BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

URIGINAL

In re: Resolution of petition(s) to establish nondiscriminatory rates, terms, and conditions for resale involving local exchange companies and alternative local exchange companies pursuant to Section 364.161, Florida Statutes

) Docket No. 950984-TP

)

)

) Filed: February 21, 1996

REBUTTAL TESTIMONY OF TIMOTHY T. DEVINE

ON BEHALF OF

METROPOLITAN FIBER SYSTEMS OF FLORIDA, INC.

Docket No. 950984-TP

(MFS-FL Petition Concerning Unbundling of GTE Florida, Inc.)

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REBUTTAL TESTIMONY OF TIMOTHY T. DEVINE ON BEHALF OF METROPOLITAN FIBER SYSTEMS OF FLORIDA, INC. (Petition re: GTE Florida) Docket No. 950984-TP

1	Q.	PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.	
2	А.	My name is Timothy T. Devine. My business address is MFS	
3		Communications Company, Inc., Six Concourse Parkway, Ste. 2100,	
4		Atlanta, Georgia 30328.	
5	Q.	ARE YOU THE SAME TIMOTHY DEVINE WHO PREVIOUSLY	
6		FILED TESTIMONY IN THIS PROCEEDING?	
7	Α.	Yes.	
8	Q.	WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS	
9		PROCEEDING?	
10	А.	To respond on behalf of Metropolitan Fiber Systems of Florida, Inc.	
11		("MFS-FL") to the direct testimony in this proceeding, and particularly the	
12		testimony of Ms. Beverly Y. Menard, Dr. Gregory M. Duncan, and Mr.	
13		Dennis B. Trimble filed on behalf of GTE Florida, Inc.	
14	Q.	HAS MFS-FL COME TO AGREEMENT ON ANY OF THE ISSUES IN	
15		THIS DOCKET WITH GTE?	
16	А.	Yes. While MFS-FL has still not succeeded in coming to agreement with	
17		BellSouth on any of the unbundling or interconnection issues in those	
18		separate negotiations, MFS-FL has succeeded in negotiating an agreement	

1		with GTE on several of the principal issues in this docket. In this regard,
2		GTE adopted a constructive, reasonable, and positive approach to the
3	negotiations. The agreement is attached hereto as Exhibit TTD-8.	
4	Specifically, MFS-FL and GTE have agreed that GTE will provide all of the	
5	2-wire and 4-wire unbundled loop and port elements requested by MFS-FL	
6	GTE will also permit MFS-FL to collocate digital loop carriers in order to	
7		provide loop concentration. Accordingly, there is currently no dispute
8		regarding the unbundled elements to be provided by GTE (Issue 1). GTE
9		and MFS-FL have also agreed as to the technical arrangements for each
10		such unbundled element (Issue 2), and have agreed to negotiate over the
11		next 60 days certain unresolved operational issues (Issue 4). The
12		Commission should leave this portion of the docket open until these
13		operational issues are fully resolved.
14	Q.	WHAT OTHER ISSUES REMAIN TO BE RESOLVED BETWEEN
15		MFS-FL AND GTE?
16	А.	MFS-FL and GTE were unable to agree upon the appropriate price for
17		unbundled network elements. This testimony will therefore focus on the
18		issue of the appropriate price for unbundled network elements.
19	Q.	BEFORE ADDRESSING THE ISSUE OF PRICING, DOES THE
20		RECENTLY SIGNED "TELECOMMUNICATIONS ACT OF 1996"
21		PROVIDE SUPPORT FOR THE MFS-FL UNBUNDLING PETITION?
22	А.	Yes. Although I am not a lawyer, it is my understanding that the signing of

1		the Telecommunications Act of 1996 ("Act") on Thursday, February 8,	
2		1996 throws additional light on the MFS-FL unbundling petition. The Act	
3		creates a federal duty for incumbent LECs such as GTE to provide to any	
4		requesting telecommunications carrier for the provision of a	
5		telecommunications service, nondiscriminatory access to network elements on	
6		an unbundled basis "at any technically feasible point on rates, terms, and	
7		conditions that are just, reasonable, and nondiscriminatory." Sec. 251(c)(3).	
8		Although GTE and MFS-FL have agreed upon the terms and conditions for	
9		unbundled loops, ports, and digital loop carriers, "just, reasonable, and	
10		nondiscriminatory" rates remain to be determined.	
11	Q.	DOES THE ACT PROVIDE A STANDARD TO DETERMINE WHAT	
12		WOULD CONSTITUTE "JUST AND REASONABLE" RATES?	
12 13	А.	WOULD CONSTITUTE "JUST AND REASONABLE" RATES? Yes. Under the Act, a carrier such as MFS-FL negotiates unbundling	
	А.		
13	А.	Yes. Under the Act, a carrier such as MFS-FL negotiates unbundling	
13 14	А.	Yes. Under the Act, a carrier such as MFS-FL negotiates unbundling arrangements with the incumbent LEC, and agreements reached by	
13 14 15	А.	Yes. Under the Act, a carrier such as MFS-FL negotiates unbundling arrangements with the incumbent LEC, and agreements reached by negotiation or arbitration are submitted for approval to State commissions. In	
13 14 15 16	A.	Yes. Under the Act, a carrier such as MFS-FL negotiates unbundling arrangements with the incumbent LEC, and agreements reached by negotiation or arbitration are submitted for approval to State commissions. In approving the pricing of unbundled elements in such arrangements, "just and	
13 14 15 16 17	A.	Yes. Under the Act, a carrier such as MFS-FL negotiates unbundling arrangements with the incumbent LEC, and agreements reached by negotiation or arbitration are submitted for approval to State commissions. In approving the pricing of unbundled elements in such arrangements, "just and reasonable" rates must be "based on the cost (determined without reference to	
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13 14 15 16 17 18 19	A. Q.	Yes. Under the Act, a carrier such as MFS-FL negotiates unbundling arrangements with the incumbent LEC, and agreements reached by negotiation or arbitration are submitted for approval to State commissions. In approving the pricing of unbundled elements in such arrangements, "just and reasonable" rates must be "based on the cost (determined without reference to a rate-of-return or other rate-based proceeding) of providing" the network element must be "nondiscriminatory," and "may include a reasonable profit."	

ITS DIRECT TESTIMONY IN THIS DOCKET?

2 Α. Yes. The MFS-FL proposal and the federal pricing standard are both based 3 on the fundamental baseline that rates should be based on the cost of providing the network element. This is in stark contrast to GTE's proposal 4 5 that rates should be based on the current rates of providing a separate, 6 different network service, special access. As I discussed in my direct 7 testimony, absent mitigating circumstances, GTE's Long Run Incremental 8 Costs ("LRIC") should serve as the target price and cap for unbundled loops 9 where such loops must be employed by ALECs to compete with GTE, with all 10 of the advantages of its historical monopoly franchise. LRIC is the direct 11 economic cost of a given facility, including cost of capital, and represents the 12 cost that the LEC would otherwise have avoided if it had not installed the 13 relevant increment of plant -- *i.e.*, local loops in a given region. MFS-FL 14 would also apply two additional pricing guidelines to prevent discrimination: 1) the sum of the prices of the unbundled rate elements (link, port, and cross-15 16 connect) must be no greater than the price of the bundled dial tone line; and 2) the ratio of price to LRIC for each unbundled element must be the same as the 17 18 ratio of the bundled dial tone line to the bundled LRIC. These two guidelines 19 would require that the prices for the unbundled dial tone line components be derived from the existing dial tone line rates established in GTE's effective 20 tariffs. As long as those rates cover LRIC, the unbundled component prices 21 22 determined by these guidelines would also cover LRIC. The pricing

1		guidelines recommended by MFS-FL are fully outlined in my Direct	
2		Testimony. Devine Direct at 22-25.	
3	Q.	WHY IS IT CRITICAL THAT UNBUNDLED LOOPS BE PRICED AT	
4		A REASONABLE LEVEL IN ORDER FOR ALECS TO COMPETE?	
5	А.	Physical unbundling of the local loop without ensuring that they are available	
6		at reasonable nondiscriminatory prices will not facilitate local competition:	
7		loops and ports must be priced in a manner that allows carriers to offer end	
8		users a competitively priced service. In order to discourage GTE from	
9		implementing anticompetitive pricing policies, the Commission should adopt	
10		pricing guidelines for unbundled loops that are premised on GTE's cost in	
11		providing the service and that reflect this functional equivalency.	
12	Q.	HAS THIS COMMISSION ENDORSED THE CONCEPT OF COST-	
12 13	Q.	HAS THIS COMMISSION ENDORSED THE CONCEPT OF COST- BASED PRICING IN RELATED CONTEXTS?	
	Q. A.		
13	-	BASED PRICING IN RELATED CONTEXTS?	
13 14	-	BASED PRICING IN RELATED CONTEXTS? Yes. Cost-based pricing for unbundled elements has been endorsed by the	
13 14 15	-	BASED PRICING IN RELATED CONTEXTS? Yes. Cost-based pricing for unbundled elements has been endorsed by the Commission, other state commissions, and other parties to this docket.	
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1	Q.	WILL PRICING UNBUNDLED LOCAL LOOPS AT LRIC LEAD TO
2		FINANCIAL DISASTER FOR GTE AS DR. DUNCAN SUGGESTS?
3	A.	No. Dr. Duncan states that pricing unbundled elements at TSLRIC: 1) drives
4		a firm "to bankruptcy;" 2) will drive firms that react by trying to engage in
5		cross subsidies "out of business;" 3) would cause GTE to "lose money;" will
6		force GTE "to operate at a loss" by failing to recover common costs; and that
7		the value of GTE's network will be transferred to MFS-FL stockholders.
8		Duncan Direct at 11-13. Dr. Duncan's doomsday predictions are grossly
9		exaggerated and have no basis in reality.
10	Q.	DO YOU BELIEVE THAT PRICING LOOPS AT LRIC IS
11		ANALOGOUS TO GTE SELLING ITS "ENTIRE INVENTORY" TO
12		MFS-FL AT COST (DUNCAN DIRECT AT 12)?
13	А.	No. Dr. Duncan suggests that selling a de minimis number of unbundled
14		elements to new entrant competitors is the equivalent of selling off its entire
15		inventory. The entry of new entrants into the Florida local exchange market
16		will be gradual, as it has been in other states, such as New York, where MFS
17		has substantial experience. GTE, like LECs in other states which MFS has
18		entered, will continue to make substantial profits from providing a wide
19		variety of services, including significant revenue from long distance, switched
20		access, and vertical services. The suggestion that selling a few unbundled
21		loops at cost in order to allow competition to develop will make it impossible
22		for GTE to cover its common costs is preposterous. Moreover, Congress has

