BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Resolution of petition(s) to establish nondiscriminatory rates, terms, and conditions for interconnection involving local exchange companies and alternative local exchange companies pursuant to Section 364.162, Florida Statutes.	DOCKET NO. 950985-TP ORDER NO. PSC-96-0668-FOF-TP ISSUED: May 20, 1996

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
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FINAL ORDER ESTABLISHING NONDISCRIMINATORY RATES, TERMS, AND CONDITIONS FOR LOCAL INTERCONNECTION

BY THE COMMISSION:

I. BACKGROUND

The 1995 Florida Legislature approved substantial revisions to Chapter 364, Florida Statutes. These changes included provisions that authorize the competitive provision of local exchange telecommunications service. As a result, incumbent local exchange companies may elect to be price regulated rather than rate base, rate-of-return regulated companies.

Section 364.16(3), Florida Statutes, requires each local exchange telecommunications company to provide interconnection with its facilities to any other provider of local exchange telecommunications services requesting such interconnection. Section 364.162, Florida Statutes, provides alternative local exchange companies 60 days to negotiate with a local exchange telecommunications company mutually acceptable prices, terms, and conditions for interconnection. If a negotiated price is not established, either party may petition the Commission to establish non-discriminatory rates, terms, and conditions of interconnection.

On October 20, 1995, Continental Cablevision, Inc. (Continental) filed a petition to establish mutual compensation rates for the exchange of telephone traffic between Continental, United Telephone Company of Florida (United), Central Telephone Company of Florida (Centel), and GTE Florida Incorporated (GTEFL). On October 31, 1995, Continental filed a motion for stay of proceeding until December 15, 1995, to review the agreement between the Teleport Communications Group and BellSouth.

On December 18, 1995, Continental filed a notice of dismissal without prejudice of GTEFL from its petition and from the March 11-12, 1996 hearings. Continental concluded that its current plans for providing service in the territory of GTEFL are not near enough in time to justify the continuation of the proceeding with regard to GTEFL.

On December 22, 1995, Time Warner AxS of Florida, L.P., and Digital Media Partners (collectively Time Warner) filed petitions requesting the Commission establish nondiscriminatory rates, terms, and conditions for local interconnection with United.

On January 23, 1996, Metropolitan Fiber Systems of Florida, Inc. (MFS-FL), filed a petition requesting the Commission establish nondiscriminatory rates, terms, and conditions for local interconnection with United/Centel and GTEFL.

All of these petitions were addressed at a Commission hearing on March 11-13, 1996. Witnesses of Continental, Time Warner, MFS-FL, MCImetro, AT&T, GTEFL, and United/Centel presented testimony at the hearing. Intervenors who participated in the hearing, but who did not present testimony, included FCTA, Intermedia, and McCaw Communications of Florida, Inc.

We note that the term "respective ALECs" means the petitioners, Continental, Time Warner, and MFS-FL.

II. MFS-FL/GTEFL STIPULATION

On February 19, 1996, MFS-FL and GTEFL signed an agreement regarding several terms for local interconnection and stipulated some issues within this proceeding. On March 11, 1996, at the hearing, we approved the stipulation without objection. The stipulation resolves the terms for interconnection between MFS-FL and GTEFL with regards to Sections IV - XVI, and part of Section XVII of this Order. The stipulation is attached to this Order as Attachment A.

III. NON-PETITIONING PARTIES AND THIS DECISION

At the prehearing conference held on March 1, 1996, the following issue was identified: "To what extent are the non-petitioning parties that actively participate in this proceeding bound by the Commission's decision in this docket as it relates to United/Centel and GTEFL?" The issue was orally argued by the parties and ruled upon at the beginning of the March 11, 1996 hearing as follows:

> Any intervenor ALEC who fully participates in this proceeding is bound by the resolution of the issues. Such ALEC is still free to negotiate its own interconnection rate. To the extent negotiations fail, the affected ALEC may petition the Commission to set interconnection rates.

IV. INTERCONNECTION RATE STRUCTURES, RATES AND OTHER COMPENSATION ARRANGEMENTS FOR EXCHANGE OF LOCAL AND TOLL TRAFFIC

MFS-FL filed a petition for interconnection with United/Centel and GTEFL, Continental filed an interconnection petition with United/Centel, and Time Warner filed an interconnection petition with United. Because Continental, Time Warner and MFS-FL filed these petitions requesting interconnection with United, Centel or GTEFL, we are required by Section 364.162, Florida Statutes, to set nondiscriminatory rates, terms, and conditions for interconnection, except that the rates shall not be below cost. The most contentious issue is establishing the appropriate rate structures, interconnection rates or other compensation arrangements for the exchange of local traffic. United/Centel and GTEFL advocated an access charge-based compensation payment arrangement. Continental, MFS-FL, Time Warner, MCImetro, AT&T, FCTA, and McCaw urged adoption of "bill and keep" or mutual traffic exchange. Intermedia had no position regarding this issue.

a) GTEFL's Proposal - Switched Access Charges

GTEFL advocates an originating responsibility plan (ORP). Under the proposed ORP, the carrier serving the customer originating the call assures the call is completed, and any carriers involved in either transporting or terminating the call are compensated for use of GTEFL's network. GTEFL contends that the use of its existing switched access rates less the carrier common line and residual interconnection charges would be most consistent with the goal of establishing an efficient pricing structure for the competitive environment for local traffic.

b) United/Centel's Proposal

United/Centel advocates two methods for setting an interconnection charge: a flat rated port charge or a per minute of use charge. Under either method, United/Centel contends that the use of its existing switched access rates less the carrier common line and residual interconnection charges would be the appropriate rate for terminating local traffic.

c) MFS-FL, Continental and Time Warner's Proposals

Continental, Time Warner, MFS-FL, AT&T, MCIMetro, FCTA, and McCaw propose mutual traffic exchange, or "bill and keep," as an appropriate compensation mechanism, at least for an interim period. Bill and keep was a term originally used in LEC toll settlements after divestiture. LECs would "bill" their originating callers and "keep" the revenues from toll calls while paying the terminating

LEC terminating access charges. In the local interconnection context, "mutual traffic exchange" is a more theoretically correct term since no billing occurs.

d) Discussion of GTEFL's Proposal

GTEFL advocates an originating responsibility plan (ORP). Under the proposed ORP, the carrier serving the customer originating the call assures the call is completed, and any carriers involved in either transporting or terminating the call are compensated for use of their network. The originating carrier would also be responsible for collecting the revenues from the originating customer. In this scenario, each company would develop its own interconnection prices and be required to determine the net compensation due. The net compensation would depend on the traffic flows between the companies and their interconnection prices.

GTEFL states that while each carrier should independently develop its own prices for the use of its facilities based on its cost and demand conditions, payments should be mutual. That is, an incumbent LEC should efficiently compensate a new entrant for use of that company's facilities just as the new entrant should pay the LEC for services it obtains from the incumbent provider.

GTEFL proposes that the use of its existing switched access rates, excluding the carrier common line (CCL) and residual interconnection charges (RIC), is consistent with the goal of establishing an efficient pricing structure for the competitive environment for local traffic. GTEFL states that the resulting price of approximately $.0111 for terminating local traffic exceeds the long run incremental costs (LRIC) and the total service long run incremental cost (TSLRIC), and generates a contribution to the specific shared costs attributable to switching but not necessarily directly attributable to switched access.

Based on GTEFL's cost study, GTEFL's witness Menard agreed that GTEFL's cost for terminating a local call was less than two-tenths of a cent per minute of use. This cost includes the LRIC for tandem switching and transport and an estimate of the TSLRIC for the end office switching. Although witness Menard testified that no contribution to shared or joint and common costs is included in GTEFL's cost study, she agreed that a return on capital for the investment is included in performing GTEFL's cost study.

Although GTEFL states that shared and common costs should be recovered in local interconnection charges, GTEFL asserts that these costs should not be recovered in the proportion that was done as a matter of public policy in the initial establishment of access charges. However, GTEFL maintains that if the price were set equal to incremental cost, it would not generate sufficient revenues to break even. Therefore, GTEFL argues that there is little to suggest that only IXCs and end users should be subjected to recovery of such common costs so that ALECs can receive the benefits of pricing at TSLRIC. GTEFL asserts that all parties using the network should make some contribution to those costs.

MCImetro asserts that the fundamental principle behind TSLRIC is that all the costs, both volume-sensitive and volume-insensitive, that are caused by the decision to offer this service are considered. While the volume sensitive costs vary with the amount of the service offered but nothing more, the volume-insensitive costs are fixed with respect to changes in the output, but are directly associated with offering the service; however, costs that do not vary by offering the service are not included.

MCImetro asserts that because the terms "return on capital" and "profit" are sometimes used synonymously in the telecommunications industry, the company would generate a normal profit, which is the cost of capital. While a company may not have made money on the service, it is not made worse by offering the service. MCImetro and GTEFL agree that joint or shared and common costs would not be included in TSLRIC because they do not vary with the volume of the service. These joint or shared and common costs are caused by a multiplicity of offerings. Because these costs are not caused by a particular service, the decision to offer this service does not change the quantity of the costs; therefore, these costs should not be allocated to the individual services which they support.

MCImetro and Time Warner argue that if a "payment in cash" mechanism is adopted, rates for interconnection should be set at a level equal to the incumbent LEC's TSLRIC of providing the service. If rates for interconnection are set higher than TSLRIC, MCImetro asserts an artificial barrier to entry will be created. Time Warner contends that if interconnection rates are set at TSLRIC, one can be assured that there will be no additional costs that are caused by the LEC's decision or requirement to offer local interconnection that are not being recovered, and that there is no need to add additional contribution for additional costs into any rate. MCImetro and Time Warner agree that at a rate equal to TSLRIC, the LECs would be fully compensated, including a fair return on capital, for all costs incurred as a result of offering local interconnection.

MFS-FL asserts that if any rate above TSLRIC is set, the LEC in effect would be subsidized by its new entrant competitors. MFS-

FL states that this would result in current inefficiencies in the LEC's network becoming incorporated into its price floor despite the introduction of competition.

Time Warner argues that if a mutual traffic exchange arrangement is rejected and interconnection is provided at an above-cost rate, a price squeeze would be created and the LECs should be required to pass an imputation test. As described by MCImetro witness Cornell, a price squeeze exists when a supplier sets the price or prices of the bottleneck monopoly inputs at a level such that its end user price does not recover both the price(s) for the monopoly input(s) and the rest of the costs of producing the end user service(s). Time Warner contends that an imputation test would ensure that the LEC cannot use its bottleneck facilities to impose rates on its competitors that are not also imposed on itself, thereby preventing a price squeeze.

Upon review of the evidence in the record, we agree with the ALECs that GTEFL's switched access charges, excluding the CCL and RIC, are not the appropriate rate for purposes of interconnection.

e) <u>Discussion of United/Centel's Proposal</u>

United/Centel advocates two methods of compensation for interconnection: a flat-rated port charge arrangement or a per minute of use charge. United/Centel asserts that while either arrangement would be appropriate, it should be reciprocal between the ALECs and United/Centel and should cover cost. United/Centel proposes that its existing network access charges, exclusive of the CCL and RIC, serve as the basis for a local interconnection rate. United/Centel agrees that the CCL and RIC should be excluded from the interconnection rate since they are primarily contribution rate elements that were established in the interexchange access environment and are inappropriate in a competitive environment. Although each alternative has advantages and disadvantages, United/Centel contends that either arrangement can be developed to fairly compensate the ALECs and not impair the development of competition.

With a port charge arrangement, the ALEC could purchase the capacity of a DS1 for terminating traffic at United/Centel's access tandem, local tandem or at an end office. Similarly, United/Centel would purchase the capacity of a DS1 from the ALEC. While actual usage would not be measured, United/Centel proposes the port charge be based on its current switched access charges, excluding the CCL and RIC. The port charge would be based on the number of minutes that could be terminated over the port in a month, estimated at 216,000 minutes, assuming a P.01 grade of service. United/Centel also contends that because the access tandem requires more switching and transport facilities, a higher rate for interconnection at a tandem versus an end office is required.

