

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Resolution of) DOCKET NO. 950985-TP
petition(s) to establish) ORDER NO. PSC-96-0445-FOF-TP
nondiscriminatory rates, terms,) ISSUED: March 29, 1996
and conditions for)
interconnection involving local)
exchange companies and)
alternative local exchange)
companies pursuant to Section)
364.162, Florida Statutes.)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA J. JOHNSON
DIANE K. KIESLING

APPEARANCES:

Jodie Donovan-May, Esquire, 1133 21st Street, N. W., Ste. 400, Washington, D. C. 20036 and
Kenneth A. Hoffman, Esquire, and William B. Willingham, Esquire, Rutledge, Ecenia, Underwood, Purnell & Hoffman, P. A., Post Office Box 551, Tallahassee, Florida 32302
On behalf of Teleport Communications Group, Inc.

Donald L. Crosby, Esquire, 7800 Belfort Parkway, Suite 270, Jacksonville, Florida 32256-6925
On behalf of Continental Cablevision, Inc.

James C. Falvey, Esquire, Swidler & Berlin, Chartered, 3000 K. Street, N. W., Suite 300, Washington, D.C. 20007
On behalf of Metropolitan Fiber Systems of Florida, Inc.

Richard D. Melson, Esquire, Hopping Green Sams & Smith, Post Office Box 6526, Tallahassee, Florida 32314 and
Michael J. Henry, MCI Telecommunications Corp., Suite 700, 780 Johnson Ferry Road, Atlanta, Georgia 30346
On behalf of MCI Metro Access Transmission Services, Inc.

Sue E. Weiske, Esquire, 160 Inverness Drive West, Englewood, Colorado 80112
On behalf of Time Warner AxS of Florida L. P. and Digital Media Partners.

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R. Douglas Lackey, Esquire, Nancy B. White, Esquire, J. Phillip Carver, c/o BellSouth Telecommunications, Inc. 150 South Monroe Street, Room 400, Tallahassee, Florida 32302

On behalf of BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company.

Michael W. Tye, Esquire, 101 N. Monroe Street, Suite 700, Tallahassee, Florida 32301 and

Robin D. Dunson, Esquire, 1200 Peachtree St., N. E., Promenade I, Room 4038, Atlanta, Georgia 30309

On behalf of AT&T Communications of the Southern States, Inc.

Laura L. Wilson, Esquire, 310 N. Monroe Street, Tallahassee, Florida 32301

On behalf of Florida Cable Telecommunications Association, Inc.

Patrick K. Wiggins, Esquire, Wiggins & Villacorta, Post Office Box 1657, Tallahassee, Florida 32302

On behalf of Intermedia Communications of Florida, Inc.

Floyd R. Self, Esquire, and Norman H. Horton, Jr., Esquire, Messer, Caparello, Madsen, Goldman & Metz, P.A., Post Office Box 1876, Tallahassee, Florida 32302-1876

On behalf of McCaw Communications of Florida, Inc. and its Florida regional affiliates.

C. Everett Boyd, Jr., Esquire, Ervin, Varn, Jacobs, Odom & Ervin, Post Office Box 1170, Tallahassee, Florida 32302 and Benjamin W. Fincher, Esquire, 3100 Cumberland Circle, Atlanta, Georgia 30339

On behalf of Sprint Communications Company Limited Partnership.

Donna L. Canzano, Esquire, Robert V. Elias, Esquire, Tracy Hatch, Esquire, and Scott Edmonds, Esquire, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

On behalf of the Commission Staff.

FINAL ORDER ESTABLISHING NONDISCRIMINATORY RATES,
TERMS, AND CONDITIONS FOR LOCAL INTERCONNECTION
BETWEEN BELL SOUTH TELECOMMUNICATIONS, INC.,
METROPOLITAN FIBER SYSTEMS OF FLORIDA, INC. AND
MCI METRO ACCESS TRANSMISSION SERVICES, INC.