mandated that a cost-based standard be applied in order to foster the
 development of competition.

3 WEREN'T THE ISSUES RAISED IN DR. DUNCAN'S TESTIMONY Q. 4 ALREADY RESOLVED IN THE UNIVERSAL SERVICE DOCKET? Yes. Like BellSouth's interconnection proposal, GTE's unbundled loop 5 Α. 6 pricing proposal revolves around utilizing the pricing of unbundled loops to 7 recover the alleged but as yet unproven subsidy that GTE and other LECs 8 supposedly provide to universal service. Dr. Duncan states: "If GTEFL is 9 required to wholesale a product heretofore used to help defray the cost of R1 10 service at a price equal to TSLRIC, then GTEFL loses a source for this cross-11 subsidy and puts additional burden on other services." Duncan Direct at 11. 12 Yet Dr. Duncan ignores the fact that, if its ability to sustain universal service 13 obligation is eroded due to competitive pressure, it has already been given an 14 avenue to rectify the matter by petitioning the Commission pursuant to the 15 recent universal service decision. In re: Determination of funding for 16 universal service and carrier of last resort responsibilities, Docket No. 17 950696, Order No. PSC-95-1592-FOF-TP at 28 (Dec. 27, 1995). If, as GTE claims, it is "left with no sources of contribution for R1s" (Duncan Direct at 18 19 11), it can petition the Commission. GTE's repeated references to its 20 universal service obligations (Duncan Direct at 11, 12; Trimble Direct at 7, 8,

22 Q. DO YOU AGREE WITH GTE THAT EACH AND EVERY ALEC

9, 10, 13) are therefore not relevant in this proceeding.

21

SHOULD BE REQUIRED TO OVERBUILD THE EXISTING LEC NETWORKS?

A. No. Dr. Duncan suggests that any new entrant into the Florida local exchange
market should be required to invest hundreds of millions of dollars to
overbuild the existing LEC network several times over. Such a requirement
would clearly delay the development of competition, and limit the number of
competitors in the market. It would also be entirely inconsistent with the
competitive model embraced by Congress which features cost-based network
unbundling (sec. 252(d)(1)(A)).

10 Q. WHAT IS THE RATIONALE FOR YOUR PROPOSAL THAT THE
11 SUM OF THE UNBUNDLED LOOP, PORT, AND CROSS-CONNECT
12 RATE ELEMENTS MUST BE NO GREATER THAN THE PRICE OF
13 THE DIAL TONE LINE?

Dr. Duncan fails to grasp the rationale underlying this proposal. Duncan 14 Α. Direct at 13. Both the Florida Legislature and the U.S. Congress have 15 determined that unbundling the local loop at reasonable rates is a necessary 16 prerequisite to developing competitive local exchange markets. This is 17 consistent with at least eight states that have already ordered local loop 18 unbundling: Connecticut, New York, Illinois, Michigan, Iowa, Maryland, 19 20 Washington, and Oregon. Application of the Southern New England Telephone Company For Approval to Offer Unbundled Loops, Ports and 21 Associated Interconnection Arrangements, Docket No. 95-06-17, Decision 22

1	(D.P.U.C., Dec. 20, 1995); Interconnection Arrangements for Residential	
2	and Business Links, 152 PUR4th 193, 194 (NY PSC 1994); In the matter of	
3	the application of CITY SIGNAL, INC. for an order establishing and	
4	approving interconnection arrangements with Michigan Bell Telephone	
5	Company, Case No. U-10647, Opinion and Order at 56, 57 (MI PSC,	
6	February 23, 1995); Illinois Bell Telephone Company, Proposed	
7	Introduction of a Trial of Ameritech's Customers First Plan in Illinois,	
8	Docket Nos. 94-0096, et al., at 48 (Ill. Commerce Comm'n, April 7, 1995);	
9	In re: McLeod Telemanagement, Inc., TCU-94-4 (Iowa Utilities Board,	
10	March 31, 1995); In Re: Application of MFS Intelenet of Maryland, Inc.,	
11	Case No. 8584, Phase II, Order No. 72348 at pp. 37-39, mimeo (issued	
12	December 28, 1995); In the Matter of the Application of Electric Lightwave,	
13	Inc. for a Certificate of Authority to Provide Telecommunications Services in	
14	Oregon, CP1, CP14, CP15, Order No. 96-021, at p. 52 (Oregon P.U.C.	
15	Jan. 12, 1996); DPUC Investigation Into the Unbundling of the Southern	
16	New England Telephone Company's Local Telecommunications Network,	
17	Docket No. 94-10-02, Order (Conn. D.P.U.C., Sept. 22, 1995).	
18	The purpose of this MFS proposal is therefore to ensure that	
19	unbundled loops are not prohibitively expensive and that ALECs are not	
20	caught in a price squeeze. If GTE is permitted to include excessive amounts	
21	of contribution in the price of its unbundled elements, ALECs will not be able	

to compete by purchasing these unbundled elements because, as discussed
further below, they will be caught in a price squeeze. If an ALEC pays more
for an unbundled loop, port, and cross-connect than it receives from an end
user subscriber, it can only provide local service at a loss. Requiring ALECs
to provide local service as a loss leader would not encourage local competition
and would be poor public policy.

Q. WHAT IS THE RATIONALE FOR THE SECOND PRINCIPLE THAT THE RATIO OF THE PRICES OF EACH UNBUNDLED ELEMENT TO ITS LRIC SHOULD BE THE SAME?

Dr. Duncan also fails to comprehend the rationale behind MFS-FL's second Α. 10 principle. Duncan Direct at 14. MFS-FL supports this principle to ensure that 11 one unbundled element—the loop, the port, or the cross-connect—is not 12 overpriced. To provide an extreme example, if the price of the local dial tone 13 line is \$10, MFS-FL's first principle (that the sum of the price of the loop, the 14 port, and the cross-connect not exceed the price of the local dial tone line) 15 would be satisfied if the loop were priced at \$9.98, the cross-connect were 16 priced at one cent and the port were priced at one cent. This pricing structure 17 would allocate a disproportionate share of the price of the dial tone line to the 18 loop element. To ensure that this does not happen, MFS-FL supports this 19 second principle to ensure that the price to LRIC ratio of the loop, the port, 20 and the cross-connect is equal. 21

22 Q. SHOULD UNBUNDLED LOOP PRICING TAKE INTO ACCOUNT

DISTANCE AND DENSITY?

2 **A**. MFS-FL and other parties to this docket have recommended that the 3 Commission adopt a loop price structure that takes into account both distance and density. Sprint/United in its direct testimony, referring to "high density" 4 low cost exchanges" and "high cost low density exchanges" has noted the 5 correlation between density and cost. Poag Direct at 7. The Commission 6 7 should adopt distance and density-sensitive rates for GTE unbundled loops. Such rates would account for the fact that loop costs are distance-sensitive 8 9 and density-sensitive. Any proposed rate that does not take into account this 10 distance-sensitivity, and more importantly, does not take into account 11 population density, is fundamentally flawed.

MFS urges the Commission to require GTE to file cost studies that 12 consider both the density and distance characteristics of local exchange loops 13 (*i.e.*, number of loops per square mile). GTE cost studies mandated by the 14 Commission should therefore account for both loop length and density in 15 determining loop costs. The Commission should also require that GTE cost 16 17 studies be broken down by each unbundled element (including the link, port, 18 cross-connect, and local usage elements) and should conduct a contested 19 proceeding to analyze those costs.