United/Centel contends the advantages to the port charge are that it is administratively simple and it provides an efficiency incentive in that the interconnectors can maximize the use of the facility by encouraging off-peak usage. Time Warner agrees that the port charge has advantages if it is priced close to or at cost. However, as pointed out by United/Centel and Time Warner, the port charge also includes some potential disadvantages. Because a port must be purchased in a fixed capacity, an ALEC may not have sufficient traffic to justify purchasing a full port on the first day of its operations. Additionally, if a second port is required to deter blockage of the first port, full use of the second port may not take place until some time later, but the interconnector must pay the full rate on the first day. Time Warner further states that such a rate structure creates a barrier to entry for the ALECs and is inconsistent with the goal of developing consumer benefits by creating a competitive marketplace.

Time Warner argues that there are also several additional problems with the proposed port arrangement. First, proposed switched access charge rate levels to be used for the port charge are loaded with contribution. Second, assumptions about the amount of traffic that can be sent over the port are too high. Third, United/Centel's proposal reflects its network architecture inefficiencies by charging for use of its tandem. Fourth, the need to fill the ports with traffic penalizes a company that will be serving both business and residential customers and will tend to have its customers spread over a wide area. Fifth, the flat rated port charge is only for United/Centel's local calls and does not include EAS calls to points outside of United/Centel's local calling area. Finally, the purchase of usage in large blocks of capacity reduces the ALEC's retail pricing flexibility.

Although Continental and Time Warner agree that a flat-rated port charge may alleviate some of the problems associated with a usage based compensation arrangement, they agree that the level of the proposed charge by United/Centel is highly excessive. They also assert that if the port charge compensation arrangement were set at a vastly lower level it may be entirely acceptable.

The second method of compensation that United/Centel advocates is a minute of use charge. Similar to access charge billing, measurement and billing based on actual usage is required. The recording of the usage requires special software which United/Centel contends has not been deployed in its switches.

United/Centel asserts that it plans to install the software in its access tandem switches in the first and second quarter of 1996; however, because of the high cost it has no plans to deploy the software in any other switches. An advantage to the minute of use approach is that there is no minimum purchase of capacity required and billing tracks the actual usage. However, the major disadvantage to the minute of use approach is the cost of recording and billing for usage.

As with the port charge, United/Centel proposes that the minute of use charge be based on its current switched access charges, excluding the CCL and RIC and states that this is appropriate for several reasons. First, because the local interconnection facilities will not have the capability to distinguish between local and toll traffic for billing purposes, maintaining a relationship between the interconnection rates for local and toll will help to mitigate arbitrage between terminating local and toll traffic. Second, from an administrative perspective, there is already familiarity with the access charge rate elements and the underlying basis for the rate elements. Third, the rate elements are related to the underlying cost elements. Last, such an arrangement has been accepted by the industry and this Commission in the Stipulation and Agreement between BellSouth and a number of ALECs.

Contrary to United/Centel's assertion that traffic cannot be distinguished between local and toll, Time Warner contends that traffic will be measured on an originating basis to determine the local/toll distinction. We believe that United/Centel's characterization of maintaining a relationship between local and toll rates to mitigate arbitrage is faulty since the rates proposed by the LECs differ from the current switched access charges for toll because the proposed local rates exclude CCL and RIC. Therefore, the ability to distinguish between a local or toll call terminating on its network would still be required regardless of the type of compensation plan implemented. Continental also argues that the Commission's acceptance of a stipulation between certain parties does not require the Commission to establish the same solution regarding other parties. Along the same lines, we note that simply because a methodology such as switched access charges is established for other purposes and therefore is familiar to the parties, does not suggest that it is appropriate in this instance. Since our goal in this instance is to foster competition, the use of switched access charges, which provide a great deal of contribution to the LEC, may conflict with that goal.

United/Centel also argues that rates for interconnection should not be set at TSLRIC. United/Centel states that incremental costing methods should not be used for price setting but rather to determine a price floor which is used to test for cross-subsidization. United/Centel also asserts that some contribution to joint or shared and common cost is appropriate if the firm is to maintain financial viability.

Most of the parties, except the LECs, argue that switched access charges are not appropriate for purposes of setting an interconnection rate. The non-LEC participating parties believe that if a payment in cash is the desirable compensation method for interconnection, then the rate should be set at a level equal to the incumbent LEC's TSLRIC of providing it. Since the arguments supporting this position were discussed previously regarding GTEFL's proposal, they will not be repeated here.

We agree with the non-LEC parties that United/Centel's switched access charges, excluding the CCL and RIC, do not yield the appropriate rate for purposes of interconnection. United/Centel states that the cost for termination of a local call at the access tandem is between $.005 and $.0075 a minute. Although no contribution to shared or joint and common costs is included in United/Centel's cost study, United/Centel agrees that a return on capital for the investment is included in performing its cost study.

United/Centel originally provided cost information that was based on LRIC and matched the cost data for local transport provided in Docket No. 921074-TP. Revised cost information was provided on March 11, 1996, the first day of the hearing. Witness Poag asserted that the revised data included changes in the annual charge factors, removal of excessive investments in some SS7 trunks, and changes from LRIC to TSLRIC. However, when asked if the revised figures represented TSLRIC or LRIC, witness Poag stated that he could not be sure, but he believed they were TSLRIC. Although he stated that he did not believe there to be a significant difference in the costs between LRIC and TSLRIC, in earlier testimony he stated that TSLRIC would provide a higher cost than LRIC.

United/Centel states that it used the switching cost information system model (SCIS), licensed by BellCore, in performing its cost study. We have reviewed this model in previous dockets and find the model to be appropriate; however, the inputs into the model are company specific, but the inputs have not been provided in this proceeding. United/Centel states that the SCIS model does not perform TSLRIC for switching but it could perform TSLRIC for other things. However, United/Centel believes that the revised cost information represents TSLRIC. When asked specifically how United/Centel converted its cost from LRIC to TSLRIC, witness Poag asserted that after consulting BellCore, it basically performed a "different run" with the SCIS model and developed what it believed to be comparable to TSLRIC. United/Centel's indecision regarding exactly what this data represents leaves us with uncertainty as to the reliability of the results.

Although United/Centel stated that forward looking technology was used in performing its cost study, no account specific technology investments or supporting backup regarding the inputs for this information was provided. We do not believe that the cost support provided by United/Centel contains sufficient information regarding the technology specific investments or specific annual cost factors to determine the operating expenses and generate annual costs. In addition, we do not believe that the cost for termination of a local call provided by United/Centel is consistent with either GTEFL's cost or the costs provided by BellSouth in an earlier proceeding. <u>See</u> Order No. PSC-96-0445-FOF-TP, issued March 29, 1996.

MCImetro and Time Warner also agree that the costs provided by United/Centel were vastly higher than one would expect. MCImetro states that this indicates that either the company is very inefficient or it had done a very poor cost study.

Based on the number of uncertainties regarding the cost information provided by United/Centel, we are unable to determine if the underlying costs provided by United/Centel are reasonable. It appears that United/Centel's costs are overstated. Based on the cost information provided, we do not believe that United/Centel's costs can be accurately determined and an interconnection rate based on this cost data should not be set at this time. Therefore, United/Centel shall provide the appropriate cost support for this Commission's review 60 days from the issuance of this Order. The information shall include the specific switching and transport investments, as well as all inputs and how they were derived in determining the interconnection cost for end office, local tandem and access tandem. United/Centel shall also provide a detailed explanation of what the data represents, such as LRIC or TSLRIC, and a description of the methodology used in determining the provided costs.

f) <u>Discussion of Mutual Traffic Exchange</u>

Most of the parties, except GTEFL and United/Centel, propose that the best compensation arrangement is mutual traffic exchange. Time Warner, Continental and MCImetro argue that mutual traffic exchange has a number of advantages. First, mutual traffic exchange is reciprocal, thus acknowledging that all participants are co-carriers. The ALEC can charge the same price that the incumbent LEC charges for terminating access. Second, mutual traffic exchange is the least-cost means of compensation for terminating traffic, and therefore is the method most likely to encourage lower local exchange rates for consumers. Third, mutual traffic exchange provides the least ability for the LECs to use the compensation mechanism to impose unnecessary and anticompetitive costs on the entrants, making it the method least likely to result in unnecessary barriers to entry. Fourth, mutual traffic exchange is neutral in terms of both the technology and architecture that the ALEC might choose to adopt because the amount paid to each participant does not depend upon the choices of technology or architecture. Finally, they argue that mutual traffic exchange creates incentives for the LECs to cooperate with the development and deployment of permanent number portability. Since the LECs benefit from temporary number portability, they have an incentive to resist development and deployment of permanent number portability.

GTEFL states that mutual traffic exchange is appropriate under certain circumstances. For instance, if no intermediate carrier is involved in the transport of a call and the quantity of terminating minutes on one carrier is equal to the quantity of terminating minutes sent to the other carrier, and the price charged for traffic termination by the carriers are equal, then an ORP and mutual traffic exchange would result in the same net payment of $0.00 between carriers. However, GTEFL believes that these circumstances will not be prevalent in Florida, and therefore the Commission should not establish the mutual traffic exchange approach for all other scenarios.

GTEFL claims that existence of a transiting carrier between the originating and terminating carriers supports rejection of a mutual traffic exchange arrangement. For example, if a GTEFL customer makes a local call to a customer of MCImetro and to complete that call, it transits an MFS-FL facility. Under the proposed ORP, MFS-FL would bill GTEFL for its transport price and MCImetro would bill for its terminating price. Under the assumption of equal traffic and equal prices in both directions in a mutual traffic exchange arrangement, no one would be billed. Even though MFS-FL has carried the call in this example, it would be paid under the mutual traffic arrangement because it terminated no calls. Although GTEFL agrees that the incremental cost of transport is quite low, it does not believe that the price should be zero.

GTEFL believes that preference should be given to an ORP plan, with mutual traffic exchange viewed as a unique case of ORP. GTEFL states that it is unlikely that exchanged traffic among carriers will be balanced; therefore, establishing a zero price for interconnection is in the financial interest of the newly interconnected companies. GTEFL believes that this approach does nothing to facilitate the transition to an economically efficient overall product line and rate structure.

GTEFL states that another disadvantage of the mutual traffic exchange approach is that it lacks certain incentives for economic infrastructure development. If an entrant can use existing network facilities at a zero nominal price, then there is little incentive for the ALEC to deploy alternative facilities, even if those facilities would be more efficient in terminating traffic.

There is also some question as to whether the traffic between the LECs and an ALEC will be balanced. United/Centel states that a five week study of traffic between four other independent LECs and United/Centel shows the traffic to be imbalanced by an average of 12.6%. The range of the imbalanced traffic was between 1.5% for ALLTEL and 80.1% for Vista-United. United/Centel asserts that because Vista-United serves predominantly business customers, this suggests that in the competitive marketplace, ALECs serving niche markets or predominantly business customers may have traffic patterns that are not balanced. United/Centel argues that the value of this evidence should not be diminished just because this traffic involves extended area service (EAS) traffic and did not cover an entire year.

We, however, do not believe that traffic studies involving EAS routes that are either within a LEC's local calling area or that may include provision of service by two different LECs are representative of the local interconnection situation. There are good reasons to expect EAS traffic not to be representative of competing local exchange traffic. The reason that EAS areas were created is because groups of customers wanted to call another location. Usually, customers located in an outlying area wanted to call a larger metropolitan area, but there were not as many people in the metropolitan area who wanted to call the outlying area.

Although MCImetro, Time Warner, and AT&T argue that traffic would be balanced, no empirical evidence or studies were provided to support their assumptions. However, MFS-FL presented the only practical experience with local interconnection. Specifically, MFS-FL stated that in New York, MFS was terminating more traffic than it originated. Although GTEFL states that it is unlikely that traffic exchanged between carriers will be balanced, no evidence has been provided that traffic will be balanced or imbalanced.

Based on the record, the existing evidence on traffic balance is inconclusive. Although practical experience with local interconnection in New York was provided by MFS, there has not been any practical experience regarding local interconnection in Florida. Since there is no empirical evidence available as to the traffic balance in Florida, it is highly speculative to predict whether traffic will be imbalanced to the LECs' or the ALECs' detriment. We believe that a supposition that the LECs or the ALECs will terminate significantly more traffic than they originate through local interconnection is unfounded at this time.

