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Ms. Blanca S. Bayó
Director, Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: MCI's Petition for Arbitration with
GTE Florida Incorporated Under the
Telecommunications Act of 1996

Dear Ms. Bayó:

Enclosed for filing on behalf of MCI Telecommunications Corporation and MCImetro Access Transmission Services, Inc. (collectively, "MCI") are the original and 15 copies of:

1. MCI's Petition for Arbitration Under the Telecommunications Act of 1996, together with exhibits.
2. MCI's Motion to Establish Procedure for "Mediation Plus."
3. Direct prefiled testimony of the following MCI witnesses: Don Price, Sarah J. Goodfriend, Don Wood, Timothy L. deCamp, and Drew Caplan.

By copy of this letter, these documents have been furnished to the parties on the attached service list.

Very truly yours,



Richard D. Melson

RDM/mee
Enclosures
cc: see service list

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following parties by hand delivery this 26th day of August, 1996.

Donna Canzano
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Kimberly Caswell
c/o Richard Fletcher
GTE Florida, Inc.
106 E. College Avenue, #1440
Tallahassee, FL 32301-7704

Tracy Hatch
AT&T
101 N. Monroe St., Suite 700
Tallahassee, FL 32301

and by UPS Delivery to:

Kimberly Caswell
GTE Florida, Inc.
One Tampa City Center
Tampa, FL 33601



Attorney

FILE COPY 79

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by MCI for arbitration of certain terms and conditions of a proposed agreement with GTE Florida, Incorporated concerning interconnection and resale under the Telecommunications Act of 1996

Docket No. 90980-TP

Filed: August 26, 1996

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MCI'S PETITION FOR ARBITRATION UNDER THE TELECOMMUNICATIONS ACT OF 1996

MCI Telecommunications Corporation (MCIT), individually and on behalf of its affiliates, including MCImetro Access Transmission Services, Inc. (MCImetro) (collectively, MCI) hereby petitions the Florida Public Service Commission (Commission) to arbitrate, pursuant to Section 252(d) of the Telecommunications Act of 1996 (Act),¹ certain terms and conditions of a proposed agreement between MCI and GTE Florida, Incorporated (GTEFL).

PARTIES

- 1. Petitioner's full name and its official business address for its Florida operations are:

MCI Telecommunications Corporation
Suite 700
780 Johnson Ferry Road
Atlanta, GA 30342

- 2. MCIT holds certificates from the Commission as an interexchange carrier (IXC), alternative local exchange telecommunications company (ALEC), alternative access vendor (AAV) and pay telephone service provider (PATS). MCImetro holds certificates

¹ Throughout this Petition, references to sections of the Act refer to the Communications Act of 1934 (47 U.S.C. 151 et seq.) as amended by the Telecommunications Act of 1996.

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from the Commission as an ALEC and AAV. MCIT and MCImetro are both "telecommunications carriers" and "local exchange carriers" under the terms of the Act.

3. The names and addresses of MCI's representatives in this proceeding are:

Richard D. Melson
Hopping Green Sams & Smith, P.A.
123 South Calhoun Street
P.O. Box 6526
Tallahassee, FL 32314

and

Martha McMillin
MCI Telecommunications Corporation
Suite 700
780 Johnson Ferry Road
Atlanta, GA 30342

4. GTE Florida Incorporated is a corporation having an office at One City Center, Tampa, Florida 33601. GTEFL provides local exchange and other services within its franchised areas in Florida. GTEFL is an "incumbent local exchange carrier" under the terms of the Act.

JURISDICTION

5. The Commission has jurisdiction over MCI's Petition pursuant to the provisions of the Act. On April 3, 1996, MCIT formally requested negotiations with GTE Corporation and all of its operating companies on behalf of itself and its affiliates, including MCImetro, pursuant to Section 252(a)(1) of the Act. A copy of that request is attached as Exhibit 1. As permitted by Section 252(b)(1) of the Act, MCI files this Petition for resolution of open issues between itself and GTEFL between the 135th and 160th days following such request. Under Section 252(b)(4)(C) of the Act, the Commission must

complete this arbitration within nine months of the date that MCI made its original negotiation request, that is, by January 3, 1997.

SIGNIFICANCE OF THIS PROCEEDING

6. This is an historic proceeding. In 1995, the Florida Legislature took steps to remove the statutory monopoly on local telephone service and the Commission began to conduct proceedings to implement that new law. On February 8, 1996, the President signed into law the Telecommunications Act of 1996, which authorized local competition on a nationwide basis. The federal law contains detailed provisions governing the relationship between incumbent local exchange companies and their new competitors. It gives the state commissions significant responsibilities for implementing the Act consistent with regulations established by the Federal Communications Commission (FCC). On August 8, 1996, the FCC released its decision discussing and adopting significant regulations to implement the local competition provisions of the Act. Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, First Report and Order (adopted August 1, 1996) (FCC Competition Order).

7. The goal of both the Florida and federal laws are the same -- to provide consumers with the new choices, lower prices, and advanced technologies that fair competition will bring to the local telecommunications market. At the same time, both laws recognize that the transition from monopoly to competition will not occur overnight, that the former monopolists will not willingly embrace the new competitive paradigm, and that continued regulatory oversight is necessary to ensure that competition is given a fair chance to develop.

8. MCI brings a unique perspective to this emerging competitive market. It was born in 1968 as MICOM, renamed MCI in 1971, launched the first competitive shared private line service in 1974, and has grown to be the second largest facilities-based long distance carrier in the United States, and third largest carrier of international traffic in the world. MCI has succeeded in a competitive marketplace. It did not start as a monopolist with captive customers in hand. Every MCI customer had to choose MCI.

9. MCI "grew up the hard way" in the long distance business, and now faces the same challenges as it begins to enter the newly competitive local telecommunications market. MCI understands that competition does not happen overnight. The development of competition requires oversight and intervention by regulators -- particularly when new entrants must rely upon entrenched monopolists possessing market dominance in order to obtain the facilities and services that are vital to their entry into the marketplace.

10. This proceeding, and others like it, will establish the terms and conditions under which competition will begin to develop. It will resolve disputed issues that go to the heart of MCI's ability to compete with GTEFL. Consumers can have choice, but only if all parties -- the incumbents, the new entrants, and this Commission -- take the steps needed to open the local market for competition on fair terms as Congress envisioned in the Act.

11. As the Commission makes its determinations in this proceeding, it should ask:

- Does its decision create an environment that promotes investment and the development of a flourishing array of new services?
- Does it establish prices that mirror a fully competitive market?
- Does it provide vigilant oversight against anti-competitive practices?

If the answer to each of the questions is "yes," then the Commission will have charted a course to bring competition, and all of its benefits, to Florida consumers.

THE NEGOTIATIONS

12. By letter dated April 3, 1996, MCI formally requested negotiations with GTEFL pursuant to Section 252 of the Act.

13. The first negotiating meeting pursuant to Section 252 of the Act was held on May 14, 1996. Prior to that meeting, MCI furnished GTE a copy of Version 3.2 of a document entitled "MCI Requirements for Intercarrier Agreements" which sets forth in detail MCI's requirements for interconnection and access, unbundling, resale, ancillary services and associated arrangements pursuant to the Act (Term Sheet). The Term Sheet, as subsequently revised on June 7, 1996 (Version 4.0), served as the focal point of the negotiations. An Annotated Term Sheet, in which MCI had indicated its understanding of GTE's response to each item requested in MCI's Term Sheet, is attached as Exhibit 2, and is hereby incorporated by reference as if fully set forth in the body of this Petition.

14. Additional meetings and conference calls between MCI and GTE were held in June, July and August.

15. The parties never reached agreement on pricing issues. GTE was unwilling to entertain MCI's proposal that prices for unbundled network elements and other items be set at forward-looking economic cost, or Total Service Long Run Incremental Cost (TSLRIC).² GTEFL insisted that items be priced in a manner intended to continue to recover all of its embedded costs.

² In its Competition Order, the FCC adopted a version of the TSLRIC methodology as the basis for pricing interconnection and unbundled elements. The FCC coined the term "total element long run incremental cost" (TELRIC) to describe its version of the TSLRIC methodology. (FCC Competition Order, ¶678)

16. During the negotiations GTEFL has made no proposals to MCI regarding items that GTEFL may wish to obtain from MCI.

17. Given the lack of meaningful negotiation on pricing issues, and the lack of any GTEFL requests of MCI, there has been little of the "give and take" that characterizes a typical commercial negotiation.

18. As a result of this process, there are several categories of issues, all of which are submitted for arbitration:

(a) There are a number of fundamental policy, pricing, technical, operational and administrative issues where the parties have been unable to reach any level of agreement.³ These include the pricing of unbundled elements, the availability of all services for resale, the pricing of resold services, and the pricing (and in some cases availability) of certain ancillary services. These issues are submitted for arbitration, and are not candidates for the "Mediation Plus" arbitration procedures described below.⁴

(b) There are other issues where the parties have not yet reached an agreement in principle, but where further supervised negotiations would be productive. These issues are submitted for arbitration, and MCI believes they are candidates for the Mediation Plus arbitration procedures described below.⁵

³ In large part, these are also issues on which GTEFL and AT&T have failed to reach agreement.

⁴ As noted below, the FCC Competition Order resolves some of these issues in whole or in part. Absent an agreement with GTEFL, however, these issues are submitted for arbitration to preserve MCI's rights in the event GTEFL takes a contrary view of its federal obligations, and to ensure that these obligations are translated into appropriate contractual language.

⁵ If MCI's request to apply the Mediation Plus arbitration procedures to some issues is denied, all issues will require arbitration using the procedures previously established by the Commission.

(c) There are other issues where MCI believes that the parties may have reached an agreement in principle, but where the parties have not yet agreed to specific contractual language. In some instances, the agreement in principle is in broad terms and there are numerous details to be resolved before contractual language can be developed. These issues are submitted for arbitration to ensure that they are pushed to final resolution during the course of this proceeding. MCI believes that some of them are also candidates for the Mediation Plus arbitration procedures described below.

(d) The Term Sheet Items summary document attached to this Petition as Exhibit 3, and incorporated herein by reference as though fully set forth in the body of this Petition, shows the categories into which various issues fall, and MCI's recommendation as to which of those issues are candidates for the Mediation Plus arbitration procedures.

MEDIATION PLUS

19. As indicated above, the unresolved issues include a number of major issues which will clearly need to be litigated and resolved by the Commission, unless GTEFL's position changes substantially as a result of the adoption of the FCC Competition Order. The unresolved issues also include numerous other technical, operational, and administrative issues.⁶ GTEFL and MCI may have reached agreement in principle on some of these other issues, but those agreements have not been fleshed-out in detail nor incorporated into specific contractual language. At this time, MCI must therefore treat them as unresolved within the meaning of the Act. MCI is optimistic that with the proper Commission-mandated and

⁶ These issues include things such as the provision of support for intercompany 64kbps clear channel signalling, the reporting to MCI of all ALIT/SLIT (Auto/Subscriber Line Test) failures that occur on MCI's customers' lines, and the details of arrangements for billing resold GTEFL services.

supervised mechanism in place, many of these items can still be addressed by negotiations, subject to ultimate approval by the Commission.

20. Nevertheless, because of the potentially inflexible arbitration provisions and timetables contained in the Act, MCI is requesting arbitration of all unresolved issues, including those identified for the Mediation Plus arbitration procedure described below, in order to preserve its right to obtain a final arbitrated Commission decision within the federal statutory time frame.

21. The Act does not dictate the specific procedures to be followed by state commissions in conducting arbitration proceedings, but instead leaves wide discretion to the states. The procedures that the Commission has established for the AT&T/GTEFL docket with which MCI is seeking consolidation are well-suited to the resolution of the major issues. The application of those procedures to the multitude of other technical, operational and administrative issues, however, could result in overburdening the Commission with detailed issues that may yet be capable of negotiated settlement by the parties.

22. MCI therefore proposes that the Commission establish a Mediation Plus arbitration procedure to be followed as part of the overall arbitration process.⁷ Under Mediation Plus, the Commission would:

(a) accept all issues for arbitration, but bifurcate the proceeding and refer certain issues to a separate portion of the docket to be addressed through a Mediation Plus arbitration procedure;

⁷ MCI's separate Motion to Establish Procedure for "Mediation Plus" was filed today with the Commission.

(b) direct the parties to continue to negotiate these detailed technical, operational and administrative issues with the assistance of a mediator, preferably a member of the Commission staff;

(c) establish milestones for written progress reports to the Commission and a firm deadline for the conclusion of those negotiations;

(d) require the parties to file with the Commission for approval any agreement that results from the negotiations; and

(e) arbitrate and decide, by the 9-month deadline (January 3) applicable to MCI/GTEFL, any detailed technical and operational issues which the parties do not resolve through Mediation Plus.

23. Under Mediation Plus, MCI proposes that the current hearing schedule for the AT&T/GTEFL docket with which MCI is seeking consolidation be used to address the major issues which will clearly require Commission resolution.⁸ For the technical, operational and administrative issues identified in Exhibit 3 as Mediation Plus issues, MCI requests that the Commission:

(a) establish an October 18, 1996 deadline for the conclusion of the Mediation Plus negotiations, together with a series of earlier progress reporting dates;

(b) establish an October 25, 1996 deadline for the parties to file with the Commission any agreement that results from the negotiations, together with supplemental testimony addressing any issues that remain unresolved; and

⁸ Since the bulk of these issues are common to the MCI and AT&T arbitrations, they can be disposed on the current schedule, which calls for a decision by the 9-month deadline applicable to AT&T.

(c) schedule an additional hearing date or dates in early November to consider these issues on a schedule which is consistent with a final decision by the January 3, 1997 federal deadline.