In order to price the loops on a usage sensitive basis, GTE should
establish price categories calculated on the cost of the average loop length and
density by wire center. Based on its experience in other states, MFS would

suggest three wire center categories. Category A would include wire centers 1 2 from which loops of the shortest length and maximum density extend. Category B would include wire centers from which loops of medium length 3 and medium density extend. Finally, Category C would include those wire 4 centers from which loops of the longest length and lowest density extend. 5 6 Rates for loops in each wire center category would be the same and 7 would be calculated based on the average long run incremental cost of the 8 loops in that category. LECs in other jurisdictions, including Ameritech 9 Illinois, the Southern New England Telephone Company and Pacific Bell, 10 have adopted similar pricing methodologies. Moreover, the Federal Communications Commission ("FCC") endorsed such a pricing scheme when 11 it authorized LECs offering collocation to implement zone density pricing for 12 13 special access services. Zone density pricing allows LECs the opportunity to price their services in a manner that reflects the cost differences in providing 14 service to major metropolitan business districts, smaller cities and suburban 15 areas, and rural areas. Expanded Interconnection with Local Telephone 16 Company Facilities, Report and Order and Notice of Proposed Rulemaking, 7 17 FCC Rcd 7369, 7454 (1992). Such cost differences are just as characteristic 18 19 of unbundled loops. WHAT IS THE FUNDAMENTAL FLAW WITH GTE'S PROPOSAL 20 Q.

FOR PRICING OF UNBUNDLED LOOPS AT CURRENT SPECIAL
 ACCESS RATES?

1 GTE's prices are based on the current prices of an existing and distinct A. 2 service, rather than on cost studies of the cost to provide the unbundled loops 3 as required by the federal Act. The Commission should not consider prices 4 that do not take as a starting point the LRIC of providing a simple unbundled 5 loop. 6 Q. SHOULD NEW ENTRANTS BE REQUIRED TO PURCHASE A 7 PRIVATE LINE OR SPECIAL ACCESS CHANNEL FROM GTE'S 8 **EXISTING TARIFF INSTEAD OF SIMPLE UNBUNDLED LOOPS?** 9 Mr. Trimble claims that unbundled loops are currently available through Α. 10 GTE's Facilities for Intrastate Access tariff. Trimble Direct at 9. As I 11 explained in my Direct Testimony (Devine Direct at 24-27), this would not be 12 economical, nor practical from a time of installation perspective. While there 13 is not much physical difference between an unbundled link and a private line 14 or special access channel, there are differences in technical standards as well 15 as engineering and operational practices that render current tariffed services a 16 completely unsatisfactory substitute for unbundled links. The major 17 differences between these existing services and unbundled simple links are the additional performance parameters required for private line and special access 18 19 services, beyond what is necessary to provide plain old telephone service 20 ("POTS"); and the methods used by LECs to install and provision the 21 services. Currently, installation of a private line or special access channel 22 typically requires special engineering by the LEC and therefore takes longer

1		and costs more than installation of a POTS line. This special engineering
2		begins with a line that would be suitable for POTS, but then adapts it to
3		conform to specialized performance parameters. Therefore, no single private
4		line service offering provided by GTE will satisfy MFS-FL unbundled loop
5		requirements. Private line and special access services also include additional
6		performance standards that are not necessary for the delivery of POTS service.
7	Q.	DOES MR. TRIMBLE RECOGNIZE THESE KEY DIFFERENCES
8		BETWEEN PRIVATE LINES AND UNBUNDLED LOOPS?
9	А.	No. Mr. Trimble's statement that special access "is (for all practical purposes)
10		an identical type service" is completely inaccurate. Trimble Direct at 10. Mr.
11		Trimble has completely overlooked the significant differences described
12		above, which are reflected in the price of private lines, in order to support his
13		system of premium pricing. These differences are also reflected in the
14		GTE/MFS-FL agreeement which specifically excludes monitoring, testing,
15		and maintenance identification responsibilities from the unbundled loop
16		service provided by GTE, responsibilities that are included in special access
17		service. Agreement at 22, § VIIIA(3)(a).
18	Q.	WOULD THE TARIFFED RATES FOR PRIVATE LINE SERVICES
19		PERMIT ECONOMICALLY VIABLE COMPETITION?
20	A. .	No. Not surprisingly, the tariffed rate of a private line service exceeds the
21		tariffed rate of a bundled dial tone business or residence line. In fact, private
22		lines or special access channels are typically priced at substantial premiums

1		today because these services require additional performance parameters	
2		beyond what is necessary to provide POTS.	
3	Q.	IF GTE CHARGES TARIFFED PRIVATE LINE RATES, WILL IT BE	
4		SUBJECT TO A PRICE SQUEEZE?	
5	А.	Yes. MFS-FL would be paying more for the unbundled loops than it would	
6		be allowed to recover through end user retail rates, resulting in a price	
7		squeeze. The Commission should ensure that GTE does not maintain its	
8		premium pricing and instead charges the appropriate LRIC price for	
9		unbundled loops.	
10	Q.	WHY SHOULD GTE NOT BE PERMITTED TO ADD	
11		CONTRIBUTION TO LRIC IN SETTING PRICES FOR UNBUNDLED	
12		LOOPS?	
12 13	А.	LOOPS? Dr. Duncan and Mr. Trimble believe that contribution should be included in	
	А.		
13	А.	Dr. Duncan and Mr. Trimble believe that contribution should be included in	
13 14	А.	Dr. Duncan and Mr. Trimble believe that contribution should be included in rates for unbundled loops. Duncan Direct at 4-5; Trimble Direct at 12.	
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13 14 15 16 17 18	A.	Dr. Duncan and Mr. Trimble believe that contribution should be included in rates for unbundled loops. Duncan Direct at 4-5; Trimble Direct at 12. "Contribution" is often defined in the industry as the difference between the incremental cost of a service and the price charged for that service. Such charges force ALECs to recover from their customers not only the ALEC's own overhead costs, but also a portion of GTE's overhead costs. This	
13 14 15 16 17 18 19	A.	Dr. Duncan and Mr. Trimble believe that contribution should be included in rates for unbundled loops. Duncan Direct at 4-5; Trimble Direct at 12. "Contribution" is often defined in the industry as the difference between the incremental cost of a service and the price charged for that service. Such charges force ALECs to recover from their customers not only the ALEC's own overhead costs, but also a portion of GTE's overhead costs. This effectively insulates GTE from the forces of competition. One of the most	

1		competitors GTE's overhead costs will not be subjected to the full benefits
2		of competition that result from market pressures. Instead, current
3		inefficiencies in GTE's network will become incorporated into GTE's price
4		floor, locking in current inefficiencies in GTE's operations, despite the
5		introduction of competition. The Commission should therefore not require
6		ALECs to provide contribution in unbundled loop rates because it would
7		foreclose many of the potential benefits of competition.
8	Q.	DO YOU AGREE WITH THE ASSESSMENT OF GTE THAT ITS
9		REVENUES WILL BE ADVERSELY IMPACTED BY THE
10		INTRODUCTION OF COMPETITION (DUNCAN DIRECT AT 12-13)?
11	А.	No. In fact GTE stands to gain more from the introduction of competition
12		that perhaps any other company in the country. GTE, unlike the Regional
13		Bell Operating Companies, was immediately permitted to enter the long
14		distance market upon the signing of the Telecommunications Act of 1996.
15		It is possible that GTE is already providing long distance service in many
16		parts of the country. This is because the Act's special provisions concerning
17		Bell operating company entry into interLATA services (Secs. 271-276), the
18		so-called "checklist," provisions do not apply to GTE. Moreover, the GTE
19		consent decree is no longer in force, removing any restrictions on GTE
20		entering into the long distance market without creating separate subsidiaries.
21		This permits GTE to offer "one-stop shopping" for local and long distance
22		service for the first time. The suggestion that GTE will suffer net losses

1		from the introduction of competition into local markets, accompanied as it is
2		by the removal of the prohibition on GTE entry into long distance, is
3	therefore merely strategic posturing designed to strengthen GTE's	
4	dominance of local service within its local service area. In fact, the	
5		Commission should be particularly watchful that conditions favorable to the
6		development of local competition are established in GTE's service area to
7		the extent that the "checklist" provisions of the federal Act do not apply to
8		GTE.
9		Moreover, the MFS-FL experience in other states suggests that, even
10		focusing on the local market alone, the short term loss of GTE market share
11		will be negligible. The experience of AT&T in the long distance market
12		strongly suggests that GTE will in fact increase its revenues with the
13		development of competition because of the overall growth of the market.
14	Q.	SHOULD THE COMMISSION CONSIDER THE GTE PROPOSAL
15		THAT IT BE PERMITTED TO SHIFT TO ALECS THE
16		"IMPLEMENTATION COSTS" ASSOCIATED WITH LOCAL
17		COMPETITION (TRIMBLE DIRECT AT 13-14)?
18	Α.	No, the Commission should not even consider this proposal. GTE does not
19		define what these "implementation costs" are, but MFS-FL suspects that
20		they are similar to the costs that every telecommunications carrier must
21		bear, and new entrants moreso than any other carrier. This cost is a small
22		price for GTE to pay in order to reap substantial additional local and long

1 distance revenues in the new competitive environment. GTE's clear intent 2 in shifting its costs to new entrants, like the inclusion of its overhead costs 3 in the pricing of unbundled loops, is simply another attempt to raise the cost for ALECs to enter the business of providing local exchange service. The 4 5 Commission should follow the lead of the U.S. Congress, and other state commissions, in ensuring that LRIC-based rates, without additional 6 7 surcharges, contribution, or other charges, are required for unbundled elements in Florida. 8 Q. 9 DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

10 A. Yes.

MFS/GTE PARTIAL FLORIDA CO-CARRIER AGREEMENT EXHIBIT TTD-8

Pursuant to this agreement, Metropolitan Fiber Systems of Florida, Inc. ("MFS") and GTE Florida Incorporated ("GTE") (collectively, "the Parties") will extend certain arrangements to one another within each LATA in which they both operate within the state of Florida, as described and according to the terms, conditions and pricing specified hereunder. The Parties enter into this agreement without prejudice to any positions they have taken previously, or may take in the future in any legislative, regulatory, or other public forum.