GTEFL also pointed out that mutual traffic exchange would not eliminate the need for billing and administrative systems. Witness Beauvais argues that the mixed nature of the traffic on a trunk group, consisting of toll and local minutes on a single trunk group, traffic measurement will be required under the local mutual traffic exchange approach to determine a percent local usage factor. However, MFS-FL argues that mutual traffic exchange should be adopted to save the costs of measurement and billing. Although MFS-FL offers the basis of high measurement costs as a primary reason for a mutual traffic exchange approach, we do not believe that MFS-FL has quantified these costs or otherwise supported this assumption.

GTEFL states that MFS-FL has ignored the fact that measurement and billing costs are very low. The incremental costs of billing and collection are between $.0003 and $.0005 per local message. Contrary to GTEFL's claim that the costs of measurement and billing are low, MCImetro argues that a call terminated for an entrant is not the same as a measured local exchange call. For a local termination of a call that originates on another network, the incumbent LEC would be the terminating switch not the originating switch. Thus, the same measurement equipment or billing systems as used in measured local exchange service would not be used. Additionally, GTEFL does not propose to use a local exchange interconnection, rather, it proposes to use switched access. MCImetro contends that a review of cost data from other jurisdictions shows that the measurement and billing costs for a switched access call are much higher than for a measured local service call.

Although Time Warner and MFS-FL agree that the total traffic to be terminated will be measured, they state that it is a different question whether it will be measured in a way that would distinguish between toll and local. The ability to measure traffic is inherent in a digital switch, whether it is Time Warner's switch or United/Centel's switch. The problem is that there is additional processing that is required in recording the usage that is not inherent in the switch.

Based on Time Warner's review of costs associated with the system necessary to conduct the required measurement of traffic, Time Warner agrees with United/Centel's characterization of the necessary software as high cost. MCImetro and Time Warner contend that based on proprietary cost information reviewed in other states, developing such a measurement and billing system could more than double the total service long run incremental cost of the switching function for terminating traffic from the cost without measurement and billing. Time Warner argues that if a capability which is expensive enough to constitute more than half of the incremental cost of providing interconnection can be avoided, then customers of both incumbents and new entrants would benefit. MCImetro states that mutual traffic exchange is by far the least-cost method of interconnection.

Although toll traffic will be measured and billed, there appears to be consistency among the parties that there is a significant expense to measuring local terminating traffic. Several witnesses stated that, considering the additional administrative costs of billing and collection, traffic may need to be imbalanced by more than 10% to justify a per minute of use rate be implemented. MCImetro also agreed that at some point where the traffic imbalance is sufficient to cover the transaction costs, then a per minute of use rate should be substituted for mutual traffic exchange.

Since specific costs related to the additional processing and software required to measure terminating usage were not provided, we do not believe there is sufficient evidence available at this time to determine the level of imbalanced traffic that would be required to make such measurement worthwhile. We believe that the companies will be the best judges of if and when this threshold is reached, so they should be allowed to agree that the method be changed if traffic becomes imbalanced.

If the parties cannot agree to a threshold level, then resolution of this issue should be made by this Commission. If resolution by this Commission is required, the parties shall present certain information for evaluation. First, the LECs and ALECs shall provide monthly MOU data for terminating local traffic which will reflect the trends in the flow of traffic. Although the parties may request evaluation by this Commission regarding this issue at any time, we suggest that such a request should not be made for at least nine months of practical experience with local interconnection. The data collected over this period would provide sufficient trends in the flow of traffic for us to determine whether the traffic is significantly imbalanced. Second, the companies shall provide the relevant financial impact due to the traffic imbalance since the implementation of mutual traffic exchange. Third, the estimated costs which would be incurred by each company due to the additional processing and software required to measure usage shall be provided. This information is necessary to determine if implementation of a minute of use rate outweighs the costs of measuring the local terminating traffic.

United/Centel and GTEFL argue that unlike the LECs' proposal of switched access charges, a mutual traffic exchange plan will not be able to distinguish whether a call terminating on its network is local or toll. Because the rates proposed by the LECs differ from the current switched access charges for toll since they exclude CCL and RIC, the ability to distinguish between a local or toll call terminating on its network would still be required regardless of the type of compensation plan implemented. Although MFS-FL asserts it prefers a single LATA-wide rate for local and toll traffic, MFS-FL offers the use of a percent local utilization factor to determine the amount of calls that are local versus toll. The PLU factor is similar to the percent interstate usage (PIU) factor used by IXCs. MFS-FL states that auditing can also be used to determine the origin of local and toll calls, including ported calls under a system of interim number portability. MFS-FL asserts that by applying PLU percentages against the total ported minutes any jurisdictional problems will be alleviated.

Although MCImetro agrees that toll traffic should be exchanged using each LEC's switched access charges, MCImetro asserts that it should be allowed to file an access charge tariff, with the only requirement being that the total charge for originating and terminating toll calls by MCImetro not exceed the total rate that would have been paid based on United/Centel or GTEFL's access charges.

Time Warner asserts that the toll default proposal advocated by United/Centel is not appropriate. United/Centel proposes that in the event it cannot determine whether the traffic it delivers to an ALEC is local or toll because of the manner in which the ALEC uses NXX codes, it will charge the ALEC originating switched access charges unless the ALEC can provide United/Centel with sufficient information to make a determination as to whether the traffic is local or toll. Time Warner argues that Florida law requires that a company may not knowingly terminate a call for which toll access charges would apply over a local interconnection arrangement;

therefore, such a penalty mechanism is not necessary. In addition, Time Warner asserts that one way to resolve this issue is to let the statutory complaint process be the mechanism. If United/Centel believes that an ALEC is terminating interexchange company calls over local interconnection arrangements, it should file a complaint with this Commission.

United/Centel and GTEFL argue that mutual traffic exchange does not meet the statutory requirements of Section 364.162(4), Florida Statutes, which states in part:

> In setting the local interconnection charge, the commission shall determine that the charge is sufficient to cover the cost of furnishing interconnection.

Section 364.162(3), Florida Statutes, provides that the rates the Commission sets for interconnection shall not be below cost. These LECs assert that the statute clearly requires this Commission to set a local interconnection rate or charge. In fact, United/Centel seeks the definition of those words from the dictionary to attest to their meaning. United/Centel asserts the definitions do not mention "in-kind exchange" or any other form of bartering. United/Centel says that to argue that Section 364.162, Florida Statutes, implicitly allows "in-kind" compensation would violate the prohibition against reading words into a statute. GTEFL argues that mutual interconnection is made without regard to the costs incurred by the carrier in providing interconnection or the imbalance of traffic terminated by interconnected carriers. GTEFL argues that mutual traffic exchange precludes charging altogether. Moreover, GTEFL asserts that the Commission cannot determine that the local interconnection charge is sufficient to cover the cost of furnishing interconnection because under the evidence submitted, it cannot find that the traffic flow will be equally balanced.

MCImetro contends that, contrary to the assertion that compensation for terminating local traffic must be in cash to meet the statutory requirement, mutual traffic exchange provides compensation "in kind" which is sufficient in economic terms to cover the LECs' cost of providing interconnection. Specifically, MCImetro witness Cornell states:

> Mutual traffic exchange simply involves each carrier 'paying' for the other to terminate local calls originated by its subscribers by mutually terminating local calls originated by the customers of the other carrier. That is why I referred to it as payment 'in kind' rather than 'in cash.'

As long as traffic is roughly balanced, as MCImetro believes it will be, mutual traffic exchange enables the LECs to recover their cost of interconnection.

Time Warner and MCImetro also contend that mutual traffic exchange would meet the statutory requirements. Contrary to United/Centel's assertion that compensation for terminating local traffic must be in cash for terminating local traffic, Time Warner asserts that mutual traffic exchange provides compensation "in kind", which is sufficient in economic terms to cover United/Centel's cost of providing interconnection. Time Warner further argues that the value received from the ALEC's termination of United/Centel's calls will cover the cost of terminating ALEC traffic. Further, because of the value received from the termination of calls by the ALEC, neither United/Centel nor the ALECs are using the other's network for "free."

We find the ALECs' arguments to be compelling. Mutual traffic exchange appears to be the most efficient, least-cost method of interconnection, and should provide the lowest barrier to entry of any method presented. However, as discussed earlier, if traffic becomes imbalanced to a significant degree, a usage-based rate may be more appropriate. We believe that the companies will be the best judges of which method is least-cost over time.

We disagree with LECs' argument that mutual traffic exchange would violate Section 364.162, Florida Statutes. This Commission is obligated to foster competition while ensuring that the charge set for interconnection covers LECs' costs. The intent of Section 364.162, Florida Statutes, is to ensure that interconnection rates are not set below LECs' costs. When the traffic is balanced, mutual traffic exchange is akin to payment in kind. To construe the statutory language so narrowly to say that mutual traffic exchange would not be an adequate form of compensation would, in our opinion, yield an absurd result. In addition, we find the LECs' argument incredulous since in their agreements with Intermedia there is a 105% cap on the exchange of traffic with a default to mutual traffic exchange. Assuming arguendo that the LECs are correct that mutual exchange of traffic violates Section 364.162(4), Florida Statutes, then it is also true that the provisions of their agreements with Intermedia providing a limit on compensation of 105% also violates the same provision. Nothing in their agreements with Intermedia even pretend to ensure the recovery of costs of termination.

g) Interconnection Arrangement Regarding GTEFL

Based upon our review of the record, we find that for the termination of local traffic, MFS-FL and GTEFL shall compensate each other by mutual traffic exchange. If MFS-FL or GTEFL believes that traffic is imbalanced to the point that it is not receiving benefits equivalent to those it is providing through mutual traffic exchange, than that party may request the compensation mechanism be changed. If resolution by the Commission is required, GTEFL and MFS-FL shall provide the following information for our evaluation:

1) GTEFL and MFS-FL shall provide monthly MOU data for terminating local traffic which will reflect the trends in the flow of traffic;

2) GTEFL and MFS-FL shall provide the financial impact to their respective firms due to the traffic imbalance since the implementation of mutual traffic exchange; and

3) GTEFL and MFS-FL shall provide the estimated costs which would be incurred due to the additional processing and software required to measure usage.

For originating and terminating intrastate toll traffic, MFS-FL and GTEFL shall pay each other GTEFL's tariffed intrastate switched network access service rate on a per minute of use basis. This means that when a MFS-FL customer places a toll call to a GTEFL customer and MFS-FL serves as the toll carrier, GTEFL shall charge MFS-FL terminating network access service rates and vice versa. If MFS-FL is serving as a GTEFL customer's presubscribed long distance carrier, then GTEFL can charge MFS-FL originating access charges and vice versa.

Although MFS-FL stated it prefers LATA-wide interconnection rates for local and toll, we find the parties have not demonstrated any opposition to use of switched access charges for the exchange of toll traffic. The parties agree that use of a PLU factor to distinguish between local and toll calls is appropriate. Although we are not averse to the use of a PLU factor, we cannot approve a PLU factor at this time because the record does not contain sufficient evidence that could be used to calculate a PLU. When it cannot be determined whether a call is local or toll, the local exchange provider shall be assessed originating switched access charges for that call unless the local exchange provider originating the call can provide evidence that the call is actually a local call. GTEFL and MFS-FL are encouraged to negotiate alternative terms for compensating each other for exchanging toll traffic. If an agreement for such terms is negotiated, the agreement shall be filed with this Commission before it becomes effective.

h) Interconnection Arrangements Regarding United/Centel

Based upon our review of the record, we find that for the termination of local traffic the following companies shall compensate each other by mutual traffic exchange: MFS-FL and United/Centel; Continental and United/Centel; and Time Warner and United. If any of these parties believes that traffic is imbalanced to the point that it is not receiving benefits equivalent to those it is providing through mutual traffic exchange, than that party may request the compensation mechanism be changed. If resolution by the Commission is required, the respective ALEC and the United/Centel shall provide the following information for our evaluation:

1) The respective ALEC and the United/Centel shall provide monthly MOU data for terminating local traffic which will reflect the trends in the flow of traffic;

2) The respective ALEC and the United/Centel shall provide the financial impact to their respective firms due to the traffic imbalance since the implementation of mutual traffic exchange; and

3) The respective ALEC and the United/Centel shall provide the estimated costs which would be incurred due to the additional processing and software required to measure usage.

