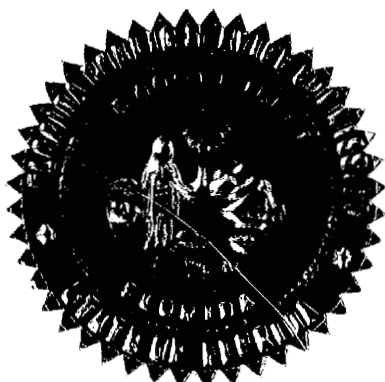


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of  
PETITION BY MCIMETRO ACCESS  
TRANSMISSION SERVICES, LLC AND MCI  
WORLD COM COMMUNICATIONS, INC. FOR  
ARBITRATIONS OF CERTAIN TERMS AND  
CONDITIONS OF A PROPOSED AGREEMENT  
WITH BELL SOUTH TELECOMMUNICATIONS,  
INC. CONCERNING INTERCONNECTION AND  
RESALE UNDER THE TELECOMMUNICATIONS  
ACT OF 1996.  
-----

: DOCKET NO. 000649-TP



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\* THE OFFICIAL TRANSCRIPT OF THE HEARING \*  
\* AND DO NOT INCLUDE PREFILED TESTIMONY. \*  
\* \*\*\*\*\*

VOLUME 3

Pages 329 through 552

PROCEEDINGS: HEARING  
BEFORE: COMMISSIONER E. LEON JACOBS, JR.  
COMMISSIONER LILA A. JABER  
COMMISSIONER BRAULIO L. BAEZ  
DATE: Wednesday, October 4, 2000  
TIME: Commenced at 9:30 a.m.  
PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida  
REPORTED BY: JANE FAUROT, RPR  
FPSC Division of Records & Reporting  
Chief, Bureau of Reporting  
APPEARANCES: (As heretofore noted.)

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## I N D E X

## WITNESSES

NAME:

PAGE NO.

DON PRICE

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## EXHIBITS

NUMBER:		ID.	ADMTD.
16	Confidential Pages to Mr. Price's testimony	337	
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CERTIFICATE OF REPORTER

552

## P R O C E E D I N G S

1  
2 (Transcript follows in sequence from  
3 Volume 2.)

4 MR. O'ROARK: WorldCom calls Don Price to the  
5 stand.

6 DON PRICE

7 was called as a witness on behalf of MCI WorldCom  
8 Communications, Inc., and, having been duly sworn,  
9 testified as follows:

10 DIRECT EXAMINATION

11 BY MR. O'ROARK:

12 Q Mr. Price, would you state your full name,  
13 please?

14 A Yes, my name is Don Price.

15 Q By whom are you employed and in what capacity?

16 A I am employed by WorldCom, Inc. in the capacity  
17 of Senior Manager in the State Regulatory Policy Group.

18 Q And what is your business address, Mr. Price?

19 A 701 Brazos, B as in boy, R-A-Z-O-S, Suite 600,  
20 Austin, Texas 78701.

21 Q Mr. Price, did you cause to be filed 109 pages  
22 of direct testimony on August 17th, 2000?

23 A Yes I did.

24 Q Do you have any corrections or changes to that  
25 testimony?



1           A     Yes, a minor correction at Page 2, Lines 22 and  
2 23. This is simply to reflect the inclusion of the issues  
3 that are actually covered in the testimony. At Line 22 I  
4 would insert towards the end of that line the number 42  
5 and comma. In Line 23, I would strike-through 53A, which  
6 is not included in my testimony. Before the number 97 I  
7 would add the number 96. So that properly reflects the  
8 issues that are covered in this testimony with those  
9 changes.

10           Q     Do you have any additional corrections or  
11 changes to your direct testimony?

12           A     Not to the direct, no.

13           Q     Did you cause to be filed 75 pages of rebuttal  
14 and two exhibits on September 7th, 2000?

15           A     Yes, I did.

16           Q     Do you have any corrections or changes to your  
17 rebuttal testimony?

18           A     Yes, two minor corrections. First, at Page 9 in  
19 Line 1, the line begins with the words customer's premise,  
20 and I would propose to strike the rest of that sentence so  
21 that the period and the sentence ends after the word  
22 premise. That was Page 9, Line 1. Then at Page 32 at  
23 Line 11, approximately the middle of the line, I would  
24 change the word interconnection to merely interconnect.  
25 And with those two corrections, I have no further.

1 Q Mr. Price, we have distributed a revised Exhibit  
2 2. Do you have that in front of you?

3 A And just so I am clear, Exhibit 2 is the map?

4 Q Yes. Exhibit 2 to your rebuttal testimony.

5 A Yes, I do.

6 Q Can you please explain briefly the changes that  
7 have been made to Exhibit 2?

8 A Yes, I would be glad to. As the Commissioners  
9 may be aware, there has recently been a hearing involving  
10 WorldCom and BellSouth on a dispute concerning the issue  
11 of symmetry in compensation for tandem -- well, the  
12 dispute is over whether or not tandem compensation applies  
13 and/or the conditions under which it applies. In the  
14 context of that hearing, we got some additional  
15 information that changed the information that we had  
16 provided originally. And so what we have done is we have  
17 reflected in these two maps the changed information.

18 If you look at the map that is labelled Central  
19 Florida and Greater Orlando market area rate centers, what  
20 this shows -- I am kind of the opposite of Mr. Olson, I  
21 have to put on my glasses to see close up. What this  
22 shows is the blue triangles are the BellSouth local  
23 tandems. And then the green areas, the green solid areas  
24 that are around those local tandems are the rate centers  
25 that are served by BellSouth out of those -- or from those

1 local tandems.

2           What we have done is we have then overlaid on  
3 top of that the cross-hatched area, the red cross-hatch.  
4 That is the rates -- that depicts the rate centers that  
5 are served by the switches or switch that WorldCom has in  
6 Orlando, which is designated by the little blue star with  
7 the -- I'm sorry, the blue circle with the star in it. So  
8 what the Central Florida map shows is that our single  
9 switch covers an area greater than the two tandem areas  
10 that are served by BellSouth's local tandems in Central  
11 Florida.

12           Likewise, the maps that are -- there is actually  
13 two maps on the page labelled Fort Lauderdale/Miami market  
14 area rate centers. And in the Fort Lauderdale instance,  
15 again, the blue triangle depicts the BellSouth tandem.  
16 The green solid area would depict the rate centers that  
17 are served by BellSouth from that local tandem. And then,  
18 again, the blue circle with the star in it depicts the  
19 location of the WorldCom switches. And the red  
20 cross-hatch area shows the rate centers that are served by  
21 the WorldCom switches in that area.

22           So, again, there is a larger geographic area  
23 served in the Fort Lauderdale area by the WorldCom local  
24 switches than is served by BellSouth's local tandem. The  
25 exact same thing is depicted in the bottom half of that .

1 map, only for the Miami, Homestead, and North Dade area  
2 with all of the indications being the same. In other  
3 words, the green area is the BellSouth rate centers that  
4 are included in the coverage area from its tandem and the  
5 red cross-hatch area is the rate centers that are served  
6 by the WorldCom switches.

7 Q Mr. Price, with the revisions that you  
8 described, if I were to ask you the same questions in your  
9 direct and rebuttal testimony today would your answers be  
10 the same?

11 A Yes, they would.

12 MR. O'ROARK: We move that Mr. Price's prefiled  
13 direct and the public version of his rebuttal testimony as  
14 amended be inserted into the record.

15 COMMISSIONER JACOBS: Without objection, show  
16 his direct and rebuttal testimony inserted in the record  
17 as though read.

18 MR. O'ROARK: We would next move, Mr. Chairman,  
19 that the confidential pages to Mr. Price's rebuttal  
20 testimony be admitted as the next exhibit, which I believe  
21 is Exhibit 16.

22 COMMISSIONER JACOBS: That's correct.

23 MR. O'ROARK: And be admitted as a confidential  
24 exhibit.

25 COMMISSIONER JACOBS: Okay. That is marked as.

1 Exhibit 16.

2 (Exhibit Number 16 marked for identification.)

3 MR. O'ROARK: And then, finally, Mr. Chairman,  
4 we would move that Exhibit DB-1 --

5 COMMISSIONER JACOBS: I'm sorry, just a moment.  
6 Did you say these are to his direct?

7 MR. O'ROARK: To his rebuttal, Mr. Chairman.

8 COMMISSIONER JACOBS: Okay. Go ahead.

9 MR. O'ROARK: And then finally we would move  
10 that the two exhibits to Mr. Price's rebuttal testimony be  
11 admitted as exhibits. Specifically, that DB-1 be admitted  
12 as Exhibit 17 and that the revised color version of DB-2  
13 be admitted as Exhibit 18.

14 COMMISSIONER JACOBS: I had these as DP as in  
15 Paul.

16 MR. O'ROARK: DP, excuse me.

17 COMMISSIONER JACOBS: Show them marked as DP-1  
18 as Exhibit 17, DP-2 as Exhibit 18.

19 MR. O'ROARK: Mr. Chairman, specifically the  
20 revised version of DP-2.

21 COMMISSIONER JACOBS: I'm sorry, you are  
22 correct.

23 (Exhibit Number 17 and 18 marked for  
24 identification.)

25

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Don Price. My business address is 701 Brazos, Suite 600, Austin,  
3 Texas 78701.

4 **Q. PLEASE DESCRIBE YOUR EDUCATION AND EMPLOYMENT**  
5 **BACKGROUND.**

6 A. I have a Bachelor of Arts degree in Sociology from the University of Texas at  
7 Arlington, conferred in 1976, and was awarded a Master of Arts in Sociology  
8 from the University of Texas at Arlington in 1978. My telecommunications  
9 career spans more than twenty years, beginning in 1979 with GTE (General  
10 Telephone Company of the Southwest), where my role in the Economic Planning  
11 department included responsibility for making internal forecasts of central office  
12 switching equipment and outside plant needs. I assumed positions of increasing  
13 responsibilities during my five years with GTE, becoming familiar with many of  
14 the workings of a regulated local exchange telephone company, including the  
15 business office, billing systems, and network design and operations. In 1983, I  
16 was hired as a Telecommunications Rate Analyst in the Engineering Division of  
17 the Public Utility Commission of Texas. In that role, I provided policy  
18 recommendations and testimony on a variety of telecommunications pricing and  
19 tariff issues including switched and special access charges, long distance  
20 services, and numerous other local and long distance service offerings. In 1986,  
21 I began my employment with MCI Telecommunications Corporation (whose  
22 parent in 1998 merged with WorldCom, Inc.) in the State Regulatory department  
23 in Austin, Texas. Over the past fourteen years I have provided expert testimony

1 on complex pricing and policy issues in twelve states, and have represented the  
 2 company on such issues before the FCC. I have also made presentations on  
 3 telecommunications policy issues before professional and trade associations.  
 4 Following the passage of the Telecommunications Act of 1996 ("Act"), I was  
 5 closely involved with developing MCI's policy positions for use in negotiations  
 6 with incumbent local exchange carriers and in subsequent arbitration proceedings  
 7 to resolve disputes arising in such negotiations. I personally testified on broad  
 8 policy issues in the initial round of arbitrations on behalf of MCI in North  
 9 Carolina, Florida, and Texas. My current responsibilities involve developing  
 10 policy for use in state regulatory proceedings across the company's domestic  
 11 operations, including input on interconnection negotiations and enforcement  
 12 actions related to disputes over interpretations of interconnection agreement  
 13 terms and conditions.

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

15 A. The purpose of my testimony is to assist the Florida Public Service Commission  
 16 ("Commission") in resolving disputed issues between MCI metro Access  
 17 Transmission Services, LLC ("MCI m") and MCI WORLDCOM  
 18 Communications, Inc. ("MWC"), both subsidiaries of WorldCom (and which I  
 19 will refer to collectively as "WorldCom"), and BellSouth Telecommunications,  
 20 Inc. ("BellSouth"), with regard to this arbitration. My testimony relates to  
 21 Attachments 1, 2, 3, 4, 6, 7, 8 and 9 and Part A of the Interconnection  
 22 Agreement, and covers Issues 1-3, 6, 7, 7A, 9, 18, 22, 23, 28, 29, 39, 40, 43, 45-  
 23 47, 51, 53, ~~53A~~, 67, 68, 75, 92-94, <sup>96</sup>97, 99-103, and 107-111. <sup>42,</sup><sub>^</sub>

1 **A. PRICING**2 **ISSUE 1**

3 *Should the electronically ordered NRC apply in the event an order is*  
4 *submitted manually when electronic interfaces are not available or not*  
5 *functioning within specified standards or parameters? (Attachment 1,*  
6 *Section 2.9.)*  
7

8 **Q. WHAT IS THE LANGUAGE IN DISPUTE ON THIS ISSUE?**

9 A. WorldCom has proposed the following language in Attachment 1:

10 2.9.1 LSRs submitted by means of one of the available electronic  
11 interfaces will incur the per LSR nonrecurring OSS electronic ordering  
12 charge associated with electronically ordered facilities as specified in  
13 Table 1 of this Attachment. Provided that electronic interfaces are  
14 functioning within specified standards and parameters, LSRs submitted  
15 by means other than one of the available electronic interfaces (mail, fax,  
16 courier, etc.) will incur a nonrecurring manual ordering charges  
17 associated with manually ordered facilities as specified in Table 1 of this  
18 Attachment. An individual LSR will be identified for billing purposes by  
19 its Purchase Order Number (PON). If electronic interfaces are not  
20 available or not functioning within specified standards or parameters at  
21 the time when the LSR is submitted, the manual ordering nonrecurring  
22 charge does not apply. The electronically ordered nonrecurring charge  
23 will apply in the event LSRs are submitted manually when electronic  
24 interfaces are not available or not functioning within specified standards  
25 or parameters. Each LSR and all its supplements or clarifications issued,  
26 regardless of their number, will count as a single LSR for nonrecurring  
27 charge billing purposes. Nonrecurring charges will not be refunded for  
28 LSRs that are canceled by WorldCom.

29

30 **Q. WHAT ARE THE PARTIES' POSITIONS ON THIS ISSUE?**

31 A. WorldCom's position is that it should pay the electronic, rather than the manual,  
32 non recurring OSS charge when BellSouth does not provide electronic ordering  
33 for ALECs for the service in question, but does provide electronic ordering for  
34 itself. BellSouth's position is that WorldCom should have to pay the manual  
35 ordering charge under these circumstances.



1 **Q. SHOULD BELLSOUTH BE PERMITTED TO CHARGE ALECS FOR**  
2 **MANUAL OSS PROCESSING, WHEN BELLSOUTH'S OWN RETAIL**  
3 **SYSTEMS ARE AUTOMATED, AND WHEN BELLSOUTH DOES NOT**  
4 **MAKE ELECTRONIC OSS INTERFACES AVAILABLE TO ITS**  
5 **COMPETITORS?**

6 A. No. This is, by definition, not based on forward-looking economic principles, and  
7 is unreasonable and discriminatory and thus violates the Telecommunications  
8 Act of 1996 (the "Act"). If BellSouth uses electronic processes for its own OSS  
9 and does not provide electronic processes to its competitors to obtain what  
10 amounts to substantially the same elements or services, it is not providing parity.  
11 In its *First Report and Order*, FCC 96-325, In the matter of Implementation of  
12 the Local Competition Provisions in the Telecommunications Act of 1996, CC  
13 Docket No. 96-98, Released August 8, 1996 (the "*Local Competition Order*"),  
14 the FCC stated, at paragraph 523, that "(o)bviously, an incumbent that provisions  
15 network resources electronically does not discharge its obligation under section  
16 251 (c) (3) by offering competing providers access that involves human  
17 intervention." Certainly that access must be provided within the same time  
18 frames enjoyed by the incumbent.

19 **Q. ARE THERE PUBLIC POLICY REASONS WHY BELLSOUTH SHOULD**  
20 **NOT BE ABLE TO CHARGE ALECS FOR MANUAL OSS WHEN IT**  
21 **PROVIDES ELECTRONIC OSS TO ITSELF?**

22 A. Yes. BellSouth should not be encouraged to use inefficient, costly systems to  
23 serve ALECs when it provides substantially the same elements or services to its

1 own customers using electronic processes. Indeed, BellSouth should be strongly  
2 encouraged to do just the opposite.

3 **ISSUE 2**

4 *What prices should be included in the agreement? (Attachment 1,*  
5 *Appendix 1.)*

6  
7 **Q. WHAT IS WORLDCOM'S PRICING PROPOSAL?**

8 A. WorldCom's pricing proposal, based on orders of this Commission, is included  
9 in Appendix 1 to Attachment 1 of the Interconnection Agreements. WorldCom's  
10 proposal essentially is that the Commission adopt previously approved rates in  
11 the agreements and provide an interim rate of zero for other rates, subject of  
12 course to true up once permanent rates have been approved in the UNE cost  
13 docket. (Docket No. 990649-TP).

14 **ISSUE 3**

15 *Should the resale discount apply to all telecommunication services*  
16 *BellSouth offers to end users, regardless of the tariff in which the service*  
17 *is contained? (Attachment 2, Section 1.1.1.)*

18  
19 **Q. WHAT CONTRACT LANGUAGE HAVE THE PARTIES PROPOSED**  
20 **CONCERNING THE SERVICES BELL SOUTH MUST PROVIDE ON A**  
21 **RESALE BASIS?**

22 A. WorldCom has proposed the following language in Attachment 2:

23 1.1.1. Local Resale shall include all Telecommunications  
24 Services offered by BellSouth to parties other than  
25 telecommunications carriers, regardless of the particular tariff or  
26 other method by which such Telecommunications Services are  
27 offered. For example, Local Resale shall include  
28 Telecommunications Services offered in BellSouth's access tariffs  
29 and made available to parties other than telecommunications  
30 carriers, regardless of whether or not such Telecommunications  
31 Services are offered in other tariffs, too. Local Resale shall be

1 subject only to the limitations and restrictions set forth in this  
2 Agreement.

3  
4 BellSouth has proposed the following competing language:

5  
6 1.1.1. MCI may resell the tariffed local exchange and toll  
7 Telecommunications Services of BellSouth contained in the  
8 General Subscriber Service Tariff and Private Line Service Tariff.  
9 Local Resale can only be used in the same manner as specified in  
10 BellSouth's Tariffs. Local Resale is subject to the same terms and  
11 conditions as are specified for such services when furnished to an  
12 individual end user of BellSouth in the appropriate section of  
13 BellSouth's Tariffs.

14  
15 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

16  
17 A. Offering a retail service under a tariff other than the private line or GSST tariffs  
18 does not preclude a company from the wholesale discount.

19 **Q. WHAT IS BELL SOUTH'S POSITION CONCERNING THIS**  
20 **PROVISION?**

21 A. BellSouth contends that only private line and GSST tariff services should be  
22 available for the resale discount.

23 **Q. WHAT DO THE ACT AND FCC RULES REQUIRE CONCERNING**  
24 **SERVICES THAT MUST BE PROVIDED ON A RESALE BASIS?**

25 A. The Act requires BellSouth "not to prohibit, and not to impose unreasonable or  
26 discriminatory conditions or limitations on, the resale of its telecommunications  
27 services." Act, § 251 (b)(1). BellSouth is required to "offer to any requesting  
28 telecommunications carrier any telecommunications service that [BellSouth]  
29 offers on a retail basis to subscribers that are not telecommunications carriers for  
30 resale at wholesale rates." 47 C.F.R. § 51.605(a).

1 **Q. DOES BELLSOUTH'S POSITION COMPLY WITH THOSE**  
 2 **PROVISIONS?**

3 A. No. BellSouth seeks to discriminate against WorldCom by denying it the right to  
 4 resell services included in BellSouth's Federal and State Access tariffs, even  
 5 when BellSouth offers those services to end users. Thus, under BellSouth's  
 6 position it would be free to include retail services in its access tariffs and offer  
 7 such services to its end users, while prohibiting WorldCom from reselling those  
 8 services at prices that would enable it to compete with BellSouth. Such a result  
 9 would not be consistent with the requirements of the Act.

10 **ISSUE 6**

11 *Should BellSouth be directed to perform, upon request, the functions*  
 12 *necessary to combine unbundled network elements that are ordinarily*  
 13 *combined in its network? (Attachment 1, Section 1.5; Attachment 3,*  
 14 *Section 2.4)*

15  
 16 **Q. PLEASE STATE WORLDCOM'S POSITION REGARDING THIS ISSUE.**

17 A. BellSouth should be directed to perform, upon request, the functions necessary to  
 18 combine unbundled network elements that are ordinarily combined in  
 19 BellSouth's network.

20 **Q. WHAT LANGUAGE HAS WORLDCOM PROPOSED CONCERNING**  
 21 **THIS ISSUE?**

22 A. WorldCom has proposed the following language in Attachment 3:

23  
 24 2.4 ... At MCI's request, BellSouth shall provide Typical  
 25 Combinations of Network Elements to MCI. Typical  
 26 Combinations are those that are ordinarily combined within the  
 27 BellSouth network, in the manner which they are typically  
 28 combined. Thus, MCI may order Typical Combinations of  
 29 Network Elements, even if the particular Network Elements being

1 ordered are not actually physically connected at the time the order  
2 is placed.

3  
4 **Q. PLEASE STATE BELLSOUTH'S POSITION.**

5  
6 A. Only those elements that already have been combined in BellSouth's  
7 network must be provided to ALECs in combined form.

8 **Q. WHAT ARE THE DUTIES TO WHICH BELLSOUTH IS SUBJECT**  
9 **WITH RESPECT TO UNBUNDLING ITS NETWORK?**

10 A. As emphasized by the Supreme Court in *AT&T Corp. v. Iowa Utilities Board*,  
11 ILECs, including BellSouth, are subject under the Telecommunications Act to  
12 duties intended to facilitate market entry. Foremost among these duties is the  
13 ILEC's obligation under 47 U.S.C. § 251(c) to share its network with  
14 competitors. Section 251(c)(3) establishes:

15 The duty to provide, to any requesting telecommunications  
16 carrier for the provision of a telecommunications service,  
17 nondiscriminatory access to network elements on an  
18 unbundled basis at any technically feasible point on rates,  
19 terms, and conditions that are just, reasonable, and  
20 nondiscriminatory in accordance with the terms and  
21 conditions of the agreement and the requirements of this  
22 section and section 252. An incumbent local exchange  
23 carrier shall provide such unbundled network elements in a  
24 manner that allows requesting carriers to combine such  
25 elements in order to provide such telecommunications  
26 service.

27  
28 **Q. HAS THE FCC PROMULGATED RULES TO FURTHER DEFINE**  
29 **BELLSOUTH'S DUTIES IN THIS RESPECT?**

30 A. Yes. In August 1996 the FCC issued its *First Report and Order* ("*Local*  
31 *Competition Order*"), FCC 96-325, In re Implementation of the Local  
32 Competition Provisions in the Telecommunications Act of 1996, CC Docket No.

1 96-98, to implement the local competition provisions of the Act. The FCC  
2 explicitly declined to impose a requirement of facility ownership on carriers who  
3 sought to lease network elements. *Id.*, ¶¶328-340. The effect of this omission  
4 was to allow competitors to provide local phone service relying solely on the  
5 elements in an incumbent's network.

6 The FCC pricing rules then promulgated continue to govern the  
7 Commission's decision in this proceeding. They include 47 C.F.R. section  
8 51.503 (General Pricing Standard) and, as discussed in more detail below, 47  
9 C.F.R. section 51.315 (Combination of unbundled network elements). The latter  
10 rule, and its section (b) in particular, is often referred to as the "all elements"  
11 rule. Section 51.315 (b) states: "Except upon request, an incumbent LEC shall  
12 not separate requested network elements that the incumbent LEC currently  
13 combines."

14 **Q. HAS BELL SOUTH CHALLENGED THESE RULES?**

15 A. Yes. In the aftermath of the *Local Competition Order*, ILECs, including  
16 BellSouth, argued that this "all elements" rule undermined the goal of  
17 encouraging entrants to develop their own facilities. The Eighth Circuit,  
18 however, to which the appeal of the *Local Competition Order* was brought,  
19 deferred to the FCC's approach. The Eighth Circuit was of the view that the  
20 language of §251(c)(3) indicates that "a requesting carrier may achieve the  
21 capability to provide telecommunications service completely through access to  
22 the unbundled elements of an incumbent LEC's network." 120 F.3d. at 814.

1           The Eighth Circuit, however, thought that the FCC went too far in  
 2           enacting 47 C.F.R. section 315(b). As characterized by the Supreme Court in  
 3           *Iowa Utilities Board*:

4           The Court of Appeals believed that [allowing requesting  
 5           carriers to lease the incumbent’s entire, preassembled  
 6           network] would render the resale provision of the statute a  
 7           dead letter, because by leasing the entire network rather  
 8           than purchasing and reselling service offerings, entrants  
 9           could obtain the same product–finished service–at a cost-  
 10          based, rather than wholesale, rate. 120 F.3d, at 813.  
 11          Apparently reasoning that the word “unbundled” in  
 12          §251(c)(3) meant “physically separated,” the [Eighth  
 13          Circuit] vacated Rule 315(b) for requiring access to the  
 14          incumbent LEC’s network elements “on a bundled rather  
 15          than an unbundled basis.”

16   **Q.    WHAT WAS THE RESULT OF THIS LITIGATION?**

17   **A.    The Supreme Court reversed the Eighth Circuit. In *Iowa Utilities Board***  
 18          **the Court concluded that**

19           It was entirely reasonable for the [FCC] to find that the  
 20           text does not command this conclusion. It forbids  
 21           incumbents to sabotage network elements that are  
 22           provided in discrete pieces, and thus assuredly  
 23           contemplates that elements may be requested and provided  
 24           in this form (which the [FCC’s] rules do not prohibit). But  
 25           it does not say, or even remotely imply, that elements must  
 26           be provided only in this fashion [i.e., disconnected] and  
 27           never in combined form. . . As the [FCC] explains, it is  
 28           aimed at preventing incumbent LECs from  
 29           “disconnect[ing] previously connected elements, over the  
 30           objection of the requesting carrier, not for any productive  
 31           reason, but just to impose wasteful reconnection costs on  
 32           new entrants.” . . . It is true that Rule 315(b) could allow  
 33           entrants access to an entire preassembled network. In the  
 34           absence of Rule 315(b), however, incumbents could  
 35           impose wasteful costs on even those carriers who  
 36           requested less than the whole network. It is well within the  
 37           bounds of the reasonable for the Commission to opt in  
 38           favor of ensuring against an anticompetitive practice.  
 39

1           Thus, in reinstating Rule 315 (b), the Supreme Court agreed that the FCC  
2           reasonably concluded that the Act does not require an ALEC to own any  
3           facilities in conjunction with UNEs leased from an ILEC. Instead, according to  
4           the Supreme Court ALECs are entitled to “an entire preassembled network.”

5                       The Supreme Court remanded to the FCC to further evaluate the  
6           unbundling obligations of section 251 of the Act.

7   **Q.   WHAT OCCURRED ON REMAND?**

8   A.   Because of pending issues before the Eighth Circuit, the FCC in the *Third*  
9       *Report and Order and Fourth Further Notice of Proposed Rulemaking* (“*UNE*  
10       *Remand Order*” sometimes referred to as the “*Rule 319 Remand Order*”), FCC  
11       99-238, In the Matter of Implementation of the Local Competition Provisions of  
12       the Telecommunications Act of 1996, CC Docket No. 96-98, released November  
13       5, 1999, declined to revisit the “currently combines” requirement of Rule 51.315  
14       (b). The FCC did restate, based on its pronouncement in its *Local Competition*  
15       *Order*, that an incumbent LEC must provision network element combinations  
16       where such elements are “ordinarily combined within [the] network, in the  
17       manner which they are typically combined.” *UNE Remand Order*, at paragraph  
18       479. The FCC also clearly stated that it has concluded that the “proper reading of  
19       ‘currently combines’ in rule 51.315 (b) means ‘ordinarily combined within [the  
20       incumbent’s] network, in the manner which they are typically combined.’” *Id.* at  
21       paragraph 479, quoting the *Local Competition Order*.

22   **Q.   WHAT IS THE EFFECT OF THE FCC RULES ON THIS ISSUE?**



1 A. According to the FCC, then, ALECs can purchase UNEs in combination, such as  
 2 a loop and a port, even when the network elements supporting the underlying  
 3 service are not physically connected at the time the service is ordered, because  
 4 those UNEs are typically combined. ALECs can then obtain UNE combinations  
 5 at UNE prices. *Id.* at ¶¶ 480, 486.

6 Thus Rule 315 (b) requires a LEC to provide UNE combinations, not  
 7 already combined, provided the LEC "currently combines" them for its  
 8 customers. Rule 315(b), by its own terms, applies to elements that the  
 9 incumbent "currently combines," not merely elements that are "currently  
 10 combined." In the *Local Competition Order*, at paragraph 296, the FCC stated  
 11 that the proper reading of "currently combines" is "ordinarily combined within  
 12 their network, in the manner which they are typically combined." Accordingly,  
 13 the only FCC interpretation of "currently combines" remains the literal one,  
 14 contained in the *Local Competition Order*.

15 **Q. DOES THE RECENT DECISION BY THE EIGHTH CIRCUIT CHANGE**  
 16 **YOUR OPINION?**

17 A. No. It is clear from that decision that FCC Rule 51.315(b) remains in effect.  
 18 That rule supports WorldCom's position in this case.

19 **Q. WHAT CONCLUSIONS DO YOU DRAW FROM THE FCC RULES AND**  
 20 **THE DECISIONS YOU HAVE REVIEWED?**

21 A. A ruling requiring BellSouth to combine currently unconnected network  
 22 elements that are ordinarily combined is consistent with the intent of the  
 23 Telecommunications Act to hasten competitive entry through a number of

1 service delivery methods, including use of leased network elements. It is also  
2 consistent with the Supreme Court's ruling in *Iowa Utilities Board*, which  
3 rejected the view that Section 251(c)(3) of the Act only allows the leasing of  
4 "discrete pieces" of network elements. *Id.* At 737.

5 Nothing in the Telecommunications Act precludes a requirement that  
6 BellSouth lease network elements in combined form. Moreover, a Commission  
7 ruling directing BellSouth to combine elements upon request, when, in this  
8 instance, those elements are ordinarily combined by the incumbent, is reasonable  
9 and pro-competitive, as well as required by section 315 (b), thus fulfilling the  
10 fundamental purpose of the Act. A contrary ruling would either limit the  
11 benefits of competition to those end users for which historical practice has  
12 dictated, in some cases arbitrarily, that BellSouth has previously combined  
13 network elements, or not discourage BellSouth from separating previously  
14 combined elements. The Act imposes no limitation on competitors' ability to  
15 provide a "completed service" by relying solely on the incumbent's network  
16 elements rather than any facilities owned by the competitors, and 315 (b) requires  
17 it. Incumbent LECs must provide UNE combinations even if they are not  
18 already combined.

19 Further, those network elements, if combined, cannot be separated except  
20 at the request of competitors, and must be provided to competitors at cost-based  
21 rates. BellSouth must commit to making available all combinations of UNEs in  
22 its network at cost-based rates.

1 **Q. WHAT ELEMENTS DOES BELL SOUTH CURRENTLY COMBINE IN**  
2 **ITS NETWORK?**

3 A. There is no question that BellSouth currently combines, for example, all elements  
4 included in UNE-P to provide its own local service, and that BellSouth currently  
5 combines loop and transport (sometimes referred to as the "enhanced extended  
6 loop" or "EEL") to provide special access services.

7 With regard to the EEL, since the release of the *UNE Remand Order*, the  
8 FCC has reiterated the ILECs' obligation to make the EEL available to ALECs  
9 for local exchange service. *Supplemental Order, In the Matter of*  
10 *Implementation of the Local Competition Provisions of the Telecommunications*  
11 *Act of 1996*, CC Docket No. 96-98 (release November 24, 1999). On November  
12 24, 1999, the FCC issued a Supplemental Order to its Third Report and Order. In  
13 this Supplemental Order, the FCC modified its conclusion in paragraph 486 of  
14 the Third Report and Order to allow incumbent LECs to constrain the use of  
15 combinations of unbundled loops and transport network elements by IXC's as a  
16 substitute for special access service. Supplemental Order, ¶ 4. IXC's may not  
17 convert special access services to combinations of unbundled loops and transport  
18 network elements, whether or not the IXC's self-provide entrance facilities, unless  
19 the IXC uses the combination "to provide a significant amount of local exchange  
20 service, in addition to exchange access service, to a particular customer." *Id.* at ¶  
21 5. Thus the EEL is a combination of UNEs, rather than "special access".

22 **Q. HOW HAS THIS COMMISSION RULED WITH REGARD TO THE**  
23 **"CURRENTLY COMBINES" ISSUE?**

1 A. Yes. This Commission, in *Order No. PSC-99-1989-FOF-TP*, in In re: Motions  
 2 of AT&T Communications of the Southern States, Inc., and MCI  
 3 Telecommunications Corporation and MCI Metro Access Transmission Services,  
 4 Inc., to Compel BellSouth Telecommunications, Inc. to Comply with Order PSC-  
 5 96-1579-FOF-TP and To Set Non-Recurring Charges for Combinations of  
 6 Network Elements with BellSouth Telecommunications, Inc. Pursuant to their  
 7 Agreement, issued October 11, 1999, stated with respect to *Iowa Utilities Board*,  
 8 that, "while the Court did not use the specific term 'recreate,' we believe that the  
 9 Court's opinion allows an entrant to purchase UNE combinations that recreate  
 10 retail services at prices based on forward-looking costs."

11 **Q. HAVE ANY OTHER STATE PUBLIC SERVICE COMMISSIONS IN**  
 12 **THE BELL SOUTH REGION RULED ON THE ISSUE REGARDING**  
 13 **UNE COMBINATIONS?**

14 A. Yes. In its Order dated February 1, 2000, in In re Generic Proceeding to  
 15 Establish Long-Term Pricing Policies for Unbundled Network Elements, Docket  
 16 No. 10692-U, the Georgia Commission ruled that ALECs can order UNE  
 17 combinations, even if the particular elements being ordered are not actually  
 18 physically connected at the time the order is placed.

19 Regarding the "currently combines" requirement, the Georgia  
 20 Commission observed:

21 BellSouth has interpreted the term "currently combines" as  
 22 "currently combined." BellSouth defines the term to mean  
 23 those elements "that are physically in a combined state as  
 24 of the time the CLEC requests them and which can be  
 25 converted to UNEs on a 'switch as is' or 'switch with  
 26 changes' basis. . . . Currently combined elements only

1 include loops, ports, transport or other elements that are  
2 currently installed for the existing customer that the CLEC  
3 wishes to serve."  
4

5 The Georgia Commission then stated that:

6 at the very least, Rule 315(b) requires BellSouth to provide  
7 combinations of elements that are already physically  
8 connected to each other regardless of whether they are  
9 currently being used to serve a particular customer. The  
10 Supreme Court, however, did not state that it was  
11 reinstating Rule 315(b) only to the extent it prohibited  
12 incumbents from ripping apart elements currently  
13 physically connected to each other. It reinstated Rule  
14 315(b) in its entirety, and it did so based on its  
15 interpretation of the nondiscrimination language of Section  
16 251(c)(3).  
17

18 The Georgia Commission accordingly found that "currently combines" means  
19 "ordinarily combined" within the BellSouth network. P. 5. Thus ALECs can  
20 order combinations of ordinarily combined elements, even if the particular  
21 elements being ordered are not actually physically connected at the time the  
22 order is placed. It is my understanding the Georgia Commission has issued  
23 decisions in subsequent Section 252 arbitrations consistent with its policy as  
24 articulated in Docket No. 10692-U.

25 **Q. WHAT WOULD BE THE EFFECT IF THE COMMISSION ADOPTED**  
26 **BELLSOUTH'S ARGUMENT?**

27 A. If this Commission were to limit the definition of "currently combines" to the  
28 more restrictive "currently combined" interpretation, the process of obtaining  
29 elements would be more cumbersome and would serve no purpose except to  
30 complicate the ordering process and thus impede competition.

31 This is the conclusion reached by the Georgia Commission:

1 even assuming arguendo that 'currently combines' means  
2 'currently combined,' rather than go through the circuitous  
3 process of requiring the CLEC to submit two orders (e.g.,  
4 one for special access followed by another to convert the  
5 special access to UNEs) to receive the UNE combination,  
6 the process should be streamlined to allow CLECs to  
7 place only one order for the UNE combination.  
8

9 BellSouth's argument appears to create an absurd dichotomy between existing  
10 customers and new customers. The absurdity of this argument can be understood  
11 with a simple example: According to BellSouth, an ALEC could offer residential  
12 service to Mr. Jones by using a loop/port combination if Mr. Jones is an existing  
13 BellSouth customer for this service. The network facilities used to provide  
14 residential service to Mr. Jones' house are currently combined. If Mr. Jones,  
15 however, were to sell his house to his friend Mr. Smith, under BellSouth's  
16 proposal the ALEC might not be able to offer service using the loop/port  
17 combination to Mr. Smith because he is not an existing BellSouth customer. The  
18 same local loop, the same switch port – and the same connection between them –  
19 would remain in place, but BellSouth would no longer consider these facilities to  
20 be connected for the purpose of defining a UNE combination that could be  
21 purchased.

22 The equal absurdity of the proposed existing/new location dichotomy is  
23 also readily apparent from the following example: So long as Mr. Jones were to  
24 stay in his existing house (where he is a BellSouth customer), an ALEC may  
25 offer residential service to him by using a loop/port combination. If, however, he  
26 were to build a house down the street that will also be served by BellSouth's  
27 network, the ALEC would be unable to provide service to him using a loop/port

1 combination, even though the connection from the new house to the BellSouth  
2 network (including the loop to port combination) would have been established.  
3 Presumably, however, if Mr. Jones first signs up for BellSouth's residential  
4 service, he would then be eligible to be served by an ALEC using a loop/port  
5 combination because he would no longer represent a new location.

6 **Q. WOULD THERE BE A COMPETITIVE ADVANTAGE TO BELL SOUTH**  
7 **IN THIS RESPECT?**

8 A. Absolutely. The advantage to BellSouth in these situations should be clear.

9 **Q. PLEASE SUMMARIZE YOUR TESTIMONY IN THIS REGARD.**

10 A. The FCC's Rule 315 (b), the Supreme Court's decision in *AT&T v. Iowa Utilities*  
11 *Board*, the *UNE Remand Order* and this Commission's October 11, 1999 Order  
12 require that BellSouth perform the functions necessary to combine unbundled  
13 network elements that are ordinarily combined in BellSouth's network.

14 **ISSUE 7**

15 *Should BellSouth be required to combine network elements that are not*  
16 *ordinarily combined in its network? (Attachment 3, Section 2.11)*

17 **Q. PLEASE STATE WORLDCOM'S POSITION REGARDING THIS ISSUE.**

18 A. BellSouth should be directed to perform, upon request, the functions necessary to  
19 combine unbundled network elements that are not ordinarily combined in its  
20 network.

21 **Q. WHAT LANGUAGE HAS WORLDCOM PROPOSED CONCERNING**  
22 **THIS ISSUE?**

23 A. WorldCom has proposed the following language:  
24

1           2.11 BellSouth shall offer each Network Element individually  
 2 and, at MCI's request, will combine Network Elements that are  
 3 not currently combined. BellSouth shall not require MCI to  
 4 combine Network Elements. BellSouth shall not require MCI to  
 5 own or control any local exchange facilities as a condition of  
 6 offering to MCI any Network Element or combination. Charges  
 7 for combinations and combining Network Elements are set forth in  
 8 Attachment 1, and are inclusive and no other charges apply.  
 9 BellSouth and MCI agree to attempt in good faith to resolve any  
 10 alleged errors or omissions in Attachment 1.

11  
 12 **Q. PLEASE STATE BELLSOUTH'S POSITION.**

13 A. No. BellSouth claims it should not be required to provide such combinations.

14 **Q. ARE THERE FCC RULES THAT MAY BE CONSULTED TO RESOLVE**  
 15 **THIS ISSUE?**

16 A. Yes. The local competition order promulgated the following rules that are  
 17 relevant to this inquiry:

18           **47 C.F.R. section 51.503 General Pricing Standards**

- 19           (a) An incumbent LEC shall offer elements to requesting  
 20 telecommunications carriers at rates, terms, and conditions  
 21 that are just, reasonable, and nondiscriminatory.

22  
 23           **47 C.F.R. section 51.315 Combination of unbundled**  
 24 **network elements**

- 25           (a) An incumbent LEC shall provide unbundled network  
 26 elements in a manner that allows requesting  
 27 telecommunications carriers to combine such network  
 28 elements in order to provide a telecommunications service.  
 29           (b) Except upon request, an incumbent LEC shall not separate  
 30 requested network elements that the incumbent LEC  
 31 currently combines.  
 32           (c) Upon request, an incumbent LEC shall perform the  
 33 functions necessary to combine unbundled network  
 34 elements in any manner, even if those elements are not  
 35 ordinarily combined in the incumbent LEC's network,  
 36 provided that such combination is:  
 37           (1) Technically feasible; and  
 38           (2) Would not impair the ability of other carriers to obtain  
 39 access to unbundled network elements or to interconnect  
 40 with the incumbent LEC's network.



- 1 (d) Upon request, an incumbent LEC shall perform the  
 2 functions necessary to combine unbundled network  
 3 elements with elements possessed by the requesting  
 4 telecommunications carrier in any technically feasible  
 5 manner.
- 6 (e) An incumbent LEC that denies a request to combine  
 7 elements pursuant to paragraph (c) (1) or paragraph (d) of  
 8 this section must prove to the state commission that the  
 9 request combination is not technically feasible.
- 10 (f) An incumbent LEC that denies a request to combine  
 11 elements pursuant to paragraph (c) (2) of this section must  
 12 prove to the state commission that the requested  
 13 combination would impair the ability of other carriers to  
 14 obtain access to unbundled network elements or to  
 15 interconnect with the incumbent LEC's network.