I. <u>BECITALS & PRINCIPLES</u>

WHEREAS, universal connectivity between common carriers is the defining characteristic of the public switched telecommunications network in which all common carriers participate; and

WHEREAS, absent such connectivity the utility of communications services to individual consumers and to society as a whole would be severely and unnecessarily diminished; and

WHEREAS, in the service of maximum inter-operability, the Parties should be able to efficiently, flexibly, and robustly exchange traffic and signaling at well-defined and standardized points of mutually agreed interconnection; and

WHEREAS, GTE Florida Incorporated is a local exchange telecommunications company (LEC) as defined by Section 364.02(6) of the Florida Statutes. Metropolitan Fiber Systems of Florida, Inc. (MFS) is an alternative local exchange telecommunications company (ALEC) as defined by Section 364.02(1); and

WHEREAS, Section 364.16, Florida Statutes, requires, among other things, GTE Florida to provide access to, and interconnection with, its telecommunications facilities to any other provider of local telecommunications services requesting such access and interconnection at non-discriminatory prices, rates, terms, and conditions established by the procedures set forth in Section 364.162, Florida Statutes; and

WHEREAS, Section 364.161, Florida Statutes, requires each LEC, upon request, to unbundle each of its network features, functions and capabilities, including access to signaling databases, systems and routing process, and offer them to any other telecommunications provider requesting such features, functions or capabilities for resale to the extent technically and economically feasible and at prices that are not below cost; and

WHEREAS, Sections 364.16 and 364.161 also requires LECs and ALECs to attempt to negotiate satisfactory rates, terms and conditions for interconnection and unbundling. If such negotiations fail, either party has the right to file a petition with

--- Puese Line/Don't Answer;

MFS/GTE

PARTIAL FLORIDA CO-CARRIER AGREEMENT

the Florida Public Service Commission to establish such rates, terms and conditions; and

WHEREAS, on January 24, 1996, MFS filed petitions before the Commission in Docket Nos. 950984 and 950985 asking the Commission to establish rates, terms and conditions for interconnection and the provision of GTE Florida unbundled services and features to MFS; and

WHEREAS, GTE Florida and MFS, in an effort to avoid the uncertainties and expense of litigation before the Commission and appeals before the courts, desire to enter the following agreement which will serve as a partial settlement of Docket Nos. 950984 and 950985 noted above; and

WHEREAS, GTE Florida and MFS acknowledge and understand that this Agreement is entered into to resolve issues and matters which are unique to the State of Florida and is a result of compromise and negotiation. The parties further acknowledge that none of the provisions set forth herein shall be proffered by either GTE Florida or MFS or any of their affiliates in this or any other jurisdiction as evidence of any concession or as a waiver of any position or for any other purpose.

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MFS and GTE hereby covenant and agree as follows:

II. DEFINITIONS

- A. "Automatic Number Identification" or "ANI" refers to the number transmitted through the network identifying the calling party.
- B. "Central Office Switch", "Central Office" or "CO" means a switching entity within the public switched telecommunications network, including but not limited to:

"End Office Switches" which are Class 5 switches from which end user Exchange Services are directly connected and offered.

"Tandem Office Switches" which are Class 4 switches which are used to connect and switch trunk circuits between and among Central Office Switches.

Central Office Switches may be employed as combination End Office/Tandem Office switches (combination Class 5/Class 4).

- C. "CLASS Features" (also called "Vertical Features") include: Automatic Call Back; Automatic Recall; Call Forwarding Busy Line/Don't Answer; Call Forwarding Don't Answer; Call Forwarding Variable; Call Forwarding - Busy Line; Call Trace; Call Waiting; Call Number Delivery Blocking Per Call; Calling Number Blocking Per Line; Cancel Call Waiting; Distinctive Ringing/Call Waiting; Incoming Call Line Identification Delivery; Selective Call Forward; Selective Call Rejection; Speed Calling; and Three Way Calling/Call Transfer.
- D. "Co-Location" or "Co-Location Arrangement" is an interconnection architecture method in which one carrier extends network transmission facilities to a wire center/aggregation point in the network of a second carrier, whereby the first carrier's facilities are terminated into equipment installed and maintained in that wire center by or on the behalf of the first carrier for the primary purpose of interconnecting the first carrier's facilities to the facilities of the second carrier.
- E. "Commission" means the Florida Public Service Commission (PSC).
- F. "Common Channel Signaling" or "CCS" means a method of digitally transmitting call set-up and network control data over a special network fully separate from the public switched network that carries the actual call.
- G. "DID" means direct inward dialing.

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- H. "DS-1" is a digital signal rate of 1.544 Mbps (Mega Bit Per Second).
- 1. "DS-3" is a digital signal rate of 44.736 Mbps.
- J. "DSX panel" is a cross-connect bay/panel used for the termination of equipment and facilities operating at digital rates.
- K. "Electronic File Transfer" refers to any system/process which utilizes an electronic format and protocol to send/receive data files.
- L. "Exchange Message Record" or "EMR" is the standard used for exchange of telecommunications message information among Local Exchange Carriers for billable, non-billable, sample, settlement and study data. EMR format is contained in BR-010-200-010 CRIS Exchange Message Record, a Bellcore document which defines industry standards for exchange message records.

- M. "Exchange Service" refers to all basic access line services, or any other services offered to end users which provide end users with a telephonic connection to, and a unique telephone number address on, the public switched telecommunications network, and which enable such end users to place or receive calls to all other stations on the public switched telecommunications network.
- N. "Interconnection" means the connection of separate pieces of equipment, transmission facilities, etc., within, between or among networks. The architecture of interconnection may include several methods including, but not limited to co-location arrangements and mid-fiber meet arrangements.
- O. "Interexchange Carrier" or "IXC" means a provider of stand-alone interexchange telecommunications services.
- P. "Interim Number Portability" or "INP" means the transparent delivery of Local Telephone Number Portability ("LTNP") capabilities, from a customer standpoint in terms of call completion, and from a carrier standpoint in terms of compensation, through the use of existing and available call routing, forwarding, and addressing capabilities.
- Q. "ISDN" means Integrated Services Digital Network; a switched network service providing end-to-end digital connectivity for the simultaneous transmission of voice and data. Basic Rate Interface-ISDN (BRI-ISDN) provides for digital transmission of two 64 Kbps bearer channels and one 16 Kbps data channel (2B+D). Primary Rate Interface-ISDN (PRI-ISDN) provides for digital transmission of twenty-three (23) 64 Kbps bearer channels and one 16 Kbps data channel (23 B+D).
- R. "Line Side" refers to an end office switch connection that has been programmed to treat the circuit as a local line connected to a ordinary telephone station set. Line side connections offer only those transmission and signaling features appropriate for a connection between an end office and an ordinary telephone station set.
- S. "Link Element" or "Link" is a component of an Exchange Service; for purposes of general illustration, the "Link Element" is the transmission facility (or channel or group of channels on such facility) which extends from a Main Distribution Frame, DSX-panel, or functionally comparable piece of equipment in an GTE end office wire center, to a demarcation or connector block in/at a customer's premises. Traditionally, links were provisioned as 2-wire or 4-wire copper pairs running from the end office distribution frame to the customer premise; however, a link may be

provided via other media, including radio frequencies, as a channel on a high capacity feeder/distribution facility which may in turn be distributed from a node location to the customer premise via a copper or coax drop facility, etc. Links fall into the following categories:

"2-wire analog voice grade links" will support analog transmission of 300-3000 Hz, repeat loop start or ground start seizure and disconnect in one direction (toward the end office switch), and repeat ringing in the other direction (toward the end user). This link is commonly used for local dial tone service.

"2-wire ISDN digital grade links" will support digital transmission of two 64 Kbps bearer channels and one 16 Kbps data channel. This is a 2B+D basic rate interface Integrated Services Digital Network (BRI-ISDN) type of loop which will meet national ISDN standards.

"4-wire DS-1 digital grade links" will support full duplex transmission of isochronous serial data at 1.544 Mbps. This T-1/DS-1 type of loop provides the equivalent of 24 voice grade/DSO channels.

- T. "Local Exchange Carrier" or "LEC" means any company certified by the Commission to provide local exchange telecommunications service. This includes the Parties to this agreement.
- U. "Local Telephone Number Portability" or "LTNP" means the technical ability to enable an end user customer to utilize its telephone number in conjunction with any exchange service provided by any Local Exchange Carrier operating within the geographic number plan area with which the customer's telephone number(s) is associated, regardless of whether the customer's Chosen Local Exchange Carrier is the carrier which originally assigned the number to the customer, without penalty to either the customer or its chosen local exchange carrier.
- V. "Main Distribution Frame" or "MDF" is the primary point at which outside plant facilities terminate within a wire center, for interconnection to other telecommunications facilities within the wire center.
- W. "Meet-Point Billing" or "MPB" refers to an arrangement whereby two LECs jointly provide the transport element of a switched access service to one of the LEC's end office switches, with each LEC receiving an appropriate share of the transport element revenues as defined by their effective access tariffs.