For originating and terminating intrastate toll traffic, the respective ALECs and United/Centel shall pay each other United/Centel's tariffed intrastate switched network access service rate on a per minute of use basis. This means that when a customer of the respective ALEC places a toll call to a United/Centel customer and the respective ALEC serves as the toll carrier, United/Centel shall charge the respective ALEC terminating network access service rates and vice versa. If the respective ALEC is serving as a United/Centel customer's presubscribed long distance carrier, then United/Centel can charge the respective ALEC originating access charges and vice versa.

For the reasons mentioned previously regarding GTEFL, when it cannot be determined whether a call is local or toll, we find that the local exchange provider shall be assessed originating switched access charges for that call unless the local exchange provider originating the call can provide evidence that the call is actually a local call. United/Centel and the respective ALECs are encouraged to negotiate alternative terms for compensating each other for exchanging toll traffic. If an agreement for such terms is negotiated, the agreement shall be filed with this Commission before it becomes effective.

V. TARIFFING INTERCONNECTION ARRANGEMENTS

Our review of the record indicates that the parties generally agree that United/Centel and GTEFL should file tariffs for interconnection arrangements set by the Commission. However, Continental asserts that additional tariffing is not required if we order mutual traffic exchange.

Although all parties agree that tariffs should be filed, GTEFL argues that we should not require detailed tariffs regarding all interconnection elements. GTEFL states that negotiated interconnection agreements are probably more efficient than attempting to develop tariffs to meet all possible situations. However, GTEFL states that such agreements should contain non-discriminatory prices across interconnected companies. Further, GTEFL witness Beauvais states that for customer information purposes, a requirement to file such contractually negotiated arrangements with the Commission is appropriate. He states that one approach is for "standard" local interconnection arrangements to be tariffed and to then use those tariffs as the basis for crafting customized individual contracts as required. GTEFL witness Menard has a slightly different position and asserts that the company does not object to filing a tariff rather than stating that GTEFL should file a tariff.

Tariffing the interconnection rates, terms, and conditions means that any certified ALEC can purchase the rates, terms, and conditions contained in the tariff. This would not preclude companies from negotiating different arrangements. Section 364.162(2), Florida Statutes, states that whether set by negotiation or by the Commission, interconnection and resale prices, rates, terms, and conditions shall be filed with the Commission before their effective date.

Upon review of the record, we find that the interconnection rates, terms, and conditions set in this proceeding shall be tariffed. First, tariffs avoid discrimination against other ALECs who want to interconnect with United/Centel and GTEFL in the future. Second, Section 364.162(2), Florida Statutes, states that arrangements shall be filed before they can become effective. An appropriate means of "filing" these arrangements is to file them as a tariff. Third, by filing the arrangements as tariffs, the information is publicly available. Therefore, we find that United/Centel and GTEFL shall file tariffs regarding tariff their interconnection rates and other arrangements set by the Commission within 60 days of the issuance of this Order or 60 days after the order regarding motions for reconsideration if there are any filed.

VI. DELIVERY OF CALLS ORIGINATED OR TERMINATED FROM CARRIERS NOT DIRECTLY CONNECTED TO THE ALEC'S NETWORK

This section addresses the appropriate way to compensate an intermediary carrier for switching calls between originating and terminating carriers.

MFS-FL emphasizes that it is essential that ALECs be treated in the same manner as other LECs, and that ALEC arrangements with GTEFL and United/Centel should be consistent with ALEC arrangements with BellSouth.

GTEFL and MFS-FL agreed on the technical issues with respect to the handling of intermediary traffic. None of the parties, however, were able to agree as to the appropriate rates to charge for intermediary handling of traffic.

Three of the non-LEC participants in this proceeding specifically endorse our decision regarding this issue in the BellSouth phase of this docket. See Order No. PSC-96-0445-FOF-TP.

a) Intermediary Handling of Local Traffic

This section involves the appropriate charges to be assessed when a carrier, typically the incumbent LEC, switches a local call between two ALECs who are not interconnected with each other.

GTEFL proposes that both the tandem switching rate and an intermediary switching charge of $.002 should be assessed for intermediary handling of local traffic. United/Centel witness Poag proposed in his testimony that United/Centel charge tandem switching and transport for handling of intermediary traffic; however, in his summary of the testimony at the hearing, he proposed an additional element of $.002.

MFS-FL proposes that the lesser of the interstate or intrastate tandem switching access rate element, or $.002, whichever is less, be assessed for intermediary handling of traffic until a LRIC based rate is established. MFS-FL further proposes that this rate be assessed only where the ALECs involved in the call are not collocated in the same wire center. AT&T and MCImetro propose that the TSLRIC of the tandem switching function is the appropriate level at which to compensate LECs for intermediary handling of local traffic.

We do not approve the rates proposed by the LECs for intermediary handling of local traffic. A rate more closely related to cost is appropriate. GTEFL could not provide a TSLRIC estimate for tandem switching in this proceeding. Instead, GTEFL supplied a LRIC estimate for tandem switching that was the same as that submitted in Docket No. 921074-TP as part of the Local Transport restructure. In that docket, LECs were ordered to design the new components of Local Transport to be based on costs, and to provide the underlying cost support. See Order No. PSC-95-0034-FOF-TP. This cost support was analyzed by the interested parties, who then negotiated with the LECs, including GTEFL and United/Centel. The parties eventually agreed on a revised set of rates. Those rates, including tandem switching, were ultimately approved by this Commission and are currently in effect. See Order No. PSC-96-0099-FOF-TP. Current local transport rates are therefore based closely on LRIC costs.

We find that the rate for GTEFL for intermediary handling of local traffic shall be set at $.00075 per minute of use, which matches its tandem switching rate approved in Docket No. 921074-TP. Several parties testified that cost figures from existing incremental cost studies for the same basic functional components should provide a reasonable approximation of TSLRIC. This rate is sufficiently greater than the LRIC estimate provided in both Docket No. 921074-TP and this docket, and that it is reasonable to believe that it also covers TSLRIC.

We do not believe that we have reliable data upon which to base a rate for United/Centel. We therefore find that United/Centel shall file with this Commission appropriate cost support 60 days from the issuance of this Order. The information shall include the specific switching and transport investments, as well as all inputs and how they were derived in determining the interconnection cost for end office, local tandem and access tandem. United/Centel shall also provide a detailed explanation of what the data represents, for example LRIC or TSLRIC, and a description of the methodology used in determining the provided costs.

b) Handling of Toll Traffic, including Intermediary Functions

This section regards the appropriate charges to be assessed when a carrier, typically the incumbent LEC, switches and transports a toll call between two ALECs who have not interconnected with each other.

Carrier-to-carrier compensation for termination of toll traffic is not a new concept in Florida. We established this policy in Docket No. 850310-TP when we approved the Modified Access Based Compensation Plan (MABC plan), which established the rates, terms and conditions for compensation by LECs for terminating each others' intraLATA toll traffic. In this proceeding, ALECs and LECs endorse the continued use of this plan to compensate for handling each others' toll traffic. The intermediary handling of toll traffic is addressed in the MABC plan as well.

Under the MABC plan, LECs charge each other terminating switched access charges for termination of each others' intraLATA toll traffic. When intermediary handling of a toll call is required, the LEC performing the intermediary function receives the tariffed toll switching and intertoll trunking charges as compensation. Parties in this proceeding agree that this should continue when the LEC performs this function for ALECs.

Specifically, parties agree that all carriers should subtend, or interconnect with, the LEC tandem to jointly provide switched access for IXC toll traffic. The parties also agree that for toll traffic, standard industry meet point billing arrangements should be established between LECs and ALECs to divide Local Transport revenues. ALECs should receive the balance of switched access charges from the IXCs, less the amount of Local Transport revenues to which the LEC is entitled based on meet point billing arrangements in connection with jointly handled switched access traffic. MCImetro contends that ALECs should be allowed to file their own access tariffs with like terms and conditions and rates, not to exceed those that the LEC charges for the same function.

There was a dispute between United/Centel and the ALECs with respect to the collection of the residual interconnection charge (RIC) for compensation for terminating toll traffic. The non-LEC parties argued that the RIC should be collected by the carrier performing the terminating end office switching function. In addition, GTEFL has agreed in its settlement with MFS-FL that MFS-FL may collect the RIC when it performs the terminating end office switching.

United/Centel opposes this, arguing that the policy establishing the RIC was designed to recover the LEC's "shared and common overhead costs," not the ALECs'. United/Centel states that the carrier with the Universal Service and Carrier of Last Resort requirements should retain those revenues. Therefore, United/Centel argues that the carrier providing the tandem switching function should collect the RIC.

Upon review of the record, we find that the rates for toll traffic shall be the applicable terminating switched access charges. We find that the rate for intermediary handling of toll traffic shall be the toll transport and intertoll trunking rates currently in effect in the LECs' switched access tariffs under the MABC plan. Finally, we find that the RIC shall be collected by the carrier performing the terminating end office switching function, whether it is the LEC or ALEC.

Although we are not eliminating the RIC in this proceeding, we do not believe the long run public interest is served when all competitive local carriers are collecting the RIC from IXCs. We believe that none of them should collect it. The RIC should be phased out as soon as possible in the course of the scheduled switched access reductions required by Section 364.163(6), Florida Statutes.

c. <u>Cross Connection</u>

This section addresses whether ALECs that are collocated at the same LEC tandem should be allowed to cross connect with each other rather than transit the LEC switch, and if so, the rates that should be assessed.

The ALECs endorse the proposal that, where they are collocated in the same LEC wire center, the ALECs should be allowed to cross connect with each other and pay only the LEC special access cross connect rates. In this way, the LEC would not be needed to switch the call for the ALEC, who could then save on LEC switching charges for intermediary handling of local and toll traffic. ALECs argue that allowing cross connection is efficient for them. MFS-FL argues that the LECs, who oppose this proposal, are attempting to impose hidden costs on ALECs. MFS-FL proposes a rate of one-half the special access cross connect rate.

The LECs oppose allowing collocated ALECs to deliver traffic to each other via cross connection. GTEFL states that collocation is not a service and that GTEFL access tariffs do not support cross-connects between two entities collocated in a GTEFL wire center. United/Centel states that the purpose expanded interconnection was to permit collocated competitors to have access to the LEC's customers, not to interconnect them to anybody else collocated in that building. However, United/Centel states that it is willing to interconnect ALECs with each other but that it wants to charge full expanded interconnection rates and charges. This would involve recurring and non-recurring charges for cable, power equipment, maintenance, engineering and installation. Where ALECs neither need nor want that level of service or equipment from the LECs, they do not want to be required to pay for them. MFS-FL states that the LEC proposals constitute a barrier to entry as they would require excessive charges for collocation arrangements.

Upon consideration of the record, we find that allowing cross connection for collocated ALECs would be efficient and would help encourage development of the local competition market. Although at the time we authorized collocation we did not contemplate cross-connection between ALECs, we now find that the ALECs shall be permitted to cross-connect. Thus, we find that GTEFL's and United/Centel's Access Tariffs shall be amended to eliminate any language that would restrict cross-connection by ALECs. The concept and rates for special access cross connections were approved in Order Nos. PSC-94-0285-FOF-TP and PSC-95-0034-FOF-TL in Docket No. 921074-TP.

GTEFL states that if it were required to allow cross connection between ALECs, it should charge the rate element contained in the tariff. Time Warner endorses the assessment of special access cross connect rates only. Only MFS-FL has specifically proposed that these rates be divided in half and billed separately to the two collocated ALECs. The LECs have stated that if they were required to offer the cross connection, they do not want to have to bill half of that rate to each ALEC. They would prefer to charge it to whichever entity ordered it, and let the ALECs work together to split the order. We agree with the LECs that it would be a simpler administrative procedure to bill the rate to the ALEC ordering the cross connection. Thus, the LEC shall only be required to bill the charge to the ordering ALEC.

Thus, upon consideration of the record, we find that the respective ALECs shall be allowed to subtend the LEC tandems to jointly provide switched access services to IXCs. We also find that the ALECs collocated in the same LEC wire center shall be allowed to cross connect without transiting the LEC switch. The LECs shall be allowed to charge the applicable special access cross connect rate to the ALEC ordering the cross connect. Appropriate meet-point billing arrangements shall be made with meet-points established at mutually agreed upon locations.