Because the issues identified for the Mediation Plus arbitration procedure are generally more detailed than the issues that AT&T has submitted for arbitration, the use of the Mediation Plus procedure to attempt to resolve these MCI-specific issues should have no effect on the requested consolidation of the MCI and AT&T proceedings.

24. MCI believes that this bifurcated, parallel path approach -- a typical Commission hearing on the major issues together with Commission-supervised mediation followed, if necessary, by a typical Commission hearing on the other unresolved issues -- is the most efficient way to resolve the numerous issues submitted for arbitration.

SUBMISSION OF RELEVANT DOCUMENTATION

25. MCI is filing with its Petition all relevant documentation concerning the unresolved issues, the position of each of the parties with respect to those issues, and the terms and conditions which MCI believes that GTEFL has agreed to in principle. Because GTEFL has not responded in writing to any of MCI's proposals or positions, this documentation is in the form of an "Annotated Term Sheet" on which MCI has indicated its understanding of GTEFL's response to each item requested in MCI's Term Sheet (Version 4.0). A copy of the Annotated Term Sheet is attached as Exhibit 2, and has previously been incorporated by reference in this Petition.

26. To provide an overview of the various Term Sheet items, MCI has also prepared a Term Sheet Items summary document (Exhibit 3) which identifies in tabular form those issues where MCI believes the parties may have reached agreement in principle, versus

those on which no agreement has been reached. As part of its proposal for Mediation Plus, MCI has categorized the issues to be arbitrated into two groups: those which it believes will require arbitration using the Commission's typical arbitration procedures, and those which it believes are candidates for arbitration using the Mediation Plus arbitration procedures.

EFFECT OF THE FCC COMPETITION ORDER

27. The FCC Competition Order will have a significant impact on the conduct of these proceedings. The rules adopted in that order (FCC Competition Rules) are binding on the parties and the state commissions in the conduct of Section 252 arbitration proceedings.

28. In some cases, the FCC Competition Rules place specific requirements on GTEFL, and other incumbent LECs.⁹ MCI assumes that GTEFL will acknowledge the effect of these rules, and will agree to comply with these requirements. Until GTEFL has done so, MCI has identified these items as issues to be arbitrated. Under the FCC Competition Rules, however, there is only one permissible outcome to the arbitration of those issues.

29. In other cases, the FCC Competition Rules establish standards or methodologies that state commissions must apply in resolving issues submitted for arbitration.¹⁰ These standards typically establish the framework within which Commission

⁹ For example, the rules (47 C.F.R. §51.319) contain a minimum list of unbundled network elements which must be offered by every incumbent LEC. (See FCC Competition Order, ¶366 et seq.)

¹⁰ For example, the FCC's minimum list of unbundled network elements is not exhaustive. Parties may seek additional unbundled elements, and the state commissions can address those requests through arbitrations or rulemakings. (See FCC Competition Order, ¶366) The FCC has established standards that the state commissions must apply in evaluating such requests. (47 C.F.R. §51.317; see FCC Competition Order, ¶277 et seq.)

fact-finding must occur and frequently allocate the burden of proof to the incumbent LEC.¹¹

30. In still other cases, the FCC Competition Rules establish default pricing proxies which a state commission may apply in arbitration proceedings if it is unable to conduct or review cost studies that comply with the FCC's prescribed methodology by the arbitration deadline.¹²

31. MCI has attempted in this Petition to identify issues that are resolved or otherwise impacted, in whole or in part, by the FCC Competition Rules. Because these rules and the accompanying 687-page order have been publicly available for just over two weeks as of the date this Petition is filed, MCI reserves the right to make necessary amendments to this Petition based on further analysis of the rules.

MAJOR CATEGORIES OF UNRESOLVED ISSUES

32. While there are numerous issues that remain unresolved, those issues can generally be categorized into thirteen major areas. The following identifies each of those major areas and MCI's proposal for resolution. Additional details, and specific additional requests, are identified in subsequent sections of this Petition, including the Annotated Term Sheet (Exhibit 2) which has been incorporated by reference into the body of this Petition. GTEFL's refusal to accommodate MCI's requests in each of these areas creates unwarranted barriers to local exchange competition by denying MCI the tools necessary to enter the local

¹¹ For example, an incumbent LEC must provide interconnection for transmission and routing of telephone exchange traffic at any technically feasible point within its network, and if the LEC denies a request for interconnection at a particular point it bears the burden of proving technical infeasibility. (47 C.F.R. §§51.305(a),(f))

¹² For example, the FCC Competition Rules establish a default ceiling for unbundled loop prices and a default range for the interim wholesale rates for resold LEC services. (47 C.F.R. §§ 51.513, 51.611)

market and compete on a fair basis. In many cases, GTEFL's position is flatly contrary to the Act and/or the FCC Competition Rules.

a. What unbundled elements must GTEFL make available to MCI?

GTEFL should be ordered to make available each of the unbundled loop elements, local transport elements, switching elements, and other elements requested by MCI. The unbundling of many of the requested elements has been required by the FCC Competition Rules. (47 C.F.R. §51.319) The unbundling of the remaining requested elements is technically feasible and is not proprietary. GTEFL's failure to provide access to those additional requested network elements would decrease the quality of the telecommunications services MCI seeks to offer and/or would increase the financial or administrative cost of offering such services. MCI is therefore entitled pursuant to the FCC Competition Rules to obtain these additional elements on an unbundled basis. (47 C.F.R. §51.317)

b. Can unbundled elements be used by MCI in any manner that it chooses in order to provide service to its customers? Yes. The FCC Competition Rules require GTEFL to allow MCI to use unbundled network elements in any combination. (47 C.F.R. §51.315) This rule permits limited exceptions only where GTEFL proves that it is not technically feasible to combine elements or that the combination of elements would impair other carriers' ability to obtain access to unbundled elements. (47 C.F.R. §51.315)

c. How should those unbundled elements be priced? GTEFL should be ordered to price all unbundled elements in accordance with the forward-looking cost methodology prescribed in the FCC Competition Rules. (47 C.F.R. §51.501, et seq.) This TELRIC costing methodology is consistent with the TSLRIC-based pricing that MCI has requested of GTEFL.

d. **What services must GTEFL make available to MCI for resale?** The FCC Competition Rules require GTEFL to offer all retail telecommunications services for resale. (47 C.F.R. §51.605) The services which GTEFL has thus far refused to offer for resale include promotions, contract service arrangements, voice mail, inside wire maintenance, calling cards, and volume and term discounts. Each of these is a telecommunications service offered to subscribers on a retail basis. Thus there is no basis under the FCC Competition Rules for GTEFL to refuse to offer any of these services for resale.¹³ (FCC Competition Order, ¶871-2) GTEFL is permitted, however, to base the wholesale price for resold short-term promotions on the ordinary retail rate rather than the promotional rate. (47 C.F.R. §51.613(a)(2)) GTEFL should be ordered to impose no use, user or other restrictions that restrict or limit the resale of any of its services.¹⁴

e. **What is the appropriate wholesale price for services provided for resale?** The FCC Competition Rules require GTEFL's wholesale price for resold services to reflect all costs that reasonably can be avoided by GTEFL when the service is provided on a wholesale basis. (47 C.F.R. §51.607, 51.609) Pending the establishment of wholesale rates using the avoided cost methodology specified in 47 C.F.R. §51.609, the FCC Competition Rules permit a state commission to establish interim wholesale rates that are between 17% and 25% below the incumbent LEC's existing retail rates. (47 C.F.R. §51.611) The

¹³ The FCC Competition Order specifically addresses volume based discounts, Lifeline services, and grandfathered services, and concludes that these are retail services that must be made available for resale. (FCC Competition Order, ¶ 951, 962, 968)

¹⁴ The Commission is permitted, but not required, to allow GTEFL to restrict the resale of flat-rate basic local residential service to residential customers, grandfathered services to grandfathered customers, and Linkup services to qualifying low income customers. (47 C.F.R. §51.613(a)(1)) MCI does not object to these specific restrictions.

wholesale price adjustment in this case should be set at the top end of the default range established by the FCC Competition Rules, or at such other level as is supported by the record in this proceeding.

f. To what extent must GTEFL provide "branding" of services provided to end users on behalf of MCI? GTEFL should be ordered to brand, as MCI, any operator services, directory assistance services, and any other like services provided to end users who use GTEFL local exchange services that are being resold by MCI. Such branding is required by the FCC Competition Rules unless GTEFL proves that a particular restriction is reasonable and nondiscriminatory. (47 C.F.R. §51.613(c)). In addition, GTEFL should be required to provide branding in all situations where GTEFL employees or agents interact with MCI customers with respect to the provision of resold GTEFL services or unbundled elements provided to end users on behalf of MCI. (See FCC Competition Order, ¶971)

g. On what time frame must GTEFL provide real-time electronic interfaces for pre-ordering, order processing, provisioning and installation, maintenance and trouble resolution, billing (including customer usage data transfer), and local account maintenance with respect to resold services and unbundled network elements? GTEFL must provide real-time electronic interfaces to MCI as quickly as possible, but in any event by January 1, 1997, as required by the FCC Competition Order. (¶525) Such interfaces are necessary to permit MCI to offer customer service at least equal in quality to what GTEFL provides to its customers. The FCC Rule deals with this issue by defining "operations support system functions" as an unbundled network element which must be made available "as expeditiously as possible, but, in any event, no later than January 1, 1997."

(47 C.F.R. §51.319(e)) The FCC Competition Order makes it clear that nondiscriminatory access to this element requires access to any electronic interfaces that are used by GTEFL in performing these support functions for its own customers. (FCC Competition Order, ¶523-5) MCI expects that GTEFL will comply with the time frame mandated by the FCC Competition Rules. If GTEFL refuses to do so, this issue must be resolved by the Commission consistent with those rules.

h. What quality of service standards should be established to ensure that GTEFL does not impair the quality of service that MCI is able to provide to its customers when using unbundled facilities or resold services of GTEFL, and what mechanism is appropriate to enforce those standards? The FCC Competition Rules require that, to the extent technically feasible, the quality of unbundled network elements provided to MCI must be at least equal in quality to that which GTEFL provides to itself. (47 C.F.R. §51.311(b)) The terms and conditions on which such elements are provided, including installation intervals, must also be no less favorable than the terms and conditions under which GTEFL provides such elements to itself. (47 C.F.R. §51.313(b)) Similar quality of service obligations are imposed on GTEFL with respect to the provision of resold services. (47 C.F.R. §51.603(b)) GTEFL should be ordered to adhere to performance metrics, installation intervals, repair intervals and other standards that are equal to the higher of the standards that GTEFL is required to provide, or actually provides, to its own customers or to customers of any other carrier.

i. At what level must GTEFL price interexchange carrier access in order to comply with the Act? The FCC Competition Rules prohibit either interstate or intrastate access charges from being imposed on a carrier who offers local exchange service

or exchange access service through the use of unbundled network elements. (47 C.F.R. 51.515(a)) During a specified transitional period, ending no later than June 30, 1997, GTEFL can collect from carriers who purchase GTEFL's unbundled local switching, the interstate CCLC and 75% of the interstate TIC. (47 C.F.R. 51.515(b)) The FCC Competition Order permits states to also impose a transitional access charge on top of the unbundled switching charge, to the extent that the state finds that such a charge is necessary to ensure that universal service goals are not jeopardized prior to the issuance of the FCC's implementation of Sections 254 and 214(e) of the Telecommunications Act of 1996, which require establishment of a competitively-neutral universal service mechanism. However, the state transitional charge, like the interstate transitional charge, must terminate no later than June 30, 1997. MCI believes that universal service in Florida will not be jeopardized by the availability of unbundled network elements at economic cost in the short interim between resolution of this arbitration and implementation of the FCC's universal service plan. Therefore, MCI opposes any requirement that requires new entrants to pay the state equivalent of the interstate CCLC or TIC for a transitional period. MCI further believes that the burden of proof that such charges are required should be on GTEFL.

Additionally, in order to comply with the Act, access charges for both switched and special access must be reduced to TSLRIC as quickly as possible.

j. What is the appropriate cost recovery mechanism for remote call forwarding (RCF) provided to MCI in connection with interim local number portability? GTEFL must be ordered to provide RCF on a competitively neutral basis as required by the

FCC's recent order on interim local number portability.¹⁵ MCI proposes a "bill and keep" basis, in which each carrier is responsible for recovering from its customers the costs that it incurs in providing RCF.

k. What are the appropriate technical arrangements for the interconnection of MCI's local network with that of GTEFL's, including appropriate provisions for colocation? GTEFL must be ordered to allow interconnection at any technically feasible point and must not be allowed to require more than one point of interconnection (POI) per local calling area. GTEFL must allow GTEFL provided services or unbundled elements to be connected at an MCI colocation space to any other facility provided by MCI, GTEFL, or any other party. GTEFL must give MCI the option to convert existing virtual colocations to physical colocations and GTEFL must bear the cost of such conversions.

l. What is the appropriate compensation arrangement for the transportation and termination of local traffic interchanged between GTEFL and MCI? In light of the FCC's Competition Order, which apparently allows "bill and keep" arrangements to be applied to the "termination" of local traffic, but not to the "transport" of local traffic, the Commission should set symmetrical charges for transport and termination of local traffic equal to GTEFL's TELRIC of providing such transport and termination.

m. What other technical, operational, and administrative provisions are required? In each of the disputed areas identified in the Annotated Term Sheet, GTEFL

¹⁵ Telephone Number Portability, CC Docket No. 95-116, First Report and Order and Further Notice of Proposed Rulemaking (adopted July 2, 1996) (FCC Number Portability Order).

should be ordered to provide interconnection and access, unbundling, resale, ancillary services and associated arrangements in accordance with the requirements identified by MCI.

