800 services, the ALEC will reciprocate this arrangement. Should BellSouth be permitted to provide interLATA 800 services prior to the expiration of this Stipulation and Agreement, BellSouth will be responsible for

compensating the ALEC for the origination of such traffic as well on the same terms and conditions as described above.

(4) Number Resource Administration.

So long as BellSouth continues to act as the local administrator of the North American Numbering Plan, BellSouth will assign and administer Central Office Codes (NNX/NXX) consistent with the industry developed "Central Office Code (NNX/NXX) Assignment Guidelines." This document was last published by Bellcore on November 16, 1994 as IL-94/11-013.

(5) Busy Line Verification/Emergency Interrupt Services.

BellSouth and the ALECs shall mutually provide each other busy line verification and emergency interrupt services pursuant to tariff.

(6) Network Design and Management.

BellSouth and the ALECs will work cooperatively to install and maintain reliable interconnected telecommunications networks. A cooperative effort will include, but not be limited to, the exchange of appropriate information concerning network changes that impact services to the local service provider, maintenance contact numbers and escalation procedures. The interconnection of all networks will be based upon accepted industry/national guidelines for transmission standards and

traffic blocking criteria. BellSouth and the ALECs will work cooperatively to apply sound network management principles by invoking appropriate network management controls, i.e., call gapping, to alleviate or prevent network congestion. It is BellSouth's intention not to charge rearrangement, reconfiguration, disconnect, or other non-recurring fees associated with the initial reconfiguration of each carrier's interconnection arrangements. However, each ALEC's interconnection reconfigurations will have to be considered individually as to the application of a charge.

(7) **CLASS Interoperability.**

BellSouth and the ALECs will provide LEC-to-LEC Common Channel Signalling (CCS) to one another, where available, in conjunction with all traffic in order to enable full interoperability of CLASS features and functions. All CCS signalling parameters will be provided including automatic number identification (ANI), originating line information (OLI) calling party category, charge number, etc. All privacy indicators will be honored, and BellSouth and the ALECs will cooperate on the exchange of Transactional Capabilities Application Part (TCAP) messages to facilitate full inter-operability of CCS-based features between their respective networks.

(8) Network Expansion.

For network expansion, BellSouth and the ALECs will review engineering requirements on a quarterly basis and establish forecasts for trunk utilization. New trunk groups will be implemented as dictated by engineering requirements for both BellSouth and the ALEC. BellSouth and the ALEC are required to provide each other the proper call information (i.e., originated call party number and destination call party number, CIC, OZZ, etc.) to enable each company to bill accordingly.

(9) Signaling.

In addition to CLASS interoperability, as discussed above, BellSouth will offer use of its signaling network on an unbundled basis at tariffed rates. Signaling functionality will be available with both A-link and B-link connectivity.

STIPULATION AND AGREEMENT

Chapter 364.16(4), Florida Statutes, requires the Florida Public Service Commission to have a temporary service provider number portability mechanism in place on January 1, 1996. The statute further requires industry participants to form a number portability standards group by September 1, 1995 for the purpose of developing the appropriate costs, parameters, and standards for number portability. Negotiating the temporary number portability solution is one task that the group is to perform. This standards group was formed on July 26, 1995, and consists of the members listed on Attachment A to this agreement. If parties are unable to come to agreement on the temporary solution, the Florida Public Service Commission has reserved dates for an evidentiary proceeding under Chapter 120.57, Florida Statutes.

As a result of workshops held by the members of the standards group, an agreement has been reached as to the methods of providing temporary number portability. This Stipulation is entered into by and between the undersigned parties to Docket No. 950737-TP, Investigation into a Temporary Local Telephone Number Portability Solution to Implement Competition in Local Exchange Markets.

The parties agree that Chapter 364.16(4), Florida Statutes, requires a service provider temporary number portability solution. Service provider number portability allows an end user at a given location to change service from a local exchange

company (LEC) to an alternative local exchange company (ALEC) or vice versa, or between two ALECs, without changing local telephone numbers.

The parties further agree that a temporary service provider number portability mechanism that can be implemented in most LEC central offices at the present time is Remote Call Forwarding. With Remote Call Forwarding, a call to the old telephone number is first sent to the switch of the former local service provider, and then forwarded (ported) to the switch of the new local service provider. This is a temporary mechanism that can be implemented using existing switch and network technology. While remote call forwarding is not an appropriate solution to the issue of permanent number portability, the parties agree that it can be used as a temporary number portability mechanism.