VII. <u>EXCHANGE OF INTRALATA 800 TRAFFIC</u>

United/Centel's witness Poag proposes that United/Centel will compensate ALECs for the origination of 800 traffic terminated to

United/Centel pursuant to the ALEC's originating switched access charges, including the data-base query. The ALEC will provide to United/Centel the appropriate records necessary for United/Centel to bill its customers. The records will be provided in a standard ASR/EMR format in which United/Centel will compensate the ALECs based on United/Centel's current tariffed rates for this function. At such time as an ALEC elects to provide 800 services, the ALEC will reciprocate this arrangement.

We found no evidence in the record offered by MCImetro or AT&T that opposed United/Centel's proposed terms. MFS-FL, Time Warner, and Continental agreed that United/Centel should compensate ALECs for the origination of 800 traffic terminated to United/Centel pursuant to the ALEC's originating switched access charges, including data-base queries. Time Warner and Continental also agreed that companies may charge for the record provisioning, and at such time as the ALECs elect to provide 800 services, United/Centel should reciprocate this arrangement. However, MFS-FL took issue with the portion of United/Centel's proposal that United/Centel and ALECs mutually provide appropriate records in the standard ASR format for a fee. MFS-FL argues that United/Centel will be compensated for these queries by billing the IXCs switched access.

We believe that compensating a local exchange service provider for the origination of 800 traffic is appropriate. United/Centel shall compensate ALECs for the origination of 800 traffic terminated to United/Centel pursuant to the ALEC's originating switched access charges, including the data-base query. The ALEC shall provide United/Centel the appropriate records necessary for United/Centel to bill its customers. The records shall be provided in a standard ASR/EMR industry format. United/Centel shall compensate the ALECs per record based on United/Centel's current tariffed rate for this function. At such time as an ALEC elects to provide 800 services, the ALEC shall reciprocate this arrangement.

VIII. PROVISION OF 911

This section addresses the provision of Basic 911 service to ALEC customers. The following section addresses Enhanced 911. Basic 911 provides direct access to an emergency operator so the caller can report his/her location and reason for calling. Enhanced 911 automatically provides the emergency operators with the customer's location and telephone number.

Continental and Time Warner assert that their customers must have the same level of access to 911 services as United/Centel customers. Continental and Time Warner state that United/Centel should provide a list consisting of each county in Florida that subscribes to 911, and the E911 conversion date. Witness Poag states that United/Centel will share emergency number data with the ALECs for those municipalities that subscribe to Basic 911.

Continental and MFS-FL request that for network routing purposes, United/Centel provide a ten-digit directory number representing the emergency answering position for each municipality subscribing to Basic 911 service. Witness Schleiden maintains that when Continental receives a Basic 911 call, it will translate it to the proper ten-digit directory number and route that call to United/Centel at the appropriate tandem or end office. United/Centel explains that there is no need for the ALECs to use the ten-digit POTS number of the Public Safety Answering Point (PSAP). In most cases, calls to the PSAP must route via 911/E911 trunks. Depending on the switch, access to the PSAP obtained by dialing the ten-digit number will be blocked in order to eliminate erroneous calls. Witness Poag states that any contact numbers required by the ALECs should be obtained from the 911/E911 coordinators or the agencies themselves. We have concerns that a 911 call may be blocked by United/Centel's switches if the ALEC dials the emergency operator's ten-digit number. We are also concerned that blocking is not consistent throughout United/Centel's network, because this type of blocking depends on the switch that is used. We believe that United/Centel and the ALECs need to work together to ensure that all emergency calls are completed to the appropriate emergency coordinators. In addition, we believe that United/Centel should provide the ALECs with the ten-digit directory number for the 911 emergency answering positions of each municipality.

MFS-FL requests that United/Centel provide trunk connections to United/Centel's selective routers/911 tandems for the provision of 911 services and for access to all sub-tending PSAPs. Witness Poag agrees and states that United/Centel will provide trunk connections to its 911 tandem switches and selective routers to the extent United/Centel provides selective routers. We believe that the ALECs should be responsible for providing the trunking, via leased or owned facilities that conform to industry standards, to the appropriate 911 tandems/selective routers.

Witness McGrath believes that all 911 trunking and switching arrangements should conform with industry standards and that United/Centel should offer the same level of priority restoration to Time Warner's trunks as it gives its own. McGrath adds that United/Centel should provide Time Warner at least 48 hours advanced notice of any scheduled testing or maintenance of the 911 network, and provide immediate notification of any unscheduled outage. Although United/Centel did not directly address Time Warner's concern, we believe it has merit and is an operational measure that would be acceptable to all parties.

We believe that 911/E911 emergency service should be transparent to the end user. Therefore, we find it appropriate to require that:

1) United/Centel provide the respective ALECs with access to the appropriate 911 tandems/selective routers.

2) The respective ALECs shall be responsible for providing the trunking, via leased or owned facilities, to the 911 tandems/selective routers.

3) All technical arrangements shall conform with industry standards.

4) United/Centel shall notify the respective ALECs 48 hours in advance of any scheduled testing or maintenance, and provide immediate notification of any unscheduled outage.

5) United/Centel shall provide the respective ALECs with a list consisting of each municipality in Florida that subscribes to Basic 911 service, the E911 conversion date and a ten-digit directory number representing the appropriate emergency answering position for each municipality subscribing to 911 service.

6) Each ALEC shall arrange to accept 911 calls from its customer and translate the 911 call, where appropriate, to the 10-digit directory number and route that call to United/Centel at the appropriate tandem or end office.

7) When a municipality converts to E911 service, the ALEC shall discontinue the Basic 911 procedures and begin the E911 procedures.

IX. ENHANCED 911

Continental and Time Warner assert that their customers must have the same level of access to E911 services as United/Centel customers. Continental and Time Warner state that United/Centel should provide a list consisting of each county in Florida that subscribes to 911, and the E911 conversion date. Witness Schleiden states that when a municipality converts to E911 service, the ALEC should discontinue Basic 911 procedures and start E911 procedures. Witness Poag states that United/Centel will share emergency number data with the ALECs for those municipalities that subscribe to Basic 911. We believe that United/Centel should include the conversion dates for each municipality's conversion from 911 to E911 service in their emergency number data.

MFS-FL requests that United/Centel provide trunk connections to United/Centel's selective routers/E911 tandems for the provision of E911 services and for access to all sub-tending Public Safety Access Points (PSAPs). Witness Poag agrees and states that United/Centel will provide trunk connections to its E911 tandem switches and selective routers to the extent United/Centel provides selective routers. However, to the extent that administering and providing access to E911 facilities increases United/Centel's costs, such costs should be recovered from the ALECs, but only to the extent that they are recovered from other LECs for the same service. We believe that the ALECs should be responsible for providing the trunking, via leased or owned facilities that conform to industry standards, to the appropriate E911 tandems/selective routers. We agree that to the extent access to E911 facilities increases United/Centel's costs, such costs shall be recovered from the ALECs, but only to the extent that they are recovered from other LECs for the same service.

Witness McGrath states that United/Centel should cooperate with Time Warner to ensure that Time Warner's customer data is in the proper format for inclusion in the 911 Automatic Location Identifier (ALI) database. Customer data, specifically the street addresses, are edited against the Master Street Address Guide (MSAG) database to guarantee the uniform listing of street addresses. MFS-FL and Time Warner believe that United/Centel should provide the ALECs access to the MSAG so ALECs can provide accurate data transfers. Witness Poag asserts that the MSAG is the property of the county and only the county can provide this information. Witness Poag maintains that the provision of the MSAG to the ALECs would be dependent on the county, and the operation of the county E911 system. We believe that the ALECs should go to the appropriate county emergency authorities to acquire access to the MSAG.

Continental and MFS-FL believe that the ALECs and United/Centel should work together to provide daily updates to the E911 databases. As stated above, witness McGrath asserts that the ALEC's customer data should be submitted to United/Centel in the proper format for inclusion in United/Centel's emergency databases. Witness Poag states that United/Centel will offer daily updates to United/Centel's E911 databases with the ALECs' emergency information. In addition, United/Centel will work with the ALECs to define record layouts, media requirements and operating procedures.

Witness Devine requests that United/Centel arrange for MFS-FL's automated input and daily updates to the E911 database. Witness McGrath believes that United/Centel should provide access to the same mechanized systems it uses to edit customer data against the MSAG. United/Centel position is that data should be transmitted via a Network Data Mover (NDM) data line. With this type of electronic transfer of information, a confirmation will be automatic. United/Centel's position is confusing because witness Poag also states that United/Centel does not have an E911 electronic database access system available yet. We believe that the ALECs should have access to any United/Centel database used for provisioning E911 service. We find that the ALECs and United/Centel should work together and file with this Commission, within 60 days from the issuance of this order, a comprehensive proposal for mechanized access to any database used for provisioning E911 service. The proposal shall include cost and price support, and a list of operational procedures.

Witness McGrath believes that United/Centel should provide Time Warner at least 48 hours advanced notice of any scheduled testing or maintenance of the 911 network, and provide immediate notification of any unscheduled outage. Witness McGrath adds that all E911 trunking and switching arrangements should conform with industry standards and that United/Centel should offer the same level of priority restoration to Time Warner's trunks as it gives its own. Witness Schleiden asserts that Feature Group D trunks should be used to connect the ALECs to the appropriate E911 tandem, including the designated secondary tandem. The Automatic Number Identification (ANI) should be forwarded based upon the current E911 end office to tandem homing arrangements used in the industry today. Witness Schleiden states that if the primary tandem trunks are not available, the ALECs should alternate route the call to the designated secondary E911 tandem. If the secondary tandem trunks are not available, the emergency call should alternate route to the appropriate Traffic Operator Position System (TOPS) tandem. We recognize that Witness Schleiden is requesting the same parameters as those United/Centel agreed to with ICI. Witness Poag did not directly address the ALECs' technical concerns, but he does state that United/Centel has backup systems in place for their emergency network. We believe that the ALECs' backup systems for E911 should be consistent with United/Centel's and that this is an operational concern that should be a priority to all parties.

We believe that E911 emergency service should be transparent to the end user. Therefore, we find it appropriate to require that:

1) United/Centel provide the respective ALECs with access to the appropriate United/Centel E911 tandems, including the designated secondary tandem.

2) If the primary tandem trunks are not available, the respective ALEC shall alternate route the call to the designated secondary E911 tandem. If the secondary tandem trunks are not available, the respective ALEC shall alternate route the call to the appropriate Traffic Operator Position System (TOPS) tandem.

3) The respective ALECs shall be responsible for providing the trunking, via leased or owned facilities which are capable of carrying Automatic Number Identification, to the E911 tandems.

4) All technical arrangements shall conform with industry standards.

5) United/Centel shall notify the respective ALECs 48 hours in advance of any scheduled testing or maintenance, and provide immediate notification of any unscheduled outage.

6) United/Centel shall provide the respective ALECs with mechanized access to any database used for provisioning E911 service. The respective ALECs and United/Centel shall work together and file with this Commission, within 60 days from the issuance of this order, a comprehensive proposal for mechanized access to any database used for provisioning E911 service. The proposal shall include cost and price support, and a list of operational procedures.

7) If a municipality has converted to E911 service, the ALEC shall forward 911 calls to the appropriate E911 primary tandem along with the ANI, based upon the current E911 end office to tandem homing arrangement as provided by United/Centel.

X. OPERATOR HANDLED TRAFFIC, INCLUDING BUSY LINE VERIFICATION AND EMERGENCY INTERRUPT SERVICES

Upon review of the evidence in the record, there appears to be no objection to the use of United/Centel's tariffed rates as the compensation arrangement for providing operator handled traffic between the respective ALECs and United/Centel. However, in its brief, Time Warner asserts that it would also be reasonable to provide busy line verification service and emergency interrupt service on a bill and keep basis. No evidence to support this position was presented in this proceeding.

MCImetro nor AT&T provided any testimony documenting underlying costs of United/Centel's busy line verification or interrupt service. Since there is no overall objection to the use of United/Centel's tariffed rates and since none of the parties have proffered any additional evidence as to the reasonableness of United/Centel's rates, we find it appropriate that United/Centel's tariffed rates for busy line verification and emergency interrupt services be used to fulfill the financial requirements for operator handled traffic flowing between the respective ALECs and United/Centel.