ISSUES TO BE ARBITRATED

33. In this section, MCI describes in more detail each of the major categories of unresolved issues from its negotiations with GTEFL, MCI's position on each issue, and MCI's understanding of GTEFL's contrary position. The Annotated Term Sheet attached as Exhibit 2, which has previously been incorporated into this Petition by reference, contains a more detailed list of the unresolved issues and the parties' respective positions.

A. UNBUNDLED ELEMENTS REQUIRED

34. In order to provide services to Florida consumers as quickly and efficiently as possible, MCI intends to buy from GTEFL the "unbundled network elements" identified in paragraph 36 and to use those elements (singly or in combination) along with resold services and with MCI's own facilities, to provide retail services to MCI's customers.

35. Under Section 251(c)(3) of the Act, GTEFL has a duty to provide MCI:

nondiscriminatory access to network elements on an unbundled basis at any technically feasible point on rates, terms, and conditions that are just, reasonable, and nondiscriminatory. . . [GTEFL] shall provide such unbundled network elements in a manner that allows [MCI] to combine such elements in order to provide. . .telecommunications service.

36. "Network element" is defined in Section 3(29) of the Act as:

a facility or equipment used in the provision of a telecommunications service. Such term also includes features, functions and capabilities that are provided by means of such facility or equipment, including subscriber numbers, databases, signaling systems, and information sufficient for billing and collection or used in the transmission, routing, or other provision of a telecommunications service.

37. The FCC Competition Rules require GTEFL, at a minimum, to provide the following seven unbundled network elements: network interface devices, local loops, local and tandem switching capability (including all software features provided by such switches), interoffice transmission facilities, signaling networks and call-related databases, operator services and directory assistance, and, by 1/1/97, operations support systems functions. (47 C.F.R. §51.319)

38. The FCC Competition Rules also establish standards by which state commissions must consider additional unbundling requests, including requests for subloop unbundling. (47 C.F.R. §51.317; see FCC Competition Order, ¶259) Under those rules, the Commission must first make a determination of technical feasibility, using the FCC's definition of that term. (47 C.F.R. §51.5, 51.317(b)) If unbundling is technically feasible, the request for unbundling can be declined only in narrow circumstances where (i) the same telecommunications service can be provided with other unbundled network elements without a decrease in quality, or increase in the financial or administrative cost, of the service, or (ii) the network element is proprietary and the same service could be offered using nonproprietary network elements. (47 C.F.R. §51.317(b))

39. MCI has requested that GTEFL initially provide it with the ability to purchase any of the following unbundled elements.¹⁶ These elements generally fall into six categories:

(a) UNBUNDLED LOCAL LOOPS -- network interface devices, local loops, and one subloop element: loop distribution;

¹⁶ This list of network elements is not intended to be exhaustive. Additional network elements may be required as competition develops and/or technology advances.

(b) UNBUNDLED LOCAL TRANSPORT -- dedicated interoffice trunks, common interoffice trunks, multiplexing/digital cross connect, and dark fiber;

(c) UNBUNDLED LOCAL SWITCHING -- local and tandem switching capability (including all software features provided by such switches), and access to signaling networks and call-related databases;¹⁷

(d) UNBUNDLED TANDEM/TRANSIT SWITCHING -- the establishment of a temporary path between two switching offices through a third (tandem) switch;

(e) UNBUNDLED ANCILLARY SERVICES -- operator service, directory assistance service, and 911 service;

(f) UNBUNDLED INTELLIGENT NETWORK AND ADVANCED INTELLIGENT NETWORK CAPABILITIES; and

(g) UNBUNDLED OPERATIONS SUPPORT SYSTEMS -- the back office and business processes required for order processing, provisioning and installation, trouble resolution, maintenance, customer care, monitoring service quality, recording, and billing.¹⁸

MCI believes that it is technically feasible for GTEFL to offer each of the additional network elements requested, that such network elements are nonproprietary, and that failure to offer such elements would decrease the quality and/or increase the cost of telecommunications service to be provided by MCI. Therefore the Commission should order

¹⁷ These are the same as items identified in the Annotated Term Sheet (Exhibit 2) as line ports, trunk ports, switching capacity, and signalling and databases.

¹⁸ These unbundled elements are discussed in Section G (¶52) below relating to real-time electronic interfaces.

GTEFL to unbundle each of the additional network elements as required by the FCC Competition Rules.

GTEFL has agreed to provide some, but not all, of the requested network elements.¹⁹ Unless GTEFL has changed its position in light of the FCC Competition Rules, GTEFL has not agreed to provide network interface devices, loop distribution, dark fiber, fully unbundled switching capacity, access to call-related databases or unmediated AIN functionality. Each of these disputed items will be addressed in turn.

40. Network Interface Device. The network interface device (NID) is the point of demarcation between the end user's inside wiring and an unbundled loop. GTEFL's position is that unbundling the NID is not technically feasible. The FCC Competition Rules require incumbent LECs to unbundle the NID to the extent of permitting NID-to-NID connections. (47 C.F.R. §51.319(b)) The FCC left to the state commissions the responsibility to determine whether direct connection to the NID (i.e. without the installation by the interconnecting carrier of a second NID) is technically feasible. (FCC Competition Order, ¶396) MCI believes that such direct connection is technically feasible, and accordingly asks the Commission to arbitrate this issue.

41. Loop Distribution. Loop distribution is the subloop element that connects a customer's premises to either a feeder distribution interface or a loop concentrator/multiplexer. MCI requires unbundling of the loop distribution element where,

¹⁹ MCI believes that GTEFL has agreed to provide unbundled access to: dedicated interoffice trunks, common interoffice trunks, multiplexing/digital cross connect, line ports, trunk ports, associated signalling, tandem switching, operator services, DA services, 911 services, and data switching. (See Section G for discussion of unbundled operations support systems and the related electronic interfaces.) Absent a written agreement, however, the need for each of these elements is submitted for arbitration.

for example, MCI has deployed a local fiber ring and its own switch, but does not own the facilities to span the "last mile" to the customer's premises.

GTEFL has refused to provide any subloop unbundling, including unbundled local distribution.

42. Dim or Dark Fiber. Interoffice trunks provide the ability to connect one location (such as an end office or tandem switch) with another location (such as another end office or tandem switch, or an interexchange carrier's point of presence). This capability allows end users to reach each other even when they are not served by the same end office, or by the same carrier.

MCI requires the ability to obtain interoffice transport in whatever manner is most efficient, given the number and location of its customers and the amount of traffic interchanged with GTEFL. This includes the use of both common and dedicated transport facilities, and the use of both dark and dim fiber.²⁰

GTEFL has agreed to provide common trunking to MCI. In addition, GTEFL has agreed to provide dedicated interoffice trunks to MCI, but only when they are bundled with the electronics necessary to transmit information over the physical path. GTEFL's position is that "dim fiber" and "dark fiber" are not network elements subject to the unbundling requirements of the Act.

MCI disagrees. Such facilities are subject to the Act's unbundling requirements, and it is technically feasible to provide them on an unbundled basis. If GTEFL refuses to provide such facilities on an unbundled basis, MCI would be required to

²⁰ Dark fiber refers to fiber without repeaters and without electronics on either end. Dim fiber refers to fiber with repeaters, but without electronics on either end.

compensate GTEFL for the use of electronics in situations where it can provide all or a portion of such electronics more efficiently itself. MCI has been an industry leader in the deployment of advanced fiber technology. Without the ability to obtain dark fiber, MCI would be limited by the type of electronics used by GTEFL, and would not be able to take advantage of new or more cost-effective fiber technologies.

43. Switching Capabilities. Local switching is the network element which consists of all of the functionality residing in a central office switch. It provides a dialtone for each line, provides custom features such as call waiting and call forwarding, creates the desired transmission path for the proper routing of the call (i.e. connects lines to trunks in accordance with routing instructions contained in the switch), creates customer billing data, and provides data switching functionality.

Access on an unbundled basis to the functions resident in a switch is necessary to create new and innovative services for customers. MCI has begun the deployment of its own local switches in a number of key markets. Such switching capacity represents a major capital investment, and MCI is not capable of deploying such switches in all markets simultaneously.²¹ Unless and until MCI installs its own switch in a given market, it must have access to the unbundled functionality resident in the GTEFL switch in order to provide the widest possible array of services to its customers.

In particular, MCI needs the capability to have GTEFL configure the switch to route specified types of calls originated over MCI customer loops (either unbundled loops

²¹ MCImetro has installed thirteen Class 5 switches in major cities around the country, and by the end of the year will be operating local switches in 24 markets in 20 states, including two in Florida. By the beginning of 1997, MCImetro will have invested nearly a billion dollars in local network construction, and if the right rules are in place, will spend almost that much again in 1997 alone.

obtained from GTEFL, or MCI's own loops connected to a GTEFL switch) to particular trunk groups designated by MCI. For example, MCI must have the option to specify that its customers' 411 calls be routed either to GTEFL DA trunks or to trunks that will transport the call to MCI's DA platform, and the option for 0+ calls to be routed either to GTEFL's operator service trunks or to trunks connected to MCI's operator service platform. Without such unbundling, MCI would be precluded from combining its own operator systems and transport facilities (owned or leased) with GTEFL's switching functionality, even where that is the most efficient way for MCI to provide service to its customers.

GTEFL claims that unbundling local switching is not technically feasible unless it includes GTEFL's operator services, directory assistance, repair service, and inter-office transport (i.e. its entire unbundled port offering).

MCI disagrees. Such unbundling is technically feasible, and is mandated by the FCC Competition Order. (¶418 (routing) and ¶412 (vertical features)) GTEFL's position is inconsistent with the FCC Competition Rules, which establish local switching capability, operator services and directory assistance, and interoffice transport facilities as three distinct unbundled elements. (47 C.F.R. §51.319(c),(d),(g))

44. Access to Call-Related Databases. MCI requires access to unbundled call-related databases. GTEFL has refused to provide such access, on the grounds that it is not required by the Act. The FCC Competition Rules, however, make it clear that unbundled access to such databases is one of the minimum unbundling requirements of the Act. MCI assumes that GTEFL will reconsider its position in light of the FCC Competition Order; if not, the Commission must order such unbundling in a manner consistent with that order.

45. Unmediated Access to AIN Capabilities. MCI also requires access to GTEFL's Advanced Intelligent Network (AIN) capabilities equivalent to the access that GTEFL provides itself. This equality of access is needed so that MCI can achieve parity in the creation and offering of advanced services.

GTEFL refuses to unbundle access to its Advanced Intelligent Network (AIN) in such a way that MCI can achieve parity in the creation and offering of AIN services.²² By way of example, GTEFL refuses to provide unmediated access to all AIN triggers or to GTEFL's service creation and management platform. Unmediated access to such network capabilities is necessary to enable MCI to create and offer a variety of innovative, competitive advanced features to its customers independently of GTEFL, and to enable MCI to customize its customer offerings without having to duplicate GTEFL's network.

The FCC Competition Rules require GTEFL to provide access to these service management systems and service creation environments. (47 C.F.R. §51.319(e)(3)(B),(C)) The FCC left to the state commissions, however, the determination of whether mechanisms to mediate access to those systems, or to call-related databases, are necessary. (47 C.F.R. §51.319(e)(2)(v),(e)(3)(D)) This is an unresolved issue between MCI and GTEFL which must be arbitrated by the Commission.

B. USE OF UNBUNDLED ELEMENTS IN COMBINATION

46. MCI requires the ability to use unbundled network singly, or in any combination, in order to provide service to its customers. MCI also requires the flexibility to combine both local and intraLATA traffic over a single trunk group where such

²² For further detail on unresolved issues regarding the AIN platform, see Part VIII, Section 6 of the Annotated Term Sheet.

combination enables MCI to increase the efficiency with which such trunk groups are utilized.

The FCC Competition Rules prohibit GTEFL from placing restrictions on MCI's use of unbundled network elements. With extremely limited exceptions, those rules allow MCI to combine (or cause GTEFL to combine) unbundled elements obtained from GTEFL with each other, or with elements provided by MCI. (47 C.F.R. §51.315)

It appears that GTEFL has agreed in principle to allow MCI to combine unbundled elements in any technically feasible manner. The parties have not, however, agreed on specific contractual language.

C. UNBUNDLED ELEMENTS MUST BE PRICED AT TSLRIC

47. Under Sections 251(c)(3) and 252(d)(1) of the Act, the rate for unbundled network elements must be "just, reasonable and nondiscriminatory." Such rates must "be based on the cost (determined without reference to a rate-of-return or other rate-based proceeding) of providing. . .the network element" and "may include a reasonable profit." Thus the Act requires that prices for unbundled network elements reflect their economic costs.

TSLRIC is a way to measure forward-looking economic cost. TSLRIC includes the incremental costs of providing an entire service using the most efficient available technology. Pricing at TSLRIC enables the firm providing a service to recover all of the costs of the service, including a reasonable profit in the form of a competitive rate of return on its investment. Thus, TSLRIC is the proper standard under the Act for pricing unbundled network elements, since it incorporates both direct economic costs and a reasonable profit.

The FCC Competition Rules adopt a specific TSLRIC methodology for determining the forward-looking economic cost of providing unbundled network elements. (47 C.F.R. §51.505, 51.511) The FCC has chosen to call this methodology TELRIC, to reflect the fact that it applies to "elements" rather than "services."