- X. "MECAB" refers to the Multiple Exchange Carrier Access Billing (MECAB) document prepared by the Billing Committee of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECAB document, published by Bellcore as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of an access service provided by two or more LECs, or by one LEC in two or more states within a single LATA.
- Y. "MECOD" refers to the Multiple Exchange Carriers Ordering and Design (MECOD) Guidelines for Access Services - Industry Support Interface, a document developed by the Ordering/Provisioning Committee under the auspices of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECOD document, published by Bellcore as Special Report SR STS-002643, establish methods for processing orders for access service which is to be provided by two or more LECs.
- Z. "Mid-Fiber Meet" is an interconnection architecture method whereby two carriers meet at a fiber splice in a junction box.
- AA. "NANP" means the "North American Numbering Plan", the system of telephone numbering employed in the United States, Canada, and the Caribbean countries which employ NPA 809.
- BB. "Numbering Plan Area" or "NPA" is also sometimes referred to as an area code. This is the three digit indicator which is defined by the "A", "B", and "C" digits of each 10-digit telephone number within the North American Numbering Plan ("NANP"). Each NPA contains 800 possible NXX Codes. There are two general categories of NPA, "Geographic NPAs" and "Non-Geographic NPAs". A "Geographic NPA" is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that geographic area. A "Non-Geographic NPA", also known as a "Service Access Code" or "SAC Code" is typically associated with a specialized telecommunications service which may be provided across multiple geographic NPAs.
- CC. "NXX", "NXX Code", "Central Office Code" or "CO Code" is the three digit switch entity indicator which is defined by the "D", "E", and "F" digits of a 10-digit telephone number within the North American Numbering Plan ("NANP"). Each NXX Code contains 10,000 station

numbers. Historically, entire NXX code blocks have been assigned to specific individual local exchange and office switches.

- DD. "On-Line Transfer" means the transferring of an incoming call to another telephone number without the call being disconnected.
- EE. "Permanent Number Portability" or "PNP" means the use of a database solution to provide fully transparent LTNP for all customers and all providers without limitation.
- FF. "Plain Old Telephone Service Traffic" or "POTS traffic." The parties agree that this includes local traffic as defined in GTE's tariff and disagree as to whether this includes non-local intraLATA toll traffic exchanged between the parties respective exchange customers.
- GG. "Port Element" or "Port" is a component of an Exchange Service; for purposes of general illustration, the "Port" is a line card and associated peripheral equipment on an GTE end office switch which serves as the hardware termination for the customer's exchange service on that switch and generates dial tone and provides the customer a pathway into the public switched telecommunications network. Each Port is typically associated with one (or more) telephone number(s) which serves as the customer's network address. Port categories include:

"2-wire analog line port" is a line side switch connection employed to provide basic residential and business type Exchange Services.

"2-wire ISDN digital line port" is a Basic Rate Interface (BRI) line side switch connection employed to provide ISDN Exchange Services.

"2-wire analog DID trunk port" is a direct inward dialing (DID) trunk side switch connection employed to provide incoming trunk type Exchange Services.

"4-wire DS-1 digital DID trunk port" is a direct inward dialing (DID) trunk side switch connection employed to provide the equivalent of 24 analog incoming trunk type Exchange Services.

"4-wire ISDN digital DS-1 trunk port" is a Primary Rate Interface (PRI) trunk side switch connection employed to provide the ISDN Exchange Services.

- HH. "Rate Center" means the specific geographic point and corresponding geographic area which have been identified by a given LEC as being associated with a particular NPA-NXX code which has been assigned to the LEC for its provision of Exchange Services. The "rate center point" is the finite geographic point identified by a specific V&H coordinate, which is used to measure distance-sensitive end user traffic to/from Exchange Services bearing the particular NPA-NXX designation associated with the specific Rate Center. The "rate center area" is the exclusive geographic area which the LEC has identified as the area within which it will provide Exchange Services bearing the particular NPA-NXX designation associated with the specific Rate Center. The Rate Center point must be located within the Rate Center area.
- II. "Rating Point", sometimes also referred to as "Routing Point" means a location which a LEC has designated on its own network as the homing (routing) point for traffic inbound to Exchange Services provided by the LEC which bear a certain NPA-NXX designation. Pursuant to Bellcore Practice BR 795-100-100, the Rating Point may be an "End Office" location, or a "LEC Consortium Point of Interconnection". Pursuant to that same Bellcore Practice, examples of the latter shall be designated by a common language location identifier (CLLI) code with (x)KD in positions 9, 10, 11, where (x) may be any alphanumeric A-Z or 0-9. The Rating Point/Routing Point need not be the same as the Rate Center Point, nor must it be located within the Rate Center Area.
- JJ. "Reference of Calls" refers to a process in which calls are routed to an announcement which states the new telephone number of an end user.
- KK. "Service Control Point" or "SCP" is the node in the signaling network to which informational requests for service handling, such as routing, are directed and processed. The SCP is a real time database system that, based on a query from the SSP, performs subscriber or applicationspecific service logic, and then sends instructions back to the SSP on how to continue call processing.
- LL. "Signal Transfer Point" or "STP" performs a packet switching function that routes signaling messages among SSPs, SCPs and other STPs in order to set up calls and to query databases for advanced services.
- MM. "Synchronous Optical Network" or "SONET" means synchronous electrical (STS) or optical (OC) channel connections between LECs.
- NN. "Switched Access Service" means the offering of facilities for the purpose of the origination or termination of non-POTS traffic to or from

Exchange Services offered in a given area. Switched Access Services include: Feature Group A, Feature Group B, Feature Group D, 800 access, and 900 access.

- OO. "Trunk Side" refers to a central office switch connection that is capable of, and has been programmed to treat the circuit as, connecting to another switching entity, for example a private branch exchange ("PBX") or another central office switch. Trunk side connections offer those transmission and signaling features appropriate for the connection of switching entities, and can not be used for the direct connection of ordinary telephone station sets.
- PP. "Wire Center" means a building or space within a building which serves as an aggregation point on a given carrier's network, where transmission facilities and circuits are connected or switched.

III. NETWORK INTERCONNECTION ARCHITECTURE

The Parties shall interconnect their networks as necessary to effect the Co-Carrier Arrangements identified in Parts V., VI., VII., and IX., as defined below:

A. In each LATA identified below, the correspondingly identified wire center shall serve as the initial Designated Network Interconnection Point ("D-NIP") at which point MFS and GTE will interconnect their respective networks for inter-operability within that LATA.

	D-NIP
Tampa	Tampa Main SWC (GTE)
·	(MFS connects to GTE)
Tampa	Tampa Downtown Node (MFS) (GTE connects to MFS)

- B. Initially, MFS agrees to connect to GTE at GTE's Tampa Main Serving Wire Center (610 Morgan) and GTE agrees to reciprocally connect to MFS at MFS' Tampa downtown Node facility (Barnett Bank Building). Where MFS and GTE interconnect at a D-NIP, the parties may mutually agree to other arrangements including, but not limited to any of the following interconnection methods:
 - 1. a mid-fiber meet at the D-NIP, or in a manhole or other appropriate junction point near to or just outside the D-NIP;

- 2. a digital cross-connection hand-off, DSX panel to DSX panel, where both MFS and GTE maintain such facilities at the D-NIP;
- 3. a co-location facility maintained by MFS, or by a 3rd-party with whom MFS has contracted for such purposes, at an GTE wire center, where such wire center has been designated as the D-NIP; or
- 4. a co-location facility maintained by GTE, or by a 3rd-party with whom GTE has contracted for such purposes, at an MFS wire center, where such wire center has been designated as the D-NIP.
- C. In extending network interconnection facilities to the D-NIP, MFS shall have the right to extend its own facilities or to lease dark fiber facilities (if available) or digital transport facilities from GTE or from any 3rd-party, subject to the following terms:
 - 1. Such leased facilities shall extend from any point designated by MFS on its own network (including a co-location facility maintained by MFS at an GTE wire center) to the D-NIP or associated manhole or other appropriate junction point.
 - 2. Where MFS leases such facilities from GTE, MFS shall have the right to lease under non-discriminatory tariff or contract terms from GTE.
- D. Upon reasonable notice and if agreed to by GTE, MFS and GTE may change from one of the interconnection methods specified above, to one of the other methods specified above, with no penalty, conversion, or rollover charges.

IV. NUMBER RESOURCE ARRANGEMENTS

- A. Nothing in this agreement shall be construed to in any manner limit or otherwise adversely impact any MFS' right to employ or to request and be assigned any NANP number resources including, but not limited to, central office (NXX) codes pursuant to the Central Office Code Assignment Guidelines¹.
- B. As contemplated by the Central Office Code Assignment Guidelines, MFS will designate within the geographic NPA with which each of its assigned

¹ Last published by the Industry Numbering Committee ("INC") as INC 95-0407-008, Revision 4/7/95, formerly ICCF 93-0729-010.

NXX codes is associated, a Rate Center area within which it intends to offer Exchange Services bearing that NPA-NXX designation, and a Rate Center point to serve as the measurement point for distance-sensitive traffic to/from the Exchange Services bearing that NPA-NXX designation.