The technical arrangement proposed by United/Centel for operator handled traffic between ALECs and United/Centel is a dedicated trunk group, either one-way or two-way, between the ALEC's end office and United/Centel's Operator Services System. The trunk group can be the same as that used for Inward Operator Services (busy line verification and emergency interrupt services) and Operator Transfer Service. Busy line verification and emergency interrupt services are currently tariffed in United/Centel's Access Service Tariff. Witness Devine asserted that United/Centel's proposal to provide busy line verification and interrupt services from United/Centel's federal and state access tariffs was acceptable. Review of the record indicates that none of the parties had any objection to the technical provision of operator services as provided in United/Centel's tariff. We find it appropriate that the technical arrangement proposed by United/Centel be used to provide operator services.

XI. DIRECTORY ASSISTANCE SERVICES AND DATA

This section addresses the terms and conditions requested by Continental, Time Warner and MFS-FL with respect to United/Centel's directory assistance (DA) services and database. Continental and Time Warner believe that United/Centel should include the ALECs' customer listings in its directory assistance database at no charge. MFS-FL asserts that United/Centel should be required to update its DA database with ALEC data on at least as timely a basis as United/Centel provides updates regarding their own customers. United/Centel states that it will include ALECs' customer information in its DA database and provide DA operator services on the same terms and conditions as those services are provided to other LECs and IXCs. Witness Poag maintains that United/Centel will work cooperatively with the ALECs on issues concerning timeliness, format and listing information content.

Time Warner asserts that United/Centel should provide at least three options for DA provision. First, there should be a resale arrangement whereby Time Warner would simply utilize United/Centel's DA service to provide DA to Time Warner's customers. Second, United/Centel should provide a database access option so that Time Warner's operators can obtain the necessary DA listing information. Third, there should be a purchase option that requires United/Centel to sell its DA database to Time Warner. United/Centel has already agreed to provide these three DA options to Intermedia and is willing to offer them to other ALECs. Witness Poag states that all three options should be available by the end of the year 1996.

In addition, MFS-FL is requesting that United/Centel offer DA service under MFS-FL's brand (branding) which is comparable to United/Centel DA service. United/Centel is willing to provide this service and is currently deploying a new DA technology that will allow for ALEC branding. However, the new technology will not be available until September/October 1996.

We find it appropriate to require United/Centel to list the ALECs' customers in United/Centel's directory assistance database at no charge. United/Centel and the respective ALECs shall work together on issues concerning timeliness, format and content of listing information. United/Centel shall update its directory assistance database with ALEC data under the same time frames afforded itself. United/Centel shall tariff branding, when available, upon a firm order for the service. United/Centel shall tariff the directory assistance resale, database access, and purchase options as discussed above, when available.

XII. WHITE AND YELLOW PAGES DIRECTORIES

This section addresses the terms and conditions requested by MFS-FL and MCImetro with respect to United/Centel's white and yellow page directories. Continental, Time Warner, and MFS-FL assert that United/Centel should include the ALECs' customers' primary listings in United/Centel's white and yellow page directories and should distribute these directories at no charge. Time Warner believes that any cost United/Centel incurs will be recovered through directory advertising United/Centel gains from Time Warner customers. Witness McGrath maintains that additional revenues will be realized when United/Centel sells the listings to its publishing affiliate. United/Centel states that it will provide one free listing in the classified section to each ALEC business customer, the same as is currently provided to the United/Centel business customer. However, witness Poag believes that the cost for directories should be shared on a pro rata basis by United/Centel and the ALECs for the basic directory printing and distribution services. We believe that United/Centel should provide directory listings for ALEC residential and business customers in its white page and yellow page directories at no charge.

Witness Poag states that yellow page advertising is provided by United/Centel's affiliate directory company, and the revenues associated with that advertising belong to the directory company. United/Centel has separate business units, Sprint Publishing and Advertising (SPA) and a partnership between Centel Directory Company and Reuben Donnelly Corporation called CenDon, that are responsible for publishing the white and yellow page directories. SPA and CenDon do not charge United/Centel for residence and business listings. In fact, SPA and CenDon pay United/Centel a contracted amount for business listings included in the yellow pages.

We recognize the possibility of United/Centel incurring costs on behalf of the ALECs for directory services. However, we also recognize that United/Centel will be gaining revenues from the ALECs' directory listings. We do not believe there is sufficient support in the record to determine whether United/Centel will experience net loss or gain specific to ALEC directory services. Therefore, we find that United/Centel shall publish and distribute the respective ALECs' directories at no charge.

MFS-FL is requesting that enhanced listings, such as bolding and indention, be provided under the same rates, terms and conditions as are available to United/Centel's customers. In addition, witness Devine states that MFS-FL must provide United/Centel with directory listings and daily updates in an accepted industry format. In turn, United/Centel should provide MFS-FL with a magnetic tape or computer disk containing the proper format. We agree that enhanced listings should be provided to the ALECs under the same rates, terms, and conditions as afforded to United/Centel's customers. We also believe that United/Centel should provide the ALECs with the appropriate format United/Centel requires to populate its database. In turn, the ALECs shall submit their customer data in compliance with this format.

Yellow page maintenance is another concern for MFS-FL. Witness Devine believes that United/Centel and MFS-FL should work together to ensure that yellow page advertisements purchased by customers that switch their service to MFS-FL are maintained without interruption. We agree with MFS-FL but would add that these parameters should apply anytime a customer changes its local exchange carrier (i.e., LEC to ALEC, ALEC to LEC, ALEC to ALEC).

In summary, we find it appropriate to require United/Centel to provide directory listings for the respective ALEC customers in United/Centel's white page and yellow page directories at no charge. United/Centel shall also publish and distribute these directories at no charge. To ensure compatibility with United/Centel's database, United/Centel shall provide the respective ALECs with the appropriate database format in which to submit the necessary information. Enhanced listings shall be provided to the respective ALEC customers at the same rates, terms and conditions offered to United/Centel customers.

XIII. <u>BILLING AND COLLECTION SERVICES</u>

This section addresses the appropriate billing and collection services between the respective ALECs and United/Centel. Continental states that the ALECs and United/Centel should bill and clear credit card, collect, and third party calls through United/Centel's Centralized Message Distribution Service (CMDS). Continental states that it should be allowed to participate in CMDS.

Time Warner states that there are many intercompany arrangements necessary for the proper billing of services in a multiple provider environment, most of which are in existence between United and other telecommunications providers today. These types of arrangements would benefit both the LECs and ALECs. Time Warner gives an example that it must be able to validate credit card or third party calls where the customer is a United/Centel customer, and that this is accomplished through a line identification database (LIDB). Time Warner asserts that it must have access to the LIDB database under reasonable terms and conditions. Time Warner witness McGrath states, "For efficiency's sake, [United/Centel] should treat Time Warner the way it treats other LECs today in the clearing of such funds transfers, through standard industry procedures and systems."

Witness Devine states that MFS-FL will deliver, using the appropriate trunks, information services traffic originated over its exchange services to United/Centel's information services platform. These information services would be any pay-per-call number such as 976 or N11 where callers obtain weather information or sports scores. MFS-FL states that United/Centel should provide at MFS-FL's option a direct real time electronic feed or a daily or monthly magnetic tape in a mutually specified format, listing the appropriate billing listing and effective daily rate for each information service by telephone number. Witness Devine asserts that if MFS-FL provides its own information services platform, United/Centel should cooperate with MFS-FL to develop LATA-wide NXX code(s) which MFS-FL may use in conjunction with such platform.

With respect to compensation, MFS-FL will bill and collect from its end users the specific end user calling rates United/Centel bills its own end users for such services, unless MFS-FL obtains approval to charge rates different from those rates charged by United/Centel.

United/Centel disagrees with MFS-FL that it is the responsibility of United/Centel to provide a direct real-time electronic feed or a daily or monthly magnetic tape listing the appropriate billing listing and effective daily rates for each information service by telephone number. United/Centel witness Poag states, "I would propose that we just do the same thing with MFS-FL that we do with Southern Bell or anybody else, and we have tariffs filed for that." United/Centel argues that the current procedure, as supported by the tariff, is that the information provider (IP) assumes responsibility for making suitable arrangements with the appropriate telephone company for the provisioning of service and the billing of charges for those calls to 976 numbers that originate outside the United/Centel service area. United/Centel's position is that the ALEC would need to block all calls to pay-per-call numbers until such time as the IP would provide the necessary billing information to them. Witness Poag asserts that conversely, any IP contracting for service with MFS-FL would be responsible for contacting United/Centel to provide the information for call completion and billing, and it would not be the responsibility of MFS-FL to provide.

United/Centel states that appropriate interconnection facilities to the access tandem TOPS Center will be required for the appropriate arrangements for the provision of billing and collection services between ALECs and United/Centel. Witness Poag further states that United/Centel will work with the ALECs to define the interconnection activities required to perform these billing and collection services, and that billing would be handled via tariff or contract rates on a mutual compensation basis.

We recognize that for competition to be successful, ALECs and LECs will have to work closely together for the provision of billing and collection services. We agree with United/Centel that the IP should assume the responsibility for making suitable arrangements with the appropriate LEC or ALEC for the provisioning of service and the billing of charges for those calls to pay-per-call numbers that originate outside the LEC's or ALEC's territory. In addition, we believe that ALECs should have access to United/Centel's tariffed billing services and access to databases such as Centralized Message Distribution Service (CMDS) and Line Identification Database (LIDB) to bill and clear credit card, collect, and third party calls.

Therefore, we find it appropriate for the respective ALECs to have access to United/Centel's tariffed billing services and access to databases such as CMDS and LIDB to bill and clear credit card, collect, and third party calls. However, the specific arrangements shall be worked out between the respective ALECs and United/Centel. The respective ALECs shall purchase the services and access to databases through United/Centel's tariff or by contract if it is not currently tariffed. If the billing and collection arrangement is set by contract, the arrangement shall be filed with the Commission before it becomes effective.

XIV. PROVISION OF CLASS/LASS SERVICES

Custom Local Area Signalling Services (CLASS) or Local Area Signalling Services (LASS) are certain features that are available to end users. These include such features as Automatic Call Back, Call Trace, Caller ID and related blocking features, Distinctive Ring, Call Waiting, Selective Call Forwarding, and Selective Call Rejection.

This issue does not appear to be controversial. Continental, MFS-FL, Time Warner, and United/Centel agree that the ALECs and United/Centel should provide Common Channel Signalling (CCS) to one another, where available, in conjunction with all traffic in order to enable full interoperability of CLASS features and functions. In addition, all CCS should be provided including Automatic Number Identification (ANI), Originating Line Information (OLI), calling party category, charge number, etc. All privacy indicators should be honored. The privacy indicator is a signal that is sent when the calling party has blocked release of its number, either by per line or per-call blocking. United/Centel and the ALECs agree to cooperate on the exchange of Transactional Capabilities Application Point (TCAP) messages to facilitate full interoperability of CCS-based features between their respective networks.

In addition, MFS-FL states that since the CCS will be used cooperatively for the mutual handling of traffic, link facility and link termination charges should be prorated 50% each between parties. MFS-FL states that for traffic where CCS is not available, in-band multi-frequency, wink start, and E&M channel-associated signalling should be forwarded.

We find it appropriate that the respective ALECs and United/Centel provide LEC-to-LEC Common Channel Signalling (CCS) to one another, where available, in conjunction with all traffic, to enable full interoperability of CLASS/LASS features and functions. All privacy indicators shall be honored, and the respective ALECs and United/Centel shall use industry standards for CCS signalling between their networks. Because CCS will be used cooperatively for the mutual handling of traffic, the respective ALECs and United/Centel shall each be responsible for the costs associated with the installation and use of their respective CCS networks.