The FCC Competition Rules require that any price established by a state commission for an unbundled network element may not exceed the forward-looking economic cost per unit of providing the element, as shown by a cost study that complies with the FCC's TELRIC methodology. (47 C.F.R. §51.503, 51.505(e)) That rule specifically prohibits the consideration of embedded costs, retail costs, opportunity costs, or revenues to subsidize other services in the calculation of the forward-looking economic cost of an element. (47 C.F.R. §51.505(d)) The rule does permit a reasonable allocation of forward-looking common costs (47 C.F.R. §51.505(c)), although the FCC recognizes that the level of such costs will likely be small when they are allocated to "elements" rather than "services." (FCC Competition Order, ¶678, 690) The rules also require that such rates be set on a geographically deaveraged basis, for at least three cost-related rate zones. (47 C.F.R. §51.507(f))

The FCC Competition Rules put the burden of proof with respect to the level of both direct costs and common costs on the incumbent LEC, which has superior access to the information necessary to make the required cost calculations. (47 C.F.R. §51.505(e); see FCC Competition Order, ¶680, 695) To the extent that the cost information made available to the Commission by GTEFL does not support the adoption of a rate consistent with the prescribed cost methodology, the Commission may establish an interim rate that is consistent with the proxies specified in 47 C.F.R. §51.513. (47 C.F.R. §51.503)

To date, GTEFL has not presented to the Commission a cost study which meets the requirements of the FCC Competition Rules. Until such a study is presented by GTEFL or another party, and reviewed in a proceeding in which all affected parties have an opportunity to participate, the Commission cannot set a rate outside of the proxy ranges, or above the proxy ceilings, specified in §51.513 of the FCC's rules. (47 C.F.R. §51.505(e))

The proxy ceiling for unbundled local loops in Florida, on a statewide weighted average basis, is \$13.68. Proxy ceilings and, for local switching, a proxy range, are also specified. (47 C.F.R. §51.513(c))

MCI is submitting a new version of the Hatfield Version 2.2 study filed on the record in the FCC's Competition docket to support MCI's view of the economic cost that GTEFL faces for unbundled elements and transport and termination. The latest Hatfield study is consistent with the FCC's requirements for a TELRIC methodology. The Commission should therefore set rates for unbundled network elements in accordance with the results of that model.

D. ALL SERVICES MUST BE AVAILABLE FOR RESALE

48. Resale means the provision to MCI of any telecommunications service that GTEFL provides at retail to end-use customers who are not telecommunications companies. Unrestricted resale is essential to the development of a competitive marketplace. Resale permits carriers to enter markets quickly, without the massive capital investment necessary to provide facilities-based competition. As facilities-based competitors enter the market, the ability of other parties to resell services of both the incumbent and the new entrants helps to ensure that prices are driven toward cost and helps to prevent monopoly pricing which discriminates among customers based on their willingness to pay.

Section 251(c)(4) of the Act imposes on GTEFL (and other incumbent local exchange carriers) the duty:

(A) to offer for sale at wholesale rates *any* telecommunications service that the carrier provides at retail to subscribers who are not telecommunications carriers; and

(B) not to prohibit, and not to impose unreasonable or discriminatory conditions or limitations on, the resale of such telecommunications service, . . .

(emphasis added)

The FCC Competition Rules require GTEFL to make all of its retail telecommunications services available for resale on nondiscriminatory terms and conditions. (47 C.F.R. §51.603) This obligation applies to all services that meet the statutory definition of a "telecommunications service" and that are provided at retail to customers who are not "telecommunications carriers." (FCC Competition Order, ¶871) The FCC found it unnecessary to specify a minimum list of services that must be available for resale, since the available retail services can be determined by examining the LEC's retail tariffs. (Id., ¶871-2)

Consistent with the requirements of the Act and the FCC Competition Rules, MCI has requested that GTEFL make all retail services available for resale. GTEFL has stated that it is unwilling to sell certain services to MCI for the reasons discussed below, none of which is a permitted reason under the Act and the FCC Competition Rules.²³

²³ Based on its negotiations to date, MCI believes that this is a complete catalog of the services that GTEFL refuses to provide for resale. To the extent that GTEFL intends to refuse to provide any other retail service for resale, or intends to impose any limitations on MCI's resale of any other service, MCI identifies the resale of such service and the inappropriateness of such limitation as additional issues for arbitration.

Promotions. Promotions typically involve offering a preexisting service at a special price, for free with the purchase of another service, or with the waiver of nonrecurring charges. GTEFL's position is that promotions are not required to be available for resale because they are not retail service offerings. The ability to resell these services is critical, however, to prevent GTEFL from manipulating promotions in an anti-competitive manner. Without resale, promotions can be expected to extend for long periods and to target key customers. Consistent with the FCC Competition Rules, the Commission must order GTEFL to make such promotions available for resale, although the wholesale price level may be computed based on the normal retail rate for any promotions (as defined in the FCC rules) of less than 90 days in duration. (47 C.F.R. §51.613(a)(2); FCC Competition Order, ¶949-50)

Contract Service Arrangements. A contract service arrangement (CSA) is a non-tariff rate for an otherwise tariffed retail service. GTEFL has refused to agree to allow resale of CSAs on the grounds that CSAs are not retail service offerings. The FCC has concluded that the statutory resale requirement contains no exception for contract and other customer-specific offerings. (FCC Competition Order, ¶948) CSAs must therefore be made available for resale.

Voice Mail, Inside Wire Maintenance, Calling Cards. GTEFL has refused to make voice mail, inside wire maintenance, and calling cards available for resale. Its position is that it will continue to offer these GTEFL services directly to local exchange customers who are served by MCI in a resale environment. Each of these is a "telecommunications service" offered to persons who are not "telecommunications carriers" and is therefore subject to the Act's resale requirements.

Volume and Term Discounts. Volume and term discounts are tariffed provisions under which a customer can obtain service at a discounted rate by agreeing to specific usage volumes, or by committing to take service for a specified period of time. GTEFL has refused to make such discounts available for resale. As with the other services discussed above, the FCC concluded that volume-based discount offerings must be made available for resale. (FCC Competition Order, ¶951-3)

Lifeline and LinkUp Service. Lifeline and LinkUp provide billing credits to help defray the cost of monthly recurring service and service installation charges for customers who qualify for financial assistance. MCI is unsure of GTEFL's position on the resale of Lifeline and LinkUp. The FCC specifically concluded, however, that such services must be made available for resale, subject to a restriction which prohibits their resale to persons not eligible to subscribe directly to GTEFL's offering. (FCC Competition Order, ¶956, 962)

E. PRICE FOR RESOLD SERVICES MUST REFLECT AVOIDED COSTS

49. The ability to resell a GTEFL service is a hollow gesture unless the resold service is priced in a manner that enables an efficient reseller to offer the service to its customers at a competitive rate. In recognition of this fact, Section 252(d)(3) of the Act provides the pricing standard that the Commission must adhere to in establishing wholesale rates:

. . . a State commission shall determine wholesale rates on the basis of retail rates charged to subscribers for the telecommunications service requested, excluding the portion thereof attributable to any marketing, billing, collection, and other costs that will be avoided by the local exchange carrier.

Congress wisely decided that all marketing, billing and collection costs must be excluded in establishing a wholesale rate, since these activities are not necessary to provide service on a wholesale basis, and instead represent retailing costs comparable to those the reseller will incur when it resells the wholesale service. The Act similarly requires the exclusion of any other category of costs that will be avoided by the local exchange carrier in providing the service on a wholesale basis.

The FCC Competition Rules make it clear that this provision requires that the wholesale price level be reduced not only for costs which GTEFL actually avoids, but also for costs which reasonably could be avoided, in the provision of the wholesale service. (47 C.F.R. §51.609(b))

MCI proposed to GTEFL that the wholesale price for each service must be determined based on the costs that GTEFL can avoid when the service is resold.

GTEFL stated its agreement in principle that the price of retail services should reflect avoided costs. However, GTEFL has not made a specific proposal to MCI on the wholesale price level, and has provided no specific cost data to document the costs that it claims will be avoided in a wholesale environment.

The FCC Competition Rules prescribe a detailed avoided cost methodology to be used in developing wholesale price levels. (47 C.F.R. §51.609(c)) Those rules place on the LEC the burden of proving that some costs should be included in the wholesale rate, and on the requesting party the burden of proving that other costs should be excluded from the wholesale rate. (47 C.F.R. §51.609(d)) The rules also prescribe a default wholesale price range from 17% to 25% below retail price levels which can be applied by a state commission on a temporary basis in lieu of completing an avoided cost analysis. (47 C.F.R. §51.611)

If an avoided cost study complying with the FCC rules is not submitted in a timely manner that permits its review in this proceeding, then the Commission should set interim wholesale rates at a level 25% below retail rates.

F. GTEFL MUST PROVIDE "BRANDING" OF SERVICES FURNISHED ON BEHALF OF MCI

50. In order to provide service that is comparable to that provided by GTEFL, MCI must be able to provide services to customers under its own name, rather than that of GTEFL. MCI has therefore requested that "branding" of services as MCI be provided whenever there is a point of customer contact between GTEFL and an MCI customer with respect to service provided by MCI through resale of GTEFL's services, or the use of unbundled network elements. This proposal includes, but is not limited to, branding of: operator services; directory services; repair services; intercept tapes; maintenance tickets, "not at home" notices, and other documents provided to a customer; and so forth.

GTEFL has generally refused to provide branding of operator services, directory services, and similar services, and had indicated that it will provide those services only with the GTEFL brand in a resale environment, and unbranded in the situation where MCI offers service using unbundled network elements. In situations involving documents provided to a customer, GTEFL has generally proposed to provide notices or services on an unbranded basis, citing operational concerns about the number of different branded notices it would have to accommodate in an environment with numerous competitive carriers.

The FCC Competition Rules treat refusal to provide branding upon request as a restriction on resale. (47 C.F.R. §51.613(c)) GTEFL can impose such a restriction only if it proves to the Commission that the restriction is reasonable and nondiscriminatory, such as

by proving that GTEFL lacks the capability to comply with the branding request. (Id.) MCI believes that GTEFL will be unable to meet its burden of proof, and submits for arbitration the reasonability of this restriction.

G. REAL-TIME ELECTRONIC INTERFACES MUST BE PROVIDED AS SOON AS TECHNICALLY FEASIBLE

51. When GTEFL provides a retail service to its customer, it employs real-time electronic interfaces to create and/or access data for a variety of purposes. These generally fall into the following categories:

(a) ordering processing systems -- the means by which GTEFL obtains information regarding a potential customer that is needed to place an order for service, assigns a phone number, and schedules installation;

(b) provisioning and installation systems -- the means by which GTEFL places and fills an order for service, and tracks the status of installation activities;

(c) maintenance and trouble resolution systems -- the means by which GTEFL arranges for responses to maintenance and repair requests from customers, and tracks the status of its maintenance and repair activities;

(d) billing systems (including customer usage data transfer) -- the means by which MCI is billed for services provided to it by GTEFL, including the means by which the customer's usage data is collected and transmitted by GTEFL to MCI for billing purposes; and

(e) local account maintenance -- the means by which GTEFL can update information regarding a particular customer, such as a change in the customer's features or services.

In order for MCI to provide a comparable quality of service to its customers, it must have access to these same systems via electronic interfaces on a similar real-time basis. Without such capability, MCI will not be able to offer its customers the same quality of service as GTEFL, thus hampering its ability to compete.

MCI has therefore requested that GTEFL provide real-time electronic interfaces in each of these areas to support both resold services and unbundled network elements. For example, real-time electronic ordering systems are required for unbundled network elements, interconnection facilities, interim number portability mechanisms, and customer listing databases.

GTEFL has agreed in concept to provide many of the requested real-time electronic interfaces, but has not committed to the details of the interfaces nor the timetable on which they will be made available.

The FCC Competition Rules recognize the critical importance of these interfaces, and require them to be provided no later than January 1, 1997. (47 C.F.R. §51.319(f); see FCC Competition Order, ¶523-5) MCI expects that GTEFL will agree to make these electronic interfaces available in the time frame mandated by the FCC Competition Rules. If GTEFL refuses to do so, this issue must be resolved by the Commission consistent with those rules.

It is imperative to the development of a competitive local telecommunications market that electronic access to these systems be implemented in the FCC-mandated time frame. MCI's experience in the long distance market, where MCI was a customer of the incumbent LECs rather than a competitor, is that the provision of such systems can take a number of years unless an implementation schedule is established, and implementation is

monitored, by an appropriate regulatory authority. MCI therefore requests that the Commission arbitrate the details of the manner in which real-time electronic interfaces to these support systems will be provided, and retain jurisdiction over this proceeding to enforce the timely provision of such interfaces.

H. QUALITY OF SERVICE STANDARDS MUST BE ESTABLISHED AND ENFORCED

52. In order to be able to provide service to its customers that meets or exceeds that provided by GTEFL, MCI must receive service from GTEFL that is equal in quality to the highest level of quality that GTEFL is required to provide, or actually provides, to itself or any other carrier. The FCC Competition Rules incorporate this requirement, by requiring that unbundled network elements be provided on terms and conditions that are no less favorable to the requesting carrier than the terms and conditions under which the incumbent provides such elements to itself. (47 C.F.R. §51.313) A similar quality of service obligation is placed on the incumbent with respect to the provision of services for resale. (47 C.F.R. §51.603)

To ensure meaningful control over service quality, MCI requested that GTEFL establish negotiated performance metrics and generally ensure that the quality of service provided to MCI is at least equal to that provided to GTEFL itself. For example, MCI proposed that installation, repair, and database updating intervals for services and facilities provided to MCI must be no longer than for GTEFL's own services; that services provided to MCI meet the same quality, reliability and performance standards met by GTEFL's end user services; and that new comparative reporting mechanisms be established to measure service quality for resold services compared to GTEFL's own services. MCI also proposed

that the companies agree on a mechanism for dealing with breaches of agreed quality of service standards.