The parties therefore agree that the LECs shall offer Remote Call Forwarding to certificated ALECs as a temporary number portability mechanism, effective January 1, 1996. Likewise, the parties agree that ALECs shall offer Remote Call Forwarding to LECs as a temporary number portability mechanism, effective on the date they begin to provide local exchange telephone service. All parties agree that the provision of reliable end user access to emergency services such as 911/E911 is necessary to protect the public health, safety and welfare. This stipulation is entered into with the understanding that Remote Call Forwarding does not provide technical impediments to the availability and reliable transfer of relevant information to 911/E911 systems.

All parties shall work together and with the 911 coordinators to successfully integrate the relevant ALEC information into the existing 911/E911 systems. The recurring price for Remote Call Forwarding will be on a per-line per-month basis and will be uniform throughout an individual LEC's existing service territory. The price charged by an individual LEC for Remote Call Forwarding shall not be below the costs of that LEC to provide Remote Call Forwarding for purposes of providing temporary number portability. The price charged for Remote Call Forwarding offered by an ALEC will mirror the price charged by the LEC.

The parties recognize that there are other related compensation issues that are not addressed in this agreement, including compensation for termination of ported calls and the entitlement to terminating network access charges on ported calls. These items will be negotiated by the parties, or resolved by the Commission, as local interconnection issues under Chapter 364.162.

The parties further agree that Flexible Direct Inward Dialing is an alternative temporary number portability mechanism. With Flexible Direct Inward Dialing, the number is routed to the switch of the former local service provider, which translates it to look like a direct inward dialed call terminating in the switch of the new local exchange provider. The parties recognize that Flexible Direct Inward Dialing involves certain technical and administrative issues that have not yet been fully addressed.

The parties agree that the LECs will continue to negotiate with the ALECs who desire to utilize Flexible Direct Inward Dialing as a method of providing temporary number portability to resolve any technical and administrative issues and to establish the prices, terms and conditions upon which Flexible Direct Inward Dialing will be offered. In the event the parties are unable to satisfactorily negotiate the price, terms and conditions, either party may petition the Commission which shall, within 120 days after receipt of the petition and after opportunity for a hearing, determine whether Flexible Direct Inward Dialing is technically and economically feasible and, if so, set nondiscriminatory rates, terms and conditions for Flexible Direct Inward Dialing. The prices and rates shall not be below cost.

Nothing in this Stipulation shall preclude the use of other feasible options for temporary number portability that may be developed in the future.

The parties further agree that the work of the number portability standards group will continue, under Chapter 364.16(4), Florida Statutes, to investigate and develop a permanent number portability solution.

(SIGNATURES BEGIN ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have executed this
Stipulation and Agreement as of the 30th day of August, 1995.

BELLSOUTH TELECOMMUNICATIONS, INC.
D/B/A SOUTHERN BELL TELEPHONE AND
TELEGRAPH COMPANY

By: *Percy H. Sims*

GENERAL TELEPHONE COMPANY OF FLORIDA,
INC.

By: _____

SPRINT/UNITED TELEPHONE COMPANY OF
FLORIDA

By: _____

SPRINT/CENTRAL TELEPHONE COMPANY OF
FLORIDA

By: _____

METROPOLITAN FIBER SYSTEMS OF FLORIDA,
INC.

By: _____

MCI METRO ACCESS TRANSMISSION SERVICES,
INC.

By: *Rico D. Mesa*

IN WITNESS WHEREOF, the parties have executed this
Stipulation and Agreement as of the 30th day of August, 1995.

BELLSOUTH TELECOMMUNICATIONS, INC.
D/B/A SOUTHERN BELL TELEPHONE AND
TELEGRAPH COMPANY

By: _____

GENERAL TELEPHONE COMPANY OF FLORIDA,
INC.

By: *[Handwritten Signature]*

SPRINT/UNITED TELEPHONE COMPANY OF
FLORIDA

By: _____

SPRINT/CENTRAL TELEPHONE COMPANY OF
FLORIDA

By: _____

METROPOLITAN FIBER SYSTEMS OF FLORIDA,
INC.

By: _____

MCI METRO ACCESS TRANSMISSION SERVICES,
INC.