XV. PHYSICAL INTERCONNECTION, INCLUDING TRUNKING AND SIGNALLING ARRANGEMENTS

This section addresses the physical arrangements requested by MFS-FL, Time Warner and Continental with respect to where interconnection should take place with United/Centel. MFS-FL's proposal is that within each LATA served, MFS-FL and United/Centel will identify a wire center to serve as the Default Network Interconnection Point (D-NIP). At the D-NIP, MFS-FL would have the right to specify one of the following methods of interconnection: a) a mid-fiber meet at the D-NIP or some point near the D-NIP; b) a digital cross connect hand off where MFS-FL and United/Centel maintain such facilities at the D-NIP; or c) a collocation facility maintained by MFS-FL, United/Centel or a third party. Witness Wood believes that interconnection should be permitted wherever reasonably possible. He asserts that Time Warner should have the flexibility to interconnect at an end office, tandem or other mutually agreed upon point in the network. Witness Poag appears agreeable by stating that United/Centel will provide facilities: 1) to the ALECs point of presence; 2) for collocation; and 3) to mid-span meets. We agree with the parties that interconnection should be available at United/Centel's tandem and end office and via a mid-span meet arrangement.

Continental is requesting that in the event trunks to end offices are busy, traffic will be alternately routed through the tandem for call completion. Witness Poag states that if requested, United/Centel will overflow ALEC traffic through the access tandem if a direct trunk to an end office were full. He states that this is standard operating procedure.

MFS-FL believes that traffic should be exchanged between competing carriers' networks using efficient routing, trunking and signalling arrangements. Witness Devine states that two-way trunk groups are the most efficient means of interconnecting for MFS-FL because they minimize the number of ports needed. MFS-FL asserts that this is standard practice in the industry today. Witness Schleiden requests that interconnecting facilities conform to telecommunications industry standards such as those developed by BellCore. Although United/Centel did not directly address the ALECs' trunking concerns, United/Centel did state that it is willing to review engineering requirements on a quarterly basis and establish forecasts for trunk utilization.

We find it appropriate for trunking and signalling arrangements to conform with industry standards, which includes interconnecting via one-way or two-way trunks. Additionally, United/Centel shall provide interconnection, trunking and signalling arrangements at the tandem and end office levels. United/Centel shall also provide ALECs with the option of interconnecting via one-way or two-way trunks. Mid-span meets shall be permitted where technically and economically feasible.

XVI. INTEREXCHANGE CALLS TERMINATED TO A "PORTED" NUMBER

The interim number portability docket, Docket No. 950737-TP, did not address the issue of compensation for termination of ported calls and the entitlement to terminating network access charges on ported calls.

Witness McGrath believes that United/Centel should develop a way to measure toll traffic, or develop a surrogate for estimating it, and remit the correct switched access charges, including the residual interconnection charge (RIC), to Time Warner. MFS-FL believes that when United/Centel forwards traffic from an IXC to MFS-FL via temporary number portability, United/Centel should receive entrance fees, tandem switching and part of the tandem transport charges. MFS-FL believes it should receive local switching, the RIC, the carrier common line (CCL) and part of the transport charge. Witness Poag asserts that United/Centel will bill the IXC tandem switching, the RIC, and a portion of the transport. The ALEC should bill the IXC local switching, CCL and a portion of the transport. We recognize that the difference between these positions is the collection of the RIC. We believe this situation is no different than the intermediary functions discussed above in Section VI.

MFS-FL states that procedures for the processing and billing of interim number portability should be established by the Commission in this proceeding. We are unsure as to what types of processing and billing procedures MFS-FL is referring. Processing and billing procedures for temporary number portability were addressed in Order No. PSC-95-1604-FOF-TP, issued December 28, 1995, in Docket No. 950737-TP.

Upon review of the record, we find it appropriate that carriers providing any intermediary functions on calls routed through number portability solutions shall collect only those access charges that apply to the functions they perform. The Residual Interconnection Charge shall be billed and collected by the carrier terminating the call.

XVII. OTHER OPERATIONAL ISSUES

This section addresses how other operational issues between the respective ALECs and United/Centel and GTEFL should be handled. It is not possible to identify every operational problem that might occur when an ALEC begins operation in the local market. Certain parties argue that some guidelines should be set in the beginning to avoid future operational problems.

a) United/Centel

MFS-FL, Continental, and FCTA take the position that the we should adopt the same policies that we did for the BellSouth portion of this docket in Order No. PSC-96-0445-FOF-TP, issued March 29, 1996. MFS-FL states that we should establish detailed arrangements for certain additional operational issues such as transfer of service announcements, repair calls, information pages, service announcements and the operator reference database.

MFS-FL argues that we should establish more detailed operational arrangements up front because it has always had difficulty with the LECs in the past on these types of issues. MFS-FL asserts that: (1) ALECs and United/Centel and GTEFL should provide their respective repair contact numbers to one another on a reciprocal basis; (2) misdirected repair calls should be referred to the proper company at no charge, and the end user should be provided the correct contact telephone number; (3) extraneous communications beyond the direct referral to the correct repair telephone number should be prohibited; and (4) United/Centel and GTEFL should provide operator reference database (ORDB) updates on a monthly basis at no charge to enable MFS-FL operators to respond in emergency situations.

Included in United/Centel's white pages directory is an "informational" section which provides a listing of their services. Witness Devine believes that MFS-FL should have access to this section in order to provide its customers with data on MFS-FL calling areas, services installation, repair and other customer services.

Time Warner states that in the new multi-provider environment, each participating company must notify other companies of outages and troubles, because without notification, it would be impossible to isolate and clear a problem in one part of a multi-provider network. Time Warner witness McGrath further asserts that notification and repair procedures in the event of outages must be coordinated between Time Warner and United/Centel. Time Warner also states that United/Centel should develop mechanized systems for network monitoring to which other providers have access.

MCImetro asserts that the use of mechanized interfaces between the ALECs and LECs is critical to the development of an effectively competitive local exchange market. Further, MCImetro states that intercompany operational procedures must be developed to support the ordering of unbundled loops, interoffice facilities, interim number portability mechanisms, and customer listing databases on some type of mechanized basis. These mechanized systems are similar to the ones used today between IXCs and LECs. MCImetro asserts that such mechanized procedures should be developed as soon as possible, but in any event within one year.

Continental states that any operational issue which cannot be negotiated to the satisfaction of both the interconnecting companies should be resolved by us through an expedited complaint process. Witness Schleiden stated that by expedited complaint process, he meant one that is resolved by the Commission in 30 days. An example of such an issue, given by Continental, is the handling of maintenance calls that are reported to the wrong company. Continental asserts that such misdirected calls must be handled in manner that focuses on the end-user's interests. Witness Schleiden states, "United/Centel and the ALECs must develop consumer educational campaigns for maintenance management. These campaigns should assure that consumers are made aware of the proper maintenance numbers." Continental's post hearing position is that this issue should be resolved in the same manner as was decided in the BellSouth portion of this docket (Order No. PSC-96-0445-FOF-TP, issued March 29, 1996).

United/Centel states that operational issues, such as repair service arrangements, are most appropriately resolved through negotiation. United/Centel states that these issues will be different for each ALEC and can best be addressed as the parties develop more specific operational details and procedures and actual points of interconnection. United/Centel asserts that if issues arise between the parties that cannot be resolved, the existing Commission complaint procedures are the appropriate means for resolving disputes.

United/Centel disagrees with MCImetro that LECs should be required to implement mechanized systems for interconnection order processing within a year. Witness Poag argues that even if it were possible to develop such a system for MCImetro, it would be inappropriate to offer this service if other ALECs could not use the system. United/Centel states that it makes sense to provide interfaces where it is practical and economically efficient for all the parties involved. However, United/Centel asserts that developing such systems will require input from ALECs to determine needs, standards and appropriate interfaces. United/Centel states that the industry Ordering and Billing Forum (OBF) is currently working to develop national standards for a local competition environment.

Witness Poag also states that there are several problems with providing the mechanized interfaces requested by the ALECs. One problem according United/Centel is that there are no standards agreed to by the industry. United/Centel asserts that standards are very important because they minimize the cost to each company, and ultimately the consumer. United/Centel states that another problem with providing mechanized interfaces is that no one really knows the total costs. Still another problem that United/Centel discusses is that the existing systems do not have the type of security that would be necessary to keep one company from accessing another company's proprietary data.

United/Centel witness Poag summarizes his position on mechanized intercompany interfaces when he says:

> Before we can build, we need to know what to build. Without standards and cost quantification it is inappropriate to proceed. As the industry develops standards, priorities will be established and those interfaces that make the most economic sense will be

> implemented. This will not happen overnight, but when accomplished, if done properly will benefit all competitors by increasing productivity and, in the long-run, reducing the cost to serve customers.

We are concerned about how to address the intercompany operational issues in the interim. We understand that there are many operational issues that will arise as the ALECs begin to provide service. We believe that the mechanized intercompany operational procedures supported by the ALECs are appropriate, since similar procedures are currently used today between LECs and IXCs. However, the parties need to work together to determine how much these interfaces will cost, how long they will take to develop, and who should pay for them. We also believe that such mechanized systems should conform to industry standards, so that they will function for all interconnecting companies.

We find that it is appropriate to grant MFS-FL's requests for detailed arrangements regarding repair calls, information pages, service announcements and the operator reference database at this time. We are implementing MFS-FL's specific operational requests now because they will make the transition to local competition more seamless for consumers. The specific operational issues are listed below.

On a going forward basis, parties should attempt to work out operational problems that arise. If the parties cannot come to a resolution, they can request resolution of the problem with us by filing a petition or motion.

Mechanized intercompany operational procedures, similar to the ones between IXCs and LECs today, shall be jointly developed by the respective ALECs and United/Centel and shall conform to national industry standards which are currently being developed. Further, the respective ALECs and United/Centel shall adhere to the following requirements:

(1) The respective ALECs and United/Centel shall provide their respective repair contact numbers to one another on a reciprocal basis;

(2) Misdirected repair calls shall be referred to the proper company at no charge, and the end user shall be provided the correct contact telephone number;

(3) Extraneous communications beyond the direct referral to the correct repair telephone number shall be prohibited;

(4) United/Centel shall provide operator reference database (ORDB) updates on a monthly basis at no charge to enable ALEC operators to respond in emergency situations; and

(5) United/Centel shall work with the respective ALECs to ensure that the appropriate ALEC data, such as calling areas, service installation, repair, and customer service, is included in the informational pages of United/Centel's directory.

b) GTEFL

GTEFL and MFS-FL signed a partial co-carrier agreement which pertained to this section. However, GTEFL and MFS-FL were not able to fully agree on this issue, so it was not approved as a stipulation by the Commission. The agreement states that each party will use its best efforts to address, within 60 days, certain operational issues which remain to be resolved by GTEFL and MFS-FL. The only aspect of this issue upon which MFS-FL and GTEFL do not agree is the handling of further operational disputes that may arise in the future. Since the issue was not fully stipulated, we still must determine the other operational arrangements with respect to United/Centel and GTEFL.

GTEFL believes that any other operational issues that may arise are best resolved through ongoing negotiations with MFS.

Upon review of the record, we find it appropriate for GTEFL and MFS-FL to continue to negotiate as outlined in their partial co-carrier agreement. If an agreement is reached on these operational issues, it shall be filed with us before it becomes effective. If no agreement is reached within 60 days of the issuance of this order, then GTEFL shall adhere to the same operational arrangements ordered above for United/Centel.

XVIII. ASSIGNMENT OF NXX CODES

This section addresses the assignment of NXX codes to the ALECs. All of the parties agree that NXX assignments must be handled in a neutral and nondiscriminatory manner.

Continental states that telephone numbers must be conserved as valuable resources. However, such resources should be shared and should not be controlled by the dominant competitor in the marketplace. Continental further asserts that we should assist in overcoming delays that occur in obtaining NXX codes. Continental states that ALECs should be able to get, at a minimum, an NXX for each United/Centel central office with which the ALECs interconnect.

MFS-FL states that it understands that United/Centel does not assign NXX codes, and if this is true, there is no need to address this issue with respect to United/Centel.

Time Warner states that the North American Numbering Plan (NANP) Guidelines used by United/Centel today do not allow Time Warner to acquire more than one NXX code prior to the exhaustion of the code assigned to its first switch. This is true, even if more NXX codes are needed to provide the detailed billing information necessary to distinguish local and toll calls. Time Warner further states that BellSouth is the NANP administrator for its region, which includes United/Centel. Time Warner asserts that the consensus in the industry is that NANP administration should be controlled by a neutral third party, and that until that time the Commission should not let the LECs impair competition by using the NANP guidelines to impede entry of the ALECs.