GTEFL has agreed in principle that performance metrics should be established, and agreed in concept that an enforcement mechanism would be appropriate. The negotiations never proceeded, however, to the stage where specific performance criteria or a specific enforcement mechanism were agreed to. These issues, therefore, remain to be arbitrated.

In the absence of an agreed enforcement mechanism, MCI proposes that GTEFL be required to compensate MCI through a credit against bills for resold services and unbundled network elements for any failure to provide service to MCI that is at least equal in quality to that provided to GTEFL itself.

I. TRANSITIONAL RULES FOR INTEREXCHANGE CARRIER ACCESS MUST BE IMPLEMENTED PENDING FULL IMPLEMENTATION OF TSLRIC PRICING.

53. The FCC Competition Rules prohibit either interstate or intrastate access charges from being imposed on a carrier who offers local exchange service or exchange access through the use of unbundled network elements. (47 C.F.R. §51.515(a))

During a specified transitional period, ending no later than June 30, 1997, GTEFL can collect from carriers who purchase GTEFL's unbundled local switching, the interstate CCLC and 75% of the interstate TIC. (47 C.F.R. 51.515(b)) The FCC Competition Order permits states to also impose a transitional access charge on top of the unbundled switching charge, to the extent that the state finds that such a charge is necessary to ensure that universal service goals are not jeopardized prior to the issuance of the FCC's implementation of Sections 254 and 214(e) of the Telecommunications Act of 1996, which

require establishment of a competitively-neutral universal service mechanism. However, the state transitional charge, like the interstate transitional charge, must terminate no later than June 30, 1997. MCI believes that universal service in Florida will not be jeopardized by the availability of unbundled network elements at economic cost in the short interim between resolution of this arbitration and implementation of the FCC's universal service plan. Therefore, MCI opposes any requirement that requires new entrants to pay the state equivalent of the interstate CCLC or TIC for a transitional period. MCI further believes that the burden of proof that such charges are required should be on GTEFL.

In addition, in order to comply with the Act, access charges for both switched and special access must be reduced to TSLRIC as quickly as possible.

J. INTERIM LOCAL NUMBER PORTABILITY COSTS MUST BE RECOVERED ON A COMPETITIVELY NEUTRAL BASIS

54. Section 251(e)(2) of the Act requires that "the cost . . . of number portability shall be borne on a competitively neutral basis as determined by the [FCC]." In Local Number Portability, CC Docket No. 96-116, First Report and Order and Further Notice of Proposed Rulemaking (released July 2, 1996) (FCC Number Portability Order), the FCC adopted rules which provide that any cost recovery mechanism for transitional methods of number portability must be designed so as not to have a disparate effect on the incremental costs of competing carriers seeking to serve the same customer, or to have a disparate effect on the ability of competing telecommunications carriers to earn a normal return on their investment.²⁴

²⁴ BellSouth has filed an appeal of the FCC's order. That appeal does not stay the effectiveness of these rules, which take effect on August 26, 1996.

In its explanation of those rules, the FCC noted that a cost recovery mechanism that imposes the entire incremental cost of currently available number portability on a facilities-based new entrant would violate the first criterion in the rules. (Id., ¶134) On the other hand, a cost recovery mechanism that recovers the cost of currently available number portability through a uniform assessment on the revenues of all carriers (less any charges paid to other carriers) would satisfy this criterion. (Id.)

The cost recovery mechanism adopted by this Commission in Order No. PSC-95-1604-FOF-TP issued on December 28, 1995 in Docket No. 950737-TP violates the FCC's criteria, since it places the burden of recovering the entire incremental cost of providing remote call forwarding (RCF) as an interim number portability mechanism on the new entrants.

MCI therefore requests that the Commission arbitrate the compensation mechanism for interim number portability. MCI proposes that the costs incurred by GTEFL and MCI in implementing interim number portability be recovered from their respective customers in a "bill and keep" type of arrangement.²⁵ This method is acceptable under the FCC's rules, and has the virtue of simplicity. It avoids the need to set specific rates and to implement billing systems to support an interim number portability mechanism which soon will be supplanted by a permanent database solution.

²⁵ This mechanism would be in place unless and until the Commission concludes further generic proceedings on interim number portability to bring its overall policy into compliance with the FCC Rules.

K. INTERCONNECTION OF MCI'S LOCAL NETWORK WITH THAT OF GTEFL'S MUST BE PERMITTED AT ANY TECHNICALLY FEASIBLE LOCATION AND COLOCATION MUST BE PERMITTED ON REASONABLE TERMS AND CONDITIONS

55. MCI has requested the ability to interconnect its network with GTEFL's at any feasible location, including an end office or tandem switch, or a mid-span meet. MCI must have the option, but not be required, to establish more than one point of interconnection (POI) per local calling area.

MCI has requested the ability to allow GTEFL provided services or unbundled elements to be connected at an MCI colocation space to any other facility provided by MCI, GTEFL, or any other party. MCI has also requested the option to convert existing virtual colocations to physical colocations, with GTEFL bearing the cost of such conversions.

MCI believes that GTEFL may have agreed in principle to most of these requests, except that GTEFL refuses to permit the location of certain types of equipment (such as remote digital line units) in colocation spaces. The parties have not, however, agreed on contractual language.

L. RATES FOR TRANSPORT AND TERMINATION OF TRAFFIC SHOULD BE SET AT TELRIC.

56. Local interconnection relates to the transfer, transport and termination of a local call originated on the network of one local carrier (GTEFL or an ALEC) to a customer located on the network of the other. In earlier proceedings under Section 364.162, Florida Statutes, the Commission established mutual traffic exchange (MTE) as the appropriate compensation mechanism for the exchange of local traffic between GTEFL and competing carriers.

The FCC Competition Order and Rules, however, appear to allow the application of "bill and keep" only to the "termination" of traffic (i.e. end-office to customer), and not to the "transport" of traffic (i.e. point-of-interconnection to end-office serving customer). This interpretation of the Act substantially diminishes the advantages of mutual traffic exchange.

In light of the FCC's ruling, MCI requests that the Commission adopt a symmetrical rate for transportation and termination of local traffic equal to GTEFL's TELRIC of providing those functions. MCI is submitting an updated version of the Hatfield Model which is consistent with the FCC's requirements for a TSLRIC methodology. The Commission should set rates for transport and termination of local traffic in accordance with the results of that model.

M. OTHER TECHNICAL, OPERATIONAL AND ADMINISTRATIVE ISSUES

57. The following paragraphs discuss other significant technical, operational and administrative issues on which the parties have been unable to reach agreement, and which therefore require resolution by the Commission.

As shown by the Annotated Term Sheet (Exhibit 2), which has been incorporated into this Petition by reference, the narrative portion of this Petition (including the following paragraphs) does not address each and every technical, operational and administrative issue on which the parties have failed to agree. As discussed above, MCI proposes the Mediation Plus arbitration procedure as the method for handling the arbitration of many of these issues. In the event that MCI's request for Mediation Plus is denied, each of those technical, operational and administrative issues will require resolution through the normal Commission-established arbitration process.

58. Information on Service Changes. To enable MCI to provide new services to its customers in a timely manner, MCI requires GTEFL to communicate knowledge of any engineering changes associated with GTEFL's network elements, deployment of new technologies, or changes to its retail services as soon as they are known to GTEFL. While GTEFL appears to agree in principle to advance notification, there is no agreement on the timing or manner of notification.

59. PIC Changes for MCI Customers. When MCI resells a GTEFL service, MCI is the appropriate point of contact for changes to the customer's interexchange carrier, regardless of whether the change is initiated by the customer or by an IXC acting pursuant to a customer's letter of authorization. GTEFL should thus be prohibited from implementing any PIC changes for services resold by MCI except in response to a request submitted to it through MCI. MCI is uncertain of GTEFL's position on this issue.

60. Rights-of-Way, Poles, Ducts and Conduits. Section 251 of the Act requires GTEFL to afford MCI access to its rights-of-way, poles, ducts and conduits. GTEFL acknowledges this requirement, but takes the position that it can "reserve" unused capacity equal to its five-year forecast of GTEFL's needs.

MCI's position is that access to GTEFL owned or controlled facilities should not be limited to excess capacity. Instead, MCI should have access to all capacity which is currently available or which can be made available. GTEFL should be required to provide regular reports on the capacity status and planned increase in capacity of all their poles, ducts and conduits so that MCI can identify whether or not they are full and plan accordingly. MCI's position is consistent with the FCC's conclusion on this issue. (FCC Competition Order, ¶1170)

61. Bill Format for Unbundled Network Elements. MCI has requested GTEFL to provide billing for unbundled network elements in a carrier access billing systems (CABS) format to facilitate standard industry auditing practices. MCI believes that GTEFL has agreed in principle to provide billing in something similar to the requested format, but GTEFL has not committed to a specific time frame in which such format will be developed and implemented. Until these details are resolved, this issue requires arbitration by the Commission.

62. Engineering Records for Unbundled Facilities. MCI has requested that GTEFL provide engineering records for unbundled facilities that it obtains from GTEFL. GTEFL has refused to provide access to the records in the level of detail required by MCI.

63. Directories. MCI's customers must be able to obtain printed directories that include all customers on the public switched network within a defined geographic area regardless of their local service provider. MCI requires that such directories be available on a nondiscriminatory basis including, for example, customized covers for directories distributed to MCI customers.

MCI believes that the parties may have reached agreement in principle on many of these issues -- with the exception of the provision of customized covers and the charge, if any, for additional directories -- but the parties have not yet agreed on contractual language.

64. Dialing Parity. MCI has requested that GTEFL provide dialing parity with no unreasonable dialing delays.

MCI believes that the parties may have reached agreement in principle on many of the dialing parity issues. The parties have not, however, reached agreement on contractual language.

65. Access to Telephone Numbers. MCI has requested that GTEFL provide the ability for MCI to obtain code assignments and other numbering resources on the same terms and conditions that GTEFL makes available to itself. MCI believes that the parties may have reached agreement in principle on many of these issues, with the exception of access arrangements for 555 line numbers and abbreviated dialing codes, but the parties have not reached agreement on contractual language.

66. General Terms and Conditions of Agreement. The final arbitrated agreement between the parties will require general contractual terms and conditions, such as dispute resolution mechanisms, performance requirements, confidentiality requirements, and other similar items. The parties have not yet reached agreement on these general contractual provisions.

67. Billing Customers of Resold Services. MCI requires the ability to bill its own customers for collect and third-party calls, including receipt of necessary billing information from GTEFL. GTEFL takes the position that, where MCI provides service using a resold GTEFL service, GTEFL will maintain the billing records for such calls and will bill the customer directly. This is an unwarranted attempt to interfere with the business relationship between MCI and its customer.

POST DECISION IMPLEMENTATION AND ENFORCEMENT

68. Section 252(b)(4)(C) requires the Commission to conclude the resolution of the unresolved issues between MCI and GTEFL within nine months after GTEFL's receipt of

MCI's original letter requesting the commencement of negotiations, or by December 26, 1996. That decision is not necessarily the end of the Commission's involvement.

Section 252(c)(3) authorizes the Commission to "provide a schedule for implementation of the terms and conditions by the parties to the [arbitrated] agreement." MCI submits that the Commission has implied authority under this section to retain jurisdiction over the parties to enforce their compliance with any Commission-established implementation schedules, and to resolve disputes regarding their adherence to the terms of the arbitrated agreement.

MCI therefore requests that upon the conclusion of the arbitration proceeding, the Commission expressly reserve its jurisdiction over the parties to enforce the terms and conditions, including implementation schedules, in the arbitrated agreement.

REQUEST FOR RELIEF

WHEREFORE, MCI respectfully requests that the Commission grant the following relief as a result of this Petition:

A. The Commission should arbitrate the unresolved issues between MCI and GTEFL within the timetable specified in the Act.

B. The Commission should establish a parallel process known as Mediation Plus to assist the parties in resolving various technical, operational and administrative issues. The Commission should establish a timetable and procedures for the Mediation Plus which permit a final arbitrated decision by the Commission within the federal statutory time frame in the event the parties are unable to resolve the issues through this process.

C. The Commission should issue its order requiring GTEFL:

1. To make available each of the unbundled network elements requested by MCI;
2. To allow MCI to use unbundled network elements in any combination;
3. To price all unbundled network elements at their TELRIC;
4. To make all retail services available for resale (including but not limited to, promotions, contract service arrangements, voice mail, inside wire maintenance, calling cards, volume and term discounts, and Lifeline and LinkUp services) with no terms and conditions that restrict or limit their resale, other than a restriction that flat-rate basic local exchange service can be resold only to residential customers, and grandfathered and Lifeline services can be resold only to qualifying customers;
5. To establish a price level for resold services that takes into account all costs that can reasonably be avoided by GTEFL when the service is provided on a wholesale basis;
6. To brand, as MCI, operator services, directory assistance services, and any other like services provided to end users who use GTEFL's local exchange services that are being resold by MCI, and to provide branding in all situations where GTEFL employees or agents interact with MCI customers with respect to the provision of resold GTEFL services or unbundled elements provided to end users on behalf of MCI;
7. To provide real-time electronic interfaces to MCI as quickly as possible, but in any event by January 1, 1997;
8. To adhere to performance metrics, installation intervals, repair intervals and other standards that are equal to the higher of the quality of service standards that GTEFL is required to provide, or actually provides, to its own customers or to customers of

any other carrier, and to establish a credit mechanism to offset the charge for resold services or unbundled elements where GTEFL fails to meet those quality of service standards;

9. To price exchange access in connection with unbundled network elements in a manner consistent with the FCC's transitional pricing rules, and to provide exchange access to all carriers at TSLRIC as quickly as possible;

10. To provide RCF for interim local number portability on a competitively neutral basis in which each carrier recovers its costs from its own customers until the Commission has readdressed this issue in the generic interim local number portability docket;

11. To interconnect with MCI at any technically feasible point of interconnection, require no more than one POI per local calling area, and to provide colocation on reasonable terms and conditions;

12. To provide transportation and termination of local traffic at symmetrical rates equal to GTEFL's TELRIC of providing such transport and termination; and

13. To provide the other disputed interconnection and access, unbundling, resale, ancillary services and associated arrangements in accordance with the requirements identified in the Annotated Term Sheet.