- C. MFS will also designate a Rating Point for each assigned NXX code. MFS may designate one location within each Rate Center as the Rating Point for the NPA-NXXs associated with that Rate Center; alternatively, MFS may designate a single location within one Rate Center to serve as the Rating Point for all the NPA-NXXs associated with that Rate Center and with one or more other Rate Centers served by MFS within the same LATA.
- D. Until such time MFS receives specific permission from the Commission to vary its rate centers from GTE's rate centers, MFS will agree to deploy a minimum of one NXX per established GTE rate center area.
- E. To the extent GTE serves as Central Office Code Administrator for a given region, GTE will support all MFS requests related to central office (NXX) code administration and assignments in an effective and timely manner.
- F. The Parties will comply with code administration requirements as prescribed by the Federal Communications Commission, the Commission, and accepted industry guidelines.
- G. It shall be the responsibility of each Party to program and update its own switches and network systems to recognize and route traffic to other Party's assigned NXX codes at all times. Neither Party shall impose any fees or charges whatsoever on the other Party for such activities.

V. MEET-POINT BILLING ARRANGEMENTS

- A. <u>Description</u>
 - 1. MFS may establish meet-point billing arrangements with GTE in order to provide Switched Access Services to third parties via an GTE access tandem switch, in accordance with the Meet-Point Billing guidelines adopted by and contained in the Ordering and Billing Forum's MECAB and MECOD documents, except as modified herein.
 - 2. Except in instances of capacity limitations, GTE shall permit and enable MFS to sub-tend the GTE access tandem switch(es) nearest

to the MFS Rating Point(s) associated with the NPA-NXX(s) to/from which the Switched Access Services are homed. In instances of capacity limitation at a given access tandem switch, MFS shall be allowed to sub-tend the next-nearest GTE access tandem switch in which sufficient capacity is available.

- 3. Interconnection for the meet-point arrangement shall occur at the GTE Tampa Main Serving Wire Center (SWC) D-NIP.
- 4. Common channel signalling ("CCS") shall be utilized in conjunction with meet-point billing arrangements to the extent such signaling is resident in the GTE access tandem switch.
- 5. MFS and GTE will use their best reasonable efforts, individually and collectively, to maintain provisions in their respective federal and state access tariffs, and/or provisions within the National Exchange Carrier Association ("NECA") Tariff No. 4, or any successor tariff, sufficient to reflect this meet-point billing arrangement, including meet-point billing percentages.
- 6. As detailed in the MECAB document, MFS and GTE will in a timely fashion exchange all information necessary to accurately, reliably and promptly bill third parties for Switched Access Services traffic jointly handled by MFS and GTE via the meet-point arrangement. Information shall be exchanged in Electronic Message Record ("EMR") format, on magnetic tape or via a mutually acceptable electronic file transfer protocol.
- 7. MFS and GTE shall work cooperatively to coordinate rendering of meet-point bills to customers, and shall reciprocally provide each other, at no charge, the Usage Data, etc.
- B. <u>Compensation</u>
 - 1. Initially, billing to 3rd-parties² for the Switched Access Services jointly provided by MFS and GTE via the meet-point billing arrangement shall be according to the multiple-bill/multiple-tariff method.
 - 2. Subsequently for billing to 3rd-parties for the Switched Access Services jointly provided by MFS and GTE via the meet-point arrangement, MFS and GTE may mutually agree to implement one

Including any future GTE separate interexchange subsidiaries.

of the following options: single-bill/single tariff method, singlebill/multiple-tariff method, multiple-bill/single-tariff method, or multiple-bill/multiple-tariff method. Should MFS prefer to change among these billing methods, MFS shall notify GTE of such a request in writing, 90-days in advance of the date on which such change shall be implemented.

- 3. Switched Access charges to 3rd-parties shall be calculated utilizing the rates specified in MFS's and GTE's respective federal and state access tariffs, in conjunction with the appropriate meet-point billing factors specified for each meet-point arrangement either in those tariffs or in the NECA No. 4 tariff.
- 4. MFS shall be entitled to the balance of the switched access charge revenues associated with the jointly handled switched access traffic, less the amount of transport element charge revenues³ to which GTE is entitled pursuant to the above-referenced tariff provisions.
- 5. MPB will apply for all traffic bearing the 800, 888, or any other non-geographic NPA which may be likewise designated for such traffic in the future, where the responsible party is an IXC. In those situations where the responsible party for such traffic is a LEC, full switched access rates will apply.

VI. RECIPROCAL TRAFFIC EXCHANGE ARRANGEMENT

A. <u>Description</u>

The Parties shall reciprocally terminate POTS calls originating on each others' networks, as follows:

- 1. The Parties shall make available to each other the following traffic exchange trunk groups for the reciprocal exchange of POTS traffic at the respective D-NIPs:
 - a. GTE shall make available to MFS, at the GTE Tampa Main SWC, trunks over which MFS shall terminate to end users of GTE-provided Exchange Services, POTS traffic originated from end users of MFS-provided Exchange Services.

³ For purposes of clarification, this does not include the interconnection charge, which is to be remitted to the end office provider, which in this case would be MFS.

- b. MFS shall make available to GTE, at the MFS Tampa downtown Node, trunks over which GTE shall terminate to end users of MFS-provided Exchange Services, POTS traffic originated from end users of GTE-provided Exchange Service.
- c. MFS and GTE shall, where applicable, make reciprocally available, by mutual agreement, the required trunk groups to handle different traffic types. MFS and GTE agree to work cooperatively to agree on network trunking within 60 days upon execution of this agreement.
- d. To the extent different rates are agreed upon or are ordered by the Commission for local and non-local traffic, the parties will provide each other appropriate percentages for the traffic carried over the trunk groups.
- Reciprocal Traffic Exchange Arrangement trunk connections shall be made at a DS-1 or multiple DS-1 level, DS-3, (SONET where technically available) and shall be jointly-engineered to an objective P.01 grade of service.
- 3. MFS and GTE agree to use their bast collective efforts to develop and agree on a Joint Interconnection Grooming Plan prescribing standards to ensure that the Reciprocal Traffic Exchange Arrangement trunk groups are maintained at consistent P.01 or better grades of service. Such plan shall also include mutuallyagreed upon default standards for the configuration of all segregated trunk groups.
- The Parties will provide Common Channel Signalling (CCS) to one 4. another, where and as available, in conjunction with all traffic The parties will cooperate on the exchange trunk groups. exchange of Transactional Capabilities Application Part (TCAP) messages to facilitate full inter-operability of CCS-based features between their respective networks, including all CLASS features and functions. All CCS signalling parameters will be provided including automatic number identification (ANI), originating line information (OLI) calling party category, charge number, etc. All privacy indicators will be honored. Network signalling information such as Carrier Identification Parameter (CCS platform) and CIC/OZZ information (non-CCS environment) will be provided wherever such information is needed for call routing or billing. For traffic for which CCS is not available, in-band multi-frequency

(MF), wink start, E&M channel-associated signalling with ANI will be forwarded.

- 5. The Parties shall establish company-wide CCS interconnections STP-to-STP. Such STP links shall be reciprocally provided.
- B. <u>Compensation</u>

MFS and GTE do not agree as to the compensation arrangements for the exchange of POTS (local/traditional toll) traffic. The parties agree that the rates for reciprocal compensation will be in accordance with any future Commission decision or mutual agreement of the parties.

VII. SHARED NETWORK PLATFORM ARRANGEMENTS

- A. <u>9-1-1/E9-1-1</u>
 - 1. Description
 - a. MFS will interconnect trunk groups to the GTE 9-1-1/E-9-1-1 selective routers/911 tandems which serve the areas in which MFS provides exchange services, for the provision of 9-1-1/E9-1-1 services and for access to all sub-tending Public Safety Answering Points. GTE will provide MFS with the appropriate CLLI codes and specifications of the tandem serving area.
 - b. GTE and MFS will arrange for the automated input and daily updating of 9-1-1/E-9-1-1 database information related to MFS end users. GTE will work cooperatively with MFS to ensure the accuracy of the data transfer by verifying it against the Master Street Address Guide (MSAG). Additionally, GTE shall work with the county to provide MFS the ten-digit POTS number of each PSAP which subtends each GTE selective router/9-1-1 tandem to which MFS is interconnected.
 - c. GTE will use its best efforts to facilitate the prompt, robust, reliable and efficient interconnection of MFS systems to the 9-1-1/E-9-1-1 platforms.
 - 2. <u>Compensation</u>

For the provision of 911/E911 services between MFS and GTE, the parties will work cooperatively to address, any/all compensation issues within 60 days upon execution of this agreement. To the extent the parties are unable to agree within 60 days, either party may petition the Commission to seek resolution. MFS will be required to connect trunks to the 911/E911 tandem(s).

B. Exchange of 800 Traffic

1. Description

The Meet-point Billing terms and conditions contained in section V of this agreement apply for the exchange of 800 traffic.

2. <u>Compensation</u>

Applicable Switched Access Meet-point billing rates shall apply for all 800 calls per the terms and conditions contained in section V of this agreement.

C. Information Services Billing and Collection

- 1. <u>Description</u>
- a. MFS and GTE shall work cooperatively to reach agreement on all information services (e.g. 976, 974, N11, weather lines, sports lines, publisher lines, etc.) issues. The subsequent information services agreement shall enable MFS and GTE to reciprocally provide information services, originate and terminate information services calls between each other, bill and collect revenues from each others end users (including Information Providers), and reasonably compensate MFS and GTE.