16  
 17 Also, Section 51.307 (c) of the FCC's rules provides that ILECs must offer  
 18 UNEs in a manner that allows the requesting carrier to provide any  
 19 telecommunications service that can be offered by means of that network  
 20 element. Rule 51.309 (b) provides that an ILEC cannot impose restrictions on  
 21 UNEs in a manner that would impair an ALEC from offering  
 22 telecommunications service in the manner the requesting carrier intends. Rule  
 23 51.313 (a) provides that UNEs must be made available equally to all requesting  
 24 carriers without regard for the intended use of such UNEs. Rule 51.809 (a)  
 25 provides that an ILEC may not limit the availability of any individual  
 26 interconnection, service, or network element only to those requesting carriers  
 27 serving a comparable class of subscribers or providing the same service.

28 **Q. WHAT DID THE SUPREME COURT SAY ABOUT THESE RULES?**

29 A. These rules, including Rule 315 (b), have been upheld by the Supreme Court, in  
 30 *Iowa Utilities Board*. In the *UNE Remand Order*, discussed with respect to Issue

1 6, the FCC declined to reinstate sections 315 (c) - (f) of its regulations, given the  
2 pending remand before the Eighth Circuit of those rules. *Id.* at Paragraph 481.

3 The FCC did opine, however, that section 251 (c) (3) of the 1996 Act provides a  
4 sound basis for reinstating those sections. *UNE Remand Order*, Paragraphs 481-  
5 82. Specifically, the FCC noted:

6 As a general matter, however, we believe that the  
7 reasoning of the Supreme Court's decision to reinstate rule  
8 51.315 (b) based on the nondiscrimination language of  
9 section 251 (c) (3) applies equally to rules 51.315 (c) - (f).  
10 Specifically, the Court held that section 251 (c) (3)'s non-  
11 discrimination requirement means that access provided by  
12 the incumbent LEC must be at least equal in quality to that  
13 which the incumbent LEC provides to itself. We note that  
14 incumbent LECs routinely combine loop and transport  
15 elements for themselves. For example, incumbent LECs  
16 routinely provide combinations of loop and transport  
17 elements for themselves in order to: (1) deliver data traffic  
18 to their own packet switches; (2) provide private line  
19 services; and (3) provide foreign exchange service. In  
20 addition, we note that incumbent LECs routinely provide  
21 the functional equivalent of the EEL through their special  
22 access offerings.

23  
24 We believe that the basis upon which the Eighth Circuit  
25 invalidated rules 51.315 (c) - (f) has been called into  
26 question by the Supreme Court's decision. In particular,  
27 the Eighth Circuit determined that 'unbundled' meant  
28 physical separation of network elements. The Supreme  
29 Court also stated that section 251 (c) 'does not say, or even  
30 remotely imply, that elements must be provided [in  
31 discrete pieces, and never in combined form.]' We also  
32 note that an additional basis for the Eighth Circuit's  
33 decision to invalidate rules 51.315 (b)-(f) was its  
34 understanding that incumbents 'would rather grant their  
35 competitors access to their facilities' than combine  
36 elements on behalf of requesting carriers. Experience over  
37 the last year demonstrates that incumbent LECs have  
38 refused to provide access to network elements so that  
39 competitors could combine them, except in situations  
40 where competitive LECs have collocated in the  
41 incumbent's central offices. Accordingly, we believe that

1 section 251 (c) (3) provides a sound basis for reinstating  
2 rules 51.315 (c) – (f).  
3

4 **Q. WHAT ELSE DID THE *UNE REMAND ORDER* STATE WITH REGARD**  
5 **TO *UNE* COMBINATIONS?**

6 A. Nothing in the *UNE Remand Order* changes the “technically feasible” standard.  
7 It is technically feasible for BellSouth to combine, for example, a loop and a port.  
8 Indeed, the *UNE Remand Order* reaffirms that there is one *UNE* pricing standard  
9 and that there are no rules resulting from that order that conflict with existing  
10 rules or the FCC. Thus section 252 (d)’s pricing standards apply whether a  
11 carrier obtains a network element in discrete form, or in combined form.  
12 Consequently, the FCC’s rules never exclude, and at times specifically require,  
13 combined network elements. *UNEs* must be provisioned in combination where  
14 such combinations are technically feasible. The *UNE Remand Order* reaffirms  
15 these basic rules.

16 **Q. HAVE COURTS RULED ON THIS ISSUE?**

17 A. Yes. The Ninth Circuit Court of Appeals recently ruled that it “necessarily  
18 follows from [*Iowa Utilities Board*] that requiring [the ILEC] to combine  
19 unbundled network elements is not inconsistent with the [Telecommunications]  
20 Act . . . the Act does not say or imply that network elements may only be leased  
21 in discrete parts.” *U.S. WEST Communications v. MFS Intelenet, Inc.*, 1999 WL  
22 799082, \*7 (9<sup>th</sup> Cir. Oct. 8, 1999). The provision at issue stated that US WEST  
23 “agrees to perform and MFS agrees to pay for the functions necessary to combine  
24 requested elements in any technically feasible manner either with other elements  
25 from [US WEST’s] network, or with elements possessed by MFS.” In response

1 to U.S. WEST's argument that the Eighth Circuit's invalidation of FCC Rules  
 2 315(c)-(f) required the Ninth Circuit to conclude that a state commission's order  
 3 requiring an ILEC to provide combinations violates the Act, the Ninth Circuit  
 4 stated:

5  
 6 The Supreme Court opinion . . . undermined the Eighth Circuit's  
 7 rationale for invalidating this regulation. Although the Supreme  
 8 Court did not directly review the Eighth Circuit's invalidation of §  
 9 51.315(c)-(f), its interpretation of 47 U.S.C. § 251(c)(3)  
 10 demonstrates that the Eighth Circuit erred when it concluded that  
 11 the regulation was inconsistent with the Act. We must follow the  
 12 Supreme Court's reading of the Act despite the Eighth Circuit's  
 13 prior invalidation of the nearly identical FCC regulation. Id.

14  
 15 **Q. HAS THE EIGHTH CIRCUIT ADDRESSED THIS ISSUE?**

16  
 17 A. Yes. The Eighth Circuit has held that Rules 51.315(c)-(f) should remain vacated.  
 18 Given the difference of opinion between the Ninth Circuit and the Eighth  
 19 Circuits on this issue, it appears likely that the United States Supreme Court  
 20 again will be called upon to address the combinations issue.

21 **Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION?**

22 A. The Commission should exercise its discretion to require BellSouth to combine  
 23 elements not ordinarily connected in BellSouth's network. Such a ruling would  
 24 ensure that WorldCom can offer the same functionalities and services as  
 25 BellSouth and will allow greater innovation in service delivery to customers.  
 26 BellSouth possesses superior information about its network and superior access  
 27 to its network so as to perform these connections. This fact remains despite any  
 28 pronouncements by the courts. And thus, BellSouth will not be providing  
 29 nondiscriminatory access unless combinations are provided as described herein.

## ISSUE 7A

1  
2 *Should BellSouth charge MCIW only for UNEs that it orders and uses, and*  
3 *should UNEs ordered and used by MCIW be considered part of its network for*  
4 *reciprocal compensation and switched access charges? (Attachment 3, Section*  
5 *2.12 and Attachment 4, Section 9.11)*  
6

7 **Q. WHAT IS THE LANGUAGE IN DISPUTE ON THIS ISSUE?**

8 A. WorldCom is proposing the following language in Attachment 3, which has been  
9 updated since the Petition in this case was filed:

10 2.12 When MCIIm uses an unbundled Network Element, or a  
11 combination of unbundled Network Elements, BellSouth shall  
12 charge MCIIm only for those Network Elements ordered by MCIIm  
13 or used by MCIIm to carry traffic. To the extent MCIIm orders or  
14 uses BellSouth's Network Elements, those Network Elements shall  
15 be considered to be part of MCIIm's network for the purpose of  
16 calculating charges for reciprocal compensation and switched  
17 access under Attachment 4 of this Agreement.  
18

19 2.12.1 As an example of Section 2.12, above, if MCIIm orders  
20 local switching and loop as unbundled Network Elements,  
21 BellSouth shall charge MCIIm the appropriate charges set forth  
22 in Attachment 1 of this Agreement for local switching, loop and  
23 any other portions of BellSouth's network used to carry traffic  
24 (e.g., transport and tandem switching). In this example, the  
25 local switching and loop as well as any other unbundled  
26 network elements (e.g., transport and tandem switching) used by  
27 MCIIm to carry traffic shall be considered part of MCIIm's  
28 network for the calculation of reciprocal compensation and  
29 switched access, as applicable, under Attachment 4 of this  
30 Agreement.  
31

32 WorldCom also proposes the following language in Attachment 4, which also has  
33 been updated:

34 9.11 When MCIIm orders or uses BellSouth unbundled Network  
35 Elements pursuant to Attachment 3 of this Agreement, those  
36 elements ordered or used shall be considered part of MCIIm's  
37 network for the purpose of calculating reciprocal compensation  
38 and switched access charges in this Attachment.

1 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

2 A. WorldCom should be billed for UNEs that it orders or uses. For example, when  
 3 WorldCom orders a loop and local switching as UNEs, it should be required to  
 4 pay, under the UNE provisions of the agreement, for those two elements. If any  
 5 other portions of BellSouth's network (such as transport and tandem switching)  
 6 are used to carry traffic originated over this loop and local switching  
 7 combination, their use should be paid for consistent with the UNE provisions of  
 8 the agreement as well.

9 Further, once WorldCom purchases a UNE or UNE combination, those  
 10 UNEs become a part of its network for all purposes, including the determination  
 11 of who is entitled for compensation to traffic originated or terminated over those  
 12 elements. Thus when WorldCom leases a loop and local switching combination  
 13 to serve a particular customer, WorldCom is entitled to receive reciprocal  
 14 compensation when BellSouth terminates local traffic to that WorldCom  
 15 customer, and is entitled to received switched access charges when long distance  
 16 calls are originated or terminated over those UNEs and any other UNEs used to  
 17 handle the call.

18 **ISSUE 9**

19 *Should MCIW be required to use a special construction process, with*  
 20 *additional costs, to order facilities of the type normally used at a location,*  
 21 *but not available at the time of the order? (Attachment 3, Section 4.1.1.)*  
 22

23 **Q. WHAT LANGUAGE HAS BELLSOUTH PROPOSED CONCERNING**  
 24 **WHEN BELLSOUTH'S SPECIAL CONSTRUCTION PROCESS**  
 25 **SHOULD BE USED?**

1 A. BellSouth has proposed the following language in Attachment 3:

2 4.1.1 If a requested loop type is not available at a location  
3 requested by MCI and cannot be made available by loop  
4 conditioning, then WorldCom can use the Special Construction  
5 process to determine additional costs required to provide the loop  
6 type ordered.  
7

8 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

9  
10 A. The special construction process only should be required when the requested  
11 facilities are not of the type normally used at a location.

12 **Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?**

13 A. The special construction process should be required regardless of whether the  
14 requested facilities are of the type normally used at a location.

15 **Q. WHAT IS THE BASIS FOR WORLDCOM'S POSITION?**

16 A. WorldCom should not be required to use the special construction process when  
17 the loop type is normally used at the location, but facilities have been exhausted.  
18 Take for example a situation in which a small business customer elects to use  
19 WorldCom for local service and wants to add a second line to his business. The  
20 second line will be identical to the first in capabilities, but the service will be  
21 provided by WorldCom. WorldCom would place the order and BellSouth might  
22 decline to fulfill it, due to the unavailability of additional lines. Under the terms  
23 proposed by BellSouth, WorldCom would then have to use the special  
24 construction process to have BellSouth deploy a brand new line to the customer's  
25 premise. Such an undertaking would be inappropriate from a network  
26 engineering standpoint and extremely wasteful.





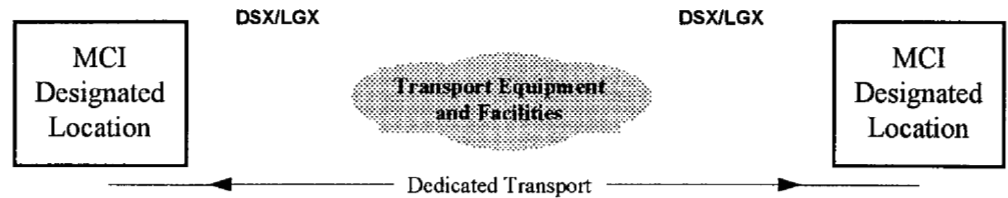


Figure 3

1  
2  
3  
4  
5

6 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

7 A. WorldCom's position is that BellSouth is required to provide dedicated  
8 interoffice transmission facilities to the locations and equipment designated by  
9 WorldCom, including network nodes connected to WorldCom wire centers and  
10 switches and to the wire centers and switches of other requesting carriers.

11 **Q. WHAT IS BELL SOUTH'S POSITION?**

12 A. BellSouth contends that it only is required to provide dedicated transport between  
13 BellSouth and WorldCom switches and wire centers.

14 **Q. WHAT FCC REQUIREMENTS APPLY TO THIS ISSUE?**

15 A. FCC rules require BellSouth to provide nondiscriminatory access to interoffice  
16 transmission facilities on an unbundled basis to any requesting  
17 telecommunications carrier for the provision of a telecommunications service.

18 47 C.F.R. § 51.319(d). Dedicated transport is defined as

19 incumbent LEC transmission facilities, including all technically  
20 feasible capacity-related services including, but not limited to,  
21 DS1, DS3 and OCn levels, dedicated to a particular customer or  
22 carrier, that provide telecommunications between wire centers  
23 owned by incumbent LECs or requesting telecommunications  
24 carriers, or between switches owned by incumbent LECs or  
25 requesting telecommunications carriers.

26  
27 47 C.F.R. § 51.319(d)(1)(A). BellSouth is required to "[p]rovide all technically  
28 feasible transmission facilities, features, functions, and capabilities that the

1 requesting telecommunications carrier could use to provide telecommunications  
2 services.” 47 C.F.R. § 51.319(d)(2)(B). Further, BellSouth must permit a  
3 requesting carrier to connect unbundled interoffice transmission facilities to  
4 equipment designated by the requesting carrier. 47 C.F.R. § 51.319(d)(2)(C).

5 BellSouth’s unbundling obligation “extends *throughout* its ubiquitous  
6 transport network.” *Rule 319 Remand Order*, ¶ 324 (emphasis added). Thus,  
7 BellSouth is not required to build new transport facilities to meet specific  
8 requests by ALECs for point-to-point service, but it is required to provide  
9 unbundled service where it has facilities in place.

10 **Q. WHY DOES WORLDCOM NEED BELLSOUTH TO PROVIDE**  
11 **DEDICATED TRANSPORT TO POINTS THAT ARE NOT IN**  
12 **BELLSOUTH OR WORLDCOM WIRE CENTERS OR END OFFICES?**

13 A. WorldCom “local loops” ride SONET rings and can traverse several serving wire  
14 center territories to get between a customer and the serving switch. These  
15 “loops” can be routed through several transport nodes within WorldCom’s  
16 network to connect the customer to the switch. The SONET rings that connect  
17 the switching node to the transport nodes (which then link to the separate  
18 SONET rings that terminate in the customer premise) act in a similar way as  
19 BellSouth’s common transport. Because of the way WorldCom’s network is  
20 configured, it will often be most efficient to link transport nodes to BellSouth  
21 dedicated transport rather than making the link at the WorldCom switch.

1                   This approach is consistent with the *Rule 319 Remand Order*. In  
 2                   rejecting ILEC claims that unbundled transport should not be made available  
 3                   because competitive alternatives are available, the FCC noted that

4                   [t]he competitive alternatives that are available along  
 5                   limited point-to-point routes do not necessarily allow  
 6                   competitive LECs to connect their collocation  
 7                   arrangements or switching nodes according to the needs of  
 8                   their individual network designs. These carriers also  
 9                   require dedicated transport to deliver traffic from their  
 10                  own traffic aggregation points to the incumbent LECs  
 11                  network for purposes of interconnection.

12  
 13                  *Rule 319 Remand Order*, ¶ 346.

14  
 15                  **Q.    WHY DOES WORLDCOM NEED BELLSOUTH TO PROVIDE**  
 16                  **DEDICATED TRANSPORT TO THIRD PARTY CARRIERS?**

17                  A.    BellSouth typically will have transport facilities to those carriers that WorldCom  
 18                  lacks. In such cases, frequently it will be more efficient for WorldCom to lease  
 19                  such facilities from BellSouth rather than constructing its own.

20                  **Q.    MUST BELLSOUTH PROVIDE DEDICATED TRANSPORT TO THIRD**  
 21                  **PARTY CARRIERS WITH WHICH BELLSOUTH IS**  
 22                  **INTERCONNECTED?**

23                  A.    Yes. As I already have noted, the FCC has required ILECs to provide dedicated  
 24                  transport throughout their networks. *Rule 319 Remand Order*, ¶ 324. In  
 25                  addition, the FCC's definition of dedicated transport applies to the provision of  
 26                  telecommunications between wire centers and switches and of ILECs and  
 27                  "requesting telecommunications carriers." 47 C.F.R. § 51.319(d)(1)(A)."  
 28                  "Requesting telecommunications carriers" in this context means all requesting  
 29                  carriers with whom BellSouth is interconnected.

## ISSUE 22

1  
2  
3 *Should the Interconnection Agreements contain MCIW's proposed terms*  
4 *addressing line sharing, including line sharing in the UNE-P and*  
5 *unbundled loop configurations? (Attachment 3, Sections 14.1-14.1.8.)*  
6

7 **Q. WHAT IS THE STATUS OF THIS ISSUE WITH RESPECT TO LINE**  
8 **SHARING?**

9 A. WorldCom and BellSouth are now negotiating provisions regarding line-sharing,  
10 and there no longer appears to be a dispute as to whether line-sharing should be  
11 addressed in the agreement, only what the substance of the line sharing  
12 provisions should be. WorldCom has recently submitted language to BellSouth  
13 based on BellSouth's agreement with COVAD and certain other terms and  
14 conditions. BellSouth has not yet responded to WorldCom's proposal, and we  
15 therefore do not know what concerns, if any, BellSouth may have.

16 **Q. WHAT SHOULD THE COMMISSION DO?**

17 A. The Commission should adopt the line sharing and loop qualification language  
18 recently proposed by WorldCom. This language is consistent with the FCC's  
19 regulations and should be included in the Interconnection Agreement between the  
20 parties.

21 **Q. BELLSOUTH HAS ASSERTED THAT IT IS NOT REQUIRED BY FCC**  
22 **RULES TO PROVIDE PACKET SWITCHING AND OPERATOR**  
23 **SERVICES AND DIRECTORY ASSISTANCE ON AN UNBUNDLED**  
24 **BASIS. DO YOU AGREE WITH THIS ASSERTION?**

25 A. No. The FCC has ruled that packet switching and directory assistance and  
26 operator services must be provided as unbundled network elements under certain

1 conditions. WorldCom has proposed contract language which is consistent with  
2 the rules adopted by the FCC.

3 **Q. WHEN IS BELLSOUTH REQUIRED TO PROVIDE PACKET**  
4 **SWITCHING AS AN UNBUNDLED NETWORK ELEMENT?**

5 A. The FCC has required ILECs to make packet switching available as an  
6 unbundled network element when the ILEC has deployed DLC systems, there are  
7 no spare copper loops capable of supporting DSL service, the ILEC has not  
8 permitted the new entrant to collocate its Digital Subscriber Line Access  
9 Multiplexer at the remote terminal, and the incumbent has deployed packet  
10 switching for its own use. Rule 319 (c)(3)(B)

11 **Q. HAS WORLDCOM PROPOSED CONTRACT LANGUAGE REQUIRING**  
12 **BELLSOUTH TO MAKE PACKET SWITCHING AVAILABLE AS AN**  
13 **UNBUNDLED NETWORK ELEMENT CONSISTENT WITH THESE**  
14 **RULES?**

15 A. Yes, the contract language proposed by WorldCom is consistent with the FCC's  
16 rules.

17 **ISSUE 23**

18  
19 *Does MCIW's right to dedicated transport as an unbundled network*  
20 *element include SONET rings that exist on BellSouth's network?*  
21 *(Attachment 3, Sections 10.2.3, 10.5.2, 10.5.6.3, 10.5.9, 10.6, 10.7.2.16.)*  
22

23 **Q. HAS WORLDCOM PROPOSED CONTRACT LANGUAGE**  
24 **REGARDING PROVISION OF UNBUNDLED TRANSPORT AS A**  
25 **SONET SYETEM?**

1 A. Yes, WorldCom has proposed several provisions which require BellSouth to  
2 provide unbundled transport as a UNE consistent with the Act and FCC  
3 regulations. Some of these provisions relate to provision of SONET transport  
4 systems in a ring architecture in addition to point to point systems, electronic  
5 provisioning control of SONET rings, the technical requirements of dedicated  
6 transport using SONET technology, the use of industry standard SONET  
7 interfaces, and digital cross connect systems with SONET ring terminal  
8 functionality, where technically feasible. These provisions, which are too  
9 lengthy to reprint here, are found at Attachment 3, Sections 10.2.3, 10.5.2,  
10 10.5.6.3, 10.5.9, 10.6 and 10.7.2.16.

11 **Q. HAS AN ISSUE ARISEN WITH RESPECT TO THESE PROVISIONS?**

12 A. Yes, basically BellSouth has objected to any and all provisions dealing with  
13 SONET ring architecture. BellSouth has cited paragraph 324 of the FCC's *UNE*  
14 *Remand Order* in rejecting WorldCom's request that unbundled transport be  
15 provided as a SONET ring architecture.

16 **Q. PLEASE DESCRIBE THE SONET RING UNBUNDLED TRANSPORT**  
17 **THAT WORLDCOM HAS SOUGHT TO INCLUDE IN THE**  
18 **INTERCONNECTION AGREEMENT.**

19 A. The provisions proposed by WorldCom require BellSouth to provide unbundled  
20 transport as a SONET ring wherever BellSouth has existing fiber facilities in  
21 place for a SONET ring. WorldCom has not proposed that BellSouth construct  
22 new facilities where facilities do not exist.

1 **Q. IS BELL SOUTH REQUIRED TO PROVIDE UNBUNDLED TRANSPORT**  
2 **IN A SONET RING ARCHITECTURE WHERE THE FACILITIES TO**  
3 **DO SO EXIST?**

4 A. Yes, the FCC has made that very clear, and nothing in the paragraph relied upon  
5 by BellSouth detracts from that obligation. The FCC stated that “[a]lthough we  
6 conclude that an incumbent LEC’s unbundling obligation extends throughout its  
7 ubiquitous transport network, including ring transport architectures, we do not  
8 require incumbent LEC’s to construct new transport facilities to meet specific  
9 competitive LEC point-to point demand requirements for facilities that the  
10 incumbent LEC has not deployed for its own use.” (*UNE Remand Order*,  
11 paragraph 324.)

12 **Q. THE FCC REFERS TO TRANSPORT FACILITIES IN THE QUOTED**  
13 **PARAGRAPH. WHAT ARE TRANSPORT FACILITIES?**

14 A. Transport facilities are the medium used to transmit messages, in this case fiber.  
15 When the FCC says that incumbents must provide unbundled transport, including  
16 ring transport architectures, but that they are not required to construct new  
17 transport facilities, this means that the incumbent does not have to construct new  
18 fiber where none exists. On the other hand, in the words of the FCC “an  
19 incumbent LEC’s unbundling obligation extends throughout its ubiquitous  
20 transport network, including ring transport architectures....” Thus, where  
21 facilities do exist, BellSouth is required to provide unbundled transport as a  
22 SONET ring architecture.

1 **Q. DOES THE LANGUAGE PROPOSED BY WORLDCOM REQUIRE**  
2 **BELLSOUTH TO CONSTRUCT NEW FIBER TRANSPORT**  
3 **FACILITIES?**

4 A. No, it does not. WorldCom's proposed language does not require BellSouth to  
5 construct new fiber facilities. It only requires BellSouth to add the necessary  
6 electronics to existing fiber transport facilities to provide unbundled transport in  
7 a SONET ring architecture. As noted above, this is precisely what the FCC has  
8 required of incumbents.

9 **Q. DOES BELLSOUTH'S UBIQUITOUS TRANSPORT NETWORK**  
10 **CONTAIN A HIGH PERCENTAGE OF FIBER FACILITIES?**

11 A. Yes, more than 80% of BellSouth's interoffice network consists of fiber facilities  
12 in a ring architecture. Provision of interoffice transport in a ring architecture is  
13 technically feasible and the facilities to do so exist throughout BellSouth's  
14 network.

15 **ISSUE 28**

16  
17 *Should BellSouth provide the calling name database via electronic*  
18 *download, magnetic tape, or via similar convenient media? (Attachment 3,*  
19 *Section 13.7.)*

20  
21 **Q. HAS WORLDCOM PROPOSED CONTRACT LANGUAGE**  
22 **ADDRESSING THE ISSUE OF THE CALLING NAME DATABASE?**

23 A. Yes, WorldCom has proposed Attachment 3, Section 13.7, which provides as  
24 follows: "Calling Name (CNAM) Database: The CNAM Database contains  
25 subscriber information (including name and telephone number) used to show the  
26 customer name of an incoming call on a display attached to the telephone.



1 BellSouth shall provide the CNAM Database in accordance with the following.”

2 Thereafter, a series of detailed subsections follow.

3 **Q. WHAT ISSUE HAS ARISEN WITH RESPECT TO PROVISION OF THE**  
4 **CALLING NAME DATABASE?**

5 A. BellSouth refuses to provide a download of the calling name database.

6  
7 **Q. WHY DOES WORLDCOM REQUIRE A DOWNLOAD OF THE**  
8 **CALLING NAME DATABASE?**

9 A. The calling name database is needed in order to provide a number of services to  
10 WorldCom’s customers, including Caller ID with name service. The database  
11 should be provided via electronic download or on magnetic tape because this is  
12 the most efficient means of providing it.

13 **Q. WHAT HAS THE FCC RULED WITH RESPECT TO THE CALLING**  
14 **NAME DATABASE?**

15 A. The FCC has ruled that “Incumbent LECs must also offer unbundled access to  
16 call-related databases, including, but not limited to, the Line Information  
17 database (LIDB), Toll Free Calling database, Number Portability database,  
18 Calling Name database, Operator Services/Directory Assistance databases,  
19 Advanced Intelligent Network databases, and the AIN platform and  
20 architecture.” *Rule 319 Remand Order*, Executive Summary (between  
21 paragraphs 15 and 16).

22 **Q. WHY SHOULD THE CALLING NAME DATABASE BE PROVIDED VIA**  
23 **ELECTRONIC DOWNLOAD?**

1 A. Electronic download is the most efficient, least costly means of providing the  
 2 database. It is technically feasible to provide the information in this form, and  
 3 indeed, the directory assistance database is provided via electronic download.  
 4 There is no reason why the calling name database cannot be provided in the  
 5 manner as is the directory assistance database.

6  
 7 **B. Interconnection.**

8 **ISSUE 29**

9  
 10 *Should calls from MCIW customers to BellSouth customers served via*  
 11 *Uniserve, Zipconnect, or any other similar service, be terminated by*  
 12 *BellSouth from the point of interconnection in the same manner as other*  
 13 *local traffic, without a requirement for special trunking? (Attachment 4,*  
 14 *Section 1.1.1.)*

15  
 16 **Q. WHAT LANGUAGE HAS WORLDCOM PROPOSED CONCERNING**  
 17 **THIS ISSUE?**

18 A. WorldCom has proposed the following language in Attachment 4:

19  
 20 1.1.1 BellSouth shall not require MCIW to establish trunks for  
 21 local interconnection to points other than the Point of  
 22 Interconnection because of a particular service offered by  
 23 BellSouth to its customers (e.g. Uniserv or ZipConnect).  
 24

25 **Q. MR. OLSON'S TESTIMONY DESCRIBES THE DIFFERENT TRUNK**  
 26 **GROUPS THAT SHOULD BE ESTABLISHED BETWEEN BELL SOUTH**  
 27 **AND WORLDCOM. IS THERE AN ISSUE WITH RESPECT TO THE**  
 28 **ESTABLISHMENT OF TRUNK GROUPS?**

29 A. Yes, there is. BellSouth will not accept calls over the existing FGD local  
 30 interconnection trunks for termination to a BellSouth Uniserv customer.

31 BellSouth designed Uniserv to work on its TOPS platform using FGC MOSS

1 trunking. In those areas where BellSouth has deployed this service, its design  
2 has required WorldCom to install new trunk groups from our local switches to  
3 the BellSouth TOPS platform. This new trunking requirement has increased our  
4 cost of doing business to support a BellSouth service for which BellSouth  
5 collects the revenue.

6 **Q. WHAT IS UNISERV?**

7  
8 A. Uniserv is a BellSouth retail service which allows BellSouth business subscribers  
9 to have their customers dial a single telephone number from anywhere in the  
10 LATA to call to a single service location. Uniserv is a free call to the caller with  
11 BellSouth being compensated for the call by its business customer.

12 **Q. SHOULD SPECIAL OPERATOR SERVICES TRUNK GROUPS BE**  
13 **REQUIRED FOR THE TERMINATION OF CALLS BY WORLDCOM**  
14 **CUSTOMERS TO BELLSOUTH UNISERV CUSTOMERS?**

15 A. No, special trunk groups should not be required. These calls should be sent over  
16 the local interconnection trunk group and then terminated by BellSouth as are  
17 other local or intraLATA calls. BellSouth's proposed requirement that  
18 WorldCom establish special operator trunk groups for these calls adds  
19 complexity to the network, adds cost, and reduces trunking efficiencies.

20 **Q. ARE THERE OTHER REASONS WHY BELLSOUTH'S PROPOSAL**  
21 **THAT OPERATOR SERVICES TRUNKS BE ESTABLISHED FOR**  
22 **UNISERV CALLS SHOULD BE REJECTED?**

23 A. Yes, BellSouth's position requires WorldCom to deliver Uniserv calls to the  
24 TOPS switch in violation of the provisions of the Act and FCC's *Local*



1 carrier. BellSouth receives a transiting fee for this service, as it should.  
2 However, it also charges the ALEC originating carrier for reciprocal  
3 compensation, which BellSouth retains. WorldCom disagrees with this practice.  
4 The carrier that ultimately terminates the call, the third carrier in this three  
5 carrier transaction, should receive the reciprocal compensation payment.  
6 BellSouth should be directed to turn over to the terminating carrier the reciprocal  
7 compensation payment which BellSouth currently collects from the originating  
8 carrier. Of course, BellSouth would retain the transiting fee (tandem switching)  
9 which it charges the originating carrier. The call termination revenue which  
10 BellSouth bills the originating carrier should be remitted to the carrier who  
11 actually performs the call termination function.

12 BellSouth's practice of retaining reciprocal compensation payments on  
13 this traffic could subject WorldCom to liability to the CMRS provider. For  
14 example, where WorldCom originates traffic to a CMRS provider and BellSouth  
15 transits the call, BellSouth will charge reciprocal compensation to WorldCom  
16 and retain it. The CMRS provider, which should be entitled to the payment, may  
17 seek such payment from WorldCom which had originated the call and had turned  
18 over the payment to BellSouth. Clearly, WorldCom should not have to pay  
19 reciprocal compensation twice. Therefore, if the Commission does not direct  
20 BellSouth to remit the reciprocal compensation to the terminating carrier, it  
21 should at a minimum direct BellSouth to indemnify WorldCom against any  
22 lawsuit filed by the CMRS provider that results from BellSouth's practice of  
23 retaining the reciprocal compensation payment.



1 **Q. DOES BELLSOUTH PROPOSE AN ACTUAL DEFINITION OF**  
2 **INTERNET PROTOCOL (“IP”) IN SUPPORT OF ITS POSITION ON**  
3 **THE TREATMENT OF THIS TRAFFIC?**

4 A. No. While BellSouth frames this issue as being at least somewhat related to the  
5 definition of IP, its proposed contract language merely makes a sweeping  
6 generalization as to the “use” of IP, not what IP actually is.

7 This is a significant failing, as defining IP is a prerequisite for any  
8 discussion of how such traffic should be treated. In its 1998 Report to Congress,  
9 the Federal Communications Commission (“FCC”) examined “Internet-based  
10 services known as IP telephony.” Federal-State Joint Board on Universal  
11 Service, Report to Congress, CC Docket No. 96-45, FCC 98-67 at para. 83 (April  
12 10, 1998) (“Report”). The FCC defined “IP telephony” as “services [that] enable  
13 real-time voice transmission using Internet protocols,” Report at para. 84, and  
14 recognized that a “wide range of service can be provided using packetized  
15 voice.” Report at para. 90. Ultimately, the FCC declined to make any definitive  
16 pronouncements regarding the regulatory status of various specific forms of IP  
17 telephony. Report at para. 90. The FCC has also declined to require providers of  
18 IP telephony to pay access charges.

19 **Q. WHAT INCONSISTENCIES DO YOU SEE WITH BELLSOUTH’S**  
20 **PROPOSED TREATMENT OF IP BASED TRAFFIC WHEN COMPARED**  
21 **TO THE FCC DEFINITION OF IP TELEPHONY?**

22 A. BellSouth’s proposal suggests that the mere presence of IP indicates that  
23 “traditional long-distance calling” is the service being provided. BellSouth’s

1 proposal fails to recognize that IP telephony can be utilized to provide, in the  
2 FCC's words, a "wide range of service." (Bell South also alleges that there is an  
3 "increasing use of IP technology" and then concludes that such increased use  
4 somehow justifies its proposal. WorldCom fails to see the relevance of  
5 frequency of use of a particular technology to classification of traffic.) Treating  
6 all traffic which utilizes IP as long-distance would erroneously categorize all  
7 such traffic that is actually *local* in nature.

8 **Q. IS THE BELL SOUTH PROPOSAL CONSISTENT WITH ESTABLISHED**  
9 **INTER-CARRIER COMPENSATION MECHANISMS?**

10 A. No. There are only two forms of inter-carrier compensation local carriers receive  
11 for assisting each other in delivering calls: "reciprocal compensation" and  
12 "access charges." Congress recognized that when a customer of one carrier  
13 makes a local call to a customer of another carrier, the caller pays only its own  
14 carrier for the telephone services -- leaving the other carrier uncompensated. The  
15 Telecommunications Act of 1996 therefore requires the caller's local carrier to  
16 compensate the other carrier whose facilities are used to complete the local call.  
17 The second form of inter-carrier compensation is access charges. When a caller  
18 makes a long-distance call, he pays his long-distance company -- not his local  
19 carrier -- for the call. The long-distance company pays access charges to local  
20 telephone carriers to compensate them for originating and terminating the long-  
21 distance calls over their networks.

22 Because the FCC has not imposed interstate access charges on IP  
23 telephony, the only available form of inter-carrier compensation for the services



1 at issue in this arbitration is reciprocal compensation. As this Commission has  
2 previously recognized, reciprocal compensation applies to calls delivered to ISPs  
3 in the local calling area.

4 **Q. WHAT IS WORLDCOM'S POSITION ON WHETHER THIS**  
5 **COMMISSION SHOULD REQUIRE PAYMENT OF ACCESS CHARGES**  
6 **ON LONG DISTANCE CALLS UTILIZING PHONE-TO-PHONE IP**  
7 **TELEPHONY?**

8 A. The question of whether long-distance carriers should pay interstate access  
9 charges when they utilize IP telephony is beyond the scope of this arbitration  
10 proceeding.

11 The issue of access charges for interstate long distance calls is clearly  
12 within the jurisdiction of the FCC and not this Commission. While BellSouth  
13 tries to argue that these calls should be classified as switched exchange access  
14 traffic and be subject to access charges, that is a question that the FCC, not this  
15 Commission, must answer. In fact, BellSouth has presented the very arguments  
16 it makes here to the FCC and the FCC has not adopted BellSouth's arguments.  
17 Instead, in its 1998 Report to Congress, Docket No. 96-45, FCC 98-67 (April 10,  
18 1998) ("FCC Report"), the FCC examined the issue of IP telephony including the  
19 arguments of Bell South and concluded that it would be inappropriate to make  
20 any definitive pronouncements in the absence of a more complete record focused  
21 on individual service offerings. (FCC Report, ¶ 89.) The FCC further  
22 specifically declined to impose access charges on IP telephony noting that "we  
23 will likely face difficult and contested issues relating to the assessment of access

1 charges on these providers . . . We intend to examine these issues more closely  
 2 based on the more complete records developed in future proceedings.” (FCC  
 3 Report, ¶ 91.) Because federal law currently does not allow access charges to  
 4 be imposed on IP Telephony, it would be contrary to federal law and the Florida  
 5 Commission’s jurisdiction for it to impose access charges on interstate long  
 6 distance calls utilizing Phone-to Phone IP Telephony.

7 Moreover, because the FCC will be addressing the issue of access charges  
 8 in this area, it would be appropriate for this Commission to await the FCC’s  
 9 decision before addressing the issue of access charges for intrastate long  
 10 distance calls utilizing Phone-to-Phone IP Telephony. This is particularly true  
 11 because the FCC has recognized that it may be difficult to determine whether  
 12 particular IP telephony calls are interstate or intrastate and intends to address that  
 13 issue in the context of determining whether access charges should apply. (FCC  
 14 Report, ¶ 91.)

15 The FCC has announced plans to institute a proceeding to examine issues  
 16 associated with IP telephony during the next six months. (TR Daily, June 30,  
 17 2000). For all of the reasons noted above, the Commission should await the  
 18 FCC’s decision rather than addressing this issue in this arbitration proceeding.

19 **ISSUE 42**

20 *Should MCIW be permitted to route access traffic directly to BellSouth*  
 21 *end offices or must it route such traffic to BellSouth's access tandem?*  
 22 *(Attachment 4, Section 2.3.8.)*  
 23

24 **Q. WHAT LANGUAGE HAS BELL SOUTH PROPOSED CONCERNING**  
 25 **WHETHER WORLDCOM SHOULD BE REQUIRED TO ROUTE**

1           **SWITCHED ACCESS TRAFFIC TO BELLSOUTH'S ACCESS**  
2           **TANDEM?**

3    A.    BellSouth has proposed the following language in Attachment 4, which  
4           WorldCom opposes:

5                       2.3.8 MCIIm agrees not to deliver switched access traffic to  
6                       BellSouth for termination except over MCIIm ordered switched  
7                       access trunks and facilities.  
8

9    **Q.    WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

10  
11   A.    BellSouth should not be permitted to require WorldCom to route all terminating  
12           switched access traffic to a BellSouth access tandem. This requirement would  
13           allow BellSouth to monopolize the tandem services business, and WorldCom  
14           should be permitted to offer such services.

15   **Q.    WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?**

16   A.    BellSouth contends WorldCom should be prohibited from delivering switched  
17           access traffic by any means other than switched access trunks and facilities.

18   **Q.    WHAT IS THE BASIS FOR WORLDCOM'S POSITION?**

19   A.    The prohibition BellSouth proposes effectively would require WorldCom to  
20           route all toll traffic to BellSouth's access tandems using special access facilities,  
21           and would preclude WorldCom from routing toll traffic from its own tandem  
22           switches to BellSouth end offices. BellSouth's language would ensure that it  
23           always would be able to charge for tandem and transport when terminating toll  
24           traffic, and would eliminate competition for tandem and transport services.  
25           BellSouth's proposed language is anticompetitive and should be rejected.

1 **Q. IS WORLDCOM SEEKING TO AVOID THE PAYMENT OF ACCESS**  
2 **CHARGES ON LONG DISTANCE CALLS?**

3 A. No. WorldCom objects to the language proposed by BellSouth because  
4 WorldCom does not want language in the Agreement that would preclude  
5 WorldCom from offering tandem services to other carriers, as described above.  
6 BellSouth incorrectly suggests that WorldCom's opposition to the language  
7 proposed by BellSouth is an attempt to disguise switched access traffic as local  
8 traffic over local interconnection trunks. Perhaps BellSouth misunderstands  
9 WorldCom's intent. In fact, BellSouth's proposal will perpetuate its monopoly  
10 over the provision of access services to IXCs in violation of the Act. WorldCom  
11 is entitled to provide the tandem and transport services associated with toll  
12 calling and if WorldCom does so, BellSouth will be entitled to bill the access  
13 charges associated with the access services it provides at the end office.

14 **ISSUE 43**

15 *When the ANI, CPN and BTN are not available, should the parties be*  
16 *required to include in the information transmitted with the call the NPA/NXX*  
17 *associated with the trunk group or the telephone number associated with the*  
18 *trunk group? (Attachment 4, Section 9.2.2.)*  
19

20 **Q. WHAT LANGUAGE HAS WORLDCOM PROPOSED CONCERNING**  
21 **THE INFORMATION THAT SHOULD BE INCLUDED IN THE**  
22 **TRANSMISSION OF TELEPHONE CALLS?**

23 A. WorldCom has proposed the following language in Attachment 4, with the  
24 disputed language shown in bold:

25 9.2.2 Each Party will include in the information transmitted to the  
26 other for each call being terminated on the other Party's network  
27 the originating CPN, if recorded , otherwise ANI or billing

1 telephone number (BTN) will be provided, where recorded.  
 2 Where ANI or BTN are not recorded, the **telephone number**  
 3 assigned to the trunk group for recording purposes will be inserted  
 4 in the BTN field.

5  
 6 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

7  
 8 A. The parties should be required to provide the telephone number associated with  
 9 the trunk.

10 **Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?**

11 A. BellSouth's position is that it is sufficient for it to provide the NPA/NXX of the  
 12 number assigned to the trunk group rather than the entire telephone number.

13 **Q. WHAT IS THE BASIS FOR WORLDCOM'S POSITION?**

14 A. When the ANI, CPN and BTN are not available, the parties should include in the  
 15 information transmitted with the call the telephone number associated with the  
 16 trunk group used to originate the call. This information enables the parties to  
 17 identify the source of the call and thus to bill the appropriate rates to the  
 18 appropriate party. If only the NPA/NXX is provided, the actual source of the  
 19 call cannot be determined and billing and auditing of bills will not be accurate.