D. The Commission should retain jurisdiction of this arbitration until the parties have submitted an agreement for approval by the Commission in accordance with Section 252(e) of the Act.

E. The Commission should further retain jurisdiction of this arbitration and the parties thereto until GTEFL has complied with all implementation time frames specified in the arbitrated agreement and that agreement has been fully implemented.

F. The Commission should take such other and further actions as it deems appropriate.

RESPECTFULLY SUBMITTED this 26th day of August, 1996.

HOPPING GREEN SAMS & SMITH, P.A.

By: Richard D. Melson
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(904) 425-2313

and

MARTHA MCMILLIN
MCI Telecommunications Corporation
Suite 700
780 Johnson Ferry Road
Atlanta, GA 30342

ATTORNEYS FOR MCI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following parties by hand delivery this 26th day of August, 1996.

Donna Canzano
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Kimberly Caswell
c/o Richard Fletcher
GTE Florida, Inc.
106 E. College Avenue, #1440
Tallahassee, FL 32301-7704

Tracy Hatch
AT&T
101 N. Monroe St., Suite 700
Tallahassee, FL 32301

and by UPS Delivery to:

Kimberly Caswell
GTE Florida, Inc.
One Tampa City Center
Tampa, FL 33601

Rie D. M

Attorney

960980-TP

EXHIBIT 1
MCI/GTE Arbitration

MCI Telecommunications
Corporation



8521 Leesburg Pike
Vienna, VA 22182

April 3, 1996

Mr. Kent Foster
President, GTE Corporation
One Stamford Forum
Stamford, Connecticut 06904

Dear Mr. Foster:

MCI hereby requests GTE to do two things: 1) immediately provide intraLATA equal access (dialing parity) throughout its network, and 2) to promptly commence good faith negotiations concerning GTE's other duties under the Telecommunications Act of 1996 (Act). MCI is anxious to work with GTE to resolve each of the issues necessary to allow the development of full and effective competition, thereby avoiding the need to seek regulatory resolution should agreement not be achieved.

At MCI, we intend to use all of the options available to us under the terms of both Federal and state laws, plus applicable state commission rulings to bring about facilities-based competition in the local market. We intend to purchase unbundled network elements, unbundled service attributes (including directory listings, E911, 411, and others), leased facilities, leased transport, wholesale service for subsequent resale and other approaches combined with our own local network investment to accelerate the process of bringing competitive choice to all telecommunications markets.

We expect GTE to immediately provide dialing parity capabilities throughout its network. Given MCI's and GTE's experience in the states on this issue, deployment should be quick and efficient. We would like to meet with GTE as soon as possible to discuss the methods, procedures and timing of dialing parity deployment.

MCI seeks access and interconnection under the Act for the full range of local exchange, exchange access and interexchange services that MCI will provide. Accordingly, we need MCI's negotiations with GTE to be comprehensive. They should cover the terms and conditions of our mutual network interconnection, MCI's use of unbundled network elements, resale, removal of any anticompetitive terms and conditions in your current tariff, and any other provisions encompassed by the Act, including access. These negotiations will be on behalf of MCI Telecommunications and all of its affiliates, including MCImetro, and we would also expect to cover all of the GTE Operating Company operations in these negotiations.

To further expedite these negotiations, MCI has conducted a comprehensive review of the Act and is prepared to provide GTE with MCI's positions and requirements. MCI would appreciate similar information from GTE. GTE should also provide MCI with copies of incremental cost studies of GTE services and network elements. These steps will allow us to more promptly reach agreement.

We would also appreciate promptly receiving, from GTE, copies of existing agreements with all other local exchange carriers -- including agreements with incumbent LECs (such as EAS agreements) as well as with new entrants -- plus agreements entered into before February 8, 1996 consistent with Section 252

Part of 09079-96

Since the way in which these issues are resolved will affect all telecommunications carriers we have no objection to making any other parties aware of the nature and content of our discussion with you. This will allow for the open and shared negotiation process that is clearly intended by the Act and is clearly needed to make the process fair and efficient.

I would suggest that a small group of (2-3) executives from each of our companies meet at our offices in Vienna, Virginia to begin discussions. I will be MCI's contact for establishing these negotiations and can be reached at 703-903-1190 to set a mutually convenient date and time.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael A. Beach".

Michael A. Beach

Vice President - Local Markets

Term Sheet Items
GTE

The purpose of this exhibit is to separate term sheet items into arbitration categories.

As used in this exhibit the following terms have the meanings as set forth herein.

Agreement in Principle: Term Sheet items where MCI believes that the parties may have reached agreement in principle, but where the parties have not yet agreed to specific contractual terms.

Arbitration: Procedures ordered by this commission for handling arbitration petitions submitted under section 252 of the Federal Telecommunications Act .

Mediation Plus Arbitration Procedures: Arbitration procedures defined in paragraphs 22 and 23 of the MCI arbitration petition.

Arbitration Issue List	Agreement in Principle	Arbitration	Mediation plus arbitration procedures
INTERCONNECTION			
1. Point of Interconnection			
1.1 One POI; no cost	X	X	
1.2 Any feasible point	X	X	
1.3 Size network	X	X	
1.4 No traffic restrictions	X	X	
1.5 Modify POI w/o contract	X	X	
1.6 POI not unilaterally defined	X	X	
1.7 Network inefficiencies	X	X	
1.8 Same facilities & quality	X	X	
2. Trunking			
2.1 Any point; 2way traffic	X	X	
2.2 Combine traffic types	X		X
2.3 B8ZS voice & data	X		X
2.4 POI @ voice, data, other	X		X
3. Traffic Types			
3.1 Equip. for all types traffic	X	X	
3.2 Local Exchange	X	X	
3.3 Exchange Access	X	X	
3.4 IXC Transit	X	X	
3.5 Other transit	X	X	
3.6 IN Logical & Physical	X	X	
3.7 E911, DA, OS	X	X	
3.8 Network Surveillance		X	
4. Signaling			
4.1 Signaling I/C @ cntrl pts			X
4.2 SS7 w/all parameters	X		X
4.3 Access to all links			X
4.4 SPOI @ 56k w/diversity	X		X
4.5 Meet Bellcore SS7 specs	X	X	
4.6 SS7 or MF	X		X
4.7 CIP at no charge	X		X
4.8 Intercompany 64kbps clear	X		X
4.9 TCAP for CLASS	X		X

Arbitration Issue List		Agreement in Principle	Arbitration	Mediation plus arbitration procedures
4.10 I/C fair & standards based		X		X
4.11 Compatible standards		X		X
5. Compensation				
5.1. Exchange Access				
5.1.1 Access @ TSLRIC			X	
5.2. Reciprocal Compensation				
5.2.1 reference Sec. XIII				
5.2.2 No charge for POI prov.			X	
5.2.3 LEC absorb NRC		X	X	
5.3 SS7 @ TSLRIC			X	
5.4 Transit @ TSLRIC			X	
6. Business Processes				
6.1. Order Processing				
6.1.1 Dedicated MCI order cntr				X
6.1.2 Electronic Bonding			X	
6.1.3 ILEC order term to MCI		X		X
6.1.4 automated 2-way trunking				X
6.2. Provisioning and Installation				
6.2.1 Equal order process time		X	X	
6.3. Trouble Resolution, Maintenance and Customer Care				
6.3.1 7x24 service centers				X
6.3.2 VRU call transfer				X
6.3.3 Real time Read/write				X
6.3.4 Real time service notice		X		X
6.3.5 w/3rd party contractor				X
6.3.6 Multi-ILEC proc's: NOF		X		X
6.3.7 Escalation via NOF		X		X
6.3.8 Coordinated repair		X		X
6.3.9 7x24 phone #, test line #		X		X
6.3.10 Law enforcement		X		X
6.4. Billing				
6.4.1 Cycles & Info per MECAB		X		X
6.4.2 Multiple Bill/Single Tariff				X
6.4.3 No MPB dev. charges		X		X
6.4.4 IXC inward term call rec.		X		X
6.4.5 EMR for Term/Orig		X		X
6.4.6 Call rec. in MCI format				X

Arbitration Issue List	Agreement in Principle	Arbitration	Mediation plus arbitration procedures
6.4.7 Call rec. in MCI media	X		X
6.4.8 IXC bill for ILEC transit	X		X
6.4.9 Exchange test Files	X		X
6.4.10 No RIC for MCI EO	X	X	
6.4.11 Fraud indemnity			X
7. Quality of service			
7.1 No less than ILEC existing	X	X	
7.2 P.01 design objectives			X
7.3 I/C priority over non-emer.			X
7.4 POI install not > 60 days			X
7.5 Emer. augment process	X		X
7.6 Breach of svc agreements	X	X	
7.7 Leases; qual. per Bellcore	X	X	
8. Information			
8.1 Confirm translations compl.			X
8.2 ILEC-CLEC QOS comps		X	
8.3 Exchange of forecasts	X		X
8.4 Network ID dbase access		X	
I. NONDISCRIMINATORY ACCESS TO NETWORK ELEMENTS			
1. Unbundled Element List			
1.1 Local Loop (def.)	N/A		
1.2 Local Switching (def.)	N/A		
1.3 Tandem/Transit (def.)		X	
1.4 Ancillary Service (def.)		X	
1.5 Transport (def.)	N/A		
1.6 Data Switching (def.)		X	
1.7 IN/AIN (reference)	N/A		
2. General Requirements			
2.1 Elements, products, svcs		X	
2.2 No restrictions on comb.	N/A		
2.3 Parity in provisioning		X	
2.4 Phys./Logical POI for AIN			X
3. Compensation			
3.1 Priced @ TSLRIC		X	
3.2 Pricing reflect all factors		X	
3.3 Purchase equip. @ cost		X	

Arbitration Issue List		Agreement In Principle	Arbitration	Mediation plus arbitration procedures
4. Quality of service				
4.1 Breach of svc agreements		X	X	
4.2 7x24		N/A		
4.3 New I/F not impact exist.		X	X	
4.4 Same svc as for ILEC			X	
4.5 Neg. performance metrics				X
4.6 Customer's svc & features				X
4.7 Service & Leased parity		X	X	
4.8 ILEC formal tracking proc's			X	
5. Information				
5.1 Describe all elements		N/A		
5.2 Describe svc, feat., layout		X	X	
5.3 Fac. & power handling		X		X
5.4 SAG via hard & electronic		X	X	
5.5 Unbundled elements engin.		X	X	
5.6 Eng. change notices			X	
6. Business Processes				
6.1. Order Processing				X
6.1.1 Elect. comm. interface		X		X
6.1.2 Order via prov. codes		X		X
6.1.3 ULS w/ comb. elements		X		X
6.1.4 Comb. elements packaged				X
6.1.5 Packaged codes estab.				X
6.1.6 Retain I/C elements				X
6.1.7 Attain #'s on-line; vanity				X
6.1.8 Order switch features		X		X
6.1.9 Order AIN triggers				X
6.1.10 Neg. svc & disco ordering		X		X
6.1.11 Real-time install sched.				X
6.1.12 Other real-time reqts.				X
6.1.13 Sched. change notif.		X		X
6.1.14 Expedite & escalations		X		X
6.1.15 Customer expedites		X		X
6.2. Provisioning and Installation				
6.2.1 Test & turnup proc's		X		X
6.2.2 Disconnect notice				X
6.2.3 Brand customer notices				X
6.2.4 Test combined elements		X		X

Arbitration Issue List	Agreement in Principle	Arbitration	Mediation plus arbitration procedures
6.3. Trouble Resolution, Maintenance & Customer Care			
6.3.1 Electronic interface items			X
6.3.2 Misdirected service calls			X
6.3.3 BLV & emerg. interrupt	X		X
6.3.4 7x24 SPOC maint. center	X		X
6.3.5 Trouble shooting by ILEC	X		X
6.3.6 Escalation process	X		X
6.3.7 ILEC mech. loop test	X		X
6.3.8 Status reports; ETR			X
6.3.9 Branded maint. ticket			X
6.3.10 Prescreen & MCI auth.			X
6.3.11 ALIT/SLIT failure notif.	X		X
6.3.12 Branded 'not-at-home'			X
6.3.13 MCI coordinate dispatch	X		X
6.3.14 Alarm response parity	X		X
6.3.15 ILEC disaster recov. plan	X		X
6.3.16 ILEC is single POC	X		X
6.3.17 Restor. equip dispatch	X		X
6.3.18 Prior notice & influence	X		X
6.4. Billing			
6.4.1 CABS format			X
6.4.2 CARE record format	X		X
II. NONDISCRIMINATORY ACCESS TO FOLDS, DUCTS, CONDUITS, ROW.			
1. Access			
1.1 Unlimited access		X	
1.2 Building entrance conduits		X	
1.3 Network interface device		X	
1.4 Public/private property		X	
1.5 Unrestricted auth. to attach	X	X	
1.6 No intervening on permits	X	X	
1.7 Capacity can be made open	X	X	
2. Compensation			
2.1 Priced @ TSLRIC		X	
2.2 Pro-rated costs for improv.		X	
2.3 No application fees		X	