D. Directory Listings and Directory Distribution

MFS and GTE agree that an additional agreement will be required to effectuate the terms of this section and will work cooperatively to execute the additional agreement within 60 days upon the execution of this agreement.

1. Description

The directory listings and distribution terms and rate specified in this section shall apply to listings of MFS customer numbers falling within NXX codes directly assigned to MFS, and to listings of MFS customer telephone numbers which are retained by MFS pursuant to Local Telephone Number Portability Arrangements described below. The terms of this section may require a subsequent additional agreement with GTE's Directory Publishing company.

- a. GTE will include MFS's customers' telephone numbers in all its "White Pages" and "Yellow Pages" directory listings and directory assistance databases associated with the areas in which MFS provides services to such customers, and will distribute such initial directories and directory updates to such customers, in the identical and transparent manner in which it provides those functions for its own customers' telephone numbers.
- b. MFS will provide GTE with its directory listings and daily updates to those listings in an industry-accepted format; GTE will provide MFS a magnetic tape or computer disk containing the proper format.
- c. MFS and GTE will accord MFS' directory listing information the same level of confidentiality which GTE accords its own directory listing information, and GTE shall ensure that access to MFS's customer proprietary confidential directory information will be limited solely to those GTE employees who are directly involved in the preparation of listings.

2. <u>Compensation</u>

- a. GTE and MFS will work cooperatively to address any payments for sales of any bulk directory lists to third parties, where such lists include MFS customer listings and any compensation due GTE for administrative functions associated with furnishing listings to third parties. GTE will not provide/sell MFS' listings to any third parties without MFS' prior written approval.
- b. GTE shall provide directory distribution, directory database maintenance, and directory listings for MFS and its customers under the same terms that GTE provides these same services for its end users. In-area directory delivery, database maintenance, and basic "White" and "yellow" page
listings will be at no fee. Out-of-area directory delivery and enhanced listings, i.e. bolding, indention, second listings, etc., will be per GTE's currently tariffed or non-discriminately available contract rates.

E. Directory Assistance (DA)

1. Description

At MFS' request, GTE will:

- a. provide to MFS unbranded directory assistance service MFS which is comparable in every way to the directory assistance service GTE makes available to its own end users;
- b. provide to MFS directory assistance service under MFS's brand which is comparable in every way to the directory assistance service GTE makes available to its own end users;
- 2. When available, at MFS' request, GTE will:
 - a. provide to MFS operators or to an MFS-designated operator bureau on-line access to GTE's directory assistance database, where such access is identical to the type of access GTE's own directory assistance operators utilize in order to provide directory assistance services to GTE end users;
 - b. allow MFS or an MFS-designated operator bureau to license GTE's directory assistance database for use in providing competitive directory assistance services; and/or
 - c. in conjunction with VII.E.1.a. or VII.E.1.b., above, provide caller-optional directory assistance call completion service which is comparable in every way to the directory assistance call completion service. GTE makes available to its own end users. When this functionality is available, GTE will route the calls back to MFS for MFS to complete the customer call.
- 3. <u>Compensation</u>

GTE will charge MFS its wholesale IXC/LEC rates for the following functionality:

- a. \$0.25 per unbranded directory assistance intrastate call.
- b. \$0.25 per branded directory assistance intrastate call.
- c. \$0.28 per unbranded directory assistance interstate call.
- d. \$0.28 per branded directory assistance interstate call.

When available:

- e. \$0.0_per use of caller-optional directory assistance call completion. (Future)
- f. \$0.0 per directory assistance database query. (Future)
- g. \$_____for licensing of each directory assistance database. (Future)

F. <u>Yellow Page Maintenance</u>

GTE will work cooperatively with MFS to ensure that Yellow Page advertisements purchased by customers who switch their service to MFS (including customers utilizing MFS-assigned telephone numbers and MFS customers utilizing co-carrier number forwarding) are maintained without interruption. GTE will allow MFS customers to purchase new yellow pages advertisements without discrimination, at non-discriminatory rates, terms and conditions. GTE and MFS will work cooperatively to investigate with GTE Directory Publishing whether GTE would implement a commission program whereby MFS may act as a sales, billing and collection agent for Yellow Pages advertisements purchased by MFS's exchange service customers.

G. <u>Transfer of Service Announcements</u>

When an end user customer changes from GTE to MFS, or from MFS to GTE, and does not retain its original telephone number, the party formerly providing service to the end user will provide a transfer of service announcement on the abandoned telephone number upon request. This announcement will provide details on the new number to be dialed to reach this customer. These arrangements will be provided reciprocally 8.1

based upon current practice with GTE's customers to either the other carrier or the end user customer.

H. <u>Coordinated Repair Calls</u>

MFS and GTE will employ the following procedures for handling misdirected repair calls:

- 1. MFS and GTE will educate their respective customers as to the correct telephone numbers to call in order to access their respective repair bureaus.
- 2. To the extent the correct provider can be determined, misdirected repair calls will be referred to the proper provider of local exchange service in a courteous manner, at no charge, and the end user will be provided the correct contact telephone number. Extraneous communications beyond the direct referral to the correct repair telephone number are strictly prohibited.
- 3. MFS and GTE will provide their respective repair contact numbers to one another on a reciprocal basis.

I. Busy Line Verification and Interrupt

1. Description

Each Party shall establish procedures whereby its operator bureau will coordinate with the operator bureau of the other Party operating in order to provide Busy Line Verification ("BLV") and Busy Line Verification and Interrupt ("BLVI") services on calls between their respective end users. BLV and BLVI inquiries between operator bureaus shall be routed over the appropriate trunk groups. MFS and GTE will reciprocally provide adequate connectivity to facilitate this capability.

2. <u>Compensation</u>

Each Party shall compensate the other Party for BLV and BLVI inquiries according to the following rates:

per inquiry

BLV

\$0.65

BLVI \$0.65

J. Information Pages

GTE will include in the "Information Pages" or comparable section of its White Pages Directories for areas served by MFS, listings provided by MFS for MFS's installation, repair and customer service and other information. This term may require an additional agreement with GTE Directory Publishing.

K. Operator Reference Database (ORDB)

If available, GTE will work cooperatively with MFS to assist MFS in obtaining from the appropriate 911 government agencies monthly updates to the Operator Reference Database (ORDB). If available, this will enable MFS to promptly respond to emergency agencies (i.e. fire, police, emergency medical technicians, etc), as a back-up to 911, during a catastrophic situation.

VIII. UNBUNDLED EXCHANGE SERVICE ARRANGEMENTS

A. Description

GTE shall unbundle all its Exchange Services into three separate packages: (1) link element; (2) port element; and (3) cross-connect element. The following link and port categories shall be provided:

Link Categories	Port Categories
2/4-wire analog voice grade	2/4-wire analog line
2 wire ISDN digital grade	2-wire ISDN digital line
4-wire DS-1 digital grade	2-wire analog DID trunk
	4-wire DS-1 digital DID trunk
	4-wire ISDN DS-1 digital trunk

GTE shall unbundle and separately price and offer these elements such that MFS will be able to lease and interconnect to whichever of these unbundled elements MFS requires, and to combine the GTE-provided elements with any facilities and services that MFS may itself provide, in order to efficiently offer telephone services to end users, pursuant to the following terms:

1. Interconnection shall be achieved via co-location arrangements MFS shall maintain at the wire center at which the unbundled elements are resident.

- 2. Each link or port element shall be delivered to the MFS co-location arrangement over a loop/port connector applicable to the unbundled service delivered, through other tariffed or contracted options, or through other technically feasible and economically comparable hand-off arrangements in accordance with agreements between MFS and GTE.
- 3. To the degree possible all transport-based features, functions, service attributes, grades-of-service, install, maintenance and repair intervals which apply to the bundled service should apply to unbundled links.
 - a. GTE will not monitor the unbundled loop for maintenance purposes. MFS will be required to provision a loop testing device either in its central office, Network Control Center, or in their collocation arrangement to test the unbundled loop. GTE will perform repair and maintenance once trouble is identified by MFS.
- 4. To the degree possible all switch-based features, functions, service attributes, grades-of-service, and install, maintenance and repair intervals which apply to the bundled service should apply to unbundled ports.
- 5. GTE and MFS will work cooperatively to attempt to accommodate MFS' requirement for billing of all unbundled facilities purchased by MFS (either directly or by previous assignment by a customer) on a single consolidated statement per wire center. GTE will work toward billing at a wire center level, however, in the initial phases of unbundling, GTE's billing will be at a state level, or at an aggregate account level based on GTE's billing cycles.
- 6. Where GTE utilizes digital loop carrier ("DLC")⁴ technology to provision the link element of an bundled Exchange Service to an end user customer who subsequently determines to assign the link element to MFS and receive Exchange Service from MFS via such link, GTE shall use its best efforts to deliver such link to MFS on an unintegrated basis, pursuant to MFS' chosen hand-off architecture, without a degradation of end user service or feature availability. GTE and MFS recognize that there may be technical

⁴ See, Bellcore TR-TSY-000008, Digital Interface Between the SLC-96 Digital Loop Carrier System and Local Digital Switch and TR-TSY-000303, Integrated Digital Loop Carrier (IDLC) Requirements, Objectives, and Interface.

limitations that may need to be addressed to enable this requirement, therefore MFS and GTE agree to begin working cooperatively to address any technical issues within 60 days upon execution of this agreement.