20 **ISSUE 45**

21 *How should third party local transit traffic be routed and billed by the*  
 22 *parties? (Attachment 4, Sections 9.7.1., 10.7.1.1,)*

23  
 24 **Q. WHAT LANGUAGE GIVES RISE TO THIS ISSUE?**

25  
 26 A. WorldCom has proposed the following sections 9.7.1 and 10.7.1.1 that BellSouth  
 27 has objected to:

28 9.7.1 For calls that transit BellSouth's network, whether they originate  
 29 from MCIm and terminate to a third party LEC, CLEC or CMRS  
 30 provider, or originate from that third party and terminate to MCIm, and  
 31 transit BellSouth's network, MCIm may require BellSouth to make

1 arrangements directly with that third party for any compensation owed in  
2 connection with such calls on MCIIm's behalf, or deal directly with that  
3 third party, at MCIIm's option.

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11

10.7.1.1 If MCIIm requires BellSouth to make arrangements directly with  
a third party LEC, CLEC or CMRS provider on MCIIm's behalf,  
BellSouth shall compensate MCIIm for such calls terminating to MCIIm  
using MCIIm's rates as described herein, and charge MCIIm for such calls  
terminating to that third party as if such calls had terminated in  
BellSouth's network, using BellSouth's rates as described herein.

12 **Q. HOW SHOULD THIRD PARTY TRANSIT TRAFFIC BE ROUTED AND**  
13 **BILLED BY THE PARTIES?**

14 A. Transit traffic, whether the jurisdiction of the call is local or intraLATA toll,  
15 should be routed and billed in the most efficient way possible for all LECs.  
16 From a routing perspective, this traffic should be exchanged over the same  
17 logical trunk group as all other local and intraLATA toll traffic. This reduces  
18 the number of trunk groups needed for both companies, and keeps translations  
19 simple for both companies. Typically, the volume of transit traffic does not  
20 warrant its own trunk group to each tandem. From a billing perspective, it is also  
21 efficient to minimize the number of bills and record exchange for transit traffic.  
22 It is best to illustrate using a couple of call flow examples. If a call is originated  
23 from WorldCom, transited by BellSouth, and terminated to an independent LEC,  
24 WorldCom proposes that BellSouth bill WorldCom for a transiting charge, and  
25 the call termination charges as well. BellSouth would then settle up with the  
26 independent LEC, as it has have done for years. The independent LEC would  
27 not have to go through the network expense of separate trunk groups and billing  
28 expense for billing this small volume of traffic from WorldCom, but obtains

1 payment from BellSouth, since BellSouth billed WorldCom. All carriers along  
2 the route are compensated for their piece of carrying the call. In the reciprocal  
3 fashion, if a call is originated from an independent LEC, transited through  
4 BellSouth, and terminated to WorldCom, WorldCom proposes that BellSouth  
5 bill the independent for a transiting charge (if applicable), and WorldCom bill  
6 BellSouth for terminating that call on the WorldCom network. Again, BellSouth  
7 would obtain payment from the independent LEC. This practice is consistent  
8 with the Ordering and Billing Forum (OBF) Meet Point Billing Guidelines  
9 (single bill/single tariff option). Again, this reduces the number of trunks groups,  
10 record exchange, and number of bills (to render and to audit) for all carriers.

11 **Q. WHAT ARE BELLSOUTH'S OBJECTIONS TO THIS APPROACH?**

12 A. BellSouth has two objections. First, BellSouth does not want to render a bill for  
13 reciprocal compensation to the originating carrier as described above. Instead, it  
14 believes that the terminating carrier should bill the originating carrier. Second,  
15 BellSouth wants WorldCom to establish separate trunk groups for transit traffic.

16 **Q. CAN YOU DESCRIBE ANOTHER INSTANCE IN WHICH BELLSOUTH  
17 RENDERS BILLS FOR RECIPROCAL COMPENSATION ON THIRD  
18 PARTY TRANSIT TRAFFIC?**

19 A. Yes, as discussed above with respect to Wireless Type 1 and Wireless Type 2A  
20 traffic (Issue 39), BellSouth bills the originating carrier for call termination.  
21 BellSouth does this even though BellSouth does not actually terminate the call  
22 but rather transits it to another carrier for termination. The process used by  
23 BellSouth on Wireless Type 1 and Type 2A traffic of billing the originating

1 carrier for call termination should also apply to other types of third party transit  
 2 traffic. Of course, as noted with respect to Issue 39, BellSouth should retain the  
 3 transiting fee but should remit the reciprocal compensation payment to the carrier  
 4 that actually provides the call termination.

5 **Q. PLEASE COMMENT ON BELLSOUTH'S OBJECTION TO TRANSIT**  
 6 **TRAFFIC BEING ROUTED OVER THE LOCAL INTERCONNECTION**  
 7 **TRUNK.**

8 A. From a network perspective, again, it is WorldCom's position to route the  
 9 local/intraLATA and transit traffic on a combined trunk group. There are  
 10 tremendous network efficiencies by combining these three traffic types, from a  
 11 facilities, trunking, and switch port perspective, and also translations table  
 12 maintenance. The Commission should rule specifically that all of these types of  
 13 traffic can be sent over the same trunk. Any requirement that separate trunks be  
 14 established for transit traffic is just a wasteful use of scarce resources.

15 **ISSUE 46**  
 16

17 *Under what conditions, if any, should the parties be permitted to assign an*  
 18 *NPA/NXX code to end users outside the rate center in which the NPA/NXX is*  
 19 *homed? (Attachment 4, Sections 9.4.6. and 9.10.)*  
 20

21 **Q. WHAT LANGUAGE HAS BELLSOUTH PROPOSED THAT GIVES RISE**  
 22 **TO THIS ISSUE?**

23 A. BellSouth has proposed the following Sections 9.4.6 and 9.10 of Attachment 4:  
 24

25  
 26 9.10 The Parties agree that the jurisdiction of a call is determined  
 27 by its originating and terminating (end-to-end) points. For the  
 28 purpose of delivery of BellSouth originating traffic to MCIIm,  
 29 BellSouth will pay to MCIIm reciprocal compensation for Local  
 30 Traffic terminating to MCIIm end users physically located in the  
 31 BellSouth rate center to which the MCIIm end user's NPA/NXX is



1 assigned. If MCI assigns NPA/NXXs to specific BellSouth rate  
 2 centers and assigns numbers from those NPA/NXXs to MCI end  
 3 users physically located outside of the rate center to which the  
 4 NPA/NXX is assigned, BellSouth traffic originating from within  
 5 the BellSouth rate center where the NPA/NXX is assigned and  
 6 terminating to a MCI customer physically located outside of  
 7 such rate center, and at a location toll to the BellSouth originating  
 8 rate center, shall not be deemed Local Traffic, and no  
 9 compensation from BellSouth to MCI shall be due therefor.  
 10 Further, MCI agrees to identify such traffic to BellSouth and to  
 11 compensate BellSouth for originating and transporting such traffic  
 12 to MCI at BellSouth's tariffed intrastate switched access rates.  
 13 In addition, MCI should not use NPA/NXXs to collect  
 14 BellSouth originated local or intraLATA toll traffic and for  
 15 delivery to a point outside the LATA from where the originating  
 16 NPA/NXX rate center resides.

17  
 18 9.4.6 If MCI does not identify such traffic to BellSouth, to the best of  
 19 BellSouth's ability BellSouth will determine which whole MCI  
 20 NPA/NXXs on which to charge the applicable rates for originating  
 21 intrastate network access service as reflected in BellSouth's Intrastate  
 22 Access Service Tariff. BellSouth shall make appropriate billing  
 23 adjustments if MCI can provide sufficient information for BellSouth to  
 24 determine whether said traffic is local or toll

25  
 26 WorldCom opposes this language for the reasons set forth below.

27  
 28 **Q. PLEASE ADDRESS BELL SOUTH'S PROPOSAL REGARDING AN**  
 29 **ALECS' RIGHT TO ASSIGN NPA/NXXS.**

30 **A.** In order to impose BellSouth's view of what local services an ALEC should  
 31 offer, Bell South proposes to restrict the ability of ALECs to assign NPA/NXX  
 32 codes to ALEC end users by forcing such assignments to be tied to the physical  
 33 location of the ALEC's end user. BellSouth proposes that ALECs be prohibited  
 34 from assigning NPA/NXXs to end users located outside the local calling area of  
 35 the rate center with which the NPA/NXX has been associated. As justification,  
 36 BellSouth asserts that without this restriction it would not be able to make a  
 37 determination as to the jurisdiction of the traffic (i.e., local vs. non-local).

1 originated by BellSouth end users.

2 **Q. DOES WORLDCOM PROPOSE TO ASSIGN NPA/NXX CODES IN**  
 3 **SUCH A MANNER AS TO MAKE IT IMPOSSIBLE FOR BELLSOUTH**  
 4 **TO IDENTIFY THE JURISDICTION OF TRAFFIC?**

5 A. No. BellSouth's confusion is self-imposed. Jurisdiction of traffic is properly  
 6 determined by comparing the rate centers associated with the originating and  
 7 terminating NPA/NXXs for any given call.

8 **Q. IS THE COMPARISON OF RATE CENTERS, AS DESCRIBED BY**  
 9 **WORLDCOM ABOVE, CONSISTENT WITH INDUSTRY PRACTICES**  
 10 **WITH REGARD TO RATING AND ROUTING OF TRAFFIC?**

11 A. Yes. Comparison of the rate centers associated with the calling and called  
 12 NPA/NXXs is consistent with how the jurisdiction of traffic and the applicability  
 13 of toll charges are determined within the industry today.

14 For illustrative purposes I would refer to the September 2, 1999 Decision  
 15 99-09-029 by the California Public Utilities Commission, in their in Rulemaking  
 16 95-04-043 / Investigation 95-04-044 regarding use of central office (NXX)  
 17 codes, as it provides a brief summary of industry practices as follows:

18 *The rating of telephone calls by wireline carriers is based*  
 19 *on a geographically determined system which classifies*  
 20 *calls as local, intra local access and transport area*  
 21 *(LATA) toll, or interLATA long distance. Telephone*  
 22 *numbers are assigned by a neutral Code Administrator to*  
 23 *telephone carriers in blocks of 10,000 numbers based*  
 24 *upon the North American Numbering Plan (NANP). Each*  
 25 *10,000-number block is identified by a three-digit area*  
 26 *code (or Number Plan Area, NPA), followed by a three-*  
 27 *digit (NXX) central office code. Every NPA-NXX code*  
 28 *corresponds to a unique "rate center," which is a*  
 29 *designated geographical point within an exchange from*

1                    *which calling distances are measured to determine any*  
 2                    *retail toll charges for calls between telephone numbers.*  
 3                    *(Emphasis added) Every rate center is identified by*  
 4                    *vertical and horizontal (V&H) coordinates analogous to*  
 5                    *longitude and latitude lines used in navigation. These*  
 6                    *V&H coordinates are used to calculate mileage between*  
 7                    *rate centers for rating purposes. [Footnote omitted]*  
 8

9    **Q.    WHAT DECISION DID THE CALIFORNIA PUBLIC UTILITIES**  
 10                    **COMMISSION REACH WITH REGARD TO HOW CALLS**  
 11                    **SHOULD BE RATED?**

12    A:    The Commission, in the same decision, went on to address the issue of call rating  
 13                    as local or toll. At page 21 in Decision 99-09-029 dated September 2, 1999, in  
 14                    Rulemaking 95-04-043 / 95-04-044 the Commission determined that:

15                    As discussed below, we conclude that the rating of calls as toll or  
 16                    local should be based upon the designated rate center of the NXX  
 17                    prefix of the calling and called parties' numbers. Even if the called  
 18                    party may be physically located in a different exchange from where  
 19                    the call is rated, the relevant rating point is the rate center of the  
 20                    NXX prefix.

21  
 22                    In support of its position on rating of calls the Commission, in its decision at  
 23                    page 22, noted that Pacific's tariff for Message Telecommunications Service  
 24                    prescribes that "Toll rates between points (cities, towns, or localities) are based  
 25                    on the airline distance between *rate centers*." The Commission goes on to say,  
 26                    "Thus, it is the applicable rate center as identified by telephone number prefix,  
 27                    not the physical location of the calling or called party that is used to rate calls."

28    **Q.    HOW DOES THE BELL SOUTH TARIFF ADDRESS THIS RATING**  
 29                    **PROCESS?**

30    A.    Similar language to that noted by the CAPUC in its determination on the rating  
 31                    of calls can be found in the BellSouth Florida General Subscriber Services Tariff

1 at Section A18. Long Distance Message Telecommunications Service,  
2 Subsection A18.2.B. Here the BellSouth tariff specifies that “Rates for service  
3 between points are based on airline mileage between *rate centers*.” (Emphasis  
4 added.)

5 **Q. IF A REQUIREMENT TO ASSIGN NPA/NXXS TO CUSTOMERS**  
6 **PHYSICALLY LOCATED WITHIN THE LOCAL CALLING AREA OF**  
7 **THE RATE CENTER ASSOCIATED WITH THE NPA/NXX IS NOT**  
8 **NECESSARY FOR DISTINGUISHING TRAFFIC, WHAT OTHER**  
9 **BENEFITS WOULD BELLSOUTH ENJOY IF SUCH A RESTRICTION**  
10 **WERE ALLOWED?**

11 A. This restriction would effectively prohibit an ALEC from directly competing  
12 with BellSouth for some local services. This would specifically impact Foreign  
13 Exchange (FX) service and variations of that service.

14 **Q. HOW DOES THIS RESTRICTION IMPACT FX SERVICE?**

15 A. Assignment of an NPA/NXX “located” in an exchange different than the  
16 exchange in which the end user is located is the very definition of FX service.  
17 ALECs offer this service today in direct competition with the ILECs. With  
18 BellSouth’s proposed restriction ALECs would no longer be able to offer FX  
19 service.

20 **Q. DOES BELLSOUTH VIOLATE THE VERY RESTRICTION**  
21 **THEY ARE ATTEMPTING TO PLACE ON WORLDCOM IN THE**  
22 **PROVISION OF THEIR OWN PROVISION OF FX SERVICE?**

23 A: Yes. BellSouth’s General Subscriber Service Tariff for Florida at A9.1.1.A

1 specifies that "Foreign exchange service is exchange service furnished to a  
 2 subscriber from an exchange other than the one from which the subscriber would  
 3 normally be served, allowing subscribers to have local presence and two-way  
 4 communications in an exchange different from their own."

5 In other words, if the retail FX service is provided by BellSouth,  
 6 NPA/NXXs can be assigned to end users outside the local calling area of the rate  
 7 center with which the NPA/NXX has been associated. And, the jurisdiction (i.e.,  
 8 local vs. toll) of traffic delivered from the foreign exchange to the end user will  
 9 be determined as if the end user were physically located in the foreign exchange.  
 10 Under the BellSouth proposal, an ALEC could not offer FX service; but even if it  
 11 could such traffic would be classified as toll. As noted above, this is inconsistent  
 12 with BellSouth's treatment of its own FX service.

13 Simply, BellSouth's proposal, in violation of the Act, would effectively  
 14 prohibit WorldCom from offering FX service in competition with BellSouth.  
 15 This position is anti-competitive, anti-consumer, and inconsistent with the notion  
 16 of parity.

17 **Q. FOR WHAT OTHER LOCAL SERVICE WOULD COMPETITION**  
 18 **BE DAMAGED IF BELLSOUTH'S PROPOSED RESTRICTION**  
 19 **WERE ADOPTED?**

20 A. Competition with BellSouth's Primary Rate ISDN Extended Reach Service  
 21 (ERS) would also be eliminated if BellSouth's proposal is adopted. At Section  
 22 A42.3.1.P. of the General Subscriber Service Tariff this service is described as  
 23 follows:

1           ERS is designed to “extend the reach” of the Inward Data Option  
2           customer from a centrally located metropolitan local calling area  
3           into the areas of the LATA which are available on a foreign  
4           exchange basis. The ERS customer purchases telephone numbers  
5           within each desired foreign exchange area to allow their clients to  
6           call them at no charge.

7  
8           Again, for BellSouth to offer this service they must engage in exactly the same  
9           practices (assigning NPA/NXXs to end users located outside the local calling  
10          area of the rate center associated with the NPA/NXX and determining a local  
11          jurisdiction for this traffic regardless of the actual end points) which it seeks to  
12          prohibit an ALEC from engaging in. BellSouth also has no problem determining  
13          jurisdiction of this traffic (local) by comparing the rate centers associated with  
14          the originating and terminating NPA/NXXs regardless of the physical location of  
15          the end user.

16                 Once again, grant of BellSouth’s proposal will eliminate competition for  
17          this FX type service.

18   **Q.    ASIDE FROM ELIMINATING ALEC COMPETITORS FROM THE FX**  
19   **MARKET, WHAT OTHER ANTI-COMPETTITIVE IMPLICATIONS ARE**  
20   **INVOLVED WITH BELLSOUTH’S PROPOSED RESTRICTION?**

21   A.    Elimination of competition for the ERS service should be viewed as particularly  
22          troubling, as this is a service favored by Internet Service Providers (ISP). It  
23          allows ISPs to establish a point of presence in a single metropolitan area and then  
24          to have their customers reach them from foreign exchanges on a local call basis.

25                 Making this service available only from the monopoly ILEC, which has  
26          its own ISP, will put upward pressure on rates and provide no incentive (and  
27          perhaps even a disincentive) for the ILEC to offer a high level of service and / or

1 innovations. Such changes will not only result in upward pressure on rates for  
2 Internet access service in Florida but may well inhibit the availability of Internet  
3 access in the more remote and rural areas of the state.

4 The actions of a competitive market are the reason this service exists. To  
5 allow BST to prohibit an ALEC from providing this service will jeopardize the  
6 gains made by ISPs and by end users seeking competitive choices among ISPs.

7 **Q. WHAT DOES WORLDCOM BELIEVE IS THE PROPER TREATMENT**  
8 **OF THIS ISSUE?**

9 A. The proper resolution of this issue is for ALECs to be allowed to establish  
10 routing points different than the rating points associated with the NPA/NXX  
11 being assigned to the ALEC's end user with no restriction on location of the end  
12 user as long as that location is within the same LATA as the NPA/NXX being  
13 assigned. Further, the proper method for determination of traffic jurisdiction is  
14 to compare the rate centers associated with the originating and terminating  
15 NPA/NXXs.

16 **Q. IS THERE AN EXAMPLE OF ANOTHER STATE REACHING**  
17 **THE CONCLUSION PROPOSED BY WORLDCOM?**

18 A. Yes. The California Public Utilities Commission (CPUC) has addressed this very  
19 issue. In Decision 99-09-029 dated September 2, 1999, in Rulemaking 95-04-  
20 043 95-04-044 at page 17, the Commission determined that:

21 Rather than imposing policies restricting carriers' service options,  
22 we believe the proper approach is to provide incentives for  
23 carriers to expand their service offerings so that NXX codes will  
24 become more fully utilized.  
25





1                    **content and services. Internet Service Providers are a**  
2                    **subset of Information Service Providers; either can be**  
3                    **referred to as ISPs; both are a subset of Enhanced**  
4                    **Service Providers (ESPs).**  
5

6    **Q.     PLEASE SIMPLY DESCRIBE THE DISPUTE OVER PAYMENT OF**  
7                    **RECIPROCAL COMPENSATION FOR ISP-BOUND TRAFFIC.**

8    A.     The issue is really quite simple. BellSouth urges the Commission not to require  
9                    payment of reciprocal compensation for ISP-bound traffic because it maintains  
10                  such calls are not local. WorldCom, like other ALECs who have arbitrated this  
11                  issue in Florida, focuses on which party incurs costs. WorldCom reasons that  
12                  since a BellSouth customer who uses WorldCom's network to complete a call  
13                  causes costs for WorldCom, BellSouth must compensate WorldCom for such  
14                  costs.

15   **Q.     HAS THE COMMISSION SPOKEN TO THIS ISSUE?**

16   A.     Yes. The Commission's Orders are entirely consistent with the position of  
17                  WorldCom on this issue. For example, in the ITC^DeltaCom Arbitration  
18                  (Docket No. 990750-TP) the Commission on March 15, 2000 held in Order No.  
19                  PSC-00-0537-FOF-TP that until the FCC issues binding rules, the parties should  
20                  continue to operate under their existing agreements with respect to reciprocal  
21                  compensation. In WorldCom's case, the Commission has previously found that  
22                  the existing agreement requires the payment of reciprocal compensation for ISP-  
23                  bound calls. (Order No. PSC-98-1216-FOF-TP issued September 15, 1998.)

24   **Q.     WOULD YOU COMMENT ON THE MANNER IN WHICH ALECs AND**  
25                    **ILECs TRANSPORT AND DELIVER ISP-BOUND CALLS?**

1 A. Yes. The best way to understand this is from the context of a single call, wherein  
2 the local customer uses her basic local service provided by BellSouth to dial-up  
3 an Internet service provider who is a local service customer of WorldCom. The  
4 steps in such a call are described below in terms of how the carriers' switches  
5 perform their various functions in establishing the requested connection.

6 The first step occurs when the BellSouth local service customer clicks on  
7 a "dial-up" icon on her computer to dial the ISP's access number. (When the  
8 icon was established, the user name and password, as well as the ISP's access  
9 number, was stored in the computer so that the customer merely has to click the  
10 "connect" button on the icon for the computer to dial the number using the  
11 computer's modem.)

12 Upon clicking on the computer icon, the computer sends information to  
13 BellSouth's local switch serving the customer advising the switch that the  
14 customer has gone "off-hook." (The "off-hook" condition is telephone-speak for  
15 how the switch reacts when the customer lifts the receiver off the switch-hook or  
16 hits the "talk" button on a cordless handset.) In response to the "off hook"  
17 condition, the BellSouth local switch provides a dial tone, which signals that it is  
18 ready for the customer to dial the called party's telephone number -- in this  
19 instance, the ISP.

20 When dial tone is sensed on the line, the customer's computer acts  
21 precisely like a touch tone phone and sends the multi-frequency tones  
22 corresponding to the ISP's telephone number.

1           To properly route the call, the BellSouth local switch first analyzes the  
2           dialed telephone number -- or more accurately, the NPA-NXX of the dialed  
3           number -- to determine whether the call is local, intraLATA toll, or interLATA.  
4           This is done by analyzing the dialed number in conjunction with the local calling  
5           scope for the switch. If the switch determines that the dialed number is, for  
6           example, a WorldCom number within the local calling area of the BellSouth  
7           customer, the ILEC switch would send to WorldCom a SS7 message requesting  
8           an open local interconnection trunk for transmission and alerting WorldCom of  
9           the called party's number.

10           In response to the ILEC's SS7 message, WorldCom would respond with  
11           appropriate SS7 messages, advising of the available local interconnection trunk  
12           path between the carriers' local switches and that the called party's line is not  
13           busy. At the same time, WorldCom's local switch would analyze the dialed  
14           number (in the same way it would any incoming call) and signal the customer's  
15           customer premises equipment -- by providing "ring current" or its equivalent --  
16           that an incoming call is being attempted.

17           At the originating end, in response to the SS7 signaling information from  
18           WorldCom, the ILEC's local switch would route the call to the available local  
19           interconnection trunk path for completion by WorldCom.

20           When the called party (the WorldCom end user customer) goes "off  
21           hook," the WorldCom local switch senses that the call has been answered and  
22           completes the call, and provides to the ILEC an SS7 message ("address  
23           complete" or "answer") notifying that the call has been answered. That message

1           instructs both carriers' networks to keep up the connection which has been  
2           established between the two end users on the two networks, until one or the other  
3           of the end users goes "on hook", signaling that the call is finished and the  
4           connection can be taken down.

5   **Q.   HOW LONG DOES IT TAKE FOR THE NETWORKS TO COMPLETE**  
6   **THE VARIOUS STEPS YOU HAVE DESCRIBED?**

7   A.   All of the steps occur almost instantaneously.

8   **Q.   WITH RESPECT TO COMPENSATION AS BETWEEN CARRIERS FOR**  
9   **THE TRANSPORT AND DELIVERY OF ISP-BOUND TRAFFIC, WHAT**  
10   **RULES CURRENTLY GOVERN?**

11   A.   Generally, when two (or more) interconnecting carriers collaborate to deliver a  
12       call, the carriers are compensated for carrying that traffic through either  
13       reciprocal compensation or access charges. When two LECs jointly provide  
14       interstate access (e.g., by delivering a call to an interexchange carrier), the  
15       carriers will share access revenues received from the interstate service provider.  
16       Conversely, when two LECs collaborate to complete a local call, the originating  
17       carrier is compensated by its end user and the terminating carrier is entitled to  
18       reciprocal compensation pursuant to section 251(b)(5) of the Act. Section  
19       251(b)(5) of the Act requires all LECs "to establish reciprocal compensation  
20       arrangements for the transport and termination of telecommunications." In *the*  
21       *Local Competition Order*, the FCC construed this provision to apply only to the  
22       transport and termination of "local" telecommunications traffic.

1           At the same time, however, as discussed above, ISP-bound traffic has  
2           been treated as local traffic for many years. Moreover, BellSouth has no means,  
3           other than mere estimations, of determining what ISP-bound traffic it delivers to  
4           WorldCom or to any other ALEC. Thus BellSouth has no means to distinguish  
5           or segregate ISP-bound traffic from other traffic that originates on the BellSouth  
6           network, is transported to an ALEC having a switch, and is delivered to the  
7           ALEC's ISP customer – all located within the same local calling area.

8   **Q.   HAS THE FCC ISSUED ANY DECISIONS REGARDING ISP-BOUND**  
9   **TRAFFIC?**

10  A.   Yes. The FCC issued its *Declaratory Ruling in CC Docket No. 96-98 and Notice*  
11   *of Proposed Rulemaking in CC Docket No. 99-68 (“Declaratory Ruling”), In the*  
12   Matter of Implementation of the Local Competition Provisions in the  
13   Telecommunications Act of 1996 and Inter-Carrier Compensation for ISP-  
14   Bound Traffic, released February 26, 1999.

15  **Q.   WHAT DID THE FCC CONCLUDE IN THE DECLARATORY RULING?**

16  A.   In the *Declaratory Ruling*, the FCC concluded that ISP-bound traffic is  
17   “jurisdictionally mixed and appears to be largely interstate.” Yet this conclusion  
18   “does not in itself determine whether reciprocal compensation is due in any  
19   particular instance.” *Id.*, paragraph 1. Indeed, the FCC specifically affirmed the  
20   right of state commissions to determine that reciprocal compensation should be  
21   paid for ISP-bound traffic. *Id.* ¶ 25.

22  **Q.   HAS ANY JUDICIAL REVIEW OF THE DECLARATORY RULING**  
23  **OCCURRED?**

1 A. Yes. Indeed, in ruling on the *Declaratory Ruling*, the D.C. Circuit Court of  
2 Appeal rejected each of the RBOCs' claims: that calls to ISPs must be viewed  
3 on an end-to-end basis to determine whether they are local traffic, and that calls  
4 do not terminate at the ISP; that the fact that access charges do not apply to this  
5 traffic demonstrates that these calls are interstate; and that prior FCC law  
6 supports the analysis used in the *Declaratory Ruling*. *Bell Atlantic Telephone*  
7 *Companies v. Federal Communications Commission*, 206 F.3d 1 (D.C.Cir. 2000)  
8 With *Bell Atlantic*, there is substantial reason to doubt whether the FCC would  
9 ever be able to adequately justify any decision characterizing ISP traffic as  
10 "interstate access service" that does not terminate on the ALEC's network. I say  
11 this for several reasons:

12 First, the D.C. Circuit ruled that the FCC's jurisdictional "end-to-end  
13 analysis" in the *ISP Declaratory Ruling*, which, like BellSouth, ignored prior  
14 FCC decisions and the relevant definitions in the Act, including "exchange  
15 access," is inapplicable to the reciprocal compensation arena. (*Bell Atlantic* at 6-  
16 7). The D.C. Circuit stated:

17 In fact, the extension of "end-to-end" analysis from  
18 jurisdictional purposes to the present context yields  
19 *intuitively backwards results* . . . . [The] arguments  
20 supporting use of the end-to-end analysis in the  
21 jurisdictional analysis are not obviously transferable  
22 to this context.

23  
24 (*Id.* at 6, emphasis added.)

25 According to the Court, the FCC in the *Declaratory Ruling* had provided  
26 no "explanation why [an "end to end analysis"] is relevant to discerning whether  
27 a call to an ISP should fit within the local call model of two collaborating LECs

1 or the long-distance model of a long-distance carrier collaborating with two  
2 LECs.” *Id.* at 5.

3 Second, the D.C. Circuit held that the FCC ignored its own definition of  
4 “termination,” which occurs with “switching . . . at the terminating carrier’s end  
5 office (or equivalent facility) and delivery of that traffic from that switch to the  
6 called party’s premises.” (*Implementation of the Local Competition Provisions of*  
7 *the Telecommunications Act of 1996, CC Docket No. 96-98, First Report and*  
8 *Order, FCC 96-325 (“Local Competition Order”), ¶ 1040. Under that*  
9 regulation, which took effect in August 1996:

10 Calls to ISPs appear to fit this definition [of termination]: the  
11 traffic is switched by the LEC whose customer is the ISP and  
12 then delivered to the ISP, ***which is clearly the called party.***

13  
14 (*Id.* at 6, emphasis added.)

15 Thus calls to ISPs “terminate” within a local calling area, as a result of  
16 switching by a local exchange carrier like WorldCom and delivery by that carrier  
17 to the ISP located within the local calling area.

18 Moreover, telecommunications service ***does*** terminate at the ISP because  
19 ISPs provide customers with ***information services***, not telecommunication  
20 services. The D.C. Circuit concluded that calls to ISPs terminate at the ISP  
21 because the information services that an ISP provides are distinct from the  
22 separate telecommunications service used to connect the caller to the ISP. As  
23 the D.C. Circuit stated:

24 ISPs . . . are “information service providers,” . . . which upon  
25 receiving a call ***originate*** further communications to deliver  
26 and retrieve information to and from distant websites . . . .

1                   **Although ISPs use telecommunications services to provide**  
 2                   information services, they are not telecommunications  
 3                   providers (as are long-distance carriers).

4  
 5                   (*Id.*, at 6-7, emphasis added.)

6                   Third, the D.C. Circuit held that calls to ISPs are not like long-distance  
 7                   calls. (*Id.* at \*8). In so deciding, the D.C. Circuit discerned that the cases the  
 8                   FCC relied upon in the *ISP Declaratory Ruling*, in applying its jurisdictional end-  
 9                   to-end analysis, were "not on point." (*Id.* at 6). The D.C. Circuit observed that  
 10                  “(t)he [FCC] acknowledged in a footnote that the cases it relied upon were  
 11                  distinguishable, but dismissed the problem out-of-hand.” (*Id.* at 6). The  
 12                  footnote, in which the FCC had attempted to justify its reliance on these cases,  
 13                  states

14                   Although the cited cases involve interexchange carriers  
 15                   rather than ISPs, and the [FCC] has observed that *it is not*  
 16                   *clear that [information service providers] use the public*  
 17                   *switched network in a manner analogous to IXCs,*’ the  
 18                   [FCC’s] observation does not affect the jurisdictional  
 19                   analysis.”

20  
 21                  (*Id.*, quoting *ISP Declaratory Ruling*, at ¶12, n36, which quotes the *Access*  
 22                  *Charge Reform Order*, 12 FCC Rcd at 16133 (¶ 345) (1997), emphasis  
 23                  added.)

24                  The D.C. Circuit, in vacating the *ISP Declaratory Ruling*, however,  
 25                  concluded:

26                   It is not clear how this helps the [FCC]. Even if the  
 27                   difference between ISPs and traditional long-distance  
 28                   carriers is irrelevant for jurisdictional purposes, it appears  
 29                   relevant for purposes of reciprocal compensation.  
 30                   ***Although ISPs use telecommunications to provide***  
 31                   ***information service, they are not themselves***  
 32                   ***telecommunications providers (as are long-distance***



1 *carriers*). In this regard an ISP appears, as MCI  
 2 WorldCom argued, no different from many businesses,  
 3 such as 'pizza delivery firms, travel reservation agencies,  
 4 credit card verification firms or taxicab companies,' which  
 5 use a variety of communication services to provide their  
 6 goods or services to their customers.  
 7

8 (*Bell Atlantic* at 6-7, citations and paragraph break omitted, emphasis added.)

9 The D.C. Circuit stated:

10 [The FCC has] referred to calls to information service  
 11 providers as local ... When accused of inconsistency  
 12 in the present matter, the [FCC] flipped the argument  
 13 on its head, arguing that its exemption of ESPs from  
 14 access charges actually confirms 'its understanding  
 15 that ESPs in fact use interstate access service;  
 16 otherwise, the exemption would not be necessary.' ...  
 17 *This is not very compelling.*

18 (*Id.* at 8, emphasis added.) The Court vacated the *Declaratory Ruling* for want of  
 19 reasoned decision-making, and remanded to the FCC for further proceedings.

20 *Thus the D.C. Circuit Court has rejected every basis for BellSouth's*  
 21 *position. There is now no FCC order regarding this issue that even suggests*  
 22 *that calls to ISPs are anything but local, and the Court's analysis strongly*  
 23 *suggests these calls are local.*

24 Nonetheless, I discuss the *Declaratory Ruling* to show that, even under  
 25 the FCC's analysis in that decision, the Commission should adopt WorldCom's  
 26 position.

27 **Q. PLEASE DISCUSS THE DECLARATORY RULING.**

28 A. The FCC in the *Declaratory Ruling* acknowledged that "our policy of treating  
 29 ISP-bound traffic as local for purposes of interstate access charges would, if  
 30 applied in the separate context of reciprocal compensation, suggest that such

1 compensation is due for that traffic.” The FCC also stated in paragraph 24 that  
2 since there was no contrary federal rule:

3 parties entering into interconnection agreements may  
4 reasonably have agreed, for the purposes of determining  
5 whether reciprocal compensation should apply to ISP-  
6 bound traffic, that such traffic should be treated in the  
7 same manner as local traffic.  
8

9 Thus a state commission decision to impose reciprocal compensation obligations  
10 in an arbitration proceeding would not conflict with any FCC rule. *Id.* ¶ 26.  
11 Indeed, the FCC set forth a number of factors that a state commission could  
12 consider in determining whether reciprocal compensation should apply to ISP-  
13 bound traffic.

14 A review of these factors would indicate that reciprocal compensation  
15 should be applicable here. For example: (i) ISP traffic is indistinguishable from  
16 other local traffic and is carried on the same local interconnection trunks; (ii)  
17 BellSouth customers dial a local number to reach their ISP; (iii) BellSouth treats  
18 calls by its customers to an ISP as local calls, and does not bill those calls; (iv)  
19 ISPs purchase service out of local business tariffs; and (v) BellSouth has treated  
20 calls to ISPs as local calls in the jurisdictional separations documents filed with  
21 the FCC.

22 **Q. HAS THE FCC CONSIDERED ADOPTING A FEDERAL RULE TO**  
23 **GOVERN COMPENSATION OF ISP-BOUND TRAFFIC?**

24 A. Yes. On June 23, 2000, the FCC solicited comments on the issues raised by the  
25 D.C. Circuit's decision. (Public Notice FCC 00-227 in CC Dockets 96-98 and

1 99-69) The comment period is now closed, and further rulemaking activity  
2 should be forthcoming.

3 **Q. WHAT CONSIDERATIONS, GIVEN THE LONG-STANDING**  
4 **TREATMENT OF ISP-BOUND TRAFFIC AND THE STATUS OF**  
5 **THIS ISSUE BEFORE THE FCC, SHOULD THE COMMISSION**  
6 **REGARD AS PARAMOUNT IN DECIDING THIS ISSUE?**

7 A. Besides the analysis provided above, an important consideration, with respect to  
8 this arbitration, is that, as acknowledged by the FCC, “no matter what the  
9 payment arrangement, LECs incur a cost when delivering traffic to an ISP that  
10 originates on another LEC's network.” *Id.* at paragraph 29.

11 Most states, including Florida, which have addressed this issue have  
12 concluded that reciprocal compensation payments should be made on ISP-bound  
13 traffic. Each of these states has recognized that under the *Declaratory Order* it  
14 possesses the jurisdiction to direct the payment of reciprocal compensation for  
15 ISP-bound traffic. The Commission has certainly ruled on behalf of WorldCom  
16 in the context of an enforcement proceeding, based on our existing  
17 interconnection agreement with BellSouth.

18 Before the *Declaratory Ruling*, the Commission heard several complaint  
19 proceedings against BellSouth for breach of the parties' interconnection  
20 agreements, and in every case the Commission ruled in favor of the ALEC. *E.g.*,  
21 Order No. PSC-98-1216-FOF-TP issued September 15, 1998, in a consolidated  
22 docket involving WorldCom, Teleport Communications Group, Intermedia  
23 Communications, Inc. and MCImetro.

1 **Q. WHAT IS YOUR RECOMMENDATION ON THIS ISSUE?**

2 A. At a minimum, the Commission should stay the course with its previous  
3 conclusions and require that the provisions of the parties' previous agreement,  
4 which requires reciprocal compensation for ISP-bound traffic, stay in effect. In  
5 my judgment, however, the Commission should go further and require that the  
6 new agreement affirmatively contain WorldCom's proposed language which  
7 explicitly treats ISP-bound traffic as local traffic.

8  
9

**ISSUE 51**

10 *Under what circumstances Is BellSouth required to pay tandem charges*  
11 *when MCIW terminates BellSouth local traffic? (Attachment 4, Sections*  
12 *9.4, 10.4.2, 10.4.2.3.)*

13  
14

15 **Q. WHAT LANGUAGE HAVE THE PARTIES PROPOSED CONCERNING**  
16 **THIS ISSUE?**

17 A. WorldCom has proposed the following language:

18 10.4.2 Where MCIw's switch serves a geographic area  
19 comparable to the area served by BellSouth's tandem switch,  
20 MCIw shall charge BellSouth the same rates BellSouth would  
21 charge MCIw for transport and termination of Local Traffic from  
22 BellSouth's tandem switch to BellSouth's End Users.  
23

24 10.4.2.1 Transport (where used) -- compensation for the  
25 transmission and any necessary tandem switching of Local  
26 Traffic.  
27

28 10.4.2.2 The rate for common transport is set forth in Table 1 of  
29 Attachment I under the heading "Local Interconnection (Call  
30 Transport and Termination)." For the purposes of this Section,  
31 both Parties shall bill each other the average mileage of all End  
32 Offices subtending the applicable BellSouth Tandem Office.  
33

34 10.4.2.3 The rate for tandem switching is set forth in Table 1 of  
35 Attachment I under the heading "Local Interconnection (Call

1 Transport and Termination).” The tandem switching rate includes  
 2 any switching by subtending Tandem Offices. Where MCIIm’s  
 3 Switch serves a geographic area comparable to the area served by  
 4 BellSouth’s Tandem Switch, MCIIm shall charge BellSouth for  
 5 transport in accordance with this Section.  
 6

7 BellSouth has proposed the following language (except for the bold language  
 8 proposed by WorldCom):

9 9.4 The Parties shall provide for the mutual and reciprocal  
 10 recovery of the costs for the elemental functions performed in  
 11 transporting and terminating local traffic on each other’s network.  
 12 The Parties agree that the rates for transport and termination of  
 13 calls on its respective networks are as set forth in Attachment 1 of  
 14 this Agreement. **The rates for transport and termination of**  
 15 **Local Traffic that BellSouth and MCIIm charge each other are**  
 16 **set forth in Attachment 1 of this Agreement.**

17  
 18 9.4.1 For the purposes of this Attachment, Common (Shared) Transport  
 19 is defined as the transport of the originating Party’s traffic by the  
 20 terminating Party over the terminating Party’s common (shared) facilities  
 21 between the terminating Party’s tandem switch and end office switch  
 22 and/or between the terminating Party’s tandem switches.  
 23

24 9.4.2 For the purposes of this Attachment, Tandem Switching is defined  
 25 as the function that establishes a communications path between two  
 26 switching offices through a third switching office (the Tandem switch).  
 27

28 9.4.3 For the purposes of this Attachment, End Office Switching is  
 29 defined as the function that establishes a communications path between  
 30 the trunk side and line side of the End Office switch.  
 31

32 9.4.4 If MCIIm utilizes a switch outside the LATA and BellSouth chooses  
 33 to purchase dedicated or common (shared) transport from MCIIm for  
 34 transport and termination of BellSouth originated traffic, BellSouth will  
 35 pay MCIIm no more than the airline miles between the V & H coordinates  
 36 of the Point of Interconnection within the LATA where MCIIm receives  
 37 the BellSouth-originated traffic and the V & H coordinates of a point on  
 38 the LATA boundary in the direction of the MCIIm switch or at a point  
 39 otherwise agreed to by the Parties. For these situations, BellSouth will  
 40 compensate MCIIm at either dedicated or common (shared) transport rates  
 41 specified in Attachment 1 of this Agreement and based upon the functions  
 42 provided by MCIIm as defined in this Attachment.  
 43

1 9.4.5 Neither Party shall represent Switched Access Services traffic as  
2 Local Traffic for purposes of payment of reciprocal compensation.

3  
4 9.4.6 If MCI does not identify such traffic to BellSouth, to the best of  
5 BellSouth's ability BellSouth will determine which whole MCI  
6 NPA/NXXs on which to charge the applicable rates for originating  
7 intrastate network access service as reflected in BellSouth's Intrastate  
8 Access Service Tariff. BellSouth shall make appropriate billing  
9 adjustments if MCI can provide sufficient information for BellSouth to  
10 determine whether said traffic is local or toll.

11  
12 **Q. WHAT ARE THE PARTIES' POSITIONS ON THIS ISSUE?**

13 A. WorldCom's position is that BellSouth should be required to pay WorldCom  
14 transport and termination charges at the same rates BellSouth charges to transport  
15 and terminate traffic from its tandem switches whenever WorldCom uses a  
16 switch that provides functionality equivalent to that of a tandem switch. In  
17 particular, BellSouth should pay the tandem rate whenever a WorldCom switch  
18 serves a geographic area that is comparable to the area served by a BellSouth  
19 tandem switch. BellSouth's position is that WorldCom may not charge the  
20 tandem rate unless it uses a tandem switch in the same network configuration  
21 used by BellSouth.