Arbitration Issue List	Agreement in Principle	Arbitration	Mediation plus arbitration procedures
2.4 Fees be fixed		X	
2.5 Consistent with the Act	X	X	
3. Information			
3.1 Notice of changes		X	
3.2 Open access to prints		X	
3.3 Capacity reports		X	
3.4 10 day info. response		X	
3.5 Timeliness equal to ILEC		X	
4. Quality of service			
4.1 Breach of svc agreement	X	X	
5. Business Processes			
5.1 Neutral processes		X	
5.2 Capacity within 30 days			X
IV UNBUNDLED LOCAL LOOPS			
1. Unbundled Loop Elements			
1.1 Network Interface device		X	
1.2 Loop distribution (def.)		X	
1.3 DLC/cross connect (def.)		X	
1.4 Loop feeder (def.)		X	
2. General Requirements			
2.1 Ubiquitous availability	X	X	
2.2 Any point within 500 ft			X
2.3 Ubiquitous transport	X	X	
2.4 No measuring traffic			X
2.5 Equip. placing & loop trans.		X	
2.6 Standard network design	X		X
3. Compensation			
3.1 Priced @ TSLRIC		X	
3.2 Term&Volume discount		X	
3.3 Relief of volume commit.		X	
4. Business Processes			
4.1. Order Processing			
4.1.1 Mechanized requirement			X
4.2. Provisioning and Installation			
4.2.1 Automated I/F; forecasts			X
4.2.2 Completion confirmation			X

Arbitration Issue List	Agreement in Principle	Arbitration	Mediation plus arbitration procedures
4.3. Trouble Resolution, Maintenance and Customer Care			
4.3.1 Service degrad. notice			X
4.3.2 ILEC carrier-loop ID	X		X
4.3.3 Dispatch scheduling			X
4.3.4 Dedicated centers			X
4.3.5 3rd party contractor			X
4.4. Billing CABS			X
5. Quality of Service			
5.1 Reference II.4			
6. Information			
6.1 Reference II.5			
V. UNBUNDLED LOCAL TRANSPORT			
1. Unbundled Local Transport Elements			
1.1 Dedicated trunks (def.)		X	
1.2 Interoffice trunks (def.)		X	
1.3 MUX/DCC (def.)		X	
1.4 Dark Fiber (def.)		X	
2. General Requirements			
2.1 MCI-NonILEC I/C avail.		X	
2.2 Bellcore/Industry standards	X	X	
3. Compensation			
3.1 Priced @ TSLRIC		X	
4. Quality of Service			
4.1 Breach of Svc agreement	X	X	
4.2 Equip. protection @ parity	X	X	
4.3 Redundant Power @ parity	X	X	
4.4 Spare facilities @ parity	X	X	
4.5 Facility Perf. @ parity	X	X	
5. Business Processes			
5.1. Mech. Order Processing		X	
5.2 3rd party contractor			X
6. SONET Systems			
6.1 Additional reqts intro			X
6.2 SONET/Bellcore standards	X	X	
6.3 Access to Perf. data			X

Arbitration Issue List		Agreement in Principle	Arbitration	Mediation plus arbitration procedures
6.4 Equipment Protection		X		X
6.5 Redundant Power		X		X
6.6 Synchronization		X		X
6.7 Multi-vendor equipment		X		X
6.8 DCC connectivity		X		X
6.9 Ring requirements		X		X
6.10 Support Physical Interface IIIIC		X		X
7. Information Ref II.5				
VI UNBUNDLED LOCAL SWITCHING				
1.Unbundled Local Switching Elements				
1.1 Line Port (def.)		X	X	
1.2 Trunk Port (def.)			X	
1.3 Switching capacity (def.)			X	
1.4 Signaling & dbase (def.)			X	
2. General Requirements				
2.1 Purchase @ each EO			X	
2.2 Switching functionalities		X	X	
2.3 ULS components		X	X	
2.4 ULS combined w/elements		X	X	
2.5 ULS purchase nets all fxn's			X	
2.6 I/C from any source		X	X	
2.7 Loc. Exch. & Sw. Access			X	
2.8 ILEC AIN functionality				X
3. Compensation				
3.1 TSLRIC			X	
3.2 Line costs - per line			X	
3.3 Trunk costs - per mou		X	X	
3.4 BH costs - line & usage		X	X	
3.5 3rd rate; switch matrix use		X	X	
3.6 CLASS; no charges			X	
3.7 Centrex @ cost based			X	
3.8 TSLRIC for extra centrex			X	
4. Quality of Service				
4.1 Same GOS		X	X	
4.2 Breach of Svc agreements		X	X	

Arbitration Issue List	Agreement in Principle	Arbitration	Mediation plus arbitration procedures
4.3 Monitor LEC GOS	X	X	
4.4 Reference II.4	X		X
5. Business Processes			
5.1 Electronic processes	X		X
5.2 Reference II.6	X		X
6. Tandem Switching			
6.1 Requirements lists	X	X	
7. Information - Reference II.5			
VII. NONDISCRIMINATORY ACCESS TO PSAP OPERATOR SVC			
911			
1. General Requirements			
1.1 Routing to PSAP	X		X
1.2 Default arrangements	X		X
1.3 Automated access to dbase	X		X
1.4 ID special routing	X		X
1.5 Emergency backup #	X		X
1.6 Planning into & SS7			X
1.7 Default ESN plan	X		X
1.8 Adopt NENA standards	X		X
1.9 Adopt carrier codes	X		X
2. Compensation			
2.1 Equal cost	X	X	
2.2 Priced @ TSLRIC		X	
3. Quality of Service			
3.1 Neutral Installation	X	X	
3.2 Reliability	X	X	
3.3 ALI dbase updates	X	X	
3.4 7x24 escalations	X		X
4. Information			
4.1 MSAG mechanized; updates	X	X	
4.2 NXX-PSAP mapping	X	X	
4.3 E911 tandems w/CLLI rpts.	X	X	
4.4 CO/SWC/rate center report	X	X	
4.5 NXX overlay boundaries	X	X	
4.6 dbase by state/area	X	X	
4.7 ALI POC	X	X	

Arbitration Issue List		Agreement in Principle	Arbitration	Mediation plus arbitration procedures
4.8 Operator assisted reqts.		X	X	
5. Business Processes				
5.1 ASR for trunk prov.		X		X
5.2 Trunk restoral @ parity		X	X	
5.3 Network change notices		X		X
5.4 Mutual Dis. Recov. Plan		X		X
5.5 Interface to AI dbase		X		X
5.6 ALI dbase error check		X		X
5.7 'Reverse ALI'		X		X
5.8 NPA/NXX split plans		X		X
5.9 MCI Indemnity		X		X
DIRECTORY ASSISTANCE				
1. General Requirements				
1.1 DA reach MCI customers			X	
1.2 ILEC store MCI cust. data		X	X	
1.3 Limit ILEC use of MCI data		X	X	
1.4 411 over ILEC DA		X	X	
1.5 Resale Operators & system		X	X	
1.6 DA feeds & ILEC data		X		X
1.7 Combined components			X	
1.8 Service enhancements			X	
1.9 Branding			X	
2. Compensation				
2.1 ILEC storage; no charge		X	X	
2.2 Reciprocal DA			X	
2.3 DA compensation		X	X	
3. Quality of Service				
3.1 Breach of svc agreements		X	X	
3.2 Dbase updates timely		X	X	
3.3 Automated updates				X
3.4 Quality standards		X	X	
3.5 Speed-to-Answer				X
3.6 Dialing Parity			X	
4. Information				
4.1 DA listing rules		X		X
4.2 Split NXX data exchange				X
5. Business Processes				

Arbitration Issue List	Agreement in Principle	Arbitration	Mediation plus arbitration procedures
5.1 DA dbase updates	X		X
5.2 Each carrier bills end-users	X		X
5.3 Intercompany billing	X		X
5.4 CABS format	X		X
5.5 Error resolution	X		X
OPERATOR SERVICES			
1. General Services			
1.1 BLV-EI	X		X
1.2 Resale; services @ parity		X	
1.3 MCI Branding @ MCI rates		X	
1.4 Services 0+,0-, LCC	X	X	
VII. DIRECTORY LISTINGS			
1. General Requirements			
1.1 MCI Info page		X	
1.2 MCI cust. in ILEC book	X	X	
1.3 MCI directory distribution	X	X	
1.4 Customized cover		X	
1.5 ILEC recycling	X	X	
2. Types of Directory Listings			
2.1 White Page	X	X	
2.2 Yellow Page	X	X	
2.3 Additional White Pages	X	X	
2.4 Additional Yellow Pages	X	X	
2.5 Non-pub/non-list	X	X	
2.6 Foreign listings	X	X	
2.7 Alternate Call Listings	X	X	
2.8 Information Listings	X	X	
2.9 Advertising	X	X	
2.10 List Rentals	X	X	
3. Business Processes			
3.1 Order Processing			
3.1.1 DA dbase updates	X		X
3.1.2 Data elements	X		X
3.1.3 Query ILEC listing			X
3.1.4 Multi-line listing	X		X
3.1.5 Multi-owner captions			X
3.1.6 Listing appearances	X		X

Arbitration Issue List		Agreement in Principle	Arbitration	Mediation plus arbitration procedures
3.2 Provisioning/Distribution				
3.2.1 Distrib. Arrangements		X		X
3.3 Trouble Resolution, Maintenance, Customer Care				
3.3.1 Error Management				X
3.4 Billing				
3.4.1 Delete				
3.4.2 Yellow Page separate		X		X
3.4.3 Advertising/Bolding				X
3.4.4 Intercompany billing				X
3.4.5 Administrative billing		X		X
4. Compensation				
4.1 Distribution; no charge			X	
4.2 MCI customer inclusion		X	X	
4.3 Additional Charges		X	X	
5. Quality of Service				
5.1 Breach of svc agreements		X	X	
5.2 Listing updates @ parity			X	
6. Information				
6.1 Publishing deadlines		X		X
6.2 Service Location		X		X
6.3 Calling area descriptions		X		X
6.4 Directory update details		X		X
X NON-DISCRIMINATORY ACCESS TO TELEPHONE NUMBERS				
1. General Requirements				
1.1 3rd Party Admin				X
1.2 ILEC assign NXX		X		X
1.3 No NXX assign restrict.				X
1.4 Testing & loading NXX		X		X
1.5 Deleted				X
1.6 Deleted				X
1.7 555 line numbers				X
1.8 Abbr. dialing codes				X
1.9 Obtain numbers; 3rd party				X
2. Compensation				
2.1 Parity of NXX charges		X		X

Arbitration Issue List	Agreement in Principle	Arbitration	Mediation plus arbitration procedures
3. Quality of Service			
3.1 Breach of svc agreements	X	X	
3.2 NXX loaded by LATA	X		X
4. Information			
4.1 3rd party; routine reporting	X		X
4.2 NPA-NXX splits	X		X
5. Business Processes			
5.1 Forecasts by indep. agent	X		X
NON-DISCRIMINATORY ACCESS TO DATABASES AND ASSOCIATED SIGNALING NECESSARY FOR CALL ROUTING AND CALL COMPLETION			
1. General Requirements			
1.1 Discrete purchase			X
1.2 POI @ any feasible point			X
2. Databases Required			
2.1 Examples of dbases			X
3. Compensation			
3.1 No charge for dbase dips			X
3.2 Signaling @ TSLRIC			X
3.3 Dbases access @ TSLRIC			X
3.4 Dbase Free of Charge			X
4. Quality of Service			
4.2 Parity of service			X
4.3 Tracking of usage			X
4.4 Reliability @ industry std.			X
4.5 Breach of svc agreements			X
5. Business Processes	X		
5.1 ILEC administer dbase	X		X
5.2 Validation procedures	X		X
5.3 Signaling link @ 56kbps	X		X
6. AIN/IN Platform			
6.1 Fully unbundled AIN/IN net.			X
6.2 Unmediated SS7 & AIN			X
6.2.1 TCAP exchnge; SSP/SCP			X
6.2.2 AIN/IN trigger parity			X

Arbitration Issue List		Agreement in Principle	Arbitration	Mediation plus arbitration procedures
6.2.3 Svc Mgmt platform				X
6.3 POI per IILC				X
6.4 Forum agreement				X
6.5 Unmediated				X
6.6 Joint agreement				X
7. Signaling Ref. Sec. I				X
XI LNP VIA RFP AND/OR OTHER ARRANGEMENTS				
1. General Requirements				
1.1 RCF, DID			X	
1.2 LRN by 9/1/97			X	
2. Compensation				
2.1 LNP/ILNP costs shared			X	
2.2 MCI get access charges			X	
2.3 Dbase cost recovery			X	
3. Quality of Service				
3.1 Breach of svc agreements		X	X	
3.2 Parity of service		X	X	
4. Information				
4.1 Data format		X	X	
5. Business Processes				
5.1 Dbase updates		X	X	
5.2 LSR format		X	X	
5.3 RCF within 2 days			X	
XII NON-DISCRIMINATORY ACCESS TO SUCH SERVICES OR INFO NECESSARY TO ALLOW NETWORKS AND CARRIERS TO IMPLEMENT DIALING PARITY				
1. Intralata External Issues				
1.1 Dialing parity		X	X	
1.2 Deploy 2PIC technology		X	X	
2. General Issues				
2.1 Dialing protocol		X	X	
2.2 Local Dialing Plan reports		X	X	
2.3 DA ref Sec IX			X	
2.4 Dir. Listings ref Sec X		N/A		
2.5 Number allocation @ parity			X	