- 7. GTE will permit MFS to co-locate digital loop carriers and associated equipment in conjunction with co-location arrangements MFS maintains at an GTE wire center, for the purpose of interconnecting to unbundled link elements.
- 8. To provide future order and trouble reporting GTE shall work cooperatively with MFS to attempt accommodating MFS' requirement for an appropriate industry-standard on-line electronic file transfer arrangement by which MFS may place, verify and receive confirmation on orders for unbundled elements, and issue and track trouble-ticket and repair requests associated with unbundled elements.

B. <u>Compensation</u>

MFS and GTE do not agree as to compensation rates for Unbundled Exchange Access Arrangements.

IX. LOCAL TELEPHONE NUMBER PORTABILITY ARRANGEMENTS

A. Description

GTE and MFS will provide Interim Number Portability (INP) on a reciprocal basis between their networks to enable each of their end user customers to utilize telephone numbers associated with an Exchange Service provided by one carrier, in conjunction an Exchange Service provided by the other carrier, upon the coordinated or simultaneous termination of the first Exchange Service and activation of the second Exchange Service.

- 1. MFS and GTE will provide reciprocal INP immediately upon execution of this agreement via call forwarding. GTE and MFS will migrate from INP to a database-driven Permanent Number Portability arrangement as soon as practically possible, without interruption of service to their respective customers.
- 2. INP shall operate as follows:
 - a. A customer of Carrier A elects to become a customer of Carrier B. The customer elects to utilize the original

telephone number(s) corresponding to the Exchange Service(s) it previously received from Carrier A, in conjunction with the Exchange Service(s) it will now receive from Carrier B. Upon receipt of a signed letter of agency from the customer assigning the number to Carrier B, Carrier A will implement one of the following arrangements:

- (1) For the initial implementation of the portability of telephone numbers, Carrier A will implement an arrangement whereby all calls to the original telephone number(s) will be forwarded to a new telephone number(s) designated by Carrier B. Carrier A will route the forwarded traffic to Carrier B via the mutual traffic exchange arrangements, as if the call had originated from the original telephone number and terminated to the new telephone number.
- b. Carrier B will become the customer of record for the original Carrier A telephone numbers subject to the INP arrangements. Carrier A will provide Carrier B a single consolidated master billing statement for INP. GTE will explore the possibility of enabling collect, calling card, and 3rd-number billed calls associated with those numbers to enable MFS to rebill its newly acquired customers for those functions. Also, GTE will explore the possibility of subaccount detail for collect, calling card, and 3rd-number billed calls, and the capability of having billing statements delivered in real time via an agreed-upon Electronic data transfer, or via daily or monthly magnetic tape.
- c. Carrier A will update its Line Information Database ("LIDB") listings for retained numbers and cancel calling cards associated with those forwarded numbers.
- d. Within two (2) business days of receiving notification from the customer, Carrier B shall notify Carrier A of the customer's termination of service with Carrier B, and shall further notify Carrier A as to the Customer's instructions regarding its telephone number(s). Carrier A will cancel the INP arrangements for the customer's telephone number(s). If the Customer has chosen to retain its telephone number(s) for use in conjunction with Exchange Services provided by Carrier A, Carrier A will simultaneously transition the number(s) to the customer's preferred carrier.

- 3. Under INP, MFS and GTE will implement a process to coordinate INP cut-overs with Unbundled Loop conversions within a reasonable time that is acceptable to customers. MFS and GTE pledge to use their best efforts to ensure that INP arrangements will not be utilized in instances where a customer changes locations and would otherwise be unable to retain its number without subscribing to foreign exchange service.
- 4. Per the Florida Public Service Commission's order in Docket No. 950737-TP, MFS and GTE may continue to develop Direct Inward Dialing-type number portability arrangements.
- B. <u>Compensation</u>
 - 1. MFS and GTE shall provide INP arrangements to one another either at the rates ordered by the Florida Public Service Commission in Docket No. 950737-TP or at MFS' option, other mutually agreed upon rates, except for authorized collect, calling card and 3rdnumber billed calls billed to the retained numbers.
 - 2. For all traffic terminated between MFS and GTE to the party whose customer ultimately receives the call, reciprocal compensation charges and Switched Access charges (pursuant to each carrier's respective tariffs), shall apply for POTS traffic and non-POTS traffic. For compensation purposes, a mutually agreed surrogate will have to be developed as neither MFS nor GTE can classify this traffic.

X. <u>RESPONSIBILITIES OF THE PARTIES</u>

- A. GTE and MFS agree to treat each other fairly, non-discriminatorily, and equally for all items included in this agreement, or related to the support of items included in this agreement.
- B. MFS and GTE will work cooperatively to minimize fraud associated with 3rd-number billed calls, calling card calls, or any other services related to this agreement.
- C. MFS and GTE agree to promptly exchange all necessary records for the proper billing of all traffic.
- D. For network expansion, MFS and GTE will review engineering requirements on a quarterly basis and establish forecasts for trunk utilization. New trunk groups will be implemented as dictated by

engineering requirements for both GTE and MFS. GTE and MFS are required to provide each other the proper call information (e.g., originated call party number and destination call party number, CIC, OZZ, etc.) to enable each company to bill in a complete and timely fashion.

- E. There will be no re-arrangement, reconfiguration, disconnect, or other non-recurring fees for any mutually beneficial network interconnections associated with the initial reconfiguration for traffic exchange, 911/E911, Interim Number Portability, Meet-point Billing, Directory Assistance, Information Services, Common Channel Signalling, and BLV/BLVI connectivity.
- F. With respect to any outstanding issues set forth in this agreement requiring an additional agreement within 60 (sixty) days, each party will use its best efforts to address all such outstanding items within that time period. Failure to reach agreement on these additional issues will not affect the enforceability of this agreement.

XI. <u>TEBM</u>

MFS and GTE agree to provide service to each other on the terms defined in this agreement until superseded by amended or additional mutually agreeable arrangements approved by the Commission, whichever occurs first. By mutual agreement, MFS and GTE may amend this agreement to extend the term of this agreement. Also by mutual agreement, GTE and MFS may jointly petition the appropriate regulatory bodies for permission to have this agreement supersede any future standardized agreements or rules such regulators might adopt or approve.

XII. INSTALLATION

GTE and MFS shall effectuate all the terms of this agreement within 90 days upon execution of this agreement.

XIII. NETWORK MAINTENANCE AND MANAGEMENT

MFS and GTE will work cooperatively to install and maintain a reliable network. MFS and GTE will exchange appropriate information (e.g., maintenance contact numbers, network information, information required to comply with law enforcement and other security agencies of the Government, etc.) to achieve this desired reliability.

MFS and GTE will work cooperatively to apply sound network management principles by invoking network management controls to alleviate or to prevent congestion.

XIV. OPTION TO ELECT OTHER TERMS

If, at any time while this agreement is in effect, either of the parties to this agreement provides arrangements similar to those described herein to a third party operating within the same LATAs (including associated Extended Area Service Zones in adjacent LATAs) as for which this agreement applies, on terms different from those available under this agreement (provided that the third party is authorized to provide local exchange services), then the other party to this agreement may opt to adopt the rates, terms, and conditions offered to the third party for its own reciprocal arrangements with the first party. This option may be exercised by delivering written notice to the first party.

XV. CANCELLATION, CONVERSION, NON-RECURRING OR ROLL-OVER CHARGES

Unless mutually agreed otherwise, neither MFS nor GTE shall impose cancellation charges upon each other for any beneficial network interconnection functions.

XVI. FORCE MAJEURE

Neither party shall be responsible for delays or failures in performance resulting form acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: fire, explosion, power failure, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, ordinance or requirement of any government or legal body; or labor unrest, including, without limitation, strikes, slowdowns, picketing or boycotts; or delays caused by the other Party or by other service or equipment vendors; or any other circumstances beyond the Party's reasonable control. In such event, the Party affected shall, upon giving prompt notice to the other Party, be excused form such performance on a dayto-day basis to the extent of such interference (and the other Party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such Party's obligations related to the performance so interfered with). The affected party shall use its best efforts to avoid or remove the cause of nonperformance and both parties shall proceed to perform with dispatch once the causes are removed or cease.

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MF8/OTE PARTIAL FLORIDA CO-CARRIER AGREEMENT

XVII. OTHER PROVISIONS

GTE and MFS acknowledge that additional terms and conditions (Including, but not limited to provisions relating to limitation of liability, indemnity, severability, notices, assignment, dispute resolution, cancellation, default, and non-disclosure) will need to be agreed prior to interconnection. The parties spree to negotiets these terms and conditions within five (5) calendar days after execution of this agreement.

if this agreement is acceptable to MFS and GTE, both parties shall sign in the space provided below. This agreement shall not bind MFS and GTE until executed by both parties.

82.13.1770

Sr. Director, Externalt The Regulator, Attains

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Metropolitan Fiber Systems of Fiorida, inc. GTE Fiorida Incorporated

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CERTIFICATE OF SERVICE

I, Sheila M. Beattie, do hereby certify that on this 21st day of February, 1996, copies of the foregoing documents, Rebuttal Testimony of Timothy T. Devine and Prehearing Statement of Metropolitan Fiber Systems of Florida, Inc., Docket No. 950985D-TP, were served, via federal express* or first-class mail, on the following parties:

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