MCImetro's post-hearing position is that although United/Centel is not an NXX code administrator, it should be required to cooperate with the ALECs to the extent necessary to allow them to obtain NXX assignments on the same basis that such assignments are made to other LECs.

McCaw states that such assignments should be made on a nondiscriminatory basis, with each carrier recovering its own NXX establishment charges.

United/Centel states that numbering policy must be broadly developed and administered in a competitively neutral manner. United/Centel further states that the LEC must not be able to control the administration and assignment of numbering resources, and that NXX assignments must be handled in a neutral and nondiscriminatory manner. In addition, United/Centel states that it is not the numbering plan manager and therefore is not in control of NXX assignments.

Based on the evidence and post-hearing positions of the parties, it appears that there is general agreement on the assignment of NXX codes. All parties, including United/Centel, state that NXX assignments should be on a nondiscriminatory basis. We recognize that United/Centel is not the numbering administrator for its region. However, to the extent that United/Centel has control over NXX codes in its territory, NXX assignments to ALECs shall be on the same basis that such assignments are made to United/Centel and other code holders today.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that each and all of the specific findings herein are approved in every respect. It is further

ORDERED that the stipulation attached to this Order as Attachment A and reached between MFS-FL and GTEFL is hereby approved. It is further

ORDERED that any intervenor ALEC who fully participates in this proceeding is bound by the resolution of the issues. Such ALEC is still free to negotiate its own interconnection rate. To the extent negotiations fail, the affected ALEC may petition the Commission to set interconnection rates. It is further

ORDERED that for the termination of local traffic, GTEFL and MFS-FL shall compensate each other by mutual traffic exchange as discussed in the body of this Order. It is further

ORDERED that for the termination of local traffic, United/Centel and Continental shall compensate each other by mutual traffic exchange as discussed in the body of this Order. It is further

ORDERED that for the termination of local traffic, United/Centel and MFS-FL shall compensate each other by mutual traffic exchange as discussed in the body of this Order. It is further

ORDERED that for the termination of local traffic, United and Time Warner shall compensate each other by mutual traffic exchange as discussed in the body of this Order. It is further

ORDERED that if Continental, Time Warner, MFS-FL, GTEFL, or United/Centel believes that traffic is imbalanced to the point that it is not receiving benefits equivalent to those it is providing through mutual traffic exchange, it may request the compensation mechanism be changed and shall provide documentation as discussed in the body of this Order. It is further

ORDERED that for originating and terminating intrastate toll traffic, GTEFL and MFS-FL shall pay each other GTEFL's tariffed intrastate switched network access service rates on a per minute of use basis as discussed in the body of this Order. It is further

ORDERED that for originating and terminating intrastate toll traffic, United/Centel and MFS-FL shall pay each other United/Centel's tariffed intrastate switched network access service rates on a per minute of use basis as discussed in the body of this Order. It is further

ORDERED that for originating and terminating intrastate toll traffic, United/Centel and Continental shall pay each other United/Centel's tariffed intrastate switched network access service rates on a per minute of use basis as discussed in the body of this Order. It is further

ORDERED that for originating and terminating intrastate toll traffic, United and Time Warner shall pay each other United's tariffed intrastate switched network access service rates on a per minute of use basis as discussed in the body of this Order. It is further

ORDERED that when it cannot be determined whether a call is local or toll, the local exchange provider shall be assessed originating switched access charges for that call unless the local exchange provider originating the call can provide evidence that the call is actually a local call. It is further

ORDERED that if the respective ALECs and United/Centel or GTEFL negotiate alternative terms for compensating each other for exchange toll traffic, the agreement shall be filed with the Commission before it becomes effective. It is further

ORDERED that GTEFL and United/Centel shall file tariffs regarding their interconnection rates and other arrangements set by the Commission within 60 days of the issuance of this Order or 60 days after the order regarding motions for reconsideration if there are any filed. It is further

ORDERED that for intermediary handling of local traffic where ALECs are not collocated in the same wire center, we find that the appropriate rate for GTEFL shall be $.00075. We find that an appropriate rate for United/Centel cannot be determined at this time as discussed in the body of this Order. It is further

ORDERED that United/Centel shall file within 60 days of the issuance of this Order appropriate cost support as specifically discussed in the body of this Order. It is further

ORDERED that the respective ALECs shall be allowed to subtend GTEFL and United/Centel tandems to jointly provide switched access services to interexchange carriers. It is further

ORDERED that for intermediary handling of toll traffic, GTEFL and United/Centel shall collect only those access charges that apply to the functions that they perform at the approved tariffed rates as discussed in the body of this Order. It is further

ORDERED that generally, toll traffic shall be handled under the same terms and conditions as contained in the Modified Access Based Compensation Plan. GTEFL and United/Centel shall establish meet-point billing arrangements with the respective ALECs. Meet-points, for rating purposes, shall be established at mutually agreeable locations. Terminating access charges shall be paid to the carrier performing the terminating function, including the Residual Interconnection Charge. It is further

ORDERED that the ALECs collocated in the same wire center as GTEFL or United/Centel shall be permitted to cross-connect without transiting the LEC switch. GTEFL and United/Centel shall charge the ordering ALEC the special access cross-connect rate. Any tariff provision that would restrict the ability of the ALECs to cross-connect with each other in a LEC central office shall be eliminated. It is further

ORDERED that United/Centel shall compensate Continental, Time Warner, and MFS-FL for the origination of 800 traffic terminated to United/Centel pursuant to Continental, Time Warner, and MFS-FL's originating switched access charges, including the data-base query. Continental, Time Warner, and MFS-FL shall provide to United/Centel the appropriate records necessary for United/Centel to bill its customers. The records shall be provided in a standard ASR/EMR industry format. United/Centel shall compensate Continental, Time Warner, and MFS-FL per record based on United/Centel's current tariffed rate for this function. At such time as Continental, Time Warner, or MFS-FL elects to provide 800 services, the respective ALEC shall reciprocate this arrangement. It is further

ORDERED that, with respect to the provision of Basic 911 service, United/Centel, Continental, Time Warner, and MFS-FL shall meet the requirements set forth in Section VIII of this Order. It is further

ORDERED that, with respect to the provision of Enhanced 911 service, United/Centel, Continental, Time Warner, and MFS-FL shall meet the requirements set forth in Section IX of this Order. It is further

ORDERED that the technical arrangement proposed by United/Centel, comprised of a dedicated trunk group arrangement from the respective ALEC's end office to the United/Centel Operator Service System, shall be used to provide operator services. The trunk group may be the same as that used for Inward Operator Services and Operator Transfer Service. United/Centel's tariffed rates for busy line verification and emergency interrupt services shall be used to fulfill the financial requirements for operator handled traffic flowing between the respective ALECs and United/Centel. It is further

ORDERED that United/Centel shall list Continental, Time Warner, and MFS-FL's customers in United/Centel's directory assistance database at no charge. United/Centel, Continental, Time Warner, and MFS-FL shall work together on issues concerning timeliness, format and content of listing information. United/Centel shall update its directory assistance database under the same time frames afforded itself. United/Centel shall tariff branding, when available, upon a firm order for the service. United/Centel shall tariff the directory assistance resale, database access, and purchase options as discussed in Section XI of this order. It is further

ORDERED that United/Centel shall provide directory listings for Continental, Time Warner, and MFS-FL customers in United/Centel's white page and yellow page directories at no charge. United/Centel shall publish and distribute these directories to Continental, Time Warner and MFS-FL customers at no charge. United/Centel shall provide Continental, Time Warner, and MFS-FL with the appropriate database format in which to submit the necessary information. Enhanced listings shall be provided to Continental, Time Warner, and MFS-FL customers at the same rates, terms and conditions offered to United/Centel customers. It is further

ORDERED that Continental, Time Warner, and MFS-FL shall have access to United/Centel's tariffed billing services and access to databases such as Centralized Message Distribution Service and Line Identification Database in order to bill and clear credit card, collect, and third party calls. Continental, Time Warner, and MFS-FL shall purchase the services and access to databases through United/Centel's tariff or by contract if it is not currently tariffed. If the billing and collection arrangement is set by contract, the arrangement shall be filed with the Commission before it becomes effective. It is further

ORDERED that Continental, Time Warner, MFS-FL, and United/Centel shall provide LEC-to-LEC Common Channel Signalling to one another, where available, in conjunction with all POTS traffic. All privacy indicators shall be honored, and Continental, Time Warner, MFS-FL, and United/Centel shall use industry standards for CCS signalling between their networks. Continental, Time Warner, MFS-FL, and United/Centel shall each be responsible for the costs associated with the installation and use of their respective CCS networks. It is further

ORDERED that United/Centel shall provide interconnection, trunking and signalling arrangements at the tandem and end office levels. United/Centel shall also provide Continental, Time Warner, and MFS-FL with the option of interconnecting via one-way or two-way trunks. Mid-span meets shall be permitted where technically and economically feasible. It is further

ORDERED that carriers providing any intermediary functions on calls routed through number portability solutions shall collect only those access charges that apply to the functions they perform. The Residual Interconnection Charge shall be billed and collected by the carrier terminating the call. It is further

ORDERED that GTEFL and MFS-FL shall continue to negotiate regarding operational issues as outlined in their partial co-carrier agreement. If an agreement is reached on these operational issues, it shall be filed with the Commission before it becomes effective. If no agreement is reached within 60 days of the issuance of this Order, then GTEFL and MFS-FL shall adhere to the same operational arrangements ordered for United/Centel. It is further

ORDERED that mechanized intercompany operational procedures shall be developed jointly by Continental, Time Warner, MFS-FL, and United/Centel as discussed in the body of this Order. Operational disputes that the respective ALECs and United/Centel are unable to resolve through negotiations shall be handled by filing a petition or motion with the Commission. It is further

ORDERED that Continental, Time Warner, MFS-FL, and United/Centel shall adhere to the operational requirements set forth in Section XVII of this Order. It is further

ORDERED that, to the extent that United/Centel has control over NXX codes in its territory, NXX assignments to Continental, Time Warner, and MFS-FL shall be on the same basis that such assignments are made to United/Centel and other code holders today. It is further

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission, this 20th day of May, 1996.

Blanca S. Bayó

BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

DLC/SKE

Commissioner Johnson dissents from the Commission's decision only to the extent that the Commission did not establish a rate for interconnection in the event that the companies find that the traffic is imbalanced.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida

Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.

(19)
EXHIBIT TTD-9

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. RECITALS & PRINCIPLES

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 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.

H. "DS-1" is a digital signal rate of 1.544 Mbps (Mega Bit Per Second).

I. "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/DS0 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 NPA areas; 800, 900, 700, and 888 are examples of Non-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 end 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 application-specific 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.

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. <u>NUMBER RESOURCE ARRANGEMENTS</u>

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 Guidelines[1].

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. <u>MEET-POINT BILLING ARRANGEMENTS</u>

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-parties[2] 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

[2] Including any future GTE separate interexchange subsidiaries.

of the following options: single-bill/single tariff method, single-bill/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 revenues[3] 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. Description

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.

2. 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 best 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 mutually-agreed upon default standards for the configuration of all segregated trunk groups.

4. The Parties will provide Common Channel Signalling (CCS) to one another, where and as available, in conjunction with all traffic exchange trunk groups. The parties will cooperate on the exchange of Transactional Capabilities Application Part (TCAP) messages to facilitate full inter-operability of CCS-based features between their respective networks, 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. Compensation

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. 9-1-1/E9-1-1

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 sub-tends 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. Compensation

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. Compensation

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. Description

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. Compensation

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. Yellow Page Maintenance

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. Transfer of Service Announcements

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

H. Coordinated Repair Calls

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. Compensation

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

	per inquiry
BLV	$0.65

SLVI	$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. Compensation

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 sub-account 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 3rd-number 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. TERM

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 day-to-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 non-performance and both parties shall proceed to perform with dispatch once the causes are removed or cease.

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 agree to negotiate 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.

[signature] 2-19-96	[signature] 2-19-96
Sign Date	Sign Date
Timothy T. Devine	Donald W. McLeod
Print Name	Print Name
Sr. Director, External & Regulatory Affairs	Vice President Regulatory & Government Affairs - Southern Region
Title	Title
Metropolitan Fiber Systems of Florida, Inc.	GTE Florida Incorporated