Arbitration Issue List	Agreement in Principle	Arbitration	Mediation plus arbitration procedures
2.6 Call setup @ parity	X	X	
2.7 PDD @ parity	X	X	
2.8 Casual Billing		X	
3. Compensation			
3.1 Cost-share 2PIC		X	
3.2 Cost recovery per FCC	X	X	
3.3 8 year cost recovery		X	
3.4 Tracking costs	X	X	
XII RECIPROCAL COMPENSATION ARRANGEMENTS			
1. Local Service/Mutual Traffic Exchange			
1.1 MTE immediately		X	
1.2 Handoff at POI		X	
2. Cost Basis			
2.1 Traffic imbalance		X	
2.2 Priced @ TSLRIC		X	
2.3 Transport cost parity		X	
2.4 Mutual, recip., uniform	X	X	
2.5 Indep. of switch type	X	X	
2.6 No mileage element	X	X	
XIV RESALE			
1. General Requirements			
1.1 All services available		X	
1.2 All rates available		X	
1.3 No conditions on resale	X	X	
1.4 Existing dbases provided	X	X	
1.5 List of services		X	
1.6 Grandfathered services		X	
1.7 Notice of changes	X	X	
1.8 Trials available		X	
1.9 Combined with elements		X	
1.10 Unbundled vs. resale	X	X	
1.11 Branding		X	
1.12 Unbundled signalling links		X	
1.13 Modification of MCI lines			X
1.14 Retain phone number	X		X

Arbitration Issue List	Agreement in Principle	Arbitration	Mediation plus arbitration procedures
1.15 ANI over T1			X
2. Compensation			
2.1 Wholesale minus avoided		X	
2.2 Change charge		X	
2.3 Promotions		X	
2.4 Single differential		X	
2.5 Additional discount		X	
2.6 Annual review		X	
2.7 Cost studies		X	
2.8 Cost based term discounts		X	
2.9 Volume discounts		X	
2.10 Revenue commitment		X	
2.11 Region-wide commitment		X	
2.12 Commit.; resale + unbund.		X	
2.13 Discount to SLC; no CCL		X	
2.14 No 'Take-or-Pay' penalties		X	
2.15 Rates must be tariffed	X		X
2.16 Installation charges		X	
2.17 Uncompleted calls	X	X	
3. Quality of Service			
3.1 Breach of svc agreements	X	X	
3.2 Installation intervals	X	X	
3.3 Parity of service	X	X	
3.4 Parity of maintenance	X	X	
3.5 No impact on access	X	X	
4. Information			
4.1 Other agreements		X	
4.2 Centrex availability	X	X	
4.3 Realtime, on-line	X	X	
5. Business Processes			
5.1 Order Processing			
5.1.1 CLEC service center			X
5.1.2 Inter/IntraLATA orders	X		X
5.1.3 No signed LOA required			X
5.1.4 Install compl. confirm.			X
5.1.5 Cust. features & services			X
5.1.6 Access to CRIS			X

Arbitration Issue List	Agreement in Principle	Arbitration	Mediation plus arbitration procedures
5.1.7 Access to other systems			X
5.1.8 ANI reservations			X
5.1.9 IXC choice systems	X		X
5.1.10 Customer equipment			X
5.1.11 Automated interface list			X
5.2 Provisioning and Installation			
5.2.1 Completion confirmation			X
5.2.2 No service disruption	X		X
5.2.3 LD and toll traffic	X		X
5.3 Trouble Resolution, Maintenance & Customer Care			
5.3.1 Access to systems			X
5.3.2 Carrier ID process	X		X
5.3.3 Outage reporting	X		X
5.3.4 Dedicated service center			X
5.3.5 Operations systems I/F			X
5.3.6 611; service number			X
5.3.7 Inside wiring option			X
5.4 Billing			
5.4.1 Wholesale ILEC Billing			
5.4.1.1 Access charges	X		X
5.4.1.2 CABS-like format			X
5.4.1.3 No end-user billing			X
5.4.2 End-user local billing			
5.4.2.1 Daily usage receipt			X
5.4.2.2 Bellcore CMDS access	X		X
5.4.2.3 In&Out collect process	X		X
5.4.2.4 3rd party In&Out proc.	X		X
5.4.2.5 Customer billing info.			X
5.4.2.6 Current usage info.	X		X
5.4.3 End-user LD billing			
5.4.3.1 OBF standards	X		X
5.4.3.2 Phone # line detail			X
5.4.3.3 BNA standards	X		X
5.4.3.4 Current Usage Info.	X		X
5.4.4 Deleted			
5.4.5 Deleted			

Arbitration Issue List	Agreement in Principle	Arbitration	Mediation plus arbitration procedures
5.4.6 Deleted			
5.4.7 Deleted			
5.4.8 Deleted			
5.4.9 Deleted			
6. PIC Administration			
6.1 Inter/IntraLATA PIC			
6.1.1 Electronic Bonding			X
6.1.2 LEC provide PIC process.	X		X
6.1.3 LEC user changes IXC	X		X
6.1.4 CLEC user changes IXC	X		X
6.1.5 3rd party auditing			X
6.1.6 Change of IXC PIC	X		X
6.1.7 Account maint. process.	X		X
6.1.8 IXC data proprietary	X		X
6.1.9 FCC Custom. verif. proc.	X		X
6.1.10 Notif. of IXC PIC	X		X
6.1.11 Performance Standards	X		X
6.2 Local Carrier Selection			
6.2.1 VRU ID all carriers			X
6.2.2 VRU bypass process			X
6.2.3 Warm-line process			X
6.2.4 Connect orders	X		X
6.2.5 Disconnect orders	X		X
6.2.6 Former carrier notif.	X		X
6.2.7 FCC Custom. verif. proc.			X
7. LOCALIZATION			
1. General Requirements			
1.1 Suitable for I/C & unbundl.	X		X
1.2 Virtual-to-Physical option	X	X	
1.3 Intra/Interoffice leases		X	
1.4 No equipment restrictions		X	
1.5 CLEC interconnect together		X	
1.6 Not required to build out	X		X
2. Compensation			
2.1 Priced @ TSLRIC		X	
2.2 Virt-to-Phys borne by LEC		X	
3. Quality of Service			

Exhibit 3
MCI/GTEFL Arbitration Petition

Arbitration Issue List		Agreement In Principle	Arbitration	Mediation plus arbitration procedures
3.1 Breach of svc agreements		X	X	
3.2 No collocation < 90days		X		X
3.3 Impact of Virt-to-Phys				X
3.4 Timeframe of conversion		X		X
3.5 Expanded I/C timeframe				X
4. Information				
4.1 Space availability			X	
5. Business Processes				
5.1 No install orders		X		X
5.2 CO only rearrangements		X		X

EXHIBIT 4
MCI/GTE ARBITRATION DOCKET

MCI MAJOR ISSUES TO BE ARBITRATED

The following is a list of the major issues to be arbitrated between MCI and GTE Florida. The issues are stated in a manner that MCI believes is appropriate for inclusion in a prehearing statement.

By combining detailed issues identified in the Petition, the Annotated Term Sheet (Exhibit 2), and the Term Sheet Items summary document (Exhibit 3) into broader categories, MCI does not waive its right to arbitration of each of those detailed issues.

1. What services provided by GTEFL, if any, should be excluded from resale?

Petition ¶32d, 48; Term Sheet Part XIV.1

2. What terms and conditions, including use and user restrictions, if any, should be applied to resale of GTEFL services?

Petition ¶32d, 48; Term Sheet Part XIV.1

3. a) When MCI resells GTEFL's services, is it technically feasible or otherwise appropriate for GTEFL to brand operator services and directory services calls that are initiated from those resold services?

Petition ¶32f, 50; Term Sheet Parts VII.DA.1, VII.OP SVC.1

- b) When GTEFL's employees or agents interact with MCI's customers with respect to a service provided by GTEFL on behalf of MCI, what type of branding requirements are technically feasible or otherwise appropriate?

Petition ¶32f, 50; Term Sheet Parts II.6.2, II.6.3, VII.DA.1.9, VII.OP SVC.1.2, VII.OP SVC.1.3, VIII.1.4

4. When MCI resells GTEFL's local exchange service, or purchases unbundled local switching, is it technically feasible or otherwise appropriate to route 0+ and 0- calls to an operator other than GTEFL's, to route 411 and 555-1212 directory assistance calls to an operator other than GTEFL's, or to route 611 repair calls to a repair center other than GTEFL's?

Petition ¶32a, 43; Term Sheet Parts VII.OP SVC.1.4, IX.1.7, IX.1.8

5. Should GTEFL be required to provide notice to its wholesale customers of changes to GTEFL's services? If so, in what manner and in what timeframe?

Petition ¶32m, 58; Term Sheet Part XIV.1.7

6. How should GTEFL treat a PIC change request received from an IXC (other than the MCI) for MCI's local customer?

Petition ¶32m, 59; Term Sheet Part XIV.6

7. What are the appropriate wholesale rates for GTEFL to charge when MCI purchases GTEFL's retail services for resale?

Petition ¶32e, 49; Term Sheet Part XIV.2

8. What are the appropriate trunking arrangements between MCI and GTEFL for local interconnection?

Petition ¶32b, 32k, 46, 55; Term Sheet Part I.2

9. What should be the compensation mechanism for the exchange of local traffic between MCI and GTEFL?

Petition ¶32l, 56; Term Sheet Part XIII

10. a) Are the following items considered to be network elements, capabilities or functions? If so, is it technically feasible for GTEFL to provide MCI with these elements?

Network Interface Device
Loop Distribution
Local Switching
Operator Systems
Dedicated Transport
Common Transport
Tandem Switching
Signaling Link Transport
Signal Transfer Points
Service Control Points/Databases
Multiplexing/Digital Cross-Connect
DA Service
911 Service
Data Switching
AIN Capabilities
Operations Support Systems

Petition ¶32a, 34-45; Term Sheet Parts II, IV, V,
VI, VII, X

- b) What should be the price of each of the items considered to be network elements, capabilities, or functions?

Petition ¶32c, 47; Term Sheet Parts II, IV, V, VI,
VII, X

11. Do the provisions of Sections 251 and 252 apply to access to dark fiber? If so, what are the appropriate rates, terms, and conditions?

Petition ¶32a, 32c, 42, 47; Term Sheet Part V.1.4

12. Should MCI be allowed to combine unbundled network elements in any manner it chooses, including recreating existing GTEFL services?

Petition ¶32b, 46; Term Sheet Part II.2

13. Is it appropriate for GTEFL to provide copies of engineering records that include customer specific information with regard to GTEFL's poles, ducts and conduits? How much

capacity, if any, is appropriate for GTEFL to reserve with regard to its poles, ducts, and conduits?

Petition ¶32m, 60, 62; Term Sheet Part III.3

14. What are the appropriate standards, if any, for performance metrics, service restoration, and quality assurance related to services provided by GTEFL for resale and for network elements provided to MCI by GTEFL?

Petition ¶32h, 52; Term Sheet Subparts re "Quality of Service"

15. Do the provisions of Sections 251 and 252 apply to the price of exchange access? If so, what is the appropriate price for exchange excess?

Petition ¶32i, 53; Term Sheet Part I.5.1

16. Should GTEFL be required to provide real-time and interactive access via electronic interfaces to perform the following:

Pre-Service Ordering
Service Trouble Reporting
Service Order Processing and Provisioning
Customer Usage Data Transfer
Local Account Maintenance

If this process requires the development of additional capabilities, in what time frame should they be deployed?

What are the costs incurred, and how should those costs be recovered?

Petition ¶32g, 51; Term Sheet Subparts re "Business Processes"

17. Should GTEFL be required to use the CMDS process for local and intraLATA calls in the same manner as it is used today for interLATA calls?

Petition ¶32m, 57, 67

18. What are the appropriate rates, terms and conditions, if any, for billing, collection and rating of information services traffic between AT&T/MCI and GTEFL?

Petition ¶32m, 57

19. What billing system and what format should be used to render bills to MCI for services and elements purchased from GTEFL?

Petition ¶32m, 61; Term Sheet Subparts re "Business Processes -- Billing"

20. Should GTEFL be required to provide Process and Data Quality Certification for carrier billing, data transfer, and account maintenance?

Petition ¶32h, 52; Term Sheet Subparts re "Business Processes"

21. What are the appropriate general contractual terms and conditions that should govern the arbitration agreement (e.g. resolution of disputes, performance requirements, and treatment of confidential information)?

Petition ¶66

23. Should GTEFL be required to allow MCI to have an appearance (e.g. name, logo) on the cover of its white and yellow page directories?

Petition ¶32m, 63

23. What are the appropriate arrangements to provide MCI with nondiscriminatory access to white and yellow page directory listings?

Petition ¶32m, 63; Term Sheet Part VIII

EXHIBIT 4
MCI/GTE ARBITRATION DOCKET

24. What should be the cost recovery mechanism for remote call forwarding (RCF) used to provide interim local number portability in light of the FCC's recent order?

Petition ¶32j, 54; Term Sheet Part XI.2.1

25. What intrastate access charges, if any, should be collected on a transitional basis from carriers who purchase GTEFL's unbundled local switching element? How long should any transitional period last?

Petition ¶32i, 53

26. What terms and conditions should apply to the provision of local interconnection by GTEFL to MCI?

Petition ¶32k, 55; Term Sheet Parts I, XIII

27. What are the appropriate rates, terms and conditions for colocation, both physical and virtual?

Petition ¶32k, 55; Term Sheet Part XV

28. What are the appropriate rates, terms and conditions for access to code assignments and other numbering resources?

Petition ¶32m, 65; Term Sheet Part IX

29. What are the appropriate rates, terms and conditions related to the implementation of dialing parity for both local and intraLATA toll traffic?

Petition ¶32m, 64; Term Sheet Part XII

30. What other requirements should be included in the arbitrated agreement with respect to interconnection and access, unbundling, resale, ancillary service, and associated arrangements?

Petition ¶32m, 57; all Term Sheet Items not covered by any prior issue

EXHIBIT 4
MCI/GTE ARBITRATION DOCKET

31. What actions should the Commission take to supervise the implementation of its decision?

Petition ¶68