22 **Q. WHAT PRINCIPLES DID THE FCC ESTABLISH IN THE LOCAL**  
23 **COMPETITION ORDER FOR RECIPROCAL COMPENSATION**  
24 **TO BE PAID TO ALECS?**

25 A. After establishing how reciprocal compensation rates would be determined for  
26 ILECs, the FCC turned to the question of what rates should apply to ALECs.  
27 The FCC concluded that the ILECs' reciprocal compensation rates should be  
28 adopted as the "presumptive proxy" for the ALECs' rates – in other words, the  
29 rates were required to be the same. *Local Competition Order*, ¶ 1085. The only

1 exception to this rule arises when an ALEC establishes that its transport and  
2 termination costs are *higher* than those of the ILEC. *Local Competition Order*, ¶  
3 1089; FCC Rule 51.711(b). The FCC provided a number of reasons for ordering  
4 symmetrical treatment, including the following:

- 5 1. Typically the ILEC and ALEC will be providing service in the same  
6 geographic area, so their forward-looking costs should be the same in  
7 most cases. *Local Competition Order*, ¶ 1085.
- 8 2. Imposing symmetrical rates would not reduce carriers' incentives to  
9 minimize their internal costs. ALECs would have the correct incentives  
10 to minimize their costs because their termination revenues would not vary  
11 directly with changes in their costs. At the same time, ILECs would have  
12 the incentive to reduce their costs because they could be expected to  
13 transport and terminate much more traffic originating on their own  
14 networks than on ALECs' networks. Thus, even assuming ILEC cost  
15 reductions immediately were translated into lower transport and  
16 termination rates, any reduction in reciprocal compensation revenues  
17 would be more than offset by having a more cost-effective network.  
18 *Local Competition Order*, ¶ 1086.
- 19 3. Symmetrical rates might reduce ILECs' ability to use their bargaining  
20 power to negotiate high termination rates for themselves and low  
21 termination rates for ALECs. *Local Competition Order*, ¶ 1087.

22 **Q. WHAT DID THE FCC CONCLUDE CONCERNING SYMMETRY**  
23 **OF TANDEM INTERCONNECTION RATES?**

1 A. The FCC stated the following in paragraph 1090 of the *Local Competition*

2 *Order*:

3 We find that the “additional costs” incurred by a LEC when  
 4 transporting and terminating a call that originated on a competing  
 5 carrier’s network are likely to vary depending on whether tandem  
 6 switching is involved. We, therefore, conclude that states may  
 7 establish transport and termination rates in the arbitration process  
 8 that vary according to whether the traffic is routed through a  
 9 tandem switch or directly to the end-office switch. In such event,  
 10 states shall also consider whether new technologies (e.g., fiber  
 11 ring or wireless networks) perform functions similar to those  
 12 performed by an incumbent LEC’s tandem switch and thus,  
 13 whether some or all calls terminating on the new entrant’s  
 14 network should be priced the same as the sum of transport and  
 15 termination via the incumbent LEC’s tandem switch. *Where the*  
 16 *interconnecting carrier’s switch serves a geographic area*  
 17 *comparable to that served by the incumbent LEC’s tandem*  
 18 *switch, the appropriate proxy for the interconnecting carrier’s*  
 19 *additional costs is the LEC tandem interconnection rate.*

20

21 (Emphasis added.)

22 **Q. PLEASE EXPLAIN WHAT THIS LANGUAGE MEANS IN PRACTICAL**  
 23 **TERMS.**

24 A. The FCC reached three conclusions. First, it is appropriate to establish an  
 25 additional rate for ILECs when they use a tandem switch in the transport and  
 26 termination of ALECs’ local traffic. Second, states may consider whether some  
 27 or all calls terminated by an ALEC may be priced at that higher rate if the ALEC  
 28 uses alternative technologies or architectures to perform functions similar to  
 29 those performed by the ILEC’s tandem switch. Third, the higher rate *must* be  
 30 applied when the ALEC’s switch serves a geographic area comparable to that  
 31 served by the ILEC’s tandem switch.



1 **Q. MUST AN ALEC PROVIDE TANDEM SWITCHING, AS BELLSOUTH**  
 2 **CONTENDS, TO OBTAIN THE HIGHER TANDEM RATE?**

3 A. Absolutely not. When the ALEC's switch serves an area comparable to the area  
 4 served by an ILEC tandem switch, the ALEC *automatically* is entitled to receive  
 5 the tandem interconnection rate in addition to the end office interconnection rate.  
 6 In other words, the FCC created a "safe harbor" for ALECs that meet the  
 7 geographic comparability test. When that test is satisfied, no proof of functional  
 8 comparability is required and the ALEC is entitled to the higher rate.

9 **Q. HOW DOES THE FCC'S CODIFICATION OF THIS PRINCIPLE BEAR**  
 10 **ON YOUR ANALYSIS?**

11 A. It confirms my analysis. FCC Rule 51.711(a) provides as follows:

12 (a) Rates for transport and termination of local  
 13 telecommunications traffic shall be symmetrical, except as  
 14 provided in paragraphs (b) and (c) of this section. [These  
 15 exceptions do not apply here.]

16  
 17 (1) For purposes of this subpart, symmetrical rates are  
 18 rates that a carrier other than an incumbent LEC assesses  
 19 upon an incumbent LEC for transport and termination of  
 20 local telecommunications traffic equal to those that the  
 21 incumbent LEC assesses upon the other carrier for the  
 22 same services.

23 (2) In cases where both parties are incumbent LECs, or  
 24 neither party is an incumbent LEC, a state commission  
 25 shall establish the symmetrical rates for transport and  
 26 termination based on the larger carrier's forward-looking  
 27 costs.

28  
 29 (3) *Where the switch of a carrier other than an*  
 30 *incumbent LEC serves a geographic area comparable to*  
 31 *the area served by the incumbent LEC's tandem switch,*  
 32 *the appropriate rate for the carrier other than an*  
 33 *incumbent LEC is the incumbent LEC's tandem*  
 34 *interconnection rate.*

35

1 (Emphasis added.) The FCC could not have been more clear. The geographic  
 2 comparability rule was adopted without exception or qualification. WorldCom's  
 3 proposed language therefore should be adopted.

4 **ISSUE 53**

5  
 6 *Should call jurisdiction be based on the calling party number or on*  
 7 *jurisdictional factors that represent averages? (Attachment 4, Sections*  
 8 *9.6.1 and 10.6.1; Part B, Sections 129-130.)*

9  
 10 **Q. WHAT LANGUAGE HAVE THE PARTIES PROPOSED CONCERNING**  
 11 **DETERMINATION OF THE JURISDICTION OF BILLED TRAFFIC?**

12 A. The parties have proposed the following language in Attachment 4 (with  
 13 WorldCom language in bold and BellSouth language in italics):

14 **10.6.1 The parties will use the calling party number (CPN) to**  
 15 **determine the jurisdiction of billed traffic. If the jurisdiction**  
 16 **of traffic cannot be determined based on the CPN, the parties**  
 17 **will jointly exchange industry standard jurisdictional factors,**  
 18 **such as PIU, PIU, AND PLU.**

19 *9.6.1 The jurisdiction of traffic will be determined based on the*  
 20 *jointly exchanged industry standard jurisdictional factors, such as*  
 21 *PIU and PLU.*

22 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

23 A. Calling party number should be used to the extent possible to determine the  
 24 jurisdiction of billed traffic.

25 **Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?**

26 A. BellSouth contends jurisdictional factors such as PIU and PLU should be used in  
 27 lieu of calling party number, even when calling party number establishes the  
 28 jurisdiction of the call.

29 **Q. WHAT IS THE BASIS FOR WORLDCOM'S POSITION?**

1 A. WorldCom and BellSouth should be as accurate as possible in rendering bills to  
2 one another for call termination. Accuracy in determining whether a given call is  
3 subject to reciprocal compensation payments or access charges is maximized  
4 when the calling party number is used to make the determination. The use of  
5 jurisdictional factors such as percent interstate use (PIU) or percent local use  
6 (PLU) involves the use of averages in lieu of actual data, and is less accurate.  
7 Jurisdictional factors should only be used when calling party number is not  
8 available.

9 WorldCom's proposed language is consistent with practice in the  
10 industry, which is to use call data (to the extent available), rather than  
11 percentages, to determine call jurisdiction. In the great majority of cases, call  
12 data does enable carriers to determine call jurisdiction.

13 **Q. WHAT IS THE APPROPRIATE METHOD FOR THE PARTIES**  
14 **TO USE IN DETERMINING CALL JURISDICTION?**

15 A. The originating carrier should use CPN (or other data such as ANI or BTN) to  
16 determine PLU based on actual data rather than assumptions or the use of  
17 sampling, and provide the PLU to the terminating carrier. The terminating  
18 carrier can then verify the PLU from terminating records for each month's usage  
19 and either ask for clarification or use the PLU for billing.  
20

21 **C. Rights-of-Way, Conduits, Pole Attachments**

22 **ISSUE 67**

23  
24 *When WorldCom has a license to use BellSouth rights-of-way, and*  
25 *BellSouth wishes to convey the property to a third party, should BellSouth*

1 *be required to convey the property subject to WorldCom's license?*  
2 *(Attachment 6, Section 3.6.)*  
3

4 **Q. WHAT LANGUAGE HAS WORLDCOM PROPOSED CONCERNING**  
5 **CONVEYANCES OF BELL SOUTH PROPERTY SUBJECT TO**  
6 **WORLDCOM LICENSE RIGHTS?**

7 A. The parties have agreed to the following language in Attachment 6, except for  
8 the bold language proposed by WorldCom:

9 3.6 No Effect on BellSouth's Right to Convey Property.  
10 Nothing contained in this Attachment or in any license issued  
11 hereunder shall in any way affect the right of BellSouth to convey  
12 to any other person or entity any interest in real or personal  
13 property, including any poles, conduit or ducts to or in which  
14 MCIIm has attached or placed facilities pursuant to licenses issued  
15 under this Section **provided however that BellSouth shall give**  
16 **MCIIm reasonable advance written notice of such intent to**  
17 **convey, and further provided that BellSouth shall only convey**  
18 **the property subject to any licenses granted hereunder.**  
19

20 **Q. WHAT ISSUE GIVES RISE TO THE PARTIES' DISAGREEMENT**  
21 **OVER THIS LANGUAGE?**

22 A. The issue is whether, when WorldCom has a license to use BellSouth rights-of-  
23 way, and BellSouth wishes to convey the property to a third party, BellSouth  
24 should be required to convey the property subject to WorldCom's license.

25 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

26 A. WorldCom should not be required to forfeit its license rights, and possibly strand  
27 facilities, when BellSouth conveys the underlying property.

28 **Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?**

29 A. BellSouth contends it should be able to convey the underlying property without  
30 regard to WorldCom licenses.

1 **Q. WHAT IS THE BASIS FOR WORLDCOM'S POSITION?**

2 A. WorldCom should not be put in the position of investing in facilities and  
3 potentially having them be stranded because BellSouth decides to convey the  
4 underlying property. Further, BellSouth should not be able to sell property in a  
5 way that protects its own facilities but not those of WorldCom (such as by selling  
6 the property subject to its own rights, but not those of WorldCom). BellSouth's  
7 position is that it should be able to transfer property without regard for any  
8 licenses WorldCom has or any improvements it has made. This unreasonable  
9 position should be rejected and WorldCom's language should be incorporated  
10 into the parties' agreement.

11 **ISSUE 68**

12 *Should BellSouth require that payments for make-ready work be made in*  
13 *advance? (Attachment 6, Sections 4.7.3 and 5.6.1.)*

14  
15 **Q. WHAT LANGUAGE HAVE THE PARTIES PROPOSED**  
16 **CONCERNING PAYMENTS FOR PRE-LICENSE SURVEYS AND**  
17 **MAKE-READY WORK?**

18 A. The parties have proposed competing Attachment 6, Sections 4.7.3 and  
19 5.6.1, with BellSouth's language requiring payment in advance for pre-  
20 license surveys and make-ready work, and WorldCom's language not  
21 requiring payment in advance.

22 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

23  
24 A. A requirement for advanced payment for pre-license surveys and make-ready  
25 work would create delays and would not be commercially reasonable.

26 **Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?**

1 A. Advanced payment should be required.

2 **Q. WHAT IS THE BASIS FOR WORLDCOM'S POSITION?**

3 A. A pre-payment requirement would delay the work and would not be  
4 commercially reasonable. BellSouth should be required to begin work once it  
5 has sent WorldCom an invoice stating the amount that will be charged for the  
6 project in question. WorldCom is willing to pay the invoice within fourteen  
7 days, which would give WorldCom time to process payment, and would be  
8 commercially reasonable.

9 **D. Number Portability**

10

**ISSUE 75**

11 *For end users served by INP, should the end user or the end user's local*  
12 *carrier be responsible for paying the terminating carrier for collect calls,*  
13 *third party billed calls or other operator assisted calls? (Attachment 7,*  
14 *Section 2.6.)*

15

16 **Q. WHAT LANGUAGE HAS BELLSOUTH PROPOSED CONCERNING**  
17 **WHO SHOULD BE BILLED FOR COLLECT CALLS, THIRD PARTY**  
18 **BILLED CALLS OR OTHER OPERATOR ASSISTED CALLS, WHEN**  
19 **THE END USER IS SERVED BY INP?**

20 A. BellSouth has proposed the following language in Attachment 7:

21

22 2.6 The calling Party shall be responsible for payment of the  
23 applicable charges for sent-paid calls to the INP number. For  
24 collect, third-Party, or other operator-assisted non-sent paid calls  
25 to the ported telephone number, BellSouth or MCI shall be  
26 responsible for the payment of charges under the same terms and  
27 conditions for which the end user would have been liable for those  
28 charges. Either company may request that the other block collect  
29 and third company non-sent paid calls to the INP assigned  
30 telephone number. If a company does not request blocking, the  
31 other company will provide itemized local usage data for the  
32 billing of non-sent paid calls on the monthly bill of usage charges.

1 provided at the individual end user account level. The detail will  
2 include itemization of all billable usage. Each company shall have  
3 the option of receiving this usage data on a daily basis via a data  
4 file transfer arrangement. This arrangement will utilize the  
5 existing industry uniform standard, known as EMI standards, for  
6 exchange of billing data. Files of usage data will be created daily  
7 for the optional service. Usage originated and recorded in the  
8 sending BellSouth RAO will be provided in unrated or rated  
9 format, depending on processing system. MCI usage originated  
10 elsewhere and delivered via CMDS to the sending BellSouth RAO  
11 shall be provided in rated format.  
12

13 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

14 A. The end user should be responsible for payment. The terminating carrier can  
15 obtain billing information from the end user's local carrier.

16 **Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?**

17 A. BellSouth contends the local carrier should be responsible for payment, claiming  
18 it has no way to bill the end user for such calls.

19 **Q. WHAT IS THE BASIS FOR WORLDCOM'S POSITION?**

20 A. BellSouth has proposed language that would require the party whose end user  
21 served via INP receives a collect call, third party billed or other operator assisted  
22 call be responsible for payment to the other party. For example, if an WorldCom  
23 end user receives a collect call from a BellSouth customer, BellSouth would  
24 propose that it bill WorldCom for the charges, thus imposing on WorldCom the  
25 responsibility for billing the end user and the risk of nonpayment. BellSouth's  
26 proposal is unreasonable. The practice in the industry is for the toll carrier to bill  
27 the end user directly. The toll carrier can obtain the necessary billing  
28 information (for the applicable charge) from the end user's local carrier.  
29

1 **E. Business Process Requirements**

2 **ISSUE 92**

3  
4 *Should the parties be required to follow the detailed guidelines proposed by*  
5 *MCIW with respect to LNP orders? (Attachment 8, Section 3.6.)*  
6

7 **Q. WHAT LANGUAGE HAVE THE PARTIES PROPOSED CONCERNING**  
8 **GUIDELINES FOR LNP ORDERS?**

9 A. The parties have proposed different guidelines in competing language in  
10 Attachment 8, Section 3.6.

11 **Q. WHAT IS THE GIST OF THE PARTIES' DISPUTE?**

12 A. WorldCom proposes that the parties adhere to OBF-approved process flows and  
13 cutover guidelines for LNP ordering. BellSouth wants the parties to follow its  
14 "Local Number Portability Ordering Guide for CLECs" instead. WorldCom  
15 submits that it makes more sense to rely directly on industry standards developed  
16 by the OBF than on a document incorporating BellSouth's interpretation of those  
17 standards.

18 **ISSUE 93**

19 *By when must the parties bill for previously unbilled amounts? By when must*  
20 *they submit bills to one another? (Attachment 8, Sections 4.2.3.4.2, 4.2.3.4.4,*  
21 *4.2.3.4.5 and 4.2.3.5.)*  
22

23 **Q. WHAT LANGUAGE HAVE THE PARTIES PROPOSED**  
24 **CONCERNING TIMELY BILLING?**

25 A. WorldCom has proposed the following language in Attachment 8, with agreed  
26 upon language in normal font, WorldCom language in bold and BellSouth  
27 language in italics:



1 4.2.3.4 The Parties shall provide to each other monthly  
 2 Connectivity Bills that included all Connectivity Charges incurred  
 3 by and credits and/or adjustments due to the Purchasing Party for  
 4 those services ordered, established, utilized, or performed  
 5 pursuant to this Agreement. The Parties shall render bills in a  
 6 single bill cycle. Billing Account Numbers (BANs) shall be  
 7 consolidated by service type according to OBF guidelines and as  
 8 mutually agreed to by the Parties. Bill format shall be in  
 9 compliance with OBF guidelines. Detailed documentation shall  
 10 be sent with the bill for any debit/credit adjustments. Each bill  
 11 provided by either Party shall include:

12 4.2.3.4.2. any known unbilled non-usage sensitive charges  
 13 for prior periods which are incurred under this Agreement  
 14 **on or before one (1) year preceding the Bill Date** *except*  
 15 *to the extent permitted by law;*

16 4.2.3.4.4. any known unbilled usage sensitive charges for  
 17 prior periods which were incurred under this Agreement  
 18 **on or before one (1) year preceding the Bill Date** *except*  
 19 *to the extent permitted by law;*

20 4.2.3.4.5. any known unbilled adjustments, which were  
 21 incurred under this Agreement **on or before one (1) year**  
 22 **preceding the Bill Date** *except to the extent permitted by*  
 23 *law*, and substantiated with complete documentation  
 24 detailing specific adjustments.

25  
 26 4.2.3.5 The Bill Date must be present on each bill transmitted by  
 27 the Parties, and must be a valid calendar date **and not more than**  
 28 **ninety (90) days old.**

29 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

30  
 31 A. Parties must bill for previously unbilled amounts within one year of the bill date.

32 The bill date should be no more than ninety days old.

33 **Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?**

34 A. Parties may bill for previously unbilled amounts until the statute of limitations

35 expires, and there should be no deadline for submitting bills.

36 **Q. WHAT IS THE BASIS FOR WORLDCOM'S POSITION?**

1 A. Ninety days is sufficient time to render a bill and one year is sufficient to account  
 2 for any previously unbilled amounts. Putting reasonable time limitations on  
 3 billing will encourage prompt bills and bill corrections, and will allow the parties  
 4 to close their books on past activity within a reasonable time.

5 **Q. IS WORLDCOM ASKING THAT BELL SOUTH BE HELD TO A  
 6 HIGHER STANDARD THAN IT IS WILLING TO MEET ITSELF?**

7 A. No. WorldCom intends to render its bills to BellSouth under the terms it has  
 8 proposed. WorldCom believes that its proposal to render bills every ninety days  
 9 and to bill all previously unbilled amounts within one year is eminently  
 10 reasonable. Putting reasonable time limitations on billing encourages prompt  
 11 bills and bill corrections, and permits parties to close their books on past activity  
 12 within a reasonable time.

13 **ISSUE 94**

14 *Should BellSouth be permitted to disconnect service to WorldCom for*  
 15 *nonpayment? (Attachment 8, Section 4.2.18.)*  
 16

17 **Q. WHAT LANGUAGE HAVE THE PARTIES PROPOSED CONCERNING  
 18 DISCONNECTION FOR NONPAYMENT?**

19 A. WorldCom has proposed the following language:  
 20

21 4.2.18 Nonpayment. Absent a good faith billing dispute, if payment of  
 22 account is not received by the bill day in the month after the original bill  
 23 day, the billing Party may pursue dispute resolution according to the  
 24 provisions of Part A.

25 BellSouth has proposed the following language:

26 4.2.18.1 Absent a good faith billing dispute, if payment of account is not  
 27 received by the bill day in the month after the original bill day, the billing  
 28 Party may provide written notice to billed party, that additional  
 29 applications for service will be refused and that any pending orders for

1 service will not be completed if payment is not received by the fifteenth  
 2 day following the date of the notice. In addition the billing Party may, at  
 3 the same time, give thirty days notice to the person designated by the  
 4 billed Party to receive notices of noncompliance, and discontinue the  
 5 provision of existing services to the billed Party at any time thereafter  
 6 without further notice.

7

8 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

9

10 A. The parties should not disconnect for nonpayment. The appropriate remedy  
 11 should be determined in dispute resolution.

12 **Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?**

13 A. Disconnection should be an available remedy.

14 **Q. WHAT IS THE BASIS FOR WORLDCOM'S POSITION?**

15 A. Disconnection is a draconian remedy that would have a negative impact on  
 16 consumers. This is not how carriers resolve disputes. If BellSouth determined  
 17 that payment was being withheld in bad faith, it could cut off (or threaten to cut  
 18 off) all of WorldCom's customers being served via resale or UNEs. BellSouth  
 19 should not be able to hold WorldCom's customers hostage so it can maximize its  
 20 bargaining leverage. Dispute resolution is the appropriate remedy when one of  
 21 the parties claims that payment is being withheld in bad faith.

22 The consequences to Florida consumers and to local exchange  
 23 competition are too great to permit BellSouth to have the contractual right to give  
 24 thirty days notice that it will terminate service to its dependent competitor one  
 25 month after a bill is rendered. Customers would have their basic local service cut  
 26 off and would naturally blame WorldCom for terminating service. BellSouth  
 27 should not be granted such leverage (the threat of turning off customers' dial

1 tone) to exact settlement from WorldCom when disputes arise. Normal dispute  
 2 resolution processes, as proposed by WorldCom, should be followed.

3 **ISSUE 96**

4 *Should BellSouth be required to give written notice when a central office*  
 5 *conversion will take place before midnight or after 4 a.m.? (Attachment 8,*  
 6 *Section 6.2.4.)*

7  
 8 **Q. WHAT LANGUAGE HAVE THE PARTIES PROPOSED CONCERNING**  
 9 **NOTIFICATION OF CENTRAL OFFICE CONVERSIONS?**

10 A. WorldCom has proposed the following language in Attachment 8, with agreed  
 11 upon language in normal case, WorldCom language in bold and BellSouth  
 12 language in italics:

13 6.2.4 For services provided through resale, BellSouth agrees to  
 14 provide scheduled maintenance for residential and small business  
 15 subscribers, consisting of cable throws, performed with test sets  
 16 which prevent the subscribers' services from being interrupted  
 17 during the activity. BellSouth shall monitor individual cutover  
 18 work to insure that the service is not in use prior to the cut.  
 19 Central office conversions shall be publicized through the media  
 20 and will occur after midnight and before 4:00A.M., unless MCI  
 21 is provided with **written notification** *notification via web posting*.

22  
 23 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

24 A. Written notice should be required.

25 **Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?**

26 A. Notice via web posting should be required.

27 **Q. WHAT IS THE BASIS FOR WORLDCOM'S POSITION?**

28 A. The parties have agreed that central office conversions will occur after midnight  
 29 and before 4 a.m., unless WorldCom is notified to the contrary. Central office  
 30 conversions can involve taking down ALECs' switched service, and therefore it

1 is critical that WorldCom receive written notice in the event such a conversion is  
2 expected to take place at another time. BellSouth's proposal that notification be  
3 made via web posting is insufficient for transmitting such important information.

4  
5 **F. Ancillary Services**

6 **ISSUE 97**

7 *Should BellSouth be required to provide WorldCom with notice of changes to*  
8 *NPA/NXXs linked to Public Safety Answering Points as soon as such changes*  
9 *occur? (Attachment 9, Section 1.1.6.)*

10  
11 **Q. WHAT LANGUAGE HAS WORLDCOM PROPOSED CONCERNING**  
12 **NOTICE OF CHANGES TO NPA/NXXS LINKED TO PUBLIC SAFETY**  
13 **ANSWERING POINTS?**

14 A. WorldCom has proposed the following language in Attachment 9:

15 1.1.6. BellSouth shall transmit to MCIm all changes, alterations,  
16 modifications, and updates to the emergency public agency  
17 telephone numbers linked to all NPA NXX's as soon as such  
18 changes occur. This transmission will be in a mutually agreed to  
19 electronic format, if and when such an electronic format becomes  
20 available.

21  
22 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

23  
24 A. Obtaining this information is a matter of public safety and it should be provided  
25 as soon as such changes occur.

26 **Q. WHY DOES WORLDCOM REQUIRE NOTICE OF CHANGES TO**  
27 **NPA/NXXs LINKED TO PUBLIC SAFETY ANSWERING**  
28 **POINTS?**

29 A. WorldCom needs this immediate access to this information in order to direct  
30 emergency 911 calls to the correct Public Safety Answering Point ("PSAP"). If a

1 911 call is directed to the wrong PSAP because the correct number has not been  
 2 provided by BellSouth, an emergency situation may go unanswered or may be  
 3 answered in an untimely fashion. The information is critical for public safety  
 4 and is included in the operator services database, which is a UNE BellSouth must  
 5 provide under the Act.

6 **Q. WHY HAS BELL SOUTH REFUSED TO PROVIDE THIS**  
 7 **INFORMATION?**

8 A. BellSouth claims that this information is proprietary and cannot be disclosed.

9 **Q. DOES BELL SOUTH'S POSITION HAVE ANY MERIT?**

10 A. No. Despite BellSouth's claims that the information is proprietary and cannot be  
 11 disclosed (to another LEC) without the consent of the PSAP, it offers no  
 12 evidence that this is so. BellSouth treats the telephone number of a PSAP as  
 13 though it were the same as the number of a residential customer. Obviously, it is  
 14 not. PSAPs are run by official government agencies charged with a public safety  
 15 mission. They have an interest in ensuring that 911 calls are routed to the correct  
 16 site by all telephone companies. The Commission should direct BellSouth to  
 17 provide the notice of changes in PSAP numbers as requested by WorldCom.  
 18 Such a Commission Order should satisfy any concerns BellSouth has regarding  
 19 voluntarily providing the numbers.

20 **ISSUE 99**

21 *Should BellSouth be required to provide MCIW with 10 digit PSAP numbers?*  
 22 *(Attachment 9, Section 1.3.17.)*

23  
 24 **Q. WHAT LANGUAGE HAS WORLDCOM PROPOSED CONCERNING**  
 25 **BELL SOUTH'S PROVISION OF PSAP NUMBERS TO WORLDCOM?**

1 A. WorldCom has proposed the following language in Attachment 9, which  
2 BellSouth has not accepted:

3 1.3.17 BellSouth, where available, shall work with the appropriate  
4 government agency to provide MCI the ten-digit POTS number  
5 of each PSAP which sub-tends each BellSouth selective  
6 router/911 tandem to which MCI is interconnected.  
7

8 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

9 A. WorldCom's position is that BellSouth should be required to provide this  
10 information.

11 **Q. WHAT IS THE BASIS FOR WORLDCOM'S POSITION?**

12 A. A PSAP is a center to which E-911 calls are directed. A PSAP number is a ten  
13 digit number used by telephone companies to route calls to the E-911 center in a  
14 local calling area. Obviously, it is important for WorldCom to obtain PSAP  
15 numbers for public safety purposes. BellSouth has proposed that WorldCom  
16 obtain PSAP numbers from local E-911 authorities because BellSouth believes it  
17 lacks the authority to disclose PSAP numbers to WorldCom. If such  
18 authorization is required, the Commission can provide it in this proceeding. In  
19 addition, the PSAP database is an operator services database to which BellSouth  
20 must provide access under Rule 319. It should be noted that the language  
21 WorldCom is requesting is included in the current BST-WorldCom  
22 interconnection agreement.

23 **ISSUE 100**

24 *Should BellSouth operators be required to ask MCIW customers for their*  
25 *carrier of choice when such customers request a rate quote or time and*  
26 *charges? (Attachment 9, Section 2.2.2.12.)*  
27

1 **Q. WHAT LANGUAGE HAVE THE PARTIES PROPOSED CONCERNING**  
2 **REQUESTS FOR RATE QUOTES AND CHARGES?**

3 A. WorldCom has proposed the following language in Attachment 9, which  
4 BellSouth has not accepted:

5 2.2.2.12 Upon a subscriber request for either a rate quote or time  
6 and charges, BellSouth shall, through a neutral response, inquire  
7 of the subscriber from which carrier the rate or time and charges is  
8 requested. The operator will connect the call to that carrier.  
9

10 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

11 A. BellSouth operators should be required to ask WorldCom customers for their  
12 carrier of choice when they request a rate quote or time charge.

13 **Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?**

14 A. BellSouth's position is that its operators should not be required to inquire as to  
15 the customer's carrier of choice in this situation.

16 **Q. WHAT IS THE BASIS FOR WORLDCOM'S POSITION?**

17 A. One function performed by BellSouth operators is responding to customer  
18 inquiries concerning rates and time charges. For example, a customer may  
19 request the rate for a long distance call from Atlanta to Athens at a certain time  
20 of day, or may ask how long he or she spent on a long distance call and how  
21 much it cost. BellSouth operators today ask the caller for his or her carrier of  
22 choice, and then forward the caller to that carrier.

23 WorldCom's proposed language would require BellSouth operators to  
24 inquire as to the customer's carrier of choice when the caller requests a rate quote  
25 or time and charges, and forward the caller to that carrier. BellSouth has refused



1 to agree to this language. The language proposed by WorldCom is included in  
 2 the current interconnection agreement and is consistent with sound public policy.

3 **Q. WHY SHOULD BELLSOUTH OPERATORS ASK WORLDCOM**  
 4 **CUSTOMERS FOR THEIR CARRIER OF CHOICE WHEN SUCH**  
 5 **CUSTOMERS REQUEST A QUOTE OF TIME AND CHARGES?**

6 A. The contract language proposed by WorldCom applies when BellSouth is  
 7 providing operator services to a WorldCom customer on WorldCom's behalf.  
 8 Given the fact that the service is being provided to an WorldCom customer, and  
 9 that WorldCom is paying BellSouth for providing operator services, it is  
 10 reasonable that BellSouth ask the customer for its carrier of choice, rather than  
 11 assuming that BellSouth is the carrier of choice.

12 **Q. IS WORLDCOM ASKING BELLSOUTH TO PROVIDE A SERVICE**  
 13 **FOR FREE?**

14 A. No it is not. WorldCom pays BellSouth for the operator services on a per minute  
 15 of work time basis. Therefore, BellSouth will be paid for having its operators  
 16 take the time to ask the customer for its carrier of choice.

17 **ISSUE 101**

18 *Is BellSouth required to provide shared transport in connection with the*  
 19 *provision of custom branding? Is MCIW required to purchase dedicated*  
 20 *transport in connection with the provision of custom branding? (Attachment 9,*  
 21 *Sections 2.2.4.3.3, 2.8.1, 2.8.1.1, 3.2.1.1, 3.2.4.3.3, 3.5.2, and 3.5.2.1.)*

22  
 23 **Q. WHAT LANGUAGE HAVE THE PARTIES PROPOSED CONCERNING**  
 24 **ROUTING OF OS/DA TRAFFIC TO BELLSOUTH'S OS/DA**  
 25 **PLATFORMS?**

1 A. The parties have proposed the following language in Attachment 9 (with  
2 BellSouth language in italics and WorldCom language in bold):

3 *2.2.4.3.3 Custom Branding and Self Branding require MCIIm to*  
4 *order dedicated trunking from each BellSouth end office identified*  
5 *by MCIIm, to either the BellSouth Traffic Operator Position*  
6 *System (TOPS) or MCIIm Operator Service Provider. Rates for*  
7 *trunks are set forth in Attachment 1. [This provision concerns*  
8 *OS.]*  
9

10 2.8.1 BellSouth shall route resale and UNE-P Operator Services  
11 traffic to MCIIm's designated platform **using switched access**  
12 **facilities that provide ANI, or in any other manner agreed to**  
13 **by MCIIm. MCIIm shall order selective routing and separate**  
14 **trunk groups to the designated platform for each BellSouth end**  
15 **office identified by MCIIm.**

16  
17 **2.8.1.1 At its option, MCIIm may order, and BellSouth shall**  
18 **provision, separate trunk groups from the BellSouth access tandem**  
19 **or end office to MCIIm's platform, as directed by MCIIm.**  
20

21 3.2.1.1 At MCI's option, BellSouth shall route **all 411, 1411,**  
22 **555-1212 Directory Assistance** traffic to MCIIm's Directory  
23 Assistance Services platform. *MCIIm shall order selective routing*  
24 *and separate trunk groups to the designated platform for each*  
25 *BellSouth end office identified by MCIIm. using FGD signaling*  
26 **either through direct end office trunking or via the access**  
27 **tandem.**  
28

29 *3.2.4.3.3 Custom Branding and Self Branding require MCIIm to*  
30 *order dedicated trunking from each BellSouth end office*  
31 *identified by MCIIm, to either the BellSouth Traffic Operator*  
32 *Position System (TOPS) or MCIIm Operator Service Provider.*  
33 *Rates for trunks are set forth in Attachment 1. [This provision*  
34 *concerns DA.]*  
35

36 **3.5.2 BellSouth shall route resale and UNE-P Directory**  
37 **Assistance traffic to MCIIm's designated platform using**  
38 **switched access facilities that provide ANI, or in any other**  
39 **manner agreed to by MCIIm.**  
40

41 **3.5.2.1 At its option, MCIIm may order, and BellSouth shall**  
42 **provision, separate trunk groups from the BellSouth access**  
43 **tandem or end office to MCIIm's platform, as directed by**  
44 **MCIIm.**

1

2 **Q. WHAT IS THE ISSUE THAT GIVES RISE TO THE PARTIES'**  
3 **DIFFERENCES CONCERNING THIS LANGUAGE?**

4 A. The issue is what means BellSouth must use to transport OS/DA traffic from its  
5 switches to its OS/DA platform, when WorldCom requests branding for such  
6 calls.

7 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

8 A. WorldCom's position is that BellSouth must provide branding for WorldCom's  
9 OS/DA traffic routed to BellSouth's OS/DA platform without requiring  
10 dedicated trunking.

11 **Q. WHAT IS BELLSOUTH'S POSITION?**

12 A. BellSouth maintains that dedicated trunk groups must be used to obtain custom  
13 branding.

14 **Q. WHAT IS THE BASIS FOR WORLDCOM'S POSITION?**

15 A. If WorldCom uses BellSouth's OS/DA platform, it must be able to route its  
16 OS/DA traffic there in an efficient manner and obtain custom branding. Custom  
17 branding involves BellSouth branding calls to its OS/DA platform in the name of  
18 the ALEC whose customer is calling. FCC rules provide as follows:

19 The refusal of a providing local exchange carrier (LEC) to comply  
20 with the reasonable request of a competing provider that the  
21 providing LEC rebrand its operator services and directory  
22 assistance, or remove its brand from such services, creates a  
23 presumption that the providing LEC is unlawfully restricting  
24 access to its operator services and directory assistance. The  
25 providing LEC can rebut this presumption by demonstrating that it  
26 lacks the capability to comply with the competing provider's  
27 request.

28

1 47 C.F.R. § 51.217(d). WorldCom's request is that BellSouth brand WorldCom's  
 2 calls without requiring dedicated trunking to do so. When WorldCom does not  
 3 have enough traffic coming from a particular BellSouth end office to justify  
 4 dedicated trunking for OS/DA traffic, it must be able to use shared transport.  
 5 Both Bell Atlantic and SBC have developed the capability to provide branding  
 6 from OS/DA calls using shared transport. BellSouth can provide the same  
 7 capability, and should be required to do so.

8 **Q. WHY IS THIS AN IMPORTANT ISSUE?**

9 A. When WorldCom begins offering service via UNE-P on a mass market basis, it  
 10 will not, at least initially, have sufficient OS/DA traffic volumes to justify  
 11 dedicated trunking. Under BellSouth's proposal, WorldCom would have to  
 12 obtain dedicated trunks to every end office where it had even a single customer  
 13 served by UNE-P. This is clearly an inefficient and costly arrangement that  
 14 would impede the development of local competition.

15 **ISSUE 102**

16 *Should the parties provide "inward operator services" through local*  
 17 *interconnection trunk groups using network routable access codes BellSouth*  
 18 *establishes through the LERG? (Attachment 9, Sections 2.6.1-2.6.4.)*  
 19

20 **Q. WHAT LANGUAGE HAS WORLDCOM PROPOSED CONCERNING**  
 21 **INWARD OPERATOR SERVICES?**

22 A. WorldCom has proposed the following language in Attachment 9, with the  
 23 disputed language shown in bold:

24 2.6.1 If MCIIm does not use BellSouth's operator services for  
 25 Operator Call Processing, MCIIm may order Inward Operator  
 26 Services from BellSouth.  
 27

1           2.6.2 Inward Operator Services allows the MCIIm operator to  
 2 route inward to a BellSouth operator when a MCIIm end user has  
 3 requested the busy line verification and/or interruption of a  
 4 BellSouth end user's line (and/or end user lines for which  
 5 Operator Call Processing is performed on behalf of other LECs by  
 6 BellSouth.) At the request of the MCIIm operator, the BellSouth  
 7 operator shall check for conversation. If the BellSouth operator  
 8 hears "scrambled" conversation, the BellSouth operator shall  
 9 perform an interruption if requested. The BellSouth operator shall  
 10 report the results to the MCIIm operator who shall report to the  
 11 MCIIm end user.

12  
 13           2.6.3 MCIIm, at its option, may order, and BellSouth shall  
 14 provision, trunks from its own operator services platform directly  
 15 to BellSouth's operator service center. **Alternatively, MCIIm**  
 16 **may use the Local Interconnection Trunk Groups using the**  
 17 **network-routable access codes BellSouth establishes in the**  
 18 **LERG.**

19  
 20           2.6.4 **Where INP/LNP is deployed and when a BLV/BLVI**  
 21 **request for a ported number is directed to a BellSouth**  
 22 **operator and the query is not successful (for example, the**  
 23 **request yields an abnormal result), the BellSouth operator**  
 24 **shall confirm whether the number has been ported and shall**  
 25 **direct the request to the appropriate operator.**

26  
 27 **Q.     WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

28  
 29 **A.     Local interconnection trunks often afford the most efficient way to provide this**  
 30 **service and should be provided.**

31 **Q.     WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?**

32 **A.     Dedicated trunks must be ordered before this service can be provided,**  
 33 **otherwise BellSouth will be forced to use the operator codes in end**  
 34 **offices.**

35 **Q.     WHAT IS THE BASIS FOR WORLDCOM'S POSITION?**

36 **A.     WorldCom is proposing that the parties be able to order trunking for inward**  
 37 **operator services (i.e., operator-to-operator calls) in two ways: (a) direct trunks**

1 from the WorldCom operator services platform directly to BellSouth's operator  
2 services center; and (b) through local interconnection trunk groups using network  
3 routable access codes BellSouth establishes in the LERG. BellSouth only is  
4 willing to provide operator-to-operator calls via direct trunks. Because local  
5 interconnection trunks often will afford the most efficient means of providing  
6 this service, BellSouth should be required to provide the service using either  
7 method as requested by WorldCom.

8 **Q. DOES BELLSOUTH ACKNOWLEDGE THAT OPERATOR TO**  
9 **OPERATOR TRAFFIC IS SENT VIA SPECIAL CODES AVAILABLE**  
10 **TO THE OPERATORS AS NOTED IN WORLDCOM'S PROPOSAL?**

11 A. Yes.

12 **Q. WHY THEN DOES BELLSOUTH OPPOSE WORLDCOM'S PROPOSED**  
13 **CONTRACT LANGUAGE?**

14 A. I believe that BellSouth misunderstands the language proposed by WorldCom  
15 because WorldCom's proposal would not require BellSouth to use the operator  
16 codes in any end offices.

17 **Q. PLEASE ELABORATE.**

18 A. The proposal made by WorldCom would work as follows: WorldCom's  
19 operator would dial the appropriate code for the BellSouth operator and the call  
20 would route over the local interconnection trunk to BellSouth's access tandem to  
21 BellSouth's operator services platform. The routing has nothing to do with  
22 BellSouth end offices. Indeed, WorldCom operator services platforms do not  
23 subtend BellSouth end offices and there is no need for them to do so.

1 **Q. WHAT SHOULD THE COMMISSION DO?**

2 A. The Commission should adopt the contract language proposed by WorldCom.

3

4

**ISSUE 103**

5 *Should BellSouth operators be required to connect WorldCom*  
 6 *subscribers dialing "0" and requesting directory assistance to any*  
 7 *directory assistance platform designated by MCI WorldCom?*  
 8 *(Attachment 9, Section 2.7.2.)*  
 9

10 **Q. WHAT LANGUAGE HAS WORLDCOM PROPOSED CONCERNING**  
 11 **CONNECTING WORLDCOM CUSTOMERS DIALING "0" TO THE**  
 12 **DIRECTORY ASSISTANCE PLATFORM DESIGNATED BY**  
 13 **WORLDCOM?**

14 A. WorldCom has proposed the following language in Attachment 9:

15 2.7.2 BellSouth will connect the MCI<sub>m</sub> subscribers dialing "0" to  
 16 any Directory Assistance platform designated by MCI<sub>m</sub>.  
 17 BellSouth may charge MCI<sub>m</sub> as specified in Attachment I.  
 18

19 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

20

21 A. BellSouth operators should not automatically route calls for directory assistance  
 22 from WorldCom customers to the BellSouth directory assistance platform, but  
 23 should follow the routing instructions provided by WorldCom.