By: _____

08/30/95

12:43

HOPPING GREEN SAMS SMITH PA *

IN WITNESS WHEREOF, the parties have executed this
Stipulation and Agreement as of the 30th day of August, 1995.

BELLSOUTH TELECOMMUNICATIONS, INC.
D/B/A SOUTHERN BELL TELEPHONE AND
TELEGRAPH COMPANY

By: _____

GENERAL TELEPHONE COMPANY OF FLORIDA,
INC.

By: _____

SPRINT/UNITED TELEPHONE COMPANY OF
FLORIDA

By: F. B. Day

SPRINT/CENTRAL TELEPHONE COMPANY OF
FLORIDA

By: F. B. Day

METROPOLITAN FIBER SYSTEMS OF FLORIDA,
INC.

By: _____

MCI METRO ACCESS TRANSMISSION SERVICES,
INC.

By: _____

IN WITNESS WHEREOF, the parties have executed this
Stipulation and Agreement as of the 30th day of August, 1995.

BELLSOUTH TELECOMMUNICATIONS, INC.
D/B/A SOUTHERN BELL TELEPHONE AND
TELEGRAPH COMPANY

By: _____

GENERAL TELEPHONE COMPANY OF FLORIDA,
INC.

By: _____

SPRINT/UNITED TELEPHONE COMPANY OF
FLORIDA

By: _____

SPRINT/CENTRAL TELEPHONE COMPANY OF
FLORIDA

By: _____

METROPOLITAN FIBER SYSTEMS OF FLORIDA,
INC.

By:  _____

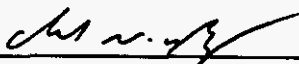
MCI METRO ACCESS TRANSMISSION SERVICES,
INC.

By: _____

TIME WARNER AXS

By: 

DIGITAL MEDIA PARTNERS

By: 

FLORIDA CABLE TELECOMMUNICATIONS
ASSOCIATION, INC.

By: 

AT&T COMMUNICATIONS OF THE SOUTHERN
STATES, INC.

By: 

FLORIDA PUBLIC TELECOMMUNICATIONS
ASSOCIATION

By: 

INTERMEDIA COMMUNICATIONS OF FLORIDA,
INC.

By: _____

SPRINT COMMUNICATIONS COMPANY,
LIMITED PARTNERSHIP

By: _____

ICI ADMIN.

BELLSOUTH TELECOMMUNICATIONS, INC.
FPSC DOCKET NO. 950985-TP
WITNESS SCHEYE DIRECT TESTIMONY
EXHIBIT RCS-3
Page 35 of 37

TIME WARNER A×S

By: _____

DIGITAL MEDIA PARTNERS

By: _____

FLORIDA CABLE TELECOMMUNICATIONS
ASSOCIATION, INC.

By: _____

AT&T COMMUNICATIONS OF THE SOUTHERN
STATES, INC.

By: _____

FLORIDA PUBLIC TELECOMMUNICATIONS
ASSOCIATION

By: _____

INTERMEDIA COMMUNICATIONS OF FLORIDA,
INC.

By: Patricia A. Kelli

SPRINT COMMUNICATIONS COMPANY,
LIMITED PARTNERSHIP

By: _____

TIME WARNER AXS

By: _____

DIGITAL MEDIA PARTNERS

By: _____

FLORIDA CABLE TELECOMMUNICATIONS
ASSOCIATION, INC.

By: _____

AT&T COMMUNICATIONS OF THE SOUTHERN
STATES, INC.

By: _____

FLORIDA PUBLIC TELECOMMUNICATIONS
ASSOCIATION

By: _____

INTERMEDIA COMMUNICATIONS OF FLORIDA,
INC.

By: _____

SPRINT COMMUNICATIONS COMPANY,
LIMITED PARTNERSHIP

By: Jerry H. Key

TELECOMMUNICATIONS, INC.

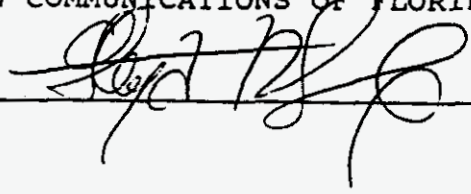
FPSC DOCKET NO. 950985-TP

WITNESS SCHEYE DIRECT TESTIMONY

EXHIBIT RCS-3

Page 37 of 37

MCCAW COMMUNICATIONS OF FLORIDA, INC.

By:  _____