24 **Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?**

25

26 A. BellSouth's position is that its operator services platform does not have the  
 27 capability to connect to WorldCom's directory assistance platform and that  
 28 BellSouth is not required to enable WorldCom to do so.

1 **Q. WHY SHOULD BELLSOUTH BE REQUIRED TO CONNECT THESE**  
 2 **CALLS TO WORLDCOM'S DESIGNATED DIRECTORY ASSISTANCE**  
 3 **PLATFORM?**

4 A. There are several reasons. First, the customer that would be impacted by this  
 5 provision would be an WorldCom customer who was trying to reach  
 6 WorldCom's directory assistance service but dialed "O" in error. The fact that  
 7 the customer misdialed does not entitle BellSouth to snare the call, like a spider  
 8 with a fly that has strayed into its web. Second, WorldCom will have to pay  
 9 BellSouth for the operator's service, so BellSouth will be compensated for  
 10 routing of the call to WorldCom. Finally, BellSouth should route the call to  
 11 WorldCom's directory assistance platform as a matter of parity: If a BellSouth  
 12 customer dials "O" and asks for directory assistance, BellSouth will route the  
 13 call to BellSouth's directory assistance platform. If an WorldCom customer  
 14 dials "O" and asks for directory assistance, BellSouth should route the call to  
 15 WorldCom's directory assistance platform.

16 **G. General Terms and Conditions**

17 **ISSUE 107**

18 *Should the parties be liable in damages, without a liability cap, to one*  
 19 *another for their failure to honor in one or more material respects any*  
 20 *one or more of the material provisions of the Agreements? (Part A,*  
 21 *Sections 11.1.1 and 11.1.2.)*

22  
 23 **Q. WHAT LANGUAGE HAVE THE PARTIES PROPOSED CONCERNING**  
 24 **A LIABILITY CAP?**

25 A. WorldCom has proposed the following language in Part A (disputed language is  
 26 shown in bold):



1 11.1. Liability Cap.  
2

3 11.1.1 With respect to any claim or suit, whether based in contract, tort  
4 or any other theory of legal liability, by MCI<sub>m</sub>, any MCI<sub>m</sub> customer or  
5 by any other person or entity, for damages associated with any of the  
6 services provided by BellSouth pursuant to or in connection with this  
7 Agreement, including but not limited to the installation, provision,  
8 preemption, termination, maintenance, repair or restoration of service,  
9 and subject to the provisions of the remainder of this Section, BellSouth's  
10 liability shall be limited to an amount equal to the proportionate charge  
11 for the service provided pursuant to this Agreement for the period during  
12 which the service was affected. Notwithstanding the foregoing, claims for  
13 damages by MCI<sub>m</sub>, any MCI<sub>m</sub> customer or any other person or entity  
14 resulting from the gross negligence or willful misconduct of BellSouth  
15 **and claims for damages by MCI<sub>m</sub> resulting from the failure of**  
16 **BellSouth to honor in one or more material respects any one or more**  
17 **of the material provisions of this Agreement** shall not be subject to  
18 such limitation of liability.  
19

20 11.1.2 With respect to any claim or suit, whether based in contract, tort  
21 or any other theory of legal liability, by BellSouth, any BellSouth  
22 customer or by any other person or entity, for damages associated with  
23 any of the services provided by MCI<sub>m</sub> pursuant to or in connection with  
24 this Agreement, including but not limited to the installation, provision,  
25 preemption, termination, maintenance, repair or restoration of service,  
26 and subject to the provisions of the remainder of this Section, MCI<sub>m</sub>'s  
27 liability shall be limited to an amount equal to the proportionate charge  
28 for the service provided pursuant to this Agreement for the period during  
29 which the service was affected. Notwithstanding the foregoing, claims for  
30 damages by BellSouth, any BellSouth customer or any other person or  
31 entity resulting from the gross negligence or willful misconduct of MCI<sub>m</sub>  
32 **and claims for damages by BellSouth resulting from the failure of**  
33 **MCI<sub>m</sub> to honor in one or more material respects any one or more of**  
34 **the material provisions of this Agreement** shall not be subject to such  
35 limitation of liability.  
36

37 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**  
38

39 **A.** There should be no limitation of liability for material breaches of the Agreement.

40 **Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?**

41 **A.** BellSouth contends there should be such a limitation.

42 **Q. WHAT IS THE BASIS FOR WORLDCOM'S POSITION?**

1 A. The parties should be given the proper incentives to comply with the Agreement.  
 2 Without an exception to the liability cap for material breaches, BellSouth would  
 3 have an incentive to breach the contract when the benefit to BellSouth exceeded  
 4 its possible liability. The language WorldCom has proposed is reciprocal, is  
 5 commercially reasonable, and should be adopted.

6 **ISSUE 108**

7 *Should WorldCom be able to obtain specific performance as a remedy for*  
 8 *BellSouth's breach of contract? (Part A, Section 14.1.)*  
 9

10 **Q. WHAT LANGUAGE HAS WORLDCOM PROPOSED CONCERNING**  
 11 **THE AVAILABILITY OF SPECIFIC PERFORMANCE?**

12 A. WorldCom has proposed the following language in Part A:  
 13

14 14.1 The obligations of BellSouth and the Services offered under  
 15 this Agreement are unique. Accordingly, in addition to any other  
 16 available rights or remedies, MCI may seek specific  
 17 performance as a remedy.  
 18

19 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**  
 20

21 A. Services under the Agreement are unique, and specific performance is an  
 22 appropriate remedy for BellSouth's failure to provide the services as required in  
 23 the Agreement.

24 **Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?**

25 A. BellSouth contends that whether specific performance is appropriate must be  
 26 decided on a case by case basis. BellSouth also asserts that this issue is not  
 27 appropriate for arbitration.

28 **Q. WHAT IS THE BASIS FOR WORLDCOM'S POSITION?**

1 A. The nature of the services provided by BellSouth under the Agreement are such  
 2 that specific performance will be the most appropriate remedy. BellSouth is the  
 3 monopoly seller of interconnection, resale services and UNEs, and is often a  
 4 reluctant seller at that. WorldCom must have the ability to require BellSouth to  
 5 provide elements and services, through enforcement actions brought to this  
 6 Commission if necessary. The Commission will be hamstrung in discharging its  
 7 responsibility to enforce interconnection agreements if it cannot order BellSouth  
 8 to comply with their terms. The right to specific performance is included in the  
 9 current Interconnection Agreement. WorldCom should continue to have the right  
 10 to seek that remedy.

11 **ISSUE 109**

12 *Should BellSouth be required to permit WorldCom to substitute more*  
 13 *favorable terms and conditions obtained by a third party through*  
 14 *negotiation or otherwise, effective as of the date of WorldCom's request.*  
 15 *Should BellSouth be required to post on its web site all BellSouth's*  
 16 *interconnection agreements with third parties within fifteen days of the*  
 17 *filing of such agreements with the Florida PSC? (Part A, Section 18.)*  
 18

19 **Q. WHAT LANGUAGE HAVE THE PARTIES PROPOSED CONCERNING**  
 20 **BELLSOUTH'S PROVISION OF NONDISCRIMINATORY TERMS AND**  
 21 **CONDITIONS?**

22 A. WorldCom has proposed the following language in Part A:

23 Section 18. Non-Discriminatory Treatment

24 If as a result of any proceeding or filing before any Court, State  
 25 Commission, or the Federal Communications Commission, voluntary  
 26 agreement or arbitration proceeding pursuant to the Act or pursuant to  
 27 any applicable state law, BellSouth becomes obligated to provide  
 28 Services and Elements, whether or not presently covered by this  
 29 Agreement, to a third party at rates or on terms and conditions more  
 30 favorable to such third party than the applicable provisions of this  
 31 Agreement, MCI shall have the option to substitute such more favorable

1 rates, terms, and conditions for the relevant provisions of this Agreement  
2 which shall apply to the same States as such other Party, and such  
3 substituted rates, terms or conditions shall be deemed to have been  
4 effective under this Agreement as of the date such substituted rates,  
5 terms, or conditions are requested by MCI. BellSouth shall post on its  
6 web site any BellSouth agreement between BellSouth and any third party  
7 within fifteen (15) days of the filing of such agreement with any state  
8 Commission.  
9

10 **Q. WHAT ISSUES GIVES RISE TO THE PARTIES' DISAGREEMENT**  
11 **OVER THIS LANGUAGE?**

12 A. There are two related issues. The first is whether, when WorldCom substitutes  
13 more favorable terms and conditions obtained by a third party through  
14 negotiation or otherwise, those terms should be effective as of the date of  
15 WorldCom's request. The second is whether BellSouth should be required to  
16 post on its web site its interconnection agreements within fifteen days of the day  
17 they are filed with the Commission.

18 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

19  
20 A. BellSouth should provide nondiscriminatory treatment, and provide WorldCom  
21 with such agreements.

22 **Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?**

23 A. BellSouth does not agree that substituted language should be effective as of the  
24 date it is requested, and is not willing to post its agreements on its web site, or  
25 otherwise provide them to WorldCom.

26 **Q. WHAT IS THE BASIS FOR WORLDCOM'S POSITION?**

27 A. Under Section 252(i) of the Act, WorldCom is entitled to obtain a rate, term or  
28 condition that a third party obtains from BellSouth. This right prevents  
29 BellSouth from bestowing special rates, terms and conditions on certain carriers

1 that gives them a competitive advantage. When WorldCom elects to adopt a rate,  
 2 term or condition from another party's interconnection agreement, the effective  
 3 date should be when WorldCom elects to adopt the terms and conditions.

4 As a practical matter, if WorldCom is to take advantage of this right, it  
 5 must have ready access to the interconnection agreements of third parties.  
 6 BellSouth therefore should be required to provide WorldCom any  
 7 interconnection agreement between BellSouth and a third party within fifteen  
 8 days of the filing of the agreement, as WorldCom's current interconnection  
 9 agreement requires. If BellSouth, contrary to the Act, does not file the  
 10 agreement, then it should provide WorldCom with a copy within fifteen days of  
 11 execution. To make this process as efficient as possible, WorldCom is willing to  
 12 allow BellSouth to discharge this obligation by posting the agreements on its web  
 13 site.

#### 14 **ISSUE 110**

15 *Should BellSouth be required to take all actions necessary to ensure that*  
 16 *WorldCom confidential information does not fall into the hands of*  
 17 *BellSouth's retail operations, and should BellSouth bear the burden of*  
 18 *proving that such disclosure falls within enumerated exceptions? (Part A,*  
 19 *Section 20.1.1.1.)*

20  
 21 **Q. WHAT LANGUAGE HAVE THE PARTIES PROPOSED CONCERNING**  
 22 **BELLSOUTH'S TREATMENT OF CONFIDENTIAL INFORMATION?**

23 A. The parties have proposed the following language in Part A (WorldCom's  
 24 proposed language that BellSouth disputes is in bold; BellSouth's  
 25 proposed language that WorldCom disputes is in bold and underlined):

26 20.1.1.1 Notwithstanding the provisions of Section 20.1.1, under  
 27 no circumstances will BellSouth disclose MCI's Confidential

1 Information to, or permit access to MCIIm's Confidential  
2 Information by, the retail operations or any employee thereof, or  
3 the retail customer representatives of, BellSouth or any BellSouth  
4 Affiliate, or any independent contractors to any of the foregoing,  
5 and BellSouth and any BellSouth Affiliate shall take **all actions**  
6 **necessary reasonable measures** to ensure that any such retail  
7 operations and any employees thereof, their respective retail  
8 customer representatives, and any independent contractors of any  
9 of the foregoing, cannot access MCIIm's Confidential Information.  
10 **In the event that the retail operations, any employees thereof,**  
11 **or retail customer representatives of BellSouth or any**  
12 **BellSouth Affiliate, or any independent contractors to any of**  
13 **the foregoing, possess or have knowledge of any MCIIm**  
14 **Confidential Information, that fact will establish a rebuttable**  
15 **presumption that BellSouth breached its obligations under**  
16 **this Section 20, and BellSouth will bear the full burden of**  
17 **showing that BellSouth as to such Confidential Information is**  
18 **subject to one or more of the exceptions set forth in Section**  
19 **20.1.2.**

20

21 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

22

23 A. BellSouth should take all measures necessary to protect WorldCom's  
24 confidential information from BellSouth's retail operations, and should bear the  
25 burden of proving that disclosure falls within enumerated exceptions.

26 **Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?**

27 A. BellSouth proposes that it only should be required to take all reasonable  
28 measures to protect confidential information from BellSouth's retail operations,  
29 and should not bear the burden of proving that disclosure falls within enumerated  
30 exceptions.

31 **Q. WHAT IS THE BASIS FOR WORLDCOM'S POSITION?**

32 A. By virtue of BellSouth's position as WorldCom's sole supplier of many services  
33 and elements, BellSouth comes into possession of WorldCom confidential  
34 information. It is critical that this information not fall into the hands of

1 BellSouth's retail operation, which could use the information to its competitive  
 2 advantage. BellSouth is only willing to "take all reasonable measures" to  
 3 safeguard WorldCom's confidential information from its retail operations, and is  
 4 not willing to assume the burden of establishing that disclosure of such  
 5 information falls into one of the enumerated exceptions (such as the exception  
 6 for when confidential information becomes public through no breach of contract  
 7 by BellSouth).

8 BellSouth's proposal does not go far enough to protect WorldCom's  
 9 confidential information. BellSouth should be required to take all actions  
 10 necessary to ensure that its retail operations do not obtain such information. If  
 11 such disclosure does occur, a rebuttable presumption should arise that BellSouth  
 12 has breached its obligations to preserve confidentiality, and BellSouth should  
 13 bear the burden of proving that the disclosure was permissible under one of the  
 14 exceptions enumerated in Part A, section 19.1.2.

15 **ISSUE 111**

16 *Should WorldCom's proposed procedures be followed for usage audits*  
 17 *for reporting and auditing of PIUs and PLUs? (Part A, Section 21.2.)*  
 18

19 **Q. WHAT LANGUAGE IN PART A IS IN DISPUTE CONCERNING**  
 20 **AUDIT RIGHTS?**

21 **A.** The parties have proposed the following language (with WorldCom language in  
 22 **Bold and BellSouth language in bold and underlined):**

23 21.2 The following shall apply to usage audits for call transport and  
 24 termination:

25 **21.2.1 Percent Local Usage. Each Party will report to the other a**  
 26 **Percentage Local Usage ("PLU"). For purposes of developing the**

1 PLU, each Party shall consider every local call and every long  
2 distance call, excluding transit traffic. By the first of January, April,  
3 July and October of each year, BellSouth and MCI shall provide a  
4 positive report monthly updating the PLU. The Parties shall use  
5 calling party number information, where available, to determine  
6 PLUs. Where calling party number information is not available, the  
7 Parties shall use their best efforts to estimate an accurate PLU.  
8 Where the PLU is utilized to determine call jurisdiction and where  
9 the terminating Party has message recording technology that can be  
10 used to correctly identify the jurisdiction of traffic terminated as  
11 defined in this Agreement, such information, in lieu of the PLU  
12 factor, shall, at the terminating Party's option, be utilized by the  
13 terminating Party to determine the appropriate local usage  
14 compensation to be paid.

15 21.2.2 Percent Interstate Usage. For combined interstate and  
16 intrastate MCI traffic terminated by BellSouth over the same  
17 facilities, MCI shall be required to provide a projected Percentage  
18 Interstate Usage ("PIU") to BellSouth. All jurisdictional report  
19 requirements, rules and regulations for Interexchange Carriers  
20 specified in BellSouth's Intrastate Access Services Tariff will apply to  
21 MCI. After interstate and intrastate traffic percentages have been  
22 determined by use of PIU procedures, the PLU factor will be used for  
23 application and billing of local interconnection. Where the PIU and  
24 PLU are utilized to determine call jurisdiction and where the  
25 terminating Party has message recording technology that can be used  
26 to correctly identify the jurisdiction of traffic terminated as defined  
27 in this Agreement, such information, in lieu of the PIU and PLU  
28 factors, shall, at the terminating Party's option, be utilized by the  
29 terminating Party to determine the appropriate local usage  
30 compensation to be paid.

31  
32 21.2.3 Subject to reasonable security requirements and at the  
33 expense of the auditing Party, either Party may audit the books,  
34 records and other documents, including but not limited to PIU and  
35 PLU reports, of the other Party for the purpose of evaluating usage  
36 pertaining to transport and termination of local traffic. Where such  
37 usage data is being transmitted through CABS, the audit shall be  
38 conducted in accordance with CABS or other applicable  
39 requirements approved by the appropriate State Commission. If  
40 data is not being transferred via CABS, either Local Traffic and to  
41 ensure proper billing of traffic. Either Party may request an audit  
42 for such purpose once each Contract Year. Either Party may employ  
43 other persons or firms. The auditing party shall employ a mutually  
44 acceptable independent third party auditor for this purpose. Such  
45 audit shall take place at a time and place agreed on by the Parties no



1 later than thirty (30) days after notice thereof to the Party being  
2 audited.

3 **21.2.4 The Parties shall retain records of call detail for a minimum of**  
4 **nine months from which usage audits, including a PIU and PLU, can**  
5 **be ascertained. The PLU and PIU shall be adjusted based upon the**  
6 **audit results and shall apply to the usage for the quarter for which**  
7 **the audit was completed, to the usage for the quarter prior to**  
8 **completion of the audit, and to the usage for the two quarters**  
9 **following completion of the audit. The Parties shall promptly correct**  
10 **any reported usage error that is revealed in an audit, including**  
11 **making payment of any underpayment and refunding any**  
12 **overpayment after the Parties have agreed upon the accuracy of the**  
13 **audit results. Any Disputes concerning audit results shall be resolved**  
14 **pursuant to the Dispute Resolution procedures described in Section**  
15 **22 of this Part A.**

16  
17 **21.2.5 The Parties shall cooperate fully in any such usage audit,**  
18 **providing reasonable access to any and all appropriate employees**  
19 **and books, records and other documents reasonably necessary to**  
20 **assess the usage pertaining to transport and terminating of local**  
21 **traffic. If, as a result of an audit, either Party is found to have**  
22 **overstated the PLU and/or PIU or otherwise incorrectly reported the**  
23 **jurisdiction of traffic by twenty percentage points (20%) or more, ,**  
24 **that Party shall reimburse the auditing Party for the cost of the audit.**

25  
26 **Q. WHY DOES WORLDCOM CONTEND THAT ITS PROPOSAL IS**  
27 **BETTER THAN BELLSOUTH'S?**

28 **A. WorldCom's proposal is better for a number of reasons. For example,**  
29 **WorldCom's proposal requires the parties to use calling party number, where**  
30 **available, to determine percent local usage ("PLU"), and permits the parties to**  
31 **audit each others records to ensure that PLU was calculated correctly.**  
32 **BellSouth's proposal does not require that PLU be calculated based on calling**  
33 **party number.**

34 **In addition, BellSouth appears to have taken the audit process outlined in**  
35 **its tariff regarding interexchange carriers and amended it only slightly to arrive at**  
36 **the audit process it proposes here. Indeed, BellSouth's proposal regarding the**

1 PIU states that "requirements, rules and regulations for Interexchange Carriers  
2 specified in BellSouth's Intrastate Access Services Tariff" will apply to  
3 WorldCom. This is inappropriate and one-sided. WorldCom has proposed that  
4 the contract contain all audit language, without reference to BellSouth's access  
5 tariffs. If BellSouth believes that something in its access tariffs is important  
6 enough to have in the contract, WorldCom is willing to consider any particular  
7 language BellSouth would like to propose. Instead, however, BellSouth is  
8 attempting to treat MCI and MWC as interexchange carriers, rather than as the  
9 local exchange carriers that they are.

10 **Q. IS THE PIU SOMETHING FOR WHICH A LOCAL**  
11 **INTERCONNECTION AGREEMENT SHOULD CONTAIN AUDIT**  
12 **PROCEDURES?**

13 **A.** No. The relevant information is actual local usage data. Local usage is what  
14 matters in a local interconnection agreement like this one. PIU has no  
15 application under the terms of the agreement. Moreover, WorldCom intends to  
16 supply actual local usage data where available (which is most of the time) and  
17 the PLU factor would be needed only as a substitute when actual data is not  
18 available.

19 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

20 **A.** Yes.

21

22

23

1 Q. PLEASE STATE YOUR NAME.

2 A. My name is Don Price.

3 Q. DID YOU FILE DIRECT TESTIMONY IN THIS PROCEEDING ON  
4 BEHALF OF WORLDCOM?

5 A. Yes. I will continue to use "WorldCom" to refer collectively to MCImetro  
6 Access Transmission Services, LLC and MCI WORLDCOM Communications,  
7 Inc.

8 Q. HAVE ANY ISSUES BEEN RESOLVED SINCE YOU FILED YOUR  
9 DIRECT TESTIMONY?

10 A. Yes, the parties have resolved Issues 43 and 103, which I covered in my direct  
11 testimony.

12 Q. WHAT IS THE PURPOSE OF YOUR PRESENT TESTIMONY?

13 A. The purpose of my testimony is to respond to the testimony of BellSouth's  
14 witnesses with respect to Issues 1-3, 6, 7A, 9, 18, 22, 23, 28, 29, 39, 40, 42, 45-  
15 47, 51, 53, 67, 68, 75, 92-97, 99-102 and 107-111.

16 **ISSUE 1**

17 *Should the electronically ordered NRC apply in the event an order is submitted*  
18 *manually when electronic interfaces are not available or not functioning within*  
19 *specified standards or parameters? (Attachment 1, section 2.9.)*  
20

21 Q. WHAT IS BELL SOUTH'S POSITION WITH REGARD TO THIS  
22 ISSUE?

23 A. BellSouth's position is that manual ordering charges should apply whenever  
24 WorldCom places an order manually, either for its own business reasons or  
25 because BellSouth may not have an electronic interface that will allow  
26 WorldCom to place orders electronically.

1 **Q. WHAT IS YOUR RESPONSE?**

2 A. BellSouth should not be allowed to charge a manual ordering charge when it  
3 provides an electronic interface for itself and a manual interface to ALECs. For  
4 example, just this week BellSouth is purporting to require WorldCom to submit  
5 orders for DS1 loop-transport combinations (“DS1 combos”) using a manual  
6 LSR process rather than the electronic ASR process WorldCom had been using.  
7 BellSouth has an electronic interface that its sales representatives use when  
8 ordering MegaLink service, which also has loop and transport elements.  
9 Assuming WorldCom is not successful in opposing BellSouth’s requirement that  
10 a manual LSR process be used for DS1 combos, BellSouth should not be  
11 permitted to assess a manual ordering charge for such orders.

12 **ISSUE 2**

13 *What prices should be included in the Interconnection Agreements?*  
14 *(Attachment 1, section 1.4.1.)*

15  
16 **Q. WHAT IS BELL SOUTH'S PROPOSAL REGARDING THE PRICES TO  
17 BE INCLUDED IN THE INTERCONNECTION AGREEMENTS?**

18 A. BellSouth proposes to include interim rates for most recurring and nonrecurring  
19 elements that are equal the rates that BellSouth has recently proposed in the  
20 Commission's UNE cost docket (Docket No. 990649-TP) based on its updated  
21 August 16, 2000 cost study filing. For some elements, primarily related to  
22 collocation, BellSouth proposes to take permanent rates either from its Florida  
23 Access Services Tariff or from the Commission's April 1998 order in the earlier  
24 MCI/BellSouth arbitration. BellSouth says that the interim rates should be  
25 subject to true-up and should be replaced by the permanent rates that will be

1 established by the Commission in the UNE cost docket. BellSouth is not clear  
 2 about the effective date at which the substitution and true-up will take place.  
 3 Will it be when a final order is issued in the UNE cost docket, when  
 4 reconsideration is complete, when any appeals are concluded, or some period of  
 5 time after one of these events?

6 **Q. PLEASE COMMENT ON THIS PROPOSAL.**

7 A. WorldCom does not object to having the rates established in this arbitration be  
 8 interim rates, subject to true-up based on the outcome of the UNE cost docket,  
 9 so long as it is clear when the permanent rates will be substituted and the true-up  
 10 will take place.

11 **ISSUE 3**

12 *Should the resale discount apply to all telecommunications services BellSouth*  
 13 *offers to end users, regardless of the tariff in which the service is contained?*  
 14 *(Attachment 2, Section 1.1.1.)*

15  
 16 **Q. MS. COX CONTENDS THAT THE FCC'S FIRST REPORT AND**  
 17 **ORDER JUSTIFIES BELL SOUTH'S POSITION THAT ONLY**  
 18 **SERVICES OFFERED IN ITS GSST AND PRIVATE LINE TARIFFS**  
 19 **SHOULD BE AVAILABLE FOR DISCOUNT. HOW DO YOU**  
 20 **RESPOND?**

21 A. In the first place, the rule adopted by the Federal Communications Commission  
 22 ("FCC") is clear. BellSouth is required to "offer to any requesting  
 23 telecommunications carrier any telecommunications service that [BellSouth]  
 24 offers on a retail basis to subscribers that are not telecommunications carriers for  
 25 resale at wholesale rates." 47 C.F.R. § 51.605(a). The key question under the

1 rule thus is whether BellSouth offers the telecommunications service in question  
2 on a retail basis to subscribers that are not telecommunications carriers. The  
3 rule makes no distinction based on the tariff in which the service is contained.

4 BellSouth's argument is based on the FCC's statement in *In re*  
5 *Implementation of the Local Competition Provisions in the Telecommunications*  
6 *Act of 1996*, CC Docket No. 96-98, First Report and Order ¶ 873 (released Aug.  
7 8, 1996) ("*First Report and Order*" or "*Local Competition Order*") that  
8 exchange access services are not subject to the resale requirements of the  
9 Telecommunications Act of 1996 ("Act"). Based on this statement, BellSouth  
10 seeks to exclude all provisions of its Federal and State Access tariffs from the  
11 Act's resale provisions. This approach is flawed because BellSouth includes in  
12 its Federal and State Access Tariff services that plainly are not access services.

13 For example, BellSouth's SmartRing service is included in BellSouth's  
14 Federal and State Access Tariffs *and* in its Private Line Tariff. SmartRing is the  
15 same service regardless of the tariff in which it appears; it cannot be an access  
16 service when it appears in an access tariff and a non-access service when it  
17 appears in the private line tariff. The exception discussed in *the Local*  
18 *Competition Order* for exchange access services therefore does not apply in the  
19 case of SmartRing and other non-access services.

20 **Q. AS A PRACTICAL MATTER, WHY IS IT IMPORTANT THAT**  
21 **BELLSOUTH OFFER THE RESALE DISCOUNT ON A SERVICE SUCH**  
22 **AS SMARTRING?**

1 A. As just noted, BellSouth offers its SmartRing service to its end users under its  
2 Private Line Tariff, its Federal Access Tariff and its State Access Tariff. The  
3 service offered under each of the three tariffs is virtually identical, but the  
4 pricing in each case is different. The pricing of SmartRing in the Federal  
5 Access Tariff generally is lower than the pricing in the other two tariffs. As a  
6 result, the price BellSouth can offer its end users for SmartRing under the  
7 Federal Access Tariff is lower than the price ALECs like WorldCom can offer  
8 their end users using the wholesale discount off the Private Line tariff rate. And  
9 because BellSouth charges its retail customers the same price for SmartRing  
10 under the Federal Access Tariff that it charges WorldCom, at best WorldCom  
11 only can break even when offering the service to its customers.

12 As a practical matter, WorldCom would lose money if it sought to resell  
13 SmartRing and match BellSouth's price, because WorldCom would incur  
14 expenses over and above what it would pay BellSouth to resell the service.  
15 Unless BellSouth is required to offer the resale discount off the Federal and  
16 State Access Tariffs for services such as SmartRing, BellSouth effectively can  
17 foreclose competition for such services.

18 **Q. MS. COX CONTENDS THAT THE BELL ATLANTIC 271 DECISION**  
19 **SUPPORTS HER POSITION. IS SHE CORRECT?**

20 A. No. The FCC concluded that Bell Atlantic did not have to make the ADSL  
21 service in question available for the resale discount because it was a wholesale  
22 service. Presumably, therefore, Bell Atlantic did not make that service available  
23 to its end user customers. In contrast, the ADSL service that Bell Atlantic made

1 available to its retail customers was offered to ALECs at the resale discount. *In*  
 2 *re: Application by Bell Atlantic New York for Authorization Under Section 271*  
 3 *of the Communication Act to Provide In-Region, InterLATA Service in New*  
 4 *York*, CC Docket No. 99-295, Memorandum Opinion and Order ¶ 392 (released  
 5 Dec. 22, 1999). The same principle should apply here. When BellSouth makes  
 6 a service offering available to its end user customers, the offering should be  
 7 classified as a retail service and offered to ALECs at the resale discount.

8 **Q. PLEASE COMMENT ON BELLSOUTH'S POSITION REGARDING**  
 9 **WHOLESALE DISCOUNTS FOR RESALE OF SERVICES.**

10 A. BellSouth would have the Commission promote form over substance.  
 11 BellSouth's position is that only private line and GSST tariffed services should  
 12 be available for the wholesale discount. This position is untenable. It cannot be  
 13 supported as a matter of policy. There is simply no good reason that BellSouth  
 14 should avoid the dictates of the Act simply by offering a service outside of its  
 15 GSST or private line category of services. If it is a service available at retail, it  
 16 must be made available at the wholesale discount.

17 **ISSUE 6**

18 *Should BellSouth be directed to perform, upon request, the functions necessary*  
 19 *to combine network elements that are ordinarily combined in its network?*  
 20 *(Attachment 3, section 2.11.)*

21  
 22 **Q. PLEASE STATE YOUR UNDERSTANDING OF BELLSOUTH'S**  
 23 **POSITION REGARDING COMBINATIONS OF UNES.**

24 A. Ms. Cox states in her direct testimony that BellSouth has no obligation to  
 25 combine elements for an ALEC unless the elements have already been -



1 combined to serve a particular BellSouth customer. Ms. Cox says that  
2 BellSouth is willing to negotiate a "voluntary commercial agreement" with  
3 WorldCom to combine certain UNEs, implying that this is not a proper subject  
4 for arbitration.

5 **Q. WHAT IS YOUR RESPONSE TO BELLSOUTH'S POSITION?**

6 A. I disagree with Ms. Cox' interpretation of the Eighth Circuit's decision and the  
7 meaning of Rule 51.315(b). The Eighth Circuit decision left in place Rule  
8 51.315(b), which requires BellSouth to provide combinations of elements where  
9 it "currently combines" such elements in its own provision of services. As I  
10 discussed at length in my Direct Testimony, the only reasonable interpretation of  
11 the "currently combines" requirement is that BellSouth is obligated to provide  
12 the types of combinations that ordinarily exist in its network (e.g. loop and local  
13 switching combinations, or loop and transport combinations) regardless of  
14 whether those elements are combined today to serve the particular customer that  
15 WorldCom wishes to serve.

16 **ISSUE 7A**

17 *Should BellSouth charge MCIW only for UNEs that it orders and uses, and*  
18 *should UNEs ordered and used by MCIW be considered part of its network for*  
19 *reciprocal compensation and switched access charges?*  
20

21 **Q. PLEASE COMMENT ON BELLSOUTH'S POSITION ON THIS ISSUE.**

22 A. After reading Ms. Cox' testimony, it is not clear that why BellSouth opposes  
23 WorldCom's position or why WorldCom's language should not be adopted. I  
24 also do not understand why Ms. Cox expresses surprise about this issue, since

1 WorldCom presented language to BellSouth on April 11 and has never received  
2 a response.

3 **ISSUE 9**

4 *Should WorldCom be required to use a special construction process, with*  
5 *additional costs, to order facilities of the type normally used at a location, but*  
6 *not available at the time of the order? (Attachment 3, Section 4.1.1.)*

7

8 **Q. MS. COX ALLEGES THAT WORLDCOM "SEEKS TO USE**  
9 **BELLSOUTH AS ITS PRIVATE CONSTRUCTION COMPANY." IS**  
10 **THIS TRUE?**

11 A. No. In fact, BellSouth's proposal -- that BellSouth use the special construction  
12 process in instances in which WorldCom orders facilities that are typically  
13 available at a location but exhausted -- would result in BellSouth acting as  
14 WorldCom's unwanted private construction company. It is not WorldCom's  
15 intent, with respect to this issue, to have BellSouth build facilities for it.  
16 Furthermore, WorldCom's negotiators have offered clarifying language on this  
17 issue to BellSouth, and have yet to receive BellSouth's response.

18 **Q. CAN YOU POSE AN EXAMPLE THAT ILLUSTRATES THE ISSUE**  
19 **MORE CLEARLY?**

20 A. Yes. Assume a BellSouth small business customer wants to add a second line to  
21 his business. The second line will be identical to the first in capabilities but the  
22 service will be provided by WorldCom. WorldCom would place the order and  
23 BellSouth might decline to fulfill it, due to no availability of additional lines.  
24 Under the terms proposed by BellSouth, WorldCom would then have to use the  
25 special construction process to have BellSouth deploy a brand new line to the

1 customer's premise ~~and the new line would be the property of WorldCom.~~ Such  
2 an undertaking would be entirely inappropriate from a network engineering  
3 standpoint and extremely wasteful.

4 Moreover, the interval for that customer awaiting service on a second  
5 line would be unacceptable and the cost would be prohibitively expensive to  
6 WorldCom. Additionally, WorldCom does not wish to have facilities built for it  
7 in such an instance and believes strongly that providing the second line is a  
8 simple provisioning issue for which BellSouth should be responsible. No  
9 special construction is necessary or warranted; BellSouth is tasked merely with  
10 provisioning of facilities of the type that are already available at a particular  
11 location.

12 **Q. MS. COX CITES TWO PROVISIONS FROM TWO DIFFERENT FCC**  
13 **ORDERS. DO THESE PARAGRAPHS SUGGEST THAT BELL SOUTH**  
14 **NEED NOT PROVISION FACILITIES TO ALECS THAT ARE OF A**  
15 **TYPE NORMALLY AVAILABLE AT A LOCATION BUT**  
16 **UNAVAILABLE AT A PARTICULAR MOMENT IN TIME DUE TO**  
17 **EXHAUST?**

18 A. No. In Paragraph 324 of the *Third Report and Order and Fourth Further Notice*  
19 *of Proposed Rulemaking* ("UNE Remand Order" or "319 Order"), FCC 99-238,  
20 In the Matter of Implementation of the Local Competition Provisions of the  
21 Telecommunications Act, CC Docket No. 96-98, released November 5, 1999,  
22 the FCC declined to require ILECs to "construct new transport facilities to meet  
23 specific competitive LEC point-to-point demand requirements for facilities that

1 the incumbent LEC has not deployed for its own use." This issue is wholly  
2 unrelated to Issue 9 in WorldCom's arbitration petition. WorldCom is not  
3 asking BellSouth to construct special dedicated facilities for it in places  
4 BellSouth has no such facilities. Paragraph 451 of the *First Report and Order* is  
5 not relevant to this issue either and does not support BellSouth's position.

6 **Q. PLEASE EXPLAIN THE EFFECT OF BELLSOUTH'S POSITION IF IT**  
7 **WERE ADOPTED BY THE COMMISSION.**

8 A. BellSouth would be able to game the system by reducing the facilities available  
9 to ALECs. In other words, BellSouth could manage its system in a manner  
10 which eliminates ALEC opportunity and ultimately reduces consumer benefits.

11 In effect, BellSouth argues that it may charge WorldCom any rate it  
12 desires to charge for construction of facilities even where such facilities are of  
13 the type that are ordinarily found in BellSouth's central office and within the  
14 typical BellSouth network configuration. Ms. Cox takes the position that the  
15 Act applies only to BellSouth's existing network and that it cannot be applied to  
16 ensure reasonable cost based rates where BellSouth establishes facilities for  
17 ALEC use.

18 **Q. DOES WORLDCOM SEEK RATES FOR CONSTRUCTION OF**  
19 **FACILITIES THAT IN ANY WAY ARE CONFISCATORY?**

20 A. No. As is the case with all other rates supported by WorldCom, rates charged  
21 by BellSouth would allow recovery of costs including a fair return on  
22 BellSouth's prudently incurred investments. There is no element of  
23 confiscation to WorldCom's proposal. Rather, rates will be cost-based and fair.

## ISSUE 18

1  
2 *Is BellSouth required to provide all technically feasible unbundled dedicated*  
3 *transport between locations and equipment designated by WorldCom so long as*  
4 *the facilities are used to provide telecommunications services, including*  
5 *interoffice transmission facilities to network nodes connected to WorldCom*  
6 *switches and to the switches or wire centers of other requesting carriers?*  
7 *(Attachment 3, Section 10.1.)*

8

9 **Q. MS. COX STATES THAT BELLSOUTH'S DUTY TO UNBUNDLE**  
10 **DEDICATED TRANSPORT IS LIMITED TO BELLSOUTH'S**  
11 **EXISTING NETWORK. DO YOU AGREE?**

12 A. Yes. The language proposed by WorldCom is consistent with that limitation  
13 because it does not purport to require BellSouth to build new transport facilities  
14 for WorldCom. It requires BellSouth to unbundle transport facilities that exist  
15 in BellSouth's network.

16 **Q. MS. COX ASSERTS THAT BELLSOUTH SHOULD NOT BE**  
17 **REQUIRED TO PROVIDE TRANSPORT TO OTHER CARRIERS'**  
18 **LOCATIONS, CLAIMING THAT THE FCC'S RULES SPECIFICALLY**  
19 **EXCLUDE THIS ACTIVITY. DO YOU AGREE?**

20 A. No. The FCC's rules are not as restrictive as BellSouth wishes them to be. For  
21 example, paragraph 440 of the *First Report and Order*, which Ms. Cox quotes,  
22 mentions a number of locations to which BellSouth must provide unbundled  
23 transport. One of those locations, for example, is an IXC's point of presence.  
24 The FCC has, in this instance, indicated that an ALEC can order unbundled  
25 transport to another carrier, an IXC.

1 **Q. IS THERE ANOTHER REASON WHY BELLSOUTH IS REQUIRED TO**  
2 **PROVIDE UNBUNDLED TRANSPORT TO THE LOCATIONS OF**  
3 **OTHER CARRIERS?**

4 A. Yes, the FCC's regulations require BellSouth to provide transmission facilities  
5 to the locations of "requesting telecommunications carriers." BellSouth is  
6 interpreting this obligation as being limited to an obligation to provide  
7 transmission facilities only to WorldCom's locations. However, WorldCom is  
8 just one requesting telecommunications carrier and the obligation is not so  
9 limited. The FCC's rules require BellSouth to provide transmission facilities to  
10 the locations of any requesting telecommunications carrier. The reason is that  
11 BellSouth's transport network is ubiquitous and BellSouth will have transport  
12 facilities in place to all requesting telecommunications carriers. All carriers will  
13 interconnect with BellSouth, the dominant LEC. BellSouth's obligation is to  
14 provide, upon request, unbundled transmission facilities to the locations of all  
15 requesting telecommunications carriers, not just, as it asserts, to a single  
16 requesting telecommunications carrier -- WorldCom.

17 **Q. MS. COX ALSO OBJECTS TO PROVIDING UNBUNDLED**  
18 **TRANSMISSION FACILITIES TO WORLDCOM NODES THAT ARE**  
19 **CONNECTED TO WORLDCOM SWITCHES. PLEASE COMMENT ON**  
20 **THIS ISSUE.**

21 A. BellSouth transmission facilities currently run to nodes on WorldCom's  
22 network. These facilities are part of BellSouth's existing ubiquitous network.



1 would, under its position, cease providing line sharing and the DSL service  
2 would be disconnected, without warning to the data ALEC, the customer, or to  
3 WorldCom. WorldCom would be blamed by the data ALEC and the customer  
4 for the loss of DSL service.

5 **Q. WHAT IS WRONG WITH BELLSOUTH'S POSITION?**

6 A. BellSouth's position is fundamentally anti-competitive. BellSouth proposes to  
7 disconnect a customer's DSL service if BellSouth loses the voice business for  
8 that customer.

9 **Q. WHAT WILL HAPPEN TO DSL SERVICE IF BELLSOUTH'S**  
10 **POSITION PREVAILS?**

11 A. Data ALECs will be wary of using line sharing as a means to provide DSL  
12 services, because the service can be disconnected without notice if the DSL  
13 customer changes voice providers. This will result in customers' not being able  
14 to take advantage of the cost savings available by using line sharing.

15 **ISSUE 23**

16 *Does WorldCom's right to dedicated transport as an unbundled network element*  
17 *include SONET rings that exist on BellSouth's network? (Attachment 3, Sections*  
18 *10.2.3, 10.5.2, 10.5.6.3, 10.5.9, 10.6, 10.7.2.16.)*

19  
20 **Q. WHAT IS YOUR UNDERSTANDING OF BELLSOUTH'S POSITION**  
21 **ON THIS ISSUE?**

22 A. Ms. Cox states that if BellSouth has a SONET ring in place, it will provide  
23 dedicated transport to WorldCom over that ring. Ms. Cox states that BellSouth  
24 is not obligated to provide unbundled access to the SONET rings themselves.

25 **Q. WHAT IS THE PURPORTED BASIS FOR BELLSOUTH'S POSITION?**



1 A. BellSouth bases its position primarily on Paragraph 337 of the UNE Remand  
2 Order, which states as follows:

3 Notwithstanding the fact that we require incumbents to unbundle  
4 high-capacity transmission facilities, we reject Sprint's proposal  
5 to require incumbent LECs to provide unbundled access to  
6 SONET rings. In the Local Competition First Report and Order,  
7 the Commission limited an incumbent LEC's transport  
8 unbundling obligation to existing facilities, and did not require  
9 incumbent LECs to construct facilities to meet a requesting  
10 carrier's requirements where the incumbent LEC has not  
11 deployed transport facilities for its own use. Although we  
12 conclude that an incumbent LEC's unbundling obligation extends  
13 throughout its ubiquitous transport network, including ring  
14 transport architectures, we do not require incumbent LECs to  
15 construct new transport facilities to meet specific competitive  
16 LEC point-to-point demand requirements for facilities that the  
17 incumbent LEC has not deployed for its own use.

18 **Q. DOES THE UNE REMAND ORDER SUPPORT BELLSOUTH'S**  
19 **POSITION?**

20 A. Only in part. WorldCom agrees that BellSouth is not required to build SONET  
21 rings for WorldCom, and WorldCom is not requesting that BellSouth be  
22 required to do so. The parties' positions in this regard are in accord with the  
23 UNE Remand Order. Where the parties diverge is on the question of whether

1 BellSouth must provide unbundled access to existing SONET rings and thus  
2 provide SONET functionality (as WorldCom contends), or whether BellSouth  
3 only must provide dedicated transport over SONET rings without providing  
4 SONET functionality (as BellSouth contends). Contrary to Ms. Cox' contention,  
5 nothing in paragraph 337 of the UNE Remand Order states that ILECs are not  
6 required to provide access to existing SONET rings. Rather, the FCC rejected a  
7 particular proposal by Sprint, which apparently would have required ILECs to  
8 build SONET rings for ALECs. That is not what WorldCom is requesting here.

9 **Q. WHY, AS A PRACTICAL MATTER, IS IT IMPORTANT FOR**  
10 **WORLDCOM TO OBTAIN SONET FUNCTIONALITY?**

11 A. SONET functionality provides a number of features not afforded by point-to-  
12 point dedicated transport. For example, SONET rings provide redundancy and  
13 the capability to accomplish nearly instantaneous recovery so that if a fiber is  
14 cut, service is not interrupted. Likewise, SONET ring architecture enables a  
15 carrier to add service at any node on the ring, regardless of whether service is  
16 provided at other nodes on the ring. SONET architecture also enables carriers to  
17 provision service remotely, so that, for instance, additional capacity can be  
18 provisioned to a customer from a central location. BellSouth should not be  
19 permitted to discriminate by affording itself such functionalities while  
20 preventing WorldCom from using them, even though the companies are using  
21 the same facilities.

22 **ISSUE 28**

23 *Should BellSouth provide the calling name database via electronic download,*  
24 *magnetic tape, or via similar convenient media? (Attachment 3, Section 13.7.)*

1

2 **Q. MS. COX CONTENDS THAT BELL SOUTH MEETS ITS UNBUNDLING**  
3 **OBLIGATIONS BY ENABLING WORLDCOM TO OBTAIN ACCESS**  
4 **TO THE CNAM DATABASE VIA BELL SOUTH'S SS7 NETWORK.**  
5 **HOW DO YOU RESPOND?**

6 A. Customers served via WorldCom's switches have telephone numbers that either  
7 were assigned to WorldCom or ported from BellSouth. For WorldCom to  
8 provide CNAM information on a call, it must first dip into its database in search  
9 of the information. If the calling party is not a WorldCom customer, WorldCom  
10 must do a table look-up, based on the calling party's NPA-NXX, and determine  
11 the database that must be searched and then query that database. That is both  
12 time consuming, in that the call in progress must be held while this activity is  
13 going on, and costly because WorldCom is required to establish facilities that  
14 duplicate BellSouth's facilities in addition to the facilities and circuitry  
15 necessary for its own database access. BellSouth, on the other hand, knows that  
16 an NPA-NXX outside of the NPA-NXX's assigned to it must route to a foreign  
17 database and can take the appropriate action without needlessly querying its own  
18 database. If WorldCom obtains downloads of BellSouth's CNAM database, it  
19 can stand on equal footing with BellSouth.

20 **Q. MS. COX CONTENDS THAT PARAGRAPH 248 OF THE LOUISIANA**  
21 **II ORDER SUPPORTS BELL SOUTH'S POSITION. IS SHE CORRECT?**

22 A. No. When viewed in context, it is clear that the FCC was saying that BellSouth  
23 must provide a download of its directory database or provide it on a "per dip"  
24 basis, depending which method of access is chosen by the ALEC. The reason

1 this is clear is that the FCC cited its Rule 51.217(c)(3)(ii), which states as  
2 follows:

3 A LEC shall provide directory listings to competing providers in  
4 readily accessible magnetic tape or electronic formats in a timely  
5 fashion upon request. A LEC also must permit competing  
6 providers to have access to and read the information in the LEC's  
7 directory assistance databases.

8 The same principle applies here. To provide reasonable and nondiscriminatory  
9 access to the CNAM database, BellSouth should give ALECs the option of  
10 using a download or accessing BellSouth's database.

#### 11 ISSUE 29

12 *Should calls from WorldCom customers to BellSouth customers served via*  
13 *Uniserve, Zipconnect, or any other similar service, be terminated by BellSouth*  
14 *from the point of interconnection in the same manner as other local traffic,*  
15 *without a requirement for special trunking? (Attachment 4, Section 1.1.1.)*

16

17 **Q. MR. MILNER INDICATES THAT OTHER CARRIERS DELIVER**  
18 **CALLS DESTINED TO BELLSOUTH'S UNISERV CUSTOMERS TO**  
19 **THE BELLSOUTH TOPS PLATFORM. PLEASE ADDRESS THIS**  
20 **POINT.**

21 **A.** I can't comment on the decisions other carriers may make or on what  
22 compromises on other issues may lead to a decision on an issue such as this. I  
23 do know, however, that WorldCom has an interest in avoiding unnecessary  
24 trunking expense such as would be required by BellSouth's position on this  
25 issue. I also know that not all carriers have the right that WorldCom does to  
26 designate the point of interconnection. An example of a carrier that does not

1 have such a right is an independent incumbent local exchange carrier. Finally,  
2 even if another carrier has the right to designate a point of interconnection, and  
3 such carrier waives the right, BellSouth cannot use this fact to require  
4 WorldCom to waive its rights. In effect, BellSouth is attempting to “pick and  
5 choose” from its own interconnection agreements. As much as this may be  
6 desirable for BellSouth to do, it does not have the right to do so.

7 **Q. IS THIS ISSUE SIMILAR TO ANY OTHER ISSUE IN THIS**  
8 **ARBITRATION?**

9 A. This issue is similar in one respect to the issue of how to route calls to  
10 WorldCom’s directory assistance and operator services platforms, Issue 19, and  
11 to the issue concerning the point of interconnection, Issue 36. The similarity is  
12 that in all three instances BellSouth’s position imposes unnecessary trunking  
13 costs on WorldCom. BellSouth’s position with respect to this issue will require  
14 WorldCom to add special trunks to BellSouth’s TOPs platform so as to complete  
15 local calls. BellSouth’s position with respect to Issue 19 apparently would  
16 require WorldCom to construct an expensive and unnecessary overlay network  
17 to route calls to WorldCom’s DA/OS platform. BellSouth’s position on Issue 36  
18 requires WorldCom to construct interconnection trunking to multiple points in a  
19 LATA, even though it is technically feasible to interconnect at a single point and  
20 have all calls handled by the interconnecting carriers on their side of that  
21 interconnection from or to that point. In all three instances WorldCom’s  
22 position allows these calls to be completed in a more efficient manner and  
23 BellSouth’s position requires unnecessary trunking by WorldCom.

1 **Q. WHAT SHOULD THE COMMISSION DO?**

2 A. The Commission should direct BellSouth to accept calls directed to its Uniserv  
3 customers at the interconnection point and transport and terminate these calls  
4 from that point.

5

**ISSUE 39**

6 *How should Wireless Type 1 and Type 2A traffic be treated under the*  
7 *Interconnection Agreements? (Attachment 4, Section 9.7.2.)*

8

9 **Q. HOW SHOULD WIRELESS TYPE 1 AND WIRELESS TYPE 2A**  
10 **TRAFFIC BE TREATED UNDER THE INTERCONNECTION**  
11 **AGREEMENT?**

12 A. This traffic should be treated like transit traffic, not like traffic originated or  
13 terminated by BellSouth. This issue involves Wireless Type 1 and Type 2A  
14 traffic, which is transit traffic originated by one carrier, delivered to BellSouth's  
15 tandem, tandem switched by BellSouth to the network of a third carrier, and  
16 then terminated by the third carrier. BellSouth receives a transiting fee for this  
17 service, as it should. However, pursuant to its current practice BellSouth also  
18 charges the ALEC originating carrier for reciprocal compensation, which  
19 BellSouth retains. WorldCom disagrees with this practice.

20 **Q. WHY DOES WORLDCOM DISAGREE WITH THIS PRACTICE?**

21 A. The carrier that ultimately terminates the call, the third carrier in this three  
22 carrier transaction, should receive the reciprocal compensation payment.  
23 BellSouth should be directed to turn over to the terminating carrier the  
24 reciprocal compensation payment that BellSouth currently collects from the  
25 originating carrier. Of course, BellSouth would retain the transiting fee (tandem

1 switching) which it charges the originating carrier. The call termination revenue  
2 which BellSouth bills the originating carrier should be remitted to the carrier  
3 who actually performs the call termination function.

4 BellSouth's practice of retaining reciprocal compensation payments on  
5 this traffic could subject WorldCom to liability to the CMRS provider. For  
6 example, where WorldCom originates traffic to a CMRS provider and BellSouth  
7 transits the call, BellSouth will charge reciprocal compensation to WorldCom  
8 and retain it. The CMRS provider, which should be entitled to the payment,  
9 may seek such payment from WorldCom which had originated the call and had  
10 turned over the payment to BellSouth. Clearly, WorldCom should not have to  
11 pay reciprocal compensation twice. Therefore, if the Commission does not  
12 direct BellSouth to remit the reciprocal compensation to the terminating carrier,  
13 it should at a minimum direct BellSouth to indemnify WorldCom against any  
14 lawsuit filed by CMRS providers that results from BellSouth's practice of  
15 retaining the reciprocal compensation payment.

16 Finally, Ms. Cox indicates in her testimony that for Type 2A traffic,  
17 BellSouth intends to end the practice of billing for such traffic as landline traffic  
18 when the involved parties have the necessary meet point billing system  
19 capabilities. WorldCom requests that BellSouth be directed to continue to  
20 provide the billing function as it does now, but as noted above, that the  
21 payments in all cases be remitted to the carrier performing the terminating  
22 function.

**ISSUE 40**

1  
2 *What is the appropriate definition of internet protocol (IP) and how should*  
3 *outbound voice calls over IP telephony be treated for purposes of reciprocal*  
4 *compensation? (Attachment 4, Sections 9.3.3 and 9.10.)*  
5

6 **Q. ARE THERE AREAS OF AGREEMENT WITH RESPECT TO THIS**  
7 **ISSUE?**

8 A. Both WorldCom and BellSouth agree that reciprocal compensation should apply  
9 to local telecommunications provided via IP telephony. (See Cox at p. 56.)  
10 WorldCom also notes that 7- or 10-digit dialed local calls to ISPs should be  
11 treated as local calls. WorldCom and BellSouth also both agree that reciprocal  
12 compensation is not due for long distance calls originated by a handset using  
13 telephone numbers (not IP addresses). Ms. Cox' description of WorldCom's  
14 position at page 57 of her direct testimony is mistaken -- WorldCom does not  
15 believe that reciprocal compensation is due for long distance calls originated by  
16 a handset using telephone numbers.

17 BellSouth and WorldCom disagree, however, on whether the  
18 Commission should require payment of access charges on long distance calls  
19 utilizing Phone-to-Phone IP telephony.

20 **Q. WHAT IS WORLDCOM'S POSITION ON WHETHER THE**  
21 **COMMISSION SHOULD REQUIRE PAYMENT OF ACCESS**  
22 **CHARGES ON LONG DISTANCE CALLS UTILIZING PHONE-TO-**  
23 **PHONE IP TELEPHONY?**

24 A. That issue is beyond the scope of this proceeding. The issue of access charges  
25 for interstate long distance calls is clearly within the jurisdiction of the FCC and



1 not with this Commission. While BellSouth tries to argue that these calls should  
2 be classified as switched exchange access traffic and be subject to access  
3 charges, that is a question that the FCC, not this Commission, must answer. In  
4 fact, BellSouth has presented to the FCC the very arguments it makes here to  
5 and the FCC has not adopted BellSouth's arguments. Instead, in its 1998 *Report*  
6 *to Congress*, Docket No. 96-45, FCC 98-67 (April 10, 1998), the FCC examined  
7 the issue of IP telephony, including the arguments of BellSouth, and concluded  
8 that it would be inappropriate to make any definitive pronouncements in the  
9 absence of a more complete record focused on individual service offerings. (*Id.*  
10 at ¶ 89.) The FCC further specifically declined to impose access charges on IP  
11 telephony, noting that "we will likely face difficult and contested issues relating  
12 to the assessment of access charges on these providers. . . . We intend to  
13 examine these issues more closely based on the more complete records  
14 developed in future proceedings." (*Id.* at ¶ 91.) Because federal law currently  
15 does not allow access charges to be imposed on IP telephony, it would be  
16 contrary to federal law and the Commission's jurisdiction for the Commission to  
17 impose access charges on interstate long distance calls utilizing Phone-to-Phone  
18 IP telephony.

19 Moreover, because the FCC will be addressing the issue of access  
20 charges in this area, it would be appropriate for the Commission to await the  
21 FCC's decision before addressing the issue of access charges for intrastate long  
22 distance calls utilizing Phone-to-Phone IP telephony. This is particularly true  
23 because the FCC has recognized that it may be difficult to determine whether

1 particular IP telephony calls are interstate or intrastate, and hence the FCC  
2 intends to address that issue in the context of determining whether access  
3 charges should apply. (*Id.*)

4 As noted in my Direct Testimony, the FCC has announced plans to  
5 institute a proceeding to examine issues associated with IP telephony during the  
6 next six months. (TR Daily, June 30, 2000.) For all of the reasons noted above,  
7 the Commission should await the FCC's decision rather than addressing this  
8 issue in this arbitration proceeding.

9 **ISSUE 42**

10 *Should WorldCom be permitted to route access traffic directly to BellSouth end*  
11 *offices or must it route such traffic to BellSouth's access tandem? (Attachment*  
12 *4, Section 2.3.8.)*

13  
14 **Q. WHAT IS BELLSOUTH'S POSITION CONCERNING WHETHER**  
15 **WORLDCOM SHOULD BE PERMITTED ROUTE ACCESS TRAFFIC**  
16 **DIRECTLY TO BELLSOUTH END OFFICES?**

17 A. BellSouth has proposed language that prohibits WorldCom from delivering  
18 switched access traffic to BellSouth except over WorldCom ordered switched  
19 access trunks. (Cox Direct, p. 61) This language prohibits WorldCom from  
20 routing such traffic directly to BellSouth end offices and thereby precludes  
21 WorldCom from offering tandem services for switched access traffic.

22 **Q. WHAT IS THE BASIS OF BELLSOUTH'S POSITION?**

23 A. Ms. Cox contends that WorldCom must be required to use BellSouth's existing  
24 switched access network configuration and BellSouth's established access  
25 processes and systems. (Cox Direct, p. 61-62)

1 **Q. WHAT IS WORLDCOM'S POSITION ON THIS ISSUE?**

2 A. BellSouth should not be permitted to monopolize the tandem services business,  
3 and WorldCom should be permitted to offer such services. BellSouth's  
4 proposed language ties the provision of access services to BellSouth's existing  
5 network and processes. It stifles innovation and the development of new  
6 approaches to the delivery of access services by ALECs. BellSouth's proposed  
7 language will prevent the further growth of competition in this market. When  
8 both state and federal regulators consistently are seeking ways to reduce access  
9 charges, it does not make sense to stifle competition in the exchange access  
10 market and grant BellSouth a monopoly.

11 **Q. PLEASE EXPLAIN WORLDCOM'S POSITION.**

12 A. The prohibition BellSouth proposes effectively would require WorldCom to  
13 route all toll traffic to BellSouth's access tandems using access facilities, and  
14 would preclude WorldCom from routing toll traffic from its own tandem  
15 switches to BellSouth end offices via UNE facilities. BellSouth's language  
16 would ensure that it always would be able to charge for tandem and transport  
17 when terminating toll traffic, and would eliminate competition for tandem and  
18 transport services. BellSouth's proposed language is anticompetitive and should  
19 be rejected.

20 **Q. IS WORLDCOM SEEKING TO AVOID THE PAYMENT OF ACCESS**  
21 **CHARGES ON LONG DISTANCE CALLS AS MS. COX CLAIMS?**

22 A. No. WorldCom objects to the language proposed by BellSouth because  
23 WorldCom does not want language in the Agreement that would preclude

1 WorldCom from offering tandem services to other carriers, as I already have  
 2 described. BellSouth incorrectly suggests that WorldCom's opposition to the  
 3 language proposed by BellSouth is an attempt to disguise switched access traffic  
 4 as local traffic over local interconnection trunks. Perhaps BellSouth  
 5 misunderstands WorldCom's intent. In fact, BellSouth's proposal will  
 6 perpetuate its monopoly over the provision of access services to IXCs in  
 7 violation of the Act. WorldCom is entitled to provide the tandem and transport  
 8 services associated with toll calling and if WorldCom does so, BellSouth will be  
 9 entitled to bill the access charges associated with the access services it provides  
 10 at the end office.

11 **Q. IS MS. COX CORRECT IN HER ASSERTION THAT BELLSOUTH**  
 12 **WILL BE UNABLE TO BILL FOR SWITCHED ACCESS IF**  
 13 **WORLDCOM DELIVERS TOLL CALLS TO A BELLSOUTH END**  
 14 **OFFICE VIA UNE FACILITIES?**

15 **A.** No she isn't. WorldCom has agreed to provide a monthly PIU/PLU report to  
 16 BellSouth on any such trunk group. WorldCom will provide an EMI record  
 17 with ANI, time and duration of call. As part of the Meet Point Billing terms of  
 18 the contract, WorldCom would provide this information which will enable  
 19 BellSouth to bill for the switched access services it provides.

20 **ISSUE 45**

21 *How should third party local transit traffic be routed and billed by the parties?*  
 22 *(Attachment 4, Sections 9.7.1, 9.7.2, 10.7.1.1, 10.7.2, and 10.7.3)*

23

24 **Q. IN HER DIRECT TESTIMONY, MS. COX ASSERTS THAT**  
 25 **WORLDCOM WANTS BELLSOUTH TO PAY RECIPROCAL**

1           **COMPENSATION FOR LOCAL TRAFFIC ORIGINATED FROM**  
2           **ANOTHER CARRIER TERMINATING TO WORLDCOM. IS THIS**  
3           **CORRECT?**

4    A.    No. The implication of Ms. Cox' testimony is that WorldCom expects BellSouth  
5           to be financially responsible for paying reciprocal compensation on traffic  
6           originated by a third carrier. This is not what WorldCom has proposed. As  
7           described in WorldCom's direct testimony, the proposal is that if a call is  
8           originated from WorldCom, transited by BellSouth, and terminated to an  
9           independent LEC, WorldCom proposes that BellSouth bill WorldCom for a  
10          transiting charge, and the call termination charges as well. BellSouth would  
11          then settle up with the independent LEC, as they have done for years. The  
12          independent LEC would not have to go through the network expense of separate  
13          trunk groups and billing expense for billing this small volume of traffic from  
14          WorldCom, but would obtain payment from BellSouth, since BellSouth billed  
15          WorldCom. All carriers along the route are compensated for their piece of  
16          carrying the call. In the reciprocal fashion, if a call is originated from an  
17          independent LEC, transited through BellSouth, and terminated to WorldCom,  
18          WorldCom proposes that BellSouth bill the independent for a transiting charge  
19          (if applicable), and WorldCom bill BellSouth for terminating that call on the  
20          WorldCom network. Again, BellSouth would obtain payment from the  
21          independent LEC. This practice is consistent with the Ordering and Billing  
22          Forum (OBF) Meet Point Billing Guidelines (single bill/single tariff option).  
23          This practice also is consistent with what both parties agree is the proper

1 procedure for third party wireless traffic. Contrary to Ms. Cox' implication, this  
2 proposal does not require BellSouth to pay reciprocal compensation on third  
3 party transit traffic.

4 **Q. WHY SHOULD THE COMMISSION ADOPT WORLDCOM'S**  
5 **PROPOSAL?**

6 A. The proposal will increase billing efficiencies for all companies in the Florida  
7 telecommunications industry.

8 WorldCom speaks from experience concerning these benefits, because  
9 this is how the traffic is routed and billed in over half of the country. Also,  
10 WorldCom's proposed billing arrangement is consistent with BellSouth's  
11 current billing practice for Type 1 and Type 2 wireless transit traffic. It is  
12 equally applicable to all transit traffic.

13 From a billing perspective, WorldCom's position significantly reduces  
14 the number of bills that all LECs in the LATA have to send to and audit from  
15 one another. It also significantly reduces the amount of record exchange  
16 required between the companies. Also, we believe that the reason BellSouth  
17 currently requires that separate trunk groups be established for transit traffic is  
18 so BellSouth can produce the necessary billing records for such transit traffic.  
19 WorldCom's proposal would also eliminate the need for separate and inefficient  
20 trunk groups for transit traffic.

21 From a network perspective, again, it is WorldCom's position to route  
22 the local/intraLATA and transit traffic on a combined trunk group. There are  
23 tremendous network efficiencies by combining these three traffic types, from a

1 facilities, trunking, and switch port perspective, and also translations table  
 2 maintenance. Conversely, if BellSouth's position is adopted, the effect will be  
 3 to eliminate these efficiencies, thereby raising WorldCom's cost of competing  
 4 with BellSouth in the local market.

5 The Commission should rule specifically that all of these types of traffic  
 6 can be sent over the same trunk and that BellSouth will bill for transit traffic as  
 7 proposed herein.

#### 8 ISSUE 46

9 *Under what conditions, if any, should the parties be permitted to assign an*  
 10 *NPA/NXX code to end users outside the rate center in which the NPA/NXX is*  
 11 *located? (Attachment 4, Sections 9.4.6. and 9.10.)*

12  
 13 **Q. WHAT WOULD BELLSOUTH ACCOMPLISH IF ITS POSITION IS**  
 14 **ADOPTED BY THE COMMISSION?**

15 A. Ms. Cox asserts that BellSouth has no intention of limiting WorldCom's ability  
 16 to define a local calling area for WorldCom's end users but does desire to assess  
 17 access charges on calls from BellSouth end users to WorldCom customers who  
 18 purchase FX service. The effect of BellSouth's position is to limit the ability of  
 19 WorldCom to compete with BellSouth's FX service and similar offerings.  
 20 Where a BellSouth end user calls a subscriber to BellSouth's FX service, that  
 21 end user would be billed for a local call (or have it included as part of flat rate  
 22 local calling) as described by Ms. Cox at page 69. BellSouth's proposal would  
 23 preclude WorldCom from providing a comparable offering. This result is hardly  
 24 in keeping with the Commission's prior decisions encouraging the development

1 of a competitive environment that will allow consumers to have choices when  
2 shopping for FX and similar services.

3 **Q. MS. COX ASSERTS THAT IF WORLDCOM GIVES A TELEPHONE**  
4 **NUMBER TO A CUSTOMER WHO IS PHYSICALLY LOCATED IN A**  
5 **DIFFERENT LOCAL CALLING AREA THAN THE LOCAL CALLING**  
6 **AREA WHERE THAT NPA/NXX IS ASSIGNED, CALLS ORIGINATED**  
7 **BY BELLSOUTH END USERS TO THOSE NUMBERS ARE NOT**  
8 **LOCAL CALLS. IS SHE CORRECT?**

9 **A.** No. As indicated in WorldCom's direct testimony, whether a call is local or not  
10 depends on the NXX dialed, not the physical location of the customer.  
11 Jurisdiction of traffic is properly determined by comparing the rate centers  
12 associated with the originating and terminating NPA/NXXs for any given call,  
13 not the physical location of the end-users. Comparison of the rate centers  
14 associated with the calling and called NPA/NXXs is consistent with how the  
15 jurisdiction of traffic and the applicability of toll charges are determined within  
16 the industry today. As discussed more fully below, BellSouth's indication that  
17 this comparison should be used for "retail" services only further illustrates  
18 BellSouth's desire to have their own FX service treated as local and any  
19 competitor's offering of FX to be treated as toll.

20 **Q. AT PAGE 66, MS. COX DISCUSSES A CALLING EXAMPLE WHERE A**  
21 **BELLSOUTH CUSTOMER IN THE KEY WEST LOCAL CALLING**  
22 **AREA CALLED A WORLDCOM NUMBER IN THE 305/336 CODE**  
23 **(WITHIN THE KEY WEST LOCAL CALLING AREA) ASSIGNED TO A**



1           **WORLDCOM CUSTOMER PHYSICALLY LOCATED IN MIAMI.**

2           **PLEASE COMMENT ON THAT DISCUSSION.**

3    A.    Ms. Cox notes that in this situation BellSouth would treat the call as a local call  
4           for purposes of billing its Key West, Florida customer. Indeed, this result is  
5           correct because when BellSouth's customer dialed the Key West number he  
6           intended to make a local call and he did make a local call. Yet, Ms. Cox objects  
7           to the fact that reciprocal compensation is due for this call which WorldCom  
8           terminates.

9    **Q.    IS BELLSOUTH'S OBJECTION TO PAYING RECIPROCAL**  
10           **COMPENSATION ON THIS LOCAL CALL VALID?**

11   A.    No, it isn't. This call (what Ms. Cox refers to as a Key West to Miami call) is a  
12           call to an FX number, which Ms. Cox acknowledges is rated as a local call, and  
13           reciprocal compensation is payable on local calls.

14   **Q.    DOES BELLSOUTH PROPOSE A DISCRIMINATORY APPROACH TO**  
15           **FX OFFERINGS BY ITS COMPETITORS?**

16   A.    Yes. Continuing with Ms. Cox' example, if BellSouth provides one of its Key  
17           West customers with FX service to Miami, BellSouth treats calls from within  
18           the Key West local calling area to the FX number as local. However, if  
19           WorldCom wishes to offer the same FX service, BellSouth wants the same exact  
20           call to be treated as a toll call. BellSouth's position is intended to obstruct a  
21           competitor's ability to offer a service which competes on an equal footing with  
22           BellSouth's FX service.

1 Q. MS. COX ALSO SUGGESTS THAT WORLDCOM COULD EVEN  
2 ASSIGN A KEY WEST NXX TO A CUSTOMER LOCATED IN NEW  
3 YORK AND THEN CLAIM THAT THE CALL IS LOCAL. PLEASE  
4 COMMENT ON THIS SUGGESTION.

5 A. This bit of hyperbole does little to assist the Commission in resolving the  
6 parties' dispute. WorldCom is quite aware of its obligations under the  
7 interconnection agreement that interconnection for the provision of local  
8 services does not entitle WorldCom to avoid access charges by such a ruse. The  
9 question presented by this issue is whether BellSouth can preclude WorldCom  
10 from assigning NXXs using a routing point that is different from the rating  
11 point, and given our obligation to interconnect~~ion~~ within each LATA, the  
12 question is limited to different points within the same LATA.

13 Q. WHAT IS BELL SOUTH'S VIEW OF ITS COMPETITORS OFFERING  
14 FX SERVICE AND SIMILAR OFFERINGS?

15 A. As stated above, BellSouth's desire to place its proposed limitations on  
16 assignment of NXXs by WorldCom and refusal to follow its own tariff  
17 regarding the classification of FX traffic as local is an attempt to prohibit  
18 ALECs from competing with BellSouth. BellSouth's General Subscriber  
19 Service Tariff at Section A9.1.1.A specifies that "Foreign Exchange service is  
20 exchange service furnished to a subscriber from an exchange other than the one  
21 from which the subscriber would normally be served, allowing subscribers to  
22 have *local presence* and two-way communications in an exchange different  
23 from their own." [emphasis added] At Section A1 the same BellSouth tariff

1 defines Exchange Service as "...a general term describing as a whole the  
2 facilities provided for *local intercommunications*, ..." [emphasis added]

3 This traffic exists because BellSouth's end users are making local calls  
4 to an FX service. If WorldCom is precluded from offering competitive FX  
5 arrangements, BellSouth's Key West end users would only be able to reach the  
6 WorldCom Miami customer on a toll basis. In that instance end users would  
7 quickly look for another method of local access for a variety of calls. Likewise,  
8 if BellSouth were to apply switched access charges to this traffic, such above  
9 cost pricing would ultimately make the offering of competitive alternatives by  
10 ALECs infeasible.

11 **Q. MS. COX ASSERTS THAT THE FCC HAS MADE IT CLEAR THAT**  
12 **TRAFFIC JURISDICTION IS DETERMINED BASED UPON THE**  
13 **ORIGINATING AND TERMINATING END POINTS OF A CALL AND**  
14 **CITES FEATURE GROUP A ACCESS SERVICE. PLEASE COMMENT**  
15 **ON THIS.**

16 **A.** Contrary to Ms. Cox' implication, BellSouth is not providing Feature Group A  
17 service to an ALEC that is offering FX service to its customers. BellSouth's  
18 Feature Group A service is a switched access service provided to requesting  
19 *interexchange* carriers. Feature Group A involves the assignment of a *BellSouth*  
20 10-digit telephone number to the interexchange carrier and provides for a variety  
21 of optional, BellSouth-provided features (e.g., hunt groups, uniform call  
22 distribution, service code denial) from a specific end office.

1           In Ms. Cox' view the ALEC should have to purchase switched access in  
2 order to provide a local service. However, just like BellSouth and unlike an  
3 interexchange carrier, when an ALEC provides FX service it does so as a local  
4 service provider, assigning to the end user a 10-digit telephone number from the  
5 ALEC's own NXX. Additionally, because the ALEC has a local switch, it does  
6 not rely on the BellSouth local switch to provide additional features as an  
7 interexchange carrier would.

8           BellSouth should not be allowed to re-categorize as toll, traffic  
9 historically viewed as local by pretending that an ALEC is an interexchange  
10 carrier.

11 **Q. MS. COX ASSERTS THAT THE CLOSEST PARALLEL TO AN FX**  
12 **OFFERING BY AN ALEC IS 800 SERVICE. DO YOU AGREE?**

13 A. No. The closest parallel would be BellSouth's own FX service. Of course,  
14 BellSouth's position, if adopted, will raise WorldCom's cost of providing a  
15 competitive service to a level that would effectively eliminate WorldCom's  
16 ability to offer a competing FX service. BellSouth's suggestion that an ALEC's  
17 FX service is comparable to 800 service is not correct. 800 service allows toll  
18 free calling from callers in the LATA, the State, or indeed the entire country.  
19 FX service allows local calling limited to the rate center with which the NXX is  
20 associated. Calls to that NXX from anywhere else would not be local and would  
21 not be toll free. The California Commission has noted this distinction as  
22 discussed below in greater detail.

1   **Q.    WHAT POLICY ISSUES ARE RAISED BY BELLSOUTH'S ASSERTION**  
2       **THAT DETERMINATION OF CALL JURISDICTION BASED ON**  
3       **RATE CENTERS ASSOCIATED WITH THE NPA/NXXS IS ONLY**  
4       **APPLICABLE TO RETAIL END USER BILLING?**

5    A.   Simply put, BellSouth would like to place its competitors at a disadvantage by  
6       utilizing one standard (i.e., FX is local) for offering its retail services and  
7       another standard (i.e. FX is toll) when another local provider attempts to make a  
8       competitive offering. As noted above, the effect of this position is to increase  
9       BellSouth's potential competitors' costs of providing equivalent service  
10      offerings, thereby harming the competitive process.

11               Ms. Cox, at page 69 points to the FCC's jurisdictional analysis based on  
12      the originating and terminating end points of a call as the guide to be followed.  
13      However, the FCC's analysis has traditionally been utilized to determine  
14      whether or not particular traffic is *interstate* and thereby within the FCC's  
15      jurisdiction. The discussion of call jurisdiction is merely a smokescreen to  
16      cover BellSouth's private business interest in reducing potential competition for  
17      its FX service.

18               The California Commission recognized the practical problems associated  
19      with BellSouth's position in its order addressing the provision of FX service by  
20      ALECs (Decision 99-09-029, September 2, 1999, Rulemaking 95-04-043) in  
21      finding that

22                       The rating of a call, therefore, should be **consistently** determined  
23                       based upon the designated NXX prefix. Abandoning the linkage

1           between NXX prefix and rate center designation could undermine  
2           the ability of customers to discern whether a given NXX prefix  
3           will result in toll charges or not. Likewise, the service  
4           expectations of the called party (i.e., ISPs) would be undermined  
5           by imposing toll charges on such calls since customers of the ISPs  
6           would be precluded from reaching them through a local call.  
7           Consequently, the billing of toll charges for Internet access which  
8           is designed to be local could render an ISP's service prohibitively  
9           expensive, thus limiting the competitive choices for Internet  
10          access, particularly in rural areas.”

11          (Emphasis added.) As the California Commission recognized, the retail offering  
12          of FX service and its associated rating based on the rate centers associated with  
13          the assigned NXX's must be applied to FX offerings from ALECs as well.  
14          Failure to do so distorts the way in which ALECs can make a competitive FX  
15          offering available and, would in fact eliminate competition for this increasingly  
16          important service.

17   **Q.   MS. COX ASSERTS THAT WHEN WORLDCOM ASSIGNS NXXs SO**  
18   **AS TO PROVIDE FX SERVICE IT IS NOT SEEKING TO DEFINE ITS**  
19   **OWN LOCAL CALLING AREA BUT RATHER IS ATTEMPTING TO**  
20   **REDEFINE THE LOCAL CALLING AREA OF BELLSOUTH'S**  
21   **CUSTOMERS. IS THIS CORRECT?**

22   **A.   No.** Continuing with the Miami-Key West example introduced by Ms. Cox,  
23          when WorldCom provides an NXX associated with the Key West rate center to

1 WorldCom's customer located in Miami, WorldCom is providing its customer  
2 with a local presence in Key West because that is what the customer wants.  
3 Contrary to Ms. Cox' assertion, when WorldCom does so it is not redefining the  
4 local calling area of BellSouth's customers in Key West. Just as when  
5 BellSouth provides an FX service allowing its end users in Key West to place  
6 local calls to customers located elsewhere, the local calling scope of BellSouth's  
7 Key West customers is not changed. The expectation of BellSouth's customers  
8 that when they call a Key West exchange they are making a local call is not  
9 changed.

10 **Q. IS MS. COX CORRECT THAT THIS ISSUE HAS NO EFFECT ON THE**  
11 **DEGREE OF LOCAL COMPETITION?**

12 **A.** No. Ms. Cox reaches this conclusion by noting that, in her Key West-Miami  
13 hypothetical, the offering of FX service by an ALEC to a Miami customer does  
14 nothing to enhance local competition in Key West. Two responses are called  
15 for:

16 First, in Ms. Cox' example the ALEC is enhancing local competition in  
17 Miami by offering a service which competes with BellSouth's FX offering.

18 Second, the offering of competitive FX services to customers in Miami by an  
19 ALEC will enhance the degree of local competition in Key West.

20 Ms. Cox reaches the conclusion she does only because of the limits of  
21 her hypothetical example (a customer in Miami seeking FX service with an  
22 NXX associated with the Key West rate center). As noted above, it is clear that

1 the introduction of FX service by ALECs can and will expand competitive  
2 choices in all geographic areas.

3 **Q. MS. COX DESCRIBES A DECISION BY THE MAINE PUC IN HER**  
4 **TESTIMONY. PLEASE COMMENT ON THE RELEVANCE OF THAT**  
5 **DECISION.**

6 A. The focus of the Maine PUC was on the impact of FX service on numbering  
7 resources in Maine and the effect on matters such as NXX code conservation for  
8 purposes of avoiding area code splits, etc.. While the Maine PUC did make a  
9 determination on this matter, the focus was not on whether FX service is local or  
10 interexchange.

11 **Q. MS. COX NOTES THAT THE MAINE PUC CONCLUDED THAT THE**  
12 **CLOSEST PARALLEL TO THE BROOKS FIBER FX SERVICE IN**  
13 **THAT CASE IS 800 SERVICE. PLEASE ADDRESS THIS MATTER.**

14 A. The Maine PUC did make this finding, however that finding is incorrect, for the  
15 reasons noted above. Moreover, the California PUC has found that this type of  
16 service, when provided by ALECs, is indeed equivalent to FX service and not  
17 800 service:

18 We believe the Pac-West arrangement is equivalent to foreign  
19 exchange service, not to intraLATA toll-free calling as claimed  
20 by Pacific. Just as with other forms of foreign exchange service,  
21 the Pac-West arrangement relocates the rate center from which  
22 incoming calls are rated as either local or toll. Unlike intraLATA  
23 toll-free calling, however, the Pac-West arrangement does not



1 permit a caller from any location to dial the ISP toll-free. The  
2 calling party would still incur toll charges if the call was made  
3 from a location whereby the rate center of the calling party was  
4 more than 12 miles from the rate center for the ISP's NXX prefix.  
5 The Pac-West arrangement is not equivalent to intraLATA toll-  
6 free calling.

7 **Q. MS. COX ASSERTS THAT THE CALIFORNIA COMMMSSION WAS**  
8 **PRESENTED WITH THIS ISSUE BUT DID NOT DECIDE WHETHER**  
9 **THE SERVICE WAS LOCAL OR INTEREXCHANGE. IS THIS**  
10 **CORRECT?**

11 A. No. The California Commission decided that FX calls are local because the  
12 rating of calls is based upon the designated rate centers of the calling and called  
13 NXXs:

14 As discussed below, we conclude that the rating of calls as toll or  
15 local should be based upon the designated rate center of the NXX  
16 prefix of the calling and called parties' numbers. Even if the called  
17 party may be physically located in a different exchange from  
18 where the call is rated, the relevant rating point is the rate center of  
19 the NXX prefix. We conclude that under a foreign exchange  
20 service arrangement, it is consistent with the applicable tariffs to  
21 rate calls in reference to the rate center of the assigned NXX prefix  
22 even though it is in a different exchange from where the called  
23 party is located.

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Thus, foreign exchange service provides for a called party to reside in one exchange, but still have a telephone number rated as local served from a foreign exchange.

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For purposes of considering the issue of call rating, it is not necessary to deliberate at length over whether Pac-West's service conforms to some particular definition of "foreign exchange service" based upon specific provisioning arrangements. Although the Pac-West form of service differs from certain other forms of foreign exchange service in how it is provisioned, the ultimate end-user expectation remains the same, namely to achieve a local presence within an exchange other than where the customer resides. From the end-use customer's perspective, Pac-West's service is a competitive alternative to other form of foreign exchange service.

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WorldCom's position is consistent with the decision of the California PUC. FX service is local and the originating carrier owes reciprocal compensation to the terminating carrier. All of the above illustrates the fallacy in Ms. Cox' assertion that "FX service is clearly a long distance service." (Cox Direct, at 69)

20 **Q.**

**WHAT RESOLUTION WOULD WORLDCOM RECOMMEND TO THE COMMISSION ON THIS ISSUE?**

21

22 **A.**

Just as stated in my direct testimony, the Commission should allow ALECs to assign NXXs within the LATA in a manner that provides for rating points

23

1 different from routing points and conclude that the appropriate method for  
 2 determining the jurisdiction of this traffic is to compare the rate centers  
 3 associated with the calling and called NXXs. This resolution will permit  
 4 ALECs such as WorldCom to offer competitive FX service to their customers on  
 5 non-discriminatory terms.

6 Additionally, for the reasons stated above, BellSouth should be required  
 7 to pay reciprocal compensation to the ALEC for this local traffic.

8 BellSouth's proposed contract language on this matter would not allow  
 9 WorldCom to assign NXXs in such a manner as to provide *local* FX service.  
 10 BellSouth has refused to recognize this as local traffic and has insisted on  
 11 applying originating access charges as well as refusing to pay reciprocal  
 12 compensation to the ALEC. BellSouth proposes to treat WorldCom's FX  
 13 service differently than BellSouth treats its own retail FX service. The  
 14 Commission should reject this discrimination.

15 **ISSUE 47**

16 *Should reciprocal compensation payments be made for calls bound to ISPs?*

17

18 **Q. HAS THE COMMISSION ALREADY DECIDED THIS ISSUE?**

19 A. Yes. In the Global NAPS arbitration, the Commission recently held that  
 20 reciprocal compensation payments should be made for payments bound to ISPs.  
 21 Unlike the Global NAPS case, however, BellSouth has not in this proceeding  
 22 proposed different rates for reciprocal compensation depending on the identity  
 23 of the party to which calls are terminated. Therefore the Commission should

1 simply rule that the uniform reciprocal compensation rate applies for ISP-bound  
2 calls.

3 **Q. HAS BELLSOUTH OFFERED ANYTHING NEW TO THE**  
4 **COMMISSION ON THIS ISSUE?**

5 A. No. Ms. Cox suggests that the Commission make an interim ruling in this  
6 proceeding, subject to retroactive true-up when the FCC establishes final rules  
7 associated with ISP-bound traffic. WorldCom respectfully suggests that there is  
8 no need for this Commission to await further FCC action; instead, the  
9 Commission should confirm the independent determination in made in Global  
10 NAPS that reciprocal compensation should apply to this traffic.

11 **ISSUE 51**

12 *Under what circumstances is BellSouth required to pay tandem charges when*  
13 *MCIW terminates BellSouth local traffic? (Attachment 4, Sections 9.4, 10.4.2,*  
14 *10.4.2.3.)*

15  
16 **Q. PLEASE DESCRIBE BELLSOUTH'S POSITION ON THIS ISSUE.**

17 A. Ms. Cox argues that WorldCom must meet a two-pronged test to receive  
18 reciprocal compensation at the tandem rate (including tandem switching,  
19 transport and end office switching): (1) WorldCom must show that its switches  
20 cover a geographic area comparable to BellSouth's tandems; and (2)  
21 WorldCom must show that its switches perform local tandem functions.

22 **Q. IS BELLSOUTH'S POSITION VALID?**

23 A. No. As I explained in my Direct Testimony, the FCC has been quite clear on  
24 this point. FCC Rule 51.711(a)(3) establishes that an ALEC is entitled to  
25 reciprocal compensation at the tandem rate whenever its switch covers a-

1 geographic area comparable to the area covered by the ILEC's tandem. That  
2 rule does not include any requirement that the ALEC provide tandem  
3 functionality. Paragraph 1090 of the *Local Competition Order*, which I quoted  
4 in my Direct Testimony, makes it clear that an ALEC may obtain the tandem  
5 rate if it provides equivalent tandem functionality or it meets the geographic  
6 comparability requirement. Ms. Cox' contention that ALECs must establish  
7 tandem functionality and geographic comparability finds no support in the  
8 FCC's rules or the *Local Competition Order*.

9 **Q. DO YOU AGREE WITH MS. COX' READING OF THE ILLINOIS**  
10 **DECISION?**

11 A. No. Ms. Cox cites *MCI Telecommunications Corporation v. Illinois Bell*  
12 *Telephone Company*, 1999 U.S. Dist. LEXIS 11418 (N.D. Ill. June 22, 1999) to  
13 support BellSouth's two-pronged test theory. Ms. Cox' reliance is misplaced.  
14 The district court did not reach the issue of whether a two-pronged test is  
15 consistent with FCC Rule 51.711 or the Local Competition Order. In any event,  
16 the functionality point was essentially moot, because there was no dispute that  
17 MCI's switches provided functionality comparable to Ameritech's tandem  
18 switches.

19 **Q. CAN YOU ELABORATE FURTHER ON THE RELATIONSHIP**  
20 **BETWEEN GEOGRAPHIC COMPARABILITY AND TANDEM**  
21 **FUNCTIONALITY?**

22 A. Yes. The concept of a single, geographic scope test was adopted largely  
23 because the FCC recognized that when an ALEC switch covers a geographic

1 area that is comparable to the area covered by an ILEC tandem switch, the  
2 ALEC switch is necessarily providing similar functionality. Although, as  
3 discussed above, a functionality test is not required or appropriate when  
4 geographic comparability has been established, it is useful to discuss how the  
5 WorldCom network operates to understand why geographic coverage and  
6 functionality go hand in hand.

7 WorldCom's network consists of some basic components: switches,  
8 fiber transport, local nodes, collocations, and on-net buildings. The physical  
9 connectivity between the WorldCom switches and the customers served by those  
10 switches is accomplished in a variety of ways. First, a customer can be served  
11 via a facility, such as a DS1, that extends from the switch directly to the  
12 customer. Typically this facility is leased from BellSouth and is used to provide  
13 service to customers that are not located in an on-net building or close to the  
14 WorldCom fiber transport system.

15 Alternatively, a customer could be served by extending a facility from a  
16 collocation space to the customer. In this case the facility would be connected  
17 to multiplexing equipment that would place that customer's traffic on a  
18 WorldCom high capacity transport system (e.g. OC-48 SONET system) to be  
19 transported to the switch. This situation allows traffic from multiple customers  
20 to be combined onto the higher capacity transport system.

21 Another situation is involved when a customer is located in an on-net  
22 building. Here, WorldCom can place add/drop multiplexing equipment in the  
23 building that is connected to the high capacity fiber ring. WorldCom then uses

1 the building's inside wire and riser cable to connect the customer to the  
2 multiplexing equipment that ultimately provides connectivity to the switch.

3 The WorldCom network is interconnected with BellSouth in the  
4 following manner. There is a point of interconnection at which there are  
5 physical facilities used by both companies for the exchange of traffic. Over  
6 those physical facilities, trunk groups are configured to pass traffic between the  
7 WorldCom switch and BellSouth tandems as well as various BellSouth end  
8 offices. These trunk groups are typically established at a DS1 level but can vary  
9 in capacity based on traffic needs. In addition to local and intraLATA traffic,  
10 trunking arrangements are established for such things as operator traffic,  
11 directory assistance, E911, and long distance traffic. When traffic is originated  
12 on BellSouth's network, WorldCom picks that traffic up at the point of  
13 interconnection between the two networks, bring that traffic into their local  
14 switches and then route the traffic across the extensive fiber transport network,  
15 digital cross connects and multiplexers (or, in some cases over the direct trunk  
16 facilities between the switches and the customers) for delivery to the customer.  
17 Essentially WorldCom switches serve as aggregation points for traffic originated  
18 from BellSouth's customers, just as the BellSouth tandem serves as an  
19 aggregation point for traffic originated on ALECs' networks.

20 **Q. PLEASE COMPARE THE WORLDCOM LOCAL NETWORK TO**  
21 **BELLSOUTH'S LOCAL NETWORK IN GENERAL.**

22 A. WorldCom uses state-of-the-art equipment and design principles based on  
23 technology available today. Their local network has been built within the past

1 few years using optical fiber rings with SONET transmission, which makes it  
2 possible to access and serve a large geographic area from a single switch. In  
3 addition, WorldCom uses combinations of DS1 loops and transport leased from  
4 BellSouth to extend the reach of its network. In contrast, BellSouth's network,  
5 developed over many decades, employs an architecture characterized by a large  
6 number of switches within a hierarchical system with relatively short copper  
7 based subscriber loops.

8 **Q. WHAT ARE THE GEOGRAPHIC AREAS AT ISSUE IN THIS CASE?**

9 A. There are two geographic areas at issue -- South Florida (Miami/Ft. Lauderdale)  
10 and Orlando.

11 **Q. PLEASE DESCRIBE WORLDCOM'S LOCAL NETWORK IN THE**  
12 **SOUTH FLORIDA AREA.**

13 A. The WorldCom network consists of four switches, three of which are located in  
14 the Miami rate center and one of which is located in the Ft. Lauderdale rate  
15 center. These switches, combined with the transport network described below,  
16 provide local service in eleven rate centers in the South Florida area. Exhibit  
17 \_\_\_\_ (DP-2) provides the Local Serving Area Map for the WorldCom local  
18 network. WorldCom is currently providing local service to customers located in  
19 all but 1 of the 12 rate centers in this area. While WorldCom uses 4 local  
20 switches and a transport network to serve these rate centers, BellSouth utilizes 5  
21 local or access tandems and a multitude of end offices to serve this area.

22

23



1       **\*\*BEGIN PROPRIETARY\*\***

2                   The total equipped capacity of the WorldCom switches in the South  
3       Florida area is in excess of [REDACTED] DS0s. WorldCom currently has customers  
4       in eleven rates centers and provides those customers with more than [REDACTED] local  
5       access circuits. Through the fiber network, these switches serve [REDACTED] on-  
6       net buildings in [REDACTED] cities. [REDACTED] collocation arrangements have been established  
7       in [REDACTED] BellSouth wire centers. These collocation arrangements are connected to  
8       the appropriate switches via SONET transport systems that ride WorldCom's  
9       fiber facilities, and additional SONET transport systems provide internodal  
10      transport between and among the local nodes and the switch.

11      **\*\*END PROPRIETARY\*\***

12      **Q.     PLEASE DESCRIBE WORLDCOM'S LOCAL NETWORK IN THE**  
13      **ORLANDO AREA.**

14      A.     The WorldCom network consists of one switches which is configured and  
15      equipped to provide local service in fourteen rate centers. WorldCom currently  
16      has customers in nine of these rate centers. Exhibit \_\_\_\_ (DP-2) provides the  
17      Local Serving Area Map for the WorldCom local network. While WorldCom  
18      uses one local switch and a transport network to serve these rate centers,  
19      BellSouth utilizes 4 local or access tandems and a multitude of end offices to  
20      serve this area.

21      **\*\*BEGIN PROPRIETARY\*\***

22                   WorldCom's Orlando switch has a current equipped capacity of approximately  
23      [REDACTED] DS0s, and current provides customers with more than [REDACTED] local

1 circuits. Through its fiber network, the Orlando switch serves [REDACTED] on-net  
 2 buildings in [REDACTED] cities. In addition, WorldCom has established [REDACTED] collocation  
 3 arrangements in [REDACTED] BellSouth and Sprint wire centers. As is the case in South  
 4 Florida, these collocation arrangements are connected to WorldCom's switch via  
 5 SONET transport systems that ride WorldCom's fiber facilities, and additional  
 6 SONET transport systems provide internodal transport between and among the  
 7 local nodes and the switch.

8 **\*\*END PROPRIETARY\*\***

9 **Q. PLEASE RESPOND TO MS. COX' ASSERTION (PAGE 87-89) THAT**  
 10 **WORLDCOM IS INAPPROPRIATELY SEEKING TO BASE**  
 11 **COMPENSATION FOR TRANSPORT BASED ON THE AVERAGE**  
 12 **DISTANCE BETWEEN BELLSOUTH'S END OFFICES SUBTENDING**  
 13 **A BELLSOUTH TANDEM SWITCH.**

14 A. Ms. Cox' position is completely inconsistent with the requirement that the  
 15 ILECs' costs are to be utilized as a proxy for the ALECs' costs. The FCC makes  
 16 this clear in Paragraph 1085 in the *Local Competition Order*. The FCC states:

17 We conclude that it is reasonable to adopt the incumbent LECs'  
 18 transport and termination prices as a presumptive proxy for other  
 19 telecommunications carriers' additional costs of transport and  
 20 termination.

21 One of the reasons that the FCC adopted this approach was its recognition that  
 22 ALECs' networks were not likely to be constructed in the same manner as the

1 ILECs' and that there should not be an incentive or requirement for the ALECs'  
2 to replicate the ILEC network.

3 WorldCom's proposal is consistent with the FCC' rules and the policy  
4 goals underlying those rules. Because of the different network architecture  
5 deployed by WorldCom, adopting BellSouth's position would allow only  
6 BellSouth to enjoy the benefits of WorldCom's network architecture by  
7 requiring WorldCom to complete calls on BellSouth's behalf, without BellSouth  
8 having to pay appropriate compensation.

9 **Q. PLEASE SUMMARIZE YOUR TESTIMONY ON THIS ISSUE.**

10 A. WorldCom is entitled to the tandem rate when its switches serve a geographic  
11 area comparable to the area served by BellSouth's tandems. In the case of the  
12 South Florida and Orlando areas, WorldCom's switches plainly meet this test.

13 **ISSUE 53**

14 *Should call jurisdiction be based on the calling party number or on*  
15 *jurisdictional factors that represent averages? (Attachment 4, Sections 9.6.1 and*  
16 *10.6.1; Part B, Sections 129-130.)*

17  
18 **Q. WHY IS BELLSOUTH'S POSITION, THAT JURISDICTIONAL**  
19 **FACTORS SUCH AS PERCENTAGE INTERSTATE USAGE ("PIU")**  
20 **AND PERCENTAGE LOCAL USAGE ("PLU") SHOULD BE USED IN**  
21 **LIEU OF THE CALLING PARTY NUMBER ("CPN"), NOT**  
22 **SUBSTANTIATED BY BELLSOUTH'S TESTIMONY?**

23 A. BellSouth concedes that using recorded data to more accurately bill for calls  
24 between the two companies' networks is "desirable," but contends that there are  
25 a "number of limitations" that preclude the use of CPN. Mr. Scollard gives

1 three "key" reasons for BellSouth's position. None of these reasons justifies  
2 BellSouth's position.

3 First, he states that industry standards used by BellSouth to record calls  
4 do not allow BellSouth to record "CPN" in the terminating switch records. To  
5 alter the standards, so Mr. Scollard maintains, would require industry agreement  
6 and subsequent switch vendor modifications. Regardless of whether this is true,  
7 the statement misses the point. The information needed for billing – which,  
8 strictly speaking, is not "CPN," but the ANI of the calling party -- is in fact  
9 captured and recorded in the originating switch.

10 Second, BellSouth maintains that, even if "CPN" is eventually captured  
11 by switch recordings, it is of limited use to the extent that some interconnection  
12 agreements define "local traffic" as traffic that is billed to the end user of the  
13 originating company as a local call, and that BellSouth has "no way" of knowing  
14 what another company bills its users. Again, Mr. Scollard misses the mark.  
15 "CPN," as stated above, isn't the issue; the originating switch captures the ANI  
16 information, which is available for billing purposes. Moreover, WorldCom and  
17 BellSouth have agreed that local traffic will be defined "as any telephone call  
18 that originates in one exchange and terminates in either the same exchange, or  
19 other local calling area associated with the originating exchange (e.g., Extended  
20 Area Service) as defined and specified in Section A3 of BellSouth's General  
21 Subscriber Services Tariff." (Attachment 4, Section 9.3.) Under this definition,  
22 there is no ambiguity as to call jurisdiction.

1           Last, Mr. Scollard contends that there are cases in which CPN is not  
2 included in the call record. To the extent that BellSouth and another LEC have  
3 agreed that the entire telephone number need not be recorded, BellSouth should  
4 not be able to hide behind such agreements to avoid providing reasonable and  
5 necessary information to WorldCom. Accurate billing does not depend on  
6 auditing sample information, which is what BellSouth in essence proposes.  
7 Instead, accurate billing depends on the ability to audit the number of the calling  
8 party.

9 **Q. MR. SCOLLARD CONTENDS THAT WORLDCOM'S TRAFFIC**  
10 **INCLUDES CPN INFORMATION ONLY 50% OF THE TIME. HOW**  
11 **DO YOU RESPOND?**

12 A. This statement is misleading; regardless of whether "CPN" in a given situation  
13 is required to be transmitted between LECs, the originating switch captures ANI  
14 information, which is what is needed for billing. It is that information which can  
15 and must be shared for billing purposes.

16 **Q. WHAT IS THE APPROPRIATE METHOD, THEN, FOR THE PARTIES**  
17 **TO USE IN DETERMINING CALL JURISDICTION?**

18 A. The originating carrier should use CPN or other data available, such as ANI or  
19 BTN, to determine the PLU, and provide the PLU to the terminating carrier.  
20 This approach is far preferable to a process based on a sampling of call records  
21 to estimate a PLU.

22 **ISSUE 67**

23 *When WorldCom has a license to use BellSouth rights-of-way, and BellSouth*  
24 *wishes to convey the property to a third party, should BellSouth be required to*  
25 *convey the property subject to WorldCom's license? (Attachment 6, Section 3.6.)*

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**Q. DOES MS. COX GIVE A VALID REASON FOR BELL SOUTH'S  
PROPOSED CONTRACT LANGUAGE?**

A. No. Ms. Cox simply contends that BellSouth should have the unfettered right to dispose of its property as it wishes. Ms. Cox does not address WorldCom's concerns that it could be put in the position of having to strand its facilities and that BellSouth could dispose of its property in a way that would discriminate against WorldCom (such as by selling the property subject to BellSouth's rights but not WorldCom's rights). WorldCom's proposed language hardly would enable WorldCom "to control the disposition of BellSouth's property" as Ms. Cox contends. It simply would protect WorldCom's rights in a manner consistent with the policies underlying the Act.

**ISSUE 68**

*Should BellSouth require that payments for make-ready work be made in advance? (Attachment 6, Sections 4.4.2, 4.7.3 and 5.6.1.)*

**Q. DOES MR. MILNER'S TESTIMONY SUPPORT BELL SOUTH'S  
POSITION?**

A. No. Mr. Milner does not explain why work should be delayed until WorldCom processes payment for make-ready work. As I noted in my Direct Testimony, WorldCom is willing to make such payment within fourteen days, which is commercially reasonable. WorldCom has offered to fax BellSouth, upon receipt of an invoice, written authorization to commence the work at WorldCom's expense. The parties have agreed on credit and deposit language in this agreement, and BellSouth is free to apply that language to WorldCom's

1 purchase of make-ready work. BellSouth has not explained why, among all the  
 2 services WorldCom is purchasing in this agreement, only make-ready work  
 3 must be paid for in advance.

4 **ISSUE 75**

5 *For end users served by INP, should the end user or the end user's local carrier*  
 6 *be responsible for paying the terminating carrier for collect calls, third party*  
 7 *billed calls or other operator assisted calls? (Attachment 7, Section 2.6.)*

8

9 **Q. WHAT IS BELL SOUTH'S POSITION, AND YOUR RESPONSE TO IT?**

10 A. BellSouth has proposed that, when an end user served via Interim Number  
 11 Portability ("INP") receives a collect call, third party billed or other operator  
 12 assisted call, the end user's carrier should be responsible for payment to the  
 13 other carrier. For example, if a WorldCom end user receives a collect call from  
 14 a BellSouth customer, BellSouth would propose that it bill WorldCom for the  
 15 charges, thus imposing on WorldCom the responsibility for billing the end user  
 16 and the risk of nonpayment.

17 BellSouth's proposal is contrary to the industry practice with respect to  
 18 these types of calls. The practice in the industry is for the toll carrier to bill the  
 19 end user directly. The toll carrier obtains the necessary billing information (for  
 20 the applicable charge) from the end user's local carrier. Thus BellSouth's  
 21 statement that "(a)ny issue MCI has with billing its end users" should be "short  
 22 lived" because the INP process is being replaced with Local Number Portability  
 23 ("LNP") is gratuitous.

24 **Q. BESIDES BELL SOUTH'S MISTAKEN STATEMENTS AS TO**  
 25 **INDUSTRY PRACTICE, MR. SCOLLARD STATES THAT, WITH INP,**

1           **THE ALEC BECOMES BELLSOUTH'S CUSTOMER OF RECORD AND**  
2           **THUS BELLSOUTH SHOULD BE ABLE TO BILL THE ALEC FOR**  
3           **THE CALL. HOW DO YOU RESPOND?**

4    A.    The mere fact that BellSouth has provided a number for portability purposes  
5           should not be allowed to override the established industry practice of billing the  
6           end user for collect and third party calls. It is specious in this regard for Mr.  
7           Scollard to suggest that WorldCom can "block" or "restrict" certain phone  
8           numbers if it is having difficulty collecting from its end users for these types of  
9           calls. Companies -- including BellSouth for intraLATA and all the interLATA  
10          providers -- providing service to WorldCom end users are responsible for billing  
11          for those services -- whether directly or via a billing and collections agreement  
12          with WorldCom by which it bills those charges for the toll or OS provider on the  
13          WorldCom bill. If a service at issue is provided by BellSouth (such as an  
14          intraLATA collect call), then BellSouth should have to bill for that service in the  
15          same manner that other OS and toll providers do today. If BellSouth needs  
16          billing name and address ("BNA") information from WorldCom in order to  
17          render a bill, WorldCom will provide it to BellSouth in the same manner that  
18          BellSouth provides ALECs with BNA information today. It is ludicrous and  
19          contrary to any industry standard to require a local exchange company to be  
20          responsible for these types of charges incurred by its end users.

21   **Q.    MR. SCOLLARD STATES THAT WORLDCOM CAN "AVOID THIS**  
22           **ISSUE" BY CHOOSING TO OFFER SERVICE VIA LNP RATHER**  
23           **THAN INP. IS THIS A VALID POINT?**



1 A. No. WorldCom agrees that fewer and fewer customers will be served using  
2 INP. This issue may never even get raised. It is, however, BellSouth who is  
3 proposing the insertion of language that would make WorldCom responsible for  
4 all operator-assisted calls made and received by its customers. If the issue is so  
5 unlikely to be of concern, why is BellSouth insisting on the insertion of this  
6 onerous language?

7 **ISSUE 92**

8 *Should the parties be required to follow the detailed guidelines proposed by*  
9 *MCIW with respect to LNP orders? (Attachment 8, Section 3.6.)*

10

11 **Q. MR. MILNER CONTENDS THAT WORLDCOM IS PROPOSING**  
12 **ERRONEOUS INTERVALS FOR LNP AND INP. DO YOU AGREE?**

13 A. No, and in fact the LNP and INP intervals are not in dispute. The parties have  
14 agreed to a table of LNP and INP intervals that has been appended to  
15 Attachment 7 of the most current version of the interconnection agreement being  
16 negotiated. This table is based on BellSouth's interval guide.

17 **ISSUE 93**

18 *By when must the parties bill for previously unbilled amounts? By when must*  
19 *they submit bills to one another? (Attachment 8, Sections 4.2.3.4.2, 4.2.3.4.4,*  
20 *4.2.3.4.5 and 4.2.3.5.)*

21

22 **Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?**

23 A. BellSouth's position is that parties may bill for previously unbilled amounts until  
24 the statute of limitations expires, and there should be no deadline for submitting  
25 bills. The statute of limitations, of course, is a defense to an action for collection  
26 of a debt. BellSouth contends that it needs the statutory period to render a bill to

1 WorldCom, notwithstanding WorldCom's commitment to bill BellSouth in a  
2 shorter period, because BellSouth must rely on usage records from third parties.  
3 BellSouth characterizes WorldCom's position – which is that the parties must  
4 bill for previously unbilled amounts within one year of the bill date, and that the  
5 bill date should be no more than ninety days old - as “artificial”.

6 **Q. WHAT IS YOUR RESPONSE?**

7 A. Mr. Scollard's example of a meet point billing procedure, involving a third party,  
8 is invalid. Carriers bill one another for services rendered. Based upon the  
9 information Mr. Scollard presented in his testimony, I cannot conceive of how  
10 or why any third party would need to supply information to BellSouth for it to  
11 be able to render complete bills. According to BellSouth, it relies on  
12 information from various third parties to render proper bills to WorldCom and  
13 these parties might take longer than one year to provide the requisite  
14 information. Assuming for the sake of argument that this is true, certainly  
15 BellSouth has agreements with these third parties regarding what is an  
16 acceptable length of time for such entities to supply the needed information to  
17 BellSouth. Only BellSouth can negotiate with third parties regarding the length  
18 of time those parties may delay in supplying any needed information.

19 **Q. IS WORLDCOM ASKING THAT BELLSOUTH BE HELD TO A  
20 HIGHER STANDARD THAN IT IS WILLING TO MEET ITSELF?**

21 A. No. WorldCom intends to render its bills to BellSouth under the terms it has  
22 proposed. WorldCom believes that its proposal to render bills every ninety days  
23 and to bill all previously unbilled amounts within one year is eminently

1 reasonable. Putting reasonable time limitations on billing encourages prompt  
2 bills and bill corrections, and permits parties to close their books on past activity  
3 within a reasonable time.

4 **Q. WHAT IS YOUR RESPONSE TO MR. SCOLLARD'S SUGGESTION OF**  
5 **A BILL CERTIFICATION PROCESS?**

6 A. This process would apparently still permit BellSouth to send bills many months  
7 after charges have been incurred; hence many of these charges still would be  
8 ultimately uncollectible from the end users. More fundamentally, WorldCom  
9 would not likely agree to "certify" the accuracy of BellSouth's bills, given our  
10 past experience where it is necessary to pay a team of auditors to uncover the  
11 many flaws in BellSouth's billings for interexchange access.

12 **ISSUE 94**

13 *Should BellSouth be permitted to disconnect service to WorldCom for*  
14 *nonpayment? (Attachment 8, Section 4.2.18)*

15  
16 **Q. MS. COX USES THE "PICK AND CHOOSE" ARGUMENT TO**  
17 **EXPLAIN WHY IT MUST BE ABLE TO DISCONNECT SERVICE TO**  
18 **WORLDCOM'S CUSTOMERS, EVEN THOUGH WORLDCOM IS**  
19 **RELATIVELY LIKELY TO BE WILLING AND ABLE TO PAY FOR**  
20 **ALL APPROPRIATE CHARGES. IS THIS A REASONABLE**  
21 **JUSTIFICATION FOR THE INCLUSION OF BELL SOUTH'S**  
22 **LANGUAGE WHICH WOULD PERMIT THE DISCONNECTION OF**  
23 **SERVICE TO END USERS?**

24 A. No. The language proposed by WorldCom would adequately protect both  
25 billing parties (ILEC and ALEC) against the risk of non-payment. BellSouth

1 suggests that disconnection of customers would only occur if/when WorldCom  
2 fails to pay "absent a good faith billing dispute." But parties often differ in  
3 opinion as to whether a dispute is made in good faith. It would be wholly  
4 inappropriate for BellSouth to terminate service to WorldCom's or any ALEC's  
5 end user customers because it unilaterally determined that WorldCom's or  
6 another ALEC's dispute was not made "in good faith." WorldCom's proposal  
7 would enable BellSouth to pursue dispute resolution if WorldCom does not pay.  
8 Dispute resolution could entail bringing an enforcement action before this  
9 Commission or suing in a court of law. These are standard procedures and do  
10 not contain the risks inherent in permitting a billing party to unilaterally  
11 determine that a billing dispute is not made in good faith.

12 The consequences to Florida consumers and to local exchange  
13 competition are too great to permit an incumbent local exchange carrier such as  
14 BellSouth to have the contractual right to give 30 days notice that it will  
15 terminate service to its dependent competitor one month after a bill is rendered.  
16 Customers would have their basic local service cut off and would naturally  
17 blame WorldCom for terminating service. BellSouth should not be granted such  
18 leverage (the threat of turning off customers' dial tone) to exact settlement from  
19 WorldCom when disputes arise. Normal dispute resolution processes, as  
20 proposed by WorldCom, should be followed.

21 **ISSUE 95**

22 *Should BellSouth be required to provide WorldCom with billing records with all*  
23 *EMI standard fields? (Attachment 8, section 5.)*

1

2 **Q. WHAT LANGUAGE HAVE THE PARTIES PROPOSED CONCERNING**  
3 **THE BILLING FORMAT TO BE USED?**

4 A. The parties have proposed different versions of Attachment 8, Section 5, which  
5 is set forth in Attachment C to the Petition.

6 **Q. WHAT ISSUE GIVES RISE TO THE DIFFERENT LANGUAGE**  
7 **PROPOSED BY THE PARTIES?**

8 A. The basic issue dividing the parties is whether BellSouth should be required to  
9 provide WorldCom with all Electronic Message Interexchange (“EMI”) standard  
10 fields on the bills it provides.

11 **Q. WHAT IS WORLDCOM’S POSITION ON THIS ISSUE?**

12 A. BellSouth should be required to provide bills using the EMI standard fields.

13 **Q. WHAT IS BELLSOUTH’S POSITION?**

14 A. BellSouth proposes to provide billing records using its tariffed services known  
15 as access daily usage file (“ADUF”) and optional daily usage file (“ODUF”),  
16 which apparently contain a subset of the fields contained in an EMI record.

17 **Q. WHAT IS THE BASIS FOR WORLDCOM’S POSITION?**

18 A. The EMI format is the industry standard used by all the other Bell companies.  
19 WorldCom should be entitled to receive complete billing information with all  
20 EMI fields. BellSouth should be contractually obligated to provide EMI billing  
21 records; otherwise, it will be free to move away from the industry standard and  
22 develop proprietary records, if it has not done so already.

23 The current interconnection agreement requires that such EMI records be  
24 provided and WorldCom is simply requesting that the existing language be kept

1 in the new interconnection agreement. BellSouth has given no valid justification  
2 for changing the existing language.

3 **Q. MR. SCOLLARD STATES THAT BELLSOUTH IS WILLING TO**  
4 **PROVIDE BILLING RECORDS CONSISTENT WITH EMI**  
5 **GUIDELINES, BUT THAT ONLY BELLSOUTH'S PROPOSED**  
6 **LANGUAGE MAKES CLEAR HOW THOSE RECORDS WILL BE**  
7 **PROVIDED. DO YOU AGREE?**

8 A. No. WorldCom's proposed language is clear that BellSouth must provide  
9 specific EMI records to WorldCom, in the EMI format. (Attachment 8, Section  
10 5.2.17.) This language is identical to the language in the existing  
11 interconnection agreement that was approved by the Commission. BellSouth's  
12 promise to provide billing records "consistent with EMI guidelines" falls short  
13 of a commitment to provide the EMI records themselves and is therefore  
14 unacceptable.

15 **Q. MR. SCOLLARD CONTENDS THAT BELLSOUTH DOES PROVIDE**  
16 **THE EMI FIELDS THAT ARE REQUIRED FOR THE TYPE OF**  
17 **RECORDS INCLUDED ON THE USAGE INTERFACE INVOLVED.**  
18 **HOW DO YOU RESPOND?**

19 A. It is not clear what it means to "provide the EMI fields that are *required*"  
20 (Emphasis added). Again, BellSouth stops short of committing to provide the  
21 EMI records themselves, and thus it appears BellSouth would be providing less  
22 than what WorldCom would receive from those records.

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**ISSUE 96**

*Should BellSouth be required to give written notice when a central office conversion will take place before midnight or after 4 a.m.? (Attachment 8, Section 6.2.4.)*

**Q. IS NOTIFICATION OF CENTRAL OFFICE CONVERSION VIA WEB POSTING ADEQUATE, AS MR. MILNER CONTENDS?**

A. No. As I noted in my Direct Testimony, it is critical that ALECs receive notice of central office conversions, and written notice therefore should be required. BellSouth has failed to explain why something as monumental as a central office conversion will be documented only on its web site.

**ISSUE 97**

*Should BellSouth be required to provide WorldCom with notice of changes to NPA/NXXs linked to Public Safety Answering Points as soon as such changes occur? (Attachment 9, Section 1.1.6.)*

**Q. PLEASE RESPOND TO MR. MILNER'S STATEMENTS REGARDING THE PROVISION OF E911 SERVICE?**

A. Most of Mr. Milner's comments regarding an ALEC's obligation to route 911 calls to the correct 911 tandem, or to accurately populate the 911 database, have nothing to do with the issue WorldCom has asked the Commission to resolve.

WorldCom is only asking that BellSouth be required to provide WorldCom with notice of changes to NPA/NXXs linked to Public Safety Answering Points as soon as such changes occur. Mr. Milner's only basis for objecting to this provision is a general statement that "it is up to the ALEC" to contact each County Coordinator for this type of information. Since BellSouth has ready access to this information, and since ALECs require this information

1 for public safety purposes, it is wasteful and inefficient for BellSouth to suggest  
 2 that every ALEC must deal with every County Coordinator in order to obtain  
 3 this information.

4 **ISSUE 99**

5 *Should BellSouth be required to provide WorldCom with 10 digit PSAP*  
 6 *numbers? (Attachment 9, Section 1.3.17.)*

7

8 **Q. WHY DOES WORLDCOM REQUIRE 10 DIGIT PSAP NUMBERS?**

9 A. These numbers are required so that WorldCom can route its customers'  
 10 emergency 911 calls to the PSAP by an alternative means if the 911 system is  
 11 not functioning properly.

12 **Q. WHY HAS BELL SOUTH REFUSED TO PROVIDE THESE NUMBERS**  
 13 **TO WORLDCOM?**

14 A. BellSouth has not offered a reason for its refusal. Rather, in its testimony  
 15 BellSouth states that "BellSouth gets these administrative line numbers directly  
 16 from each PSAP, and MCIm should do likewise." (Milner, p. 42.)

17 **Q. PLEASE RESPOND TO BELL SOUTH'S STATEMENT?**

18 A. BellSouth does not "get these numbers from the PSAP." Rather, BellSouth  
 19 provides the numbers to the PSAPs. It should also provide the numbers to all  
 20 ALECs, including WorldCom, as a matter of public safety. BellSouth has  
 21 provided no reason for its refusal to provide this important public safety  
 22 information.

23 **ISSUE 100**

24 *Should BellSouth operators be required to ask WorldCom customers for their*  
 25 *carrier of choice when such customers request a rate quote or time and*  
 26 *charges? (Attachment 9, Section 2.2.2.12.)*



1

2 **Q. WHY SHOULD BELLSOUTH OPERATORS ASK WORLDCOM**  
3 **CUSTOMERS FOR THEIR CARRIER OF CHOICE WHEN SUCH**  
4 **CUSTOMERS REQUEST A QUOTE OF TIME AND CHARGES?**

5 A. The contract language proposed by WorldCom applies when BellSouth is  
6 providing operator services to a WorldCom customer on WorldCom's behalf.  
7 Given the fact that the service is being provided to a WorldCom customer, and  
8 that WorldCom is paying BellSouth for providing operator services, it is  
9 reasonable that BellSouth ask the customer for its carrier of choice, rather than  
10 assuming that BellSouth is the carrier of choice.

11 **Q. MR. MILNER SUGGESTS AT PAGE 43 OF HIS TESTIMONY THAT**  
12 **WORLDCOM IS ASKING BELLSOUTH TO PROVIDE A SERVICE**  
13 **FOR FREE. IS THIS CORRECT?**

14 A. No it is not. WorldCom pays BellSouth for the operator services on a per  
15 minute of work time basis. Therefore, BellSouth will be paid for having its  
16 operators take the time to ask the customer for its carrier of choice.

17 **Q. MR. MILNER ALSO REFERS TO BELLSOUTH'S OPERATOR**  
18 **TRANSFER SERVICE ("OTS"). IS THE OTS RELEVANT TO THIS**  
19 **ISSUE?**

20 A. No it isn't. The OTS is a service in which BellSouth transfers callers seeking  
21 long distance operator services to long distance carriers. It is offered by  
22 BellSouth to long distance carriers because BellSouth cannot offer long distance  
23 service itself and has no long distance rates of its own. In any event, provision  
24 of this service should not change BellSouth's obligation to inquire concerning

1 the customer's preferred provider when it receives requests for rate quotes or  
2 time and charges.

3 **ISSUE 101**

4 *Is BellSouth required to provide shared transport in connection with the*  
5 *provision of custom branding? Is WorldCom required to purchase dedicated*  
6 *transport in connection with the provision of custom branding? (Attachment 9,*  
7 *Sections 2.2.4.3.3, 2.8.1, 2.8.1.1, 3.2.1.1, 3.2.4.3.3, 3.5.2, and 3.5.2.1.)*

8

9 **Q. DOES BELLSOUTH MEET ITS BURDEN OF DEMONSTRATING**  
10 **THAT IT LACKS THE CAPABILITY TO COMPLY WITH**  
11 **WORLDCOM'S REQUEST FOR BRANDING OF OS/DA TRAFFIC**  
12 **WITHOUT REQUIRING DEDICATED TRUNKING?**

13 A. No. As I noted in my Direct Testimony, FCC rules provide that the refusal to  
14 comply with a reasonable request for a LEC to rebrand its OS/DA creates a  
15 presumption that the LEC is unlawfully restricting access to its OS/DA. The  
16 only way for the LEC to rebut this presumption is for the LEC to show that it  
17 lacks the capability to comply with the request. Mr. Milner notes two ways that  
18 BellSouth will route WorldCom's OS/DA call, one of which requires dedicated  
19 trunking and the other of which provides some shared transport to an AIN hub,  
20 and presumably dedicated trunking after that. Mr. Milner does not explain why  
21 BellSouth cannot provide a solution without any dedicated trunking. In fact,  
22 there is no reason BellSouth could not do so, as demonstrated by Bell Atlantic  
23 and Southwestern Bell ("SWBT").

24 **Q. WHAT METHODS DO BELL ATLANTIC AND SWBT USE?**

25 A. Bell Atlantic uses an AIN solution that calls for a WorldCom branded message  
26 to be played from the end office. SWBT uses an ANI solution in which the ANI

1 triggers a message for the SWBT operator to use for WorldCom customers.  
2 Thus, it is clear that when ILECs put their minds to it, they are able to solve the  
3 branding problem. BellSouth likewise should be required to do so.

4 **ISSUE 102**

5 *Should the parties provide "inward operator services" through local*  
6 *interconnection trunk groups using network routable access codes BellSouth*  
7 *establishes through the LERG? (Attachment 9, Sections 2.6.1-2.6.4.)*

8

9 **Q. DOES BELLSOUTH ACKNOWLEDGE THAT OPERATOR TO**  
10 **OPERATOR TRAFFIC IS SENT VIA SPECIAL CODES AVAILABLE**  
11 **TO THE OPERATORS AS NOTED IN WORLDCOM'S PROPOSAL?**

12 A. Yes, Mr. Milner states that "[i]nward operator traffic has for years been sent  
13 between operator services platforms by the operator dialing a special code."  
14 (Milner, p. 44.)

15 **Q. WHY THEN DOES BELLSOUTH OPPOSE WORLDCOM'S PROPOSED**  
16 **CONTRACT LANGUAGE?**

17 A. Mr. Milner goes on to state that "[w]hile these codes are commonly used in  
18 operator platforms, they are not used in end offices and there is no need to do  
19 so." (Milner, p. 45 ) Apparently BellSouth misunderstands the language  
20 proposed by WorldCom because WorldCom's proposal does not require  
21 BellSouth to use the operator codes in any end offices.

22 **Q. PLEASE ELABORATE.**

23 A. The proposal made by WorldCom would work as follows: Our operator would  
24 dial the appropriate code for the BellSouth operator and the call would route  
25 over the local interconnection trunk to BellSouth's access tandem to BellSouth's

1 operator services platform. The routing has nothing to do with BellSouth end  
2 offices as stated in Mr. Milner's testimony. Indeed, WorldCom operator  
3 services platforms do not subtend BellSouth end offices and there is no need for  
4 them to do so.

5 **Q. WHAT SHOULD THE COMMISSION DO?**

6 A. Given that BellSouth's only objection to WorldCom's proposal is based on a  
7 faulty characterization of the proposal, the Commission should adopt the  
8 contract language proposed by WorldCom. As explained above, WorldCom's  
9 proposal does not require the routing of operator to operator traffic through  
10 BellSouth end offices as BellSouth claims.

11 **ISSUE 107**

12 *Should the parties be liable in damages, without a liability cap, to one another*  
13 *for their failure to honor in one or more material respects any one or more of*  
14 *the material provisions of the Agreements? (Part A, Sections 11.1.1 and 11.1.2.)*

15  
16 **Q. MS. COX SAYS THAT "THE PARTIES HAVE REACHED**  
17 **AGREEMENT ON A LIABILITY CAP," IMPLYING THAT THIS ISSUE**  
18 **CAME SOMEWHAT AS A SURPRISE TO BELLSOUTH. HAD THE**  
19 **PARTIES REACHED SUCH AGREEMENT?**

20 A. No. The issue of whether to cap liability for material breaches has been in  
21 dispute throughout the negotiations. WorldCom believes strongly that without  
22 an exception to the liability cap for material breaches, BellSouth would have an  
23 incentive to breach the contract when the benefit to BellSouth exceeded its  
24 possible liability.

1 **Q. ACCORDING TO MS. COX, THIS ISSUE IS INAPPROPRIATE FOR**  
2 **THE COMMISSION TO DECIDE PURSUANT TO SECTIONS 251 AND**  
3 **252 OF THE ACT. DO YOU AGREE?**

4 A. No. The Commission must be able to address general provisions such as this  
5 one in interconnection agreements. Otherwise, the party with no incentive to  
6 reach a bargain (that is, the incumbent provider) will be able to veto  
7 commercially reasonable terms. This is an unresolved issue. The Commission  
8 (acting as an arbitrator under the Act) is the appropriate forum for the resolution.  
9 In fact, in his recent order, Judge Hinkle ruled that the Commission is required  
10 to address every issue presented to it for arbitration, specifically including issues  
11 regarding the liability of one party to the other.

12 **ISSUE 108**

13 *Should WorldCom be able to obtain specific performance as a remedy for*  
14 *BellSouth's breach of contract? (Part A, Section 14.1)*

15  
16 **Q. WHY SHOULD THE AGREEMENT PROVIDE FOR SPECIFIC**  
17 **PERFORMANCE AS A REMEDY FOR BREACH OF CONTRACT?**

18 A. The services provided by BellSouth under the Agreement—interconnection,  
19 unbundled network elements, resale services—are critical to WorldCom's  
20 ability to provide services to its customers as an ALEC. Specific performance is  
21 required to ensure that BellSouth provides the services that will be used by  
22 WorldCom to conduct business.

23 **Q. MS. COX' TESTIMONY ON THIS SUBJECT IS THAT SPECIFIC**  
24 **PERFORMANCE IS NOT AN APPROPRIATE SUBJECT FOR**  
25 **ARBITRATION?**

1 A. The specific performance remedy relates directly to BellSouth's obligations to  
 2 provide interconnection, unbundled network elements, and resale services under  
 3 the Act. The rights conferred on ALECs under the Act and BellSouth's  
 4 obligations to perform set forth in the Agreement are the subject matter of this  
 5 arbitration. Inclusion of a clause confirming that specific performance of these  
 6 obligations is available is an entirely appropriate subject for arbitration.  
 7 Moreover, Ms. Cox' suggestion that WorldCom can make the showing needed  
 8 for specific performance at a later date is just an attempt to delay the availability  
 9 of the remedy. Ms. Cox proposes, in effect, a case-by-case consideration of  
 10 whether or not specific performance should occur. This will just delay  
 11 resolution of any future disputes in which specific performance is sought.  
 12 Finally, and most fundamentally, the Agreement imposes obligations on  
 13 BellSouth which have their basis in the Act. Specific performance is at its core  
 14 nothing more than the remedy needed to enforce BellSouth's obligations under  
 15 the Act. The Commission should adopt the language proposed by WorldCom.

16 **ISSUE 109**

17 *Should BellSouth be required to permit WorldCom to substitute more favorable*  
 18 *terms and conditions obtained by a third party through negotiation or otherwise,*  
 19 *and should BellSouth be required to provide WorldCom with copies of*  
 20 *BellSouth's interconnection agreements with third parties within fifteen days of*  
 21 *the filing of such agreements with the FPSC? (Part A, Section 18)*  
 22

23 **Q. MS. COX SAYS THAT WORLDCOM IS "INAPPROPRIATELY"**  
 24 **SEEKING TO HAVE MORE FAVORABLE TERMS IN A SUBSEQUENT**  
 25 **AGREEMENT ENTERED INTO BETWEEN BELLSOUTH AND**  
 26 **ANOTHER ALEC MADE EFFECTIVE UPON THE EFFECTIVE DATE**  
 27 **OF THE AGREEMENT WITH THE OTHER ALEC, UPON**



1           **INFORMATION, WORLDCOM SHOULD BEAR THE BURDEN OF**  
2           **PROVING THAT BELL SOUTH FAILED TO TAKE PROPER**  
3           **MEASURES TO KEEP THE CONFIDENTIAL INFORMATION FROM**  
4           **ITS RETAIL UNITS. HOW CAN WORLDCOM BE EXPECTED TO**  
5           **BEAR THE BURDEN OF PROVING SUCH A THING?**

6    A.    It would be nearly impossible for WorldCom to meet the burden of showing  
7           how information traveled from one portion of the BellSouth corporate family to  
8           another. If "Mr. Smith" in the local carrier service center learns of a new  
9           WorldCom plan for winning new small business customers and he shares this  
10          information with "Ms. Jones" in BellSouth's small business retail entity,  
11          WorldCom will have no information whatsoever that could help it establish the  
12          chain of events that led to such inappropriate disclosure.

13   **Q.    MS. COX SUGGESTS THAT BELL SOUTH'S RETAIL UNITS MIGHT**  
14          **LEARN OF CONFIDENTIAL INFORMATION ABOUT WORLDCOM**  
15          **FROM SOURCES OTHER THAN BELL SOUTH'S WHOLESALE**  
16          **UNITS, EVEN FROM WORLDCOM ITSELF. WHAT DO YOU**  
17          **BELIEVE IS THE RELATIVE LIKELIHOOD OF SUCH**  
18          **OCCURRENCES AND DO YOU BELIEVE IT TO BE ANY**  
19          **JUSTIFICATION FOR SHIFTING THE BURDEN OF PROOF TO**  
20          **WORLDCOM?**

21    A.    The most likely source of confidential WorldCom information for BellSouth's  
22           retail units is its wholesale division. The wholesale and retail divisions are both  
23           part of BellSouth. Both have the same ultimate corporate goal (increasing the



1 value of "BLS" shares). It is the natural inclination of BellSouth entities to want  
2 to share information that will further their overall corporate goal. Additionally,  
3 employees of BellSouth wholesale operations may well know and interact with  
4 employees on BellSouth's retail side. It is appropriate to insist that BellSouth  
5 take all actions necessary to secure WorldCom confidential information because  
6 the incentives and ability of BellSouth wholesale and retail employees to share  
7 such information are compelling.

8 WorldCom employees, in contrast, have no incentive to share  
9 confidential information with BellSouth retail employees and, indeed, their  
10 opportunities for doing so would be far less than the opportunities of BellSouth  
11 wholesale employees.

12 Additionally, it would be relatively easy for BellSouth to prove (if the  
13 information is disclosed to a BellSouth retail unit by a source other than  
14 BellSouth wholesale) how the confidential information was obtained by the  
15 BellSouth retail unit. This is in stark contrast to the near impossibility of  
16 WorldCom's ever determining how the BellSouth retail unit obtained such  
17 information.

18 **Q. WHY IS IT FAIR TO ESTABLISH A REBUTTABLE PRESUMPTION,**  
19 **SHOULD SUCH DISCLOSURE OF CONFIDENTIAL WORLDCOM**  
20 **INFORMATION OCCUR, THAT BELLSOUTH WHOLESale LEAKED**  
21 **THE INFORMATION?**

22 A. It is fair because, as noted above, BellSouth employees have incentives --  
23 financial and cultural -- as well as significant opportunities, to share such

1 information. Additionally, the threat of having to prevail against such a  
2 presumption is likely to cause BellSouth to establish tighter corporate policies  
3 regarding the confidential information of ALECs, reducing the chance that such  
4 inappropriate disclosures would ever occur.

5 **Q. ACCORDING TO MS. COX, APPROPRIATE MEASURES FOR**  
6 **BELLSOUTH TO TAKE TO KEEP WORLDCOM'S INFORMATION**  
7 **CONFIDENTIAL WOULD BE "REASONABLE ACTIONS." DO YOU**  
8 **BELIEVE THAT THIS IS THE PROPER STANDARD?**

9 A. I do not. BellSouth is WorldCom's sole supplier of many critical services and  
10 elements, which puts it in the position of learning a significant amount of  
11 confidential information. Should this information be learned by BellSouth's  
12 retail units, they could clearly use it to WorldCom's serious detriment. Having  
13 access to WorldCom's confidential information would place BellSouth's retail  
14 operation at an unfair competitive advantage. BellSouth is only willing to take  
15 "reasonable measures" to safeguard WorldCom's confidential information from  
16 its retail operations, and is not willing to assume the burden of establishing that  
17 disclosure of such information falls into one of the enumerated exceptions (such  
18 as the exception for when confidential information becomes public through no  
19 breach of contract by BellSouth).

20 BellSouth should be required to take all actions necessary to ensure that  
21 its retail operations do not obtain such information. If such disclosure does  
22 occur, a rebuttable presumption should arise that BellSouth has breached its  
23 obligations to preserve confidentiality, and BellSouth should bear the burden of

1 proving that the disclosure was permissible under one of the exceptions  
2 enumerated in Part A, section 19.1.2.

3 **ISSUE 111**

4 *Should WorldCom's proposed procedures be followed for usage audits for*  
5 *reporting and auditing of PIUs and PLUs? (Part A, Section 21.2.)*

6

7 **Q. MR. SCOLLARD OPINES THAT THE WORLDCOM AUDIT**  
8 **PROPOSAL IS CONFUSING AS TO THE SCOPE OF THE AUDIT. DO**  
9 **YOU AGREE AND DO YOU BELIEVE THAT THE BELLSOUTH**  
10 **PROPOSAL IS CLEARER?**

11 A. I do not agree that the WorldCom proposal is unclear, and I strongly believe that  
12 the BellSouth proposal is neither clearer nor appropriate for the Agreement. To  
13 begin with, BellSouth's proposal commences with a definition of "percent local  
14 use" or "PLU." Both "PLU" and Percent Interstate Use or "PIU" are already  
15 defined in the agreement. Rather than clarify matters, having two definitions of  
16 "PLU" and "PIU" introduces ambiguity into the agreement. Additionally,  
17 BellSouth has incorporated by reference the audit process outlined in its tariff  
18 regarding IXCs and amended it only slightly to arrive at the audit process it  
19 proposes here. The contract should contain all audit language, without reference  
20 to BellSouth's access tariffs. If BellSouth believes that something in its access  
21 tariffs – which are subject to modification at any time - is important enough to  
22 have in the contract, WorldCom is willing to consider any particular language  
23 BellSouth would like to propose. Moreover, BellSouth is attempting to treat  
24 WorldCom as an IXC, rather than as the local exchange carrier that it is. In  
25 short, BellSouth's proposal is inappropriate because the same issues that are of

1 concern in the interexchange arena are not applicable to the LEC-to-LEC traffic  
2 that we are discussing here.

3 **Q. IS THE PIU SOMETHING FOR WHICH A LOCAL**  
4 **INTERCONNECTION AGREEMENT SHOULD CONTAIN AUDIT**  
5 **PROCEDURES?**

6 A. Not really. The relevant information is actual local usage data. Local usage is  
7 what matters in a local interconnection agreement like this one. PIU has no  
8 application under the terms of the agreement. Moreover, WorldCom intends to  
9 supply actual PLU data where available (which is most of the time) and the PLU  
10 factor would be needed only as a substitute when actual data is not available.

11 **Q. MR. SCOLLARD SAYS THAT BELLSOUTH'S PROPOSAL**  
12 **SPECIFICALLY STATES WHICH PARTY WILL PAY FOR THE**  
13 **AUDIT BUT THAT WORLDCOM'S PROPOSAL IS "COMPLETELY**  
14 **SILENT" ON THIS POINT. DO YOU AGREE?**

15 A. No. WorldCom's proposal is clear that audits are conducted at the expense of  
16 the auditing party.

17 **Q. MR. SCOLLARD MAKES THE POINT THAT WORLDCOM'S**  
18 **PROPOSAL CONTAINS NO TERMS FOR RECTIFYING**  
19 **DISCREPANCIES UNCOVERED IN AN AUDIT WHEREAS**  
20 **BELLSOUTH'S DOES. IS THIS A REASONABLE OBJECTION TO**  
21 **WORLDCOM'S AUDIT PROPOSAL?**

22 A. No. The contract provision at issue deals with rights to audit and terms of an  
23 audit. Settlement provisions for rectifying billing errors are contained in a

1 different provision of the contract (Part A, Section 21.2.4) and would serve no  
2 purpose in this section.

3 **Q. WHAT ABOUT BELLSOUTH'S STATEMENT THAT THE USAGE**  
4 **DATA TRANSMITTED VIA CABS IS COVERED IN ATTACHMENT 8**  
5 **AND SHOULD NOT BE INCLUDED HERE?**

6 A. BellSouth does not state whether it would accede to WorldCom's language in  
7 this respect, and if it does not, why not. Thus BellSouth implies that  
8 WorldCom's language, which pertains to audits and hence does belong in this  
9 section of the Agreement, is acceptable.

10 **Q. NOTWITHSTANDING MR. SCOLLARD'S COMMENTS, DOES**  
11 **WORLDCOM'S PROPOSED LANGUAGE STATE THE**  
12 **RESPONSIBILITIES OF THE PARTIES IN PREPARING FOR THE**  
13 **AUDIT?**

14 A. Yes. What we have proposed in Section 21 is clear and detailed in this respect.

15 **Q. AS TO THE COMPROMISE BELLSOUTH PROPOSES, WHAT IS**  
16 **YOUR RESPONSE?**

17 A. PLU data, including for the "transit" traffic (e.g., ISP-bound traffic) that  
18 BellSouth erroneously states is not subject to reciprocal compensation, certainly  
19 should be reported on a monthly basis. The point, which Mr. Scollard neglects,  
20 upon which the Commission should focus is that the contract must provide for  
21 the auditing of actual local usage.

22 **Q. DOES THAT CONCLUDE YOUR REBUTTAL TESTIMONY?**

23 A. Yes, it does.

1 BY MR. O'ROARK:

2 Q Mr. Price, I think we said at the beginning of  
3 the hearing that we were going to leave to you the  
4 explanation of how Issue 2 had been narrowed. Can you  
5 please explain the current scope of Issue 2 as you  
6 understand it?

7 A Yes, I would be glad to. As I understand the  
8 state of the issue now, WorldCom has accepted the prices  
9 and the attachment in BellSouth, I believe it is Witness  
10 Cox' testimony on prices. The prices that have been  
11 proposed by BellSouth have been accepted by WorldCom  
12 for -- I should say subjects to true-up. And there is  
13 agreement on that with the exception of the prices for  
14 line sharing, and let me make sure I get this straight.

15 Q And with collocation.

16 A Thank you, Counsel. Yes. And the disagreement  
17 with respect to those two subareas is the question of  
18 whether the prices are subject to true-up or whether I  
19 believe that it is BellSouth's position that those prices  
20 should be established in this proceeding and not subject  
21 to true-up.

22 Q When you say subject to true-up, do you mean  
23 that the rates will be interim subject to true-up?

24 A Yes, I do.

25 Q And, Mr. Price, just so we are clear, a number.

1 of your issues have been resolved. Specifically Issues 7,  
2 43, 53, 93, 97, 99, 102, 103, and 111, is that correct?

3 A I believe that is correct, Counsel.

4 Q Have you prepared a summary of your testimony,  
5 Mr. Price?

6 A Yes, I have.

7 Q Will you please give it now?

8 A I would be happy to. Good afternoon,  
9 Commissioners and Commission staff. Although I wish the  
10 parties had been able to resolve all of these issues  
11 outside of the arbitration process, I am pleased to be  
12 able to appear before you again to provide input that will  
13 help you in your deliberations on these issues. I am here  
14 before you today appearing on behalf of WorldCom, and I am  
15 sponsoring my own rebuttal and direct testimonies.

16 Throughout my testimony there is a common  
17 thread, and that is the belief that my recommendations are  
18 based on sound public policy considerations and are in  
19 keeping with BellSouth's legal obligations. With that in  
20 mind I would like to touch on a few of the key issues in  
21 my testimony.

22 First, I urge the Commission to adopt WorldCom's  
23 positions on two issues regarding dedicated transport.  
24 What do we mean by dedicated transport? Very briefly,  
25 dedicated transport describes an unbundled network element

1 where a CLEC or an ALEC uses BellSouth's transmission  
2 facilities, which are almost always fiber-optic  
3 facilities, between two points on a dedicated rather than  
4 a shared basis. So the term dedicated simply means that  
5 the portion of BellSouth's transmission facilities that  
6 would be used by WorldCom, for example, would not be used  
7 in common with other carriers' traffic.

8           With this definition in mind, under Issue 18 we  
9 have requested that BellSouth be required to provide  
10 dedicated transport over BellSouth's existing network  
11 facilities to a point, sometimes referred to as a node, on  
12 our network or to a third-party carrier. Our proposal  
13 does not require BellSouth to build new facilities. It is  
14 technically feasible, it is required by the Communications  
15 Act as interpreted by the FCC.

16           On the other hand, BellSouth's position would  
17 restrict the FCC's definition of dedicated transport by  
18 overlaying on top of that definition the tariff structure  
19 that BellSouth has in certain of its tariffs in which it  
20 provides services. BellSouth's position should be  
21 rejected.

22           Issue 23 is another of the dedicated transport  
23 issues, and it concerns dedicated transport over SONET  
24 rings. SONET is an acronym that simply means synchronous  
25 optical network, and it is a transmission standard for



1 transmitting signals using fiber-optic facilities commonly  
2 used in carriers' networks.

3           Again, we are not asking BellSouth to build new  
4 facilities, just to allow us to use BellSouth's existing  
5 facilities including all the functionalities that those  
6 facilities provide. Providing dedicated transport over  
7 SONET rings is technically feasible, and we believe is  
8 required by the act. Contrary to BellSouth's contention,  
9 WorldCom does not want BellSouth to be our, quote, private  
10 construction company, close quote.

11           Secondly, regarding Issue 47, the very important  
12 and highly disputed issue of reciprocal compensation for  
13 traffic terminated to information service providers, my  
14 recommendation is for the Commission to continue to follow  
15 decisions, that is, that reciprocal compensation is  
16 appropriate in that instance that it reached in the recent  
17 ITC, DeltaCom, Intermedia, and Global NAPS proceedings.  
18 We believe those decisions are well-reasoned and in  
19 keeping with recent court decisions on the issue. And  
20 those decisions also recognize that CLECs incur a cost in  
21 terminating traffic to an information service provider  
22 that originates on the incumbent's network. And this fact  
23 has been recognized by most other states and the FCC.

24           Third, and finally, there is Issue 51, which  
25 involves the question of symmetry in compensation between

1 BellSouth and WorldCom, also known as the tandem treatment  
2 issue. And when we were talking about the maps earlier, I  
3 referred to the hearing that took place on that issue just  
4 a few weeks ago. My testimony shows in keeping with the  
5 FCC's rules that the geographic scope of the network  
6 WorldCom has deployed in the Miami and Orlando areas  
7 entitles WorldCom to compensation for local traffic at the  
8 same level as BellSouth. This is true even though the  
9 WorldCom network architecture does not replicate the  
10 legacy hierarchical network that BellSouth has deployed  
11 over the past century.

12 I have already mentioned the changes that have  
13 taken place since we filed our application regarding  
14 pricing. And with that, that concludes my testimony.

15 MR. O'ROARK: The witness is available for cross  
16 examination.

17 COMMISSIONER JACOBS: Mr. Ross.

18 MR. ROSS: Thank you, Commissioner Jacobs.

19 CROSS EXAMINATION

20 BY MR. ROSS:

21 Q Good afternoon, Mr. Price.

22 A Good afternoon.

23 Q You mentioned in your summary that your proposed  
24 resolution was, I believe, consistent with sound public  
25 policy and the law, is that correct?

1           A     I certainly believe so.

2           Q     Does that sound public policy involve the same  
3 slanted playing field that you heard Mr. Olson describe in  
4 his testimony?

5           A     Quite frankly, I would have said it a little bit  
6 differently. But if you have a specific question about  
7 something that Mr. Olson said, I will try to respond.

8           Q     Well, you have got a lot of issues, Mr. Price,  
9 and I know we want to try to get through this as  
10 expeditiously as possible, so I would appreciate if to the  
11 extent possible you can answer my question yes or no, and  
12 then provide whatever explanation is necessary.

13                     But just as a general matter, when you are  
14 referring to sound public policy, does that include the  
15 slanted playing field, slanted in favor of MCI WorldCom  
16 that Mr. Olson referenced in his testimony?

17           A     No. I have a little different viewpoint than  
18 perhaps what Mr. Olson stated, because it is not my view  
19 that there is a slanting at all. What is going on, I  
20 believe, and he did make reference to this, is that the  
21 policymakers are trying to grapple with very serious  
22 issues about how to accomplish what I believe the  
23 Department of Justice has referred to as the irreversibly  
24 open marketplace. In other words, something that really  
25 does permit carriers to come in and compete in the local.

1 telecommunications marketplace in a marketplace that has  
2 been monopolized and dominated by the incumbent carriers,  
3 such as BellSouth.

4 Q Is it fair to say that you are the MCI policy  
5 witness in this proceeding?

6 A Yes.

7 Q And the question that I asked Mr. Olson, whether  
8 MCI has ever stated publicly that it is considering  
9 selling its residential long distance business, have you  
10 ever heard anybody at MCI make that statement publicly?

11 A I have read probably the same press reports you  
12 have.

13 Q And I believe that the press reports I read  
14 quoted Mr. Evers (phonetic) as making that statement?

15 A That is my recollection.

16 Q Is it your view, as the policy witness for MCI,  
17 that if MCI were to sell its residential long distance  
18 business that it still would be providing residential  
19 local service?

20 MR. O'ROARK: I object, Mr. Chairman. We are  
21 getting far afield here. It is irrelevant.

22 COMMISSIONER JACOBS: Mr. Ross.

23 MR. ROSS: This witness is here advocating  
24 policy to facilitate competition. And I'm just trying to  
25 explore with the witness the extent and scope of that

1 competition that he is asking this Commission to  
2 facilitate.

3 COMMISSIONER JACOBS: Well, he is testifying on  
4 some fairly technical issues. I will allow the question,  
5 but please stay within the scope of his testimony.

6 THE WITNESS: Well, I guess my answer would be  
7 that what we are here today presenting is based on current  
8 business. I mean, we can talk about what might happen in  
9 the future. But everything that we have proposed in this  
10 arbitration is based on the fact that today we do have  
11 both consumer and business marketing plans. And  
12 everything that we are doing is designed to try to help  
13 support those plans. If there were to be a change, then  
14 presumably that would cause us to go back and reconsider  
15 what some of our priorities are. But at this time,  
16 talking about what might be is nothing more than  
17 speculation.

18 Q Well, is it fair to say that at least as of this  
19 point in time residential competition is not a priority  
20 for MCI in BellSouth's region?

21 A I could not agree with that at all.

22 Q Let's talk about Issue 1, which deals with the  
23 circumstances under which MCI should pay electronically  
24 ordered nonrecurring charges when those orders are  
25 submitted manually, is that correct?

1           A     That is a fair statement of the issue.

2           Q     And in the generic cost Docket 990649, I  
3 believe, the Commission is considering different  
4 nonrecurring changes that would apply when network  
5 elements are ordered manually as opposed to when those  
6 elements are ordered electronically, correct?

7           A     I would assume that to be the case, yes.

8           Q     And is it also fair to say that manually placed  
9 orders are more expensive than electronically placed  
10 orders?

11          A     When you say more expensive -- I think my answer  
12 is yes. And in saying yes, what I am assuming that you  
13 are meaning is more expensive because the processes that  
14 BellSouth would have to engage in in order to work the  
15 service order would be largely manual.

16                   And typically when you have manual processes  
17 those are slower. And because they involve human beings  
18 there are labor costs, et cetera. So to that extent, yes.

19          Q     On Page 3 of your direct testimony in discussing  
20 this issue, you couch it in terms of an issue of parity,  
21 is that correct? I'm at, specifically, Lines 31 through  
22 34.

23          A     Yes. I was looking for the word parity, but,  
24 yes, I believe that is consistent with what we are  
25 expressing here.

1 Q But would you agree with me that the language  
2 that MCI has actually proposed and that MCI is asking this  
3 Commission to adopt doesn't address the issue of parity at  
4 all, does it?

5 A It is my understanding -- and let me back up.  
6 I'm not sure that there is a yes or no answer to that.  
7 And part of my reason for saying so is that it is my  
8 understanding that there have been agreements on some of  
9 the subissues in here since this language was first  
10 presented. And to the extent -- I believe, that in  
11 another proceeding that you and I have discussed this same  
12 issue, and to the extent that it is necessary to refine  
13 this language in order to make the language represent the  
14 principles that I am espousing in my testimony, I believe  
15 I have agreed that we would be more than happy to look at  
16 that.

17 Q I guess my question was a little more  
18 straightforward than that, Mr. Price. The principle that  
19 you are espousing, specifically the principle of parity,  
20 is not incorporated in the language reflected in your  
21 testimony that MCI is asking the Commission to adopt, is  
22 that fair?

23 A No, I don't think so.

24 Q Could you please point to me where you believe  
25 the concept of parity is reflected in the language set

1 forth on Page 3 of your direct testimony?

2 A Certainly. I believe the sentence beginning at  
3 Line 19. The intent of that language, if electronic  
4 interfaces are not available, and then I will skip to the  
5 comma in Line 21, the manual ordering non-recurring charge  
6 does not apply. And certainly our intent in saying that  
7 when interfaces are not available, the intent of that is  
8 to say when they are not available to us but they are  
9 available to BellSouth.

10 Q All right. So, read literally, however, the  
11 language says whenever BellSouth does not provide an  
12 electronic ordering interface that manual orders submitted  
13 by BellSouth should apply the electronic ordering charges?

14 A Yes. And that is what I was referring to  
15 earlier when I said if needed I'm sure that we could craft  
16 clarifying language around that to properly capture our  
17 intent.

18 Q We have discussed before in other proceedings  
19 the extent to which you are aware of a situation where  
20 BellSouth provides an electronic ordering mechanism for  
21 itself, but does not provide one for MCI, is that correct?

22 A Yes.

23 Q And I believe, and you address this in your  
24 rebuttal, you offer the example of MegaLink service, is  
25 that correct?



1 A Yes.

2 Q And I believe you make the statement that  
3 BellSouth has an electronic interface that its sales  
4 representatives use when ordering MegaLink service, which  
5 also has a loop and transport element, is that correct?

6 A Yes. That is my understanding of the testimony  
7 that Mr. Pate has given.

8 Q Is it your position that a MegaLink circuit  
9 provided to an end user customer by BellSouth and a DS-1  
10 loop, DS-1 dedicated transport combination used by MCI are  
11 equivalent?

12 A They may well be, yes.

13 MR. GOGGIN: May I ask Mr. Goggin to hand the  
14 witness an exhibit, please.

15 BY MR. ROSS:

16 Q Mr. Price, I have handed you the prefiled  
17 rebuttal testimony of Ron Martinez on behalf of MCI Metro  
18 Access Transmission Services dated December 16, '98, in  
19 Docket Number 981182-TP. Do you see that?

20 A I will trust your reading. I wasn't looking at  
21 that at the time.

22 Q That's fine. Do you know Mr. Martinez?

23 A Yes, I do.

24 MR. ROSS: Mr. Chairman, BellSouth would ask  
25 that this be marked as the next exhibit.

1           COMMISSIONER JACOBS: Show this marked as  
2 Exhibit 19.

3           MR. ROSS: Thank you, Mr. Chairman.

4           (Exhibit Number 19 marked for identification.)

5 BY MR. ROSS:

6           Q     If I could, I would direct your attention to  
7 Page 2 of this exhibit, Lines 5 through 9, where  
8 Mr. Martinez says, "However, I strongly disagree that a  
9 MegaLink circuit provided to an end user customer by  
10 BellSouth in a DS-1 loop, DS-1 dedicated transport  
11 combination used by MCImetro as part of an MCI switched  
12 base local service offering are in any way equivalent in  
13 the eyes of the customer." Do you see that?

14          A     Yes, I do.

15          Q     And I guess the point of this is isn't -- using  
16 MegaLink as an example, isn't MCI's language that ties the  
17 actual charges that MCI is going to pay for ordering to  
18 some issue of parity fraught with potential for dispute?

19          A     I don't think I could agree that it is fraught  
20 with that potential. I mean, based on my own experience  
21 in having negotiated language and participated in  
22 discussions on meaning of language in other  
23 interconnection agreements, there is pretty broad  
24 potential for disagreement on virtually anything that is  
25 in the contracts, I think.

1           Q     Isn't it fair to say that it is not  
2 inconceivable to think of a situation, again, using  
3 MegaLink as an example, where the parties will disagree on  
4 whether or not BellSouth is, in fact, providing parity  
5 with respect to ordering?

6           A     It is conceivable.

7           Q     And conceiving of this disagreement, that will  
8 also involve an ancillary disagreement about the rates  
9 that MCI should actually be paying for every order that it  
10 places to BellSouth manually, correct?

11          A     Yes, I think so. But I think, again, we started  
12 all of this by talking about the public policy  
13 ramifications. And I think one of the things that was  
14 talked about early today in this proceeding was the  
15 question of what are the appropriate incentives for  
16 BellSouth to deploy electronic interfaces. And as I have  
17 said, if there is a situation where BellSouth is permitted  
18 to levy the higher charge on its competitors in the local  
19 marketplace than what it incurs itself because of a  
20 decision that BellSouth has made to deploy interfaces for  
21 its own use that its competitors don't have access to,  
22 then I think, again, that is the point of what it is that  
23 we are trying to accomplish.

24          Q     Well, isn't it true that if BellSouth is not  
25 providing parity with respect to its ordering that whether

1 MCI is going to pay a couple more dollars for an order  
2 probably is the least of BellSouth's concerns?

3 A I don't know if I can address that.

4 Q Well, would you agree that if BellSouth is not  
5 providing parity with respect to ordering it is violating  
6 the Telecommunications Act of 1996, applicable FCC  
7 regulations, and probably a host of rules and orders of  
8 this Commission, is that fair?

9 A I can agree with that. I think, again, the  
10 point of our language is to try to put a specific  
11 situation in place so that, again, BellSouth is incented  
12 to do the right thing. And to the extent there is a  
13 disagreement, instead of a disagreement about some, you  
14 know, provision in the Communications Act or whatever, we  
15 would have a specific contract dispute that we could bring  
16 to this Commission.

17 Q One other solution, of course, would be for MCI  
18 to pay manual ordering charges whenever it submits an  
19 order manually and to bring to this Commission's attention  
20 any concerns about BellSouth's alleged lack of providing  
21 parity, isn't that true?

22 A I would view that as a possibility and one that  
23 would be pretty far down on our list of preferred  
24 outcomes.

25 Q And, of course, if there is a dispute about

1 whether or not BellSouth is providing parity for purposes  
2 of your proposal, we are going to end up in front of this  
3 Commission anyway, aren't we?

4 A Potentially.

5 Q Let's talk about Issue 2, which deals with the  
6 rates and the narrowing of the issue as you have described  
7 in your summary. Do you have your direct testimony in  
8 front of you, specifically I believe it is Page 5?

9 A It is at Page 5, and, yes, I do.

10 Q And you discuss on Page 5 that WorldCom's  
11 proposal at that time was to adopt previously approved  
12 rates in the agreements and then provide an interim rate  
13 of zero for all other rates subject to a true-up once  
14 permanent rates are approved in the UNE cost docket,  
15 specifically 990649-TP, is that correct?

16 A That was our position. And as you mentioned, it  
17 is not our position today here in the hearing room.

18 Q The position, though, as far as the interim  
19 nature and the true-up was tied to the UNE Cost Docket,  
20 990649-TP, is that correct?

21 A Yes.

22 Q Now, with respect to those items such as  
23 collocation and line sharing, to your knowledge is the  
24 Commission going to be establishing permanent rates for  
25 those items in Docket 990649-TP?

1           A     It is my understanding that they are not. That  
2 that would be a separate proceeding or perhaps separate  
3 proceedings.

4           Q     Do you know, in fact, whether those proceedings  
5 have been established by this Commission to establish  
6 rates for collocation and line sharing?

7           A     I do not.

8           Q     Were you involved in the arbitrations originally  
9 between BellSouth and MCI several years ago?

10          A     Way back when as it was?

11          Q     Way back when?

12          A     Yes, I was.

13          Q     Do you recall in those proceedings this  
14 Commission established rates for various unbundled network  
15 elements and interconnection services, and it did so not  
16 on an interim basis, but on a permanent basis?

17          A     And we are speaking about the Florida  
18 Commission?

19          Q     Yes, sir.

20          A     Those memories have dimmed a little bit over the  
21 years, but that may be the case. If it were, it may be  
22 the case that we were unhappy with that decision and might  
23 have appealed it. But I'm not exactly sure, as I say.

24          Q     Well, and I guess the point I'm trying to get  
25 at, in this proceeding BellSouth, for example, has

1 submitted a cost study on line sharing, has it not?

2 A Yes.

3 Q And MCI has produced no testimony, no evidence  
4 one way or the other about the cost studies that BellSouth  
5 has submitted for line sharing, fair enough?

6 A That is correct.

7 Q And why is it not that this Commission can't  
8 look at BellSouth's cost studies for line sharing and make  
9 a determination to establish permanent rates for line  
10 sharing as between BellSouth and MCI?

11 A The reason is in my experience that those kinds  
12 of questions really are best resolved in a generic type  
13 docket. In other words, where all parties have an  
14 opportunity to present their expertise and their evidence,  
15 if you will, and perhaps their countervailing cost  
16 studies.

17 I know that if the shoe was on the other foot,  
18 so to speak, and this were an AT&T arbitration, for  
19 example, and the Commission were to set those rates  
20 without us having an opportunity to participate, I think  
21 we would be concerned with that because we don't -- we  
22 don't necessarily believe that any single party has sort  
23 of all wisdom. And it is really better in terms of the  
24 Commission's decision to have all of the interested  
25 players, if you will, in the room.

1 Q Well, nothing would prevent the Commission from  
2 having such a proceeding and inviting all the various  
3 interested parties to participate. And MCI could  
4 eventually take whatever rates the Commission ultimately  
5 adopts in that proceeding, could it not?

6 A I believe so, yes.

7 Q I mean, the idea here is that there is no such  
8 thing as a true permanent rate. Every rate is interim to  
9 one extent or another, isn't that fair?

10 A I think that is maybe a bit of an overstatement.  
11 I mean, certainly once the contract is finalized the rates  
12 are permanent until either the contract expires or the  
13 parties agree to something else. I mean, that does have a  
14 different sort of feel to it, in my mind at least, than a  
15 rate that is expressly termed interim and subject to  
16 true-up.

17 Q And that is the kicker here. There is no  
18 mechanism currently by which there is a pending docket for  
19 collocation or line sharing that would trigger this  
20 true-up that you are proposing for those elements,  
21 correct?

22 A Well, maybe this is exactly the trigger that the  
23 Commission needs is to have notice of the fact that these  
24 issues need to be looked at. I mean, in other  
25 jurisdictions we have seen similar generic proceedings get



1 kicked off as a result of an issue being raised in an  
2 arbitration, and the Commission recognizing that it was  
3 something that had broader import, if you will, than just  
4 the two parties that were in the arbitration and setting  
5 aside a separate process to examine those issues.

6 COMMISSIONER JABER: Mr. Price, since you are  
7 the policy person in the case, has the industry ever  
8 thought about a collaborative process that would allow the  
9 industry, BellSouth included, to come up with guidelines  
10 or a process that would work for the entire industry,  
11 specifically for electronic versus manual ordering for  
12 some of the code changes, for some of the time intervals?  
13 What I have in mind is as it relates to area codes, you  
14 know, the industry gets together and works through some of  
15 the issues related to area codes. Why can't that kind of  
16 collaborative process work in some of the problems that  
17 you have with respect to ordering, pricing, time  
18 intervals?

19 THE WITNESS: I think that is an excellent  
20 question. In my mind the distinction that I would draw is  
21 as follows: If there is clear direction so that the  
22 industry, as you put it, has sort of a goal, an objective,  
23 and it is clear as to what that objective is, then it is  
24 not at all uncommon for the parties to go out -- the  
25 parties -- the industry to go out and find a way to

1 implement that goal.

2           The problem that we have is if there are  
3 conflicting goals and you, the decision-maker, try to  
4 stand back and say I don't really want to have to make a  
5 decision, I would kind of like for the industry to go out  
6 and resolve this, those conflicting goals, the question of  
7 whether or not the incumbent, you know, really wants to  
8 cooperate in helping others take away its market share is  
9 something that really doesn't foster the kind of  
10 cooperative spirit that is necessary to get to a solution.

11           And so the area code example I think that you  
12 mentioned is a good one because there the industry has a  
13 fairly common objective of trying to utilize resources in  
14 the best way possible and trying to minimize the impact of  
15 end users in the change, however that is going to come  
16 about. But other issues, and pricing, I guess, is an  
17 excellent example of one where there is obviously  
18 competing interests, and thus it is very difficult for the  
19 industry to reach any kind of consensus.

20           COMMISSIONER JABER: So your thought is the  
21 Commission could direct BellSouth and the competitive  
22 industry to come to the table and negotiate. But without  
23 that kind of direction, you don't think it is plausible?

24           THE WITNESS: Well, I would actually go a little  
25 further than that. I mean, simply saying that the parties

1 have to sit down and negotiate is not sufficient unless  
2 there is a direction from you, the decision-maker, that  
3 says this is where I want to get. And it is up to you,  
4 the industry, to figure out how to get there.

5 Now, we may -- you know, on any given issue we  
6 may not agree with where you say it is that we need to  
7 get. But in terms of your question and the process, I  
8 think you can't just say go sit down and try to work it  
9 out. You have to provide more direction than that.

10 COMMISSIONER JABER: Thank you.

11 BY MR. ROSS:

12 Q Just to follow-up Commissioner Jaber's  
13 questions, there is a collaborative process with respect  
14 to the electronic interfaces through the change control  
15 process, is that correct?

16 A It is my understanding, and I think that is yet  
17 another example of what I was trying to get at. If there  
18 is clear direction as to what needs to be accomplished,  
19 Then that is exactly the process by which the parties can  
20 achieve that goal. If there is not a clear sense of what  
21 needs to be achieved, then the process bogs down, and, you  
22 know, from someone's perspective the desired result will  
23 not be achieved.

24 Q In addition to having direction from the  
25 Commission, isn't it also important as part of any

1 collaborative process for the various players to have an  
2 actual interest or some vested right in the outcome of the  
3 process?

4       A     I think so. I mean, I agree with some of what I  
5 heard you say. There are instances, of course, where we  
6 may decide that whatever is being discussed in the  
7 industry, you know, in a given forum maybe isn't a  
8 priority for us at that point. But we have to do that  
9 with the knowledge that if the industry, you know, arrives  
10 at some result, that we are going to have to come in and  
11 sort of take that result as we find it down the road. And  
12 we, you know, really won't be very well received here at  
13 the Commission if we say, well, that is all well and fine,  
14 but now you have to do it again for us.

15       Q     And the reason that the change control process  
16 involves so many different players from the industry is  
17 that I think it is fair to say most ALECs care deeply  
18 about BellSouth's operational support systems, is that  
19 fair?

20       A     I think Ms. Lichtenberg's testimony this morning  
21 was a strong indication of our interest, yes.

22       Q     But in response to Commissioner Jaber's question  
23 about the charges for manual ordering, can you think of  
24 another ALEC that has raised the issue in an arbitration  
25 as to whether or not the ALEC should pay electronic

1 ordering charges for manual orders submitted when there is  
2 not an electronic interface available?

3 A I don't know, and even if that were the case  
4 that no one had, I don't know that that necessarily means  
5 that it is not a good issue or one that the Commission  
6 shouldn't try to resolve.

7 Q No, that wasn't my suggestion. But the fact  
8 that only MCI has raised a particular issue may be some  
9 indication that the rest of the industry does not think it  
10 is such a big issue that warrants sitting down and  
11 building consensus and trying to get it resolved, is that  
12 fair?

13 A Or that there are other priorities at that point  
14 for those companies depending on where they are in their  
15 life cycle, or business plan, or what have you.

16 Q Let's turn our attention to Issue 3, which deals  
17 with the extent to which MCI is entitled to resell  
18 services in BellSouth's access tariffs at the wholesale  
19 discounts, is that correct?

20 A I would quibble a little bit with the way that  
21 you framed the issue, but that is one way of describing  
22 it.

23 Q And how would you describe the issue?

24 A Well, the way that it is set out in my testimony  
25 at Page 5, I think, says that from our standpoint should.

1 the resale discount apply to all telecommunications  
2 services BellSouth offers to end users regardless of the  
3 tariff in which the service is contained.

4 Q Is MCI currently reselling BellSouth's services  
5 in Florida?

6 A I don't believe that we have a -- the short  
7 answer is I don't know. I don't believe that we have a  
8 significant part of our business plan that is based around  
9 resale.

10 Q In fact, hasn't MCI stated publicly elsewhere  
11 that it does not believe resale is a viable option to  
12 provide local service in the marketplace?

13 A There may have been statements to that effect.  
14 I would kind of want to go back and look to see the  
15 context of that, whether it was limited, for example, to  
16 residential local or, you know, whether it was stated more  
17 broadly. But I won't dispute that there have been  
18 statements along those lines in the press.

19 Q Would you agree that the FCC has found that  
20 access services are not available for resale, even if some  
21 end users actually purchase the services out of the access  
22 tariff?

23 A Yes.

24 Q Is MCI asking for more than what the FCC has  
25 said ALECs are entitled to resell at a discount?

1           A     No, I don't think we are asking for more at all.  
2 I think, as I have -- I believe we have had this  
3 discussion before. It is my understanding that in the  
4 FCC's deliberations it was looking at access services in  
5 the traditional sense. In other words, the kinds of  
6 switched access services that interexchange carriers  
7 typically purchase for use in providing long distance  
8 services to end users.

9                     And in that context I don't disagree at all with  
10 the FCC's conclusion. What we are concerned about is  
11 something that is a little bit different, which is the use  
12 of the access tariff to park, if you will, services that  
13 are not really access services, that are services that are  
14 typically provided to end users. And by virtue of that,  
15 placing the service in the access tariff avoid -- for  
16 BellSouth to be able to avoid what we believe is its legal  
17 obligation to provide resale at a discount.

18           Q     And the example you give of the concern that you  
19 have in your rebuttal testimony is SmartRing, is that  
20 correct?

21           A     Yes.

22           Q     And SmartRing is a service that is tariffed at  
23 the federal level, but also appears in BellSouth's private  
24 line tariff, is that correct?

25           A     Correct.

1 Q Have you done any comparison to determine  
2 whether or not or to what extent there are difference  
3 between the SmartRing service that is tarified at the  
4 federal level and the private line offering that BellSouth  
5 has?

6 A Yes, I have.

7 Q Did you do this -- I take it you did this after  
8 the arbitration started?

9 A I am not sure what you mean by after the  
10 arbitration started.

11 Q Well, you hadn't done that analysis when we had  
12 this arbitration in North Carolina, is that correct?

13 A That is correct.

14 Q Had you done it in Georgia?

15 A I have done it within the last few weeks, I will  
16 concede that.

17 Q And is it your analysis that these are the same  
18 services?

19 A They are not identical, no.

20 Q Okay. So when you say on Page 4 that SmartRing  
21 is the same service regardless of the tariff in which it  
22 appears, there are differences actually between the  
23 services, correct?

24 A I want to be real careful in how I answer that.  
25 I am not disputing that there are differences. But by the



1 same token, I don't want that to be interpreted as meaning  
2 that there are no similarities. And it is that extent  
3 that would be of concern to us.

4 COMMISSIONER JACOBS: Are you at a breaking  
5 point, Mr. Ross?

6 MR. ROSS: I can break whenever you tell me to  
7 break. I have got just a few more questions about this  
8 particular issue, but I know you said we were quitting at  
9 4:30.

10 COMMISSIONER JACOBS: Why don't we see if we can  
11 complete -- you think you can complete it in the next five  
12 or ten minutes?

13 MR. ROSS: I think so.

14 COMMISSIONER JACOBS: Okay. Go ahead.

15 BY MR. ROSS:

16 Q Quickly, Mr. Price, looking at your direct at  
17 Page 3 on this issue.

18 A I'm sorry, did you say direct at 3?

19 Q I think I've got the wrong page. Let me just  
20 ask it this way. Is it MCI's proposal that local resale  
21 should include all telecommunications services offered by  
22 BellSouth to parties other than telecommunications  
23 carriers regardless of the particular tariff or other  
24 method by which such services are offered?

25 A That would be very consistent with the statement

1 of the issue in my testimony at Page 5.

2 Q And you would agree that access services are  
3 available to parties other than telecommunications  
4 carriers?

5 A That would be my understanding. And, again, we  
6 are not trying to take anything away from the conclusion  
7 that the FCC reached with respect to access services, as I  
8 discussed previously.

9 Q Well, I think you have also agreed with me  
10 previously that the language that MCI has actually  
11 proposed in this proceeding could be read to require  
12 BellSouth to resell access services at the wholesale  
13 discount?

14 A And that is certainly not our intent.

15 Q Does MCI have an intent as far as adopting a  
16 bright line to determine when something is primarily being  
17 used by end users as opposed to sometimes used by end  
18 users?

19 A No, I don't believe so. I mean, I can talk  
20 about things that might be used to create such a bright  
21 line, but, I mean, I can't describe it for you in detail.

22 Q And there is certainly nothing in the language  
23 that MCI is proposing that would provide that bright line  
24 test for us?

25 A Well, again, I am not going to try to tell you.

1 that there is no potential for dispute because of the  
2 language that we have proposed.

3 MR. ROSS: Commissioner Jacobs, I'm done with  
4 this line of inquiry.

5 COMMISSIONER JACOBS: Very well. We will recess  
6 now and we will reconvene at 9:00 a.m. tomorrow morning  
7 and continue with Mr. Price.

8 MR. ROSS: Thank you.

9 (The hearing adjourned at 4:35 p.m.).

10 (Transcript continues in sequence in Volume 4.)

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STATE OF FLORIDA)

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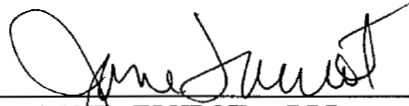
COUNTY OF LEON )

I, JANE FAUROT, RPR, Chief, FPSC Bureau of Reporting, Official Commission Reporter, do hereby certify that the Hearing in Docket No. 000649-TP was heard by the Florida Public Service Commission at the time and place herein stated.

It is further certified that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript, consisting of 224 pages, Volume 3 constitutes a true transcription of my notes of said proceedings and the and the insertion of the prescribed prefiled testimony of the witnesses.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 19TH DAY OF OCTOBER, 2000.



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JANE FAUROT, RPR  
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