BY THE COMMISSION:

I. BACKGROUND

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

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

On September 1, 1995, Teleport Communications Group Inc. (TCG) petitioned the Commission to establish mutual compensation rates for the exchange of telephone traffic between TCG and BellSouth Telecommunications, Inc. (BellSouth). A hearing was scheduled for October, 1996. On October 17, 1995, TCG and BellSouth filed a Joint Motion for Stay of the Proceeding. The parties stipulated to an interconnection agreement; however, they agreed that the stipulation would only stand if BellSouth's alternative one in the Universal Service docket, Docket No. 950696-TP, was approved. Subsequently, we did not approve BellSouth's alternative one; therefore, we scheduled a hearing for January, 10 1996, to set interconnection rates, terms and conditions with BellSouth.

On October 20, 1995, Continental Cablevision, Inc. (Continental) filed a petition to establish mutual compensation rates for the exchange of telephone traffic between Continental, BellSouth, United Telephone Company of Florida (United), Central Telephone Company of Florida (Centel), and GTE Florida Incorporated (GTEFL) in this docket. On October 31, 1995, Continental filed a Motion for Stay of Proceeding until December 15, 1995, to review

the TCG and BellSouth agreement. Continental later withdrew its request for interconnection with GTEFL. Continental's request for interconnection with United/Centel was scheduled for a hearing to begin March 11, 1996.

On November 13, 1995, Metropolitan Fiber Systems of Florida, Inc. (MFS-FL), filed a petition requesting that the Commission establish nondiscriminatory rates, terms, and conditions for local interconnection with BellSouth. On November 14, 1995, MCI Metro Access Transmission Services, Inc. (MCImetro), filed a petition requesting that the Commission establish nondiscriminatory rates, terms, and conditions for local interconnection with BellSouth. On November 20, 1995, Time Warner AxS of Florida, L.P. and Digital Media Partners (collectively Time Warner), filed petitions requesting that the Commission establish nondiscriminatory rates, terms, and conditions for local interconnection with BellSouth.

All of these petitions for interconnection with BellSouth were to be addressed at a Commission hearing on January 10 - 11, 1996. However, on December 8, 1995, BellSouth, FCTA, Continental, and Time Warner filed a joint motion requesting that we adopt and approve a proposed Stipulation and Agreement (Stipulation) that would resolve all major issues involving these parties relating to Docket Nos. 950696-TP (universal service), 950737-TP (number portability), 950984-TP (resale/unbundling), and 950985-TP (interconnection). At the December 19, 1995 agenda conference, we approved the Stipulation. See Order No. PSC-96-0082-AS-TP, issued January 17, 1996. Intermedia (ICI), TCG, and Sprint Metropolitan Network, Inc. later signed the Stipulation. Therefore, the hearing to begin on January 10, 1996, only pertained to MFS-FL and MCImetro as petitioners for interconnection with BellSouth.

By request of the parties at the prehearing conference, the hearing was rescheduled to begin on January 9, 1996 pursuant to the Chairman's direction. On January 8, 1996, MFS-FL requested to delay the commencement of the hearing due to inclement weather. The request was granted, and the hearing in this docket was held on January 10 and 11, 1996.

As a result of the Stipulation, only the witnesses of MFS-FL, MCImetro, AT&T and BellSouth presented testimony at the hearing. BellSouth's witnesses Robert Scheye and Dr. Andy Banerjee presented direct and rebuttal testimony. AT&T's witness Mike Guedel, MFS-FL's witness Tim Devine, and MCImetro's witness Don Price also presented direct and rebuttal testimony. Dr. Nina Cornell also presented direct testimony for MCImetro. Intervenors who participated in the hearing but who did not present testimony included TCG, Continental, FCTA, Intermedia, McCaw Communications

of Florida, Inc. (McCaw), Sprint Communications Company Limited Partnership (Sprint), and Time Warner.

We note that the term "respective alternative local exchange companies (ALECs)", as used in this Order, refers to the petitioners, MFS-FL and MCImetro.

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

Because MCImetro and MFS-FL filed petitions requesting interconnection with BellSouth, we are required by Section 364.162, Florida Statutes, to set nondiscriminatory rates, terms, and conditions for interconnection, except that the rates shall not be below cost. The most contentious issue in this proceeding is establishing the appropriate rate structures, interconnection rates or other compensation arrangements for the exchange of local and toll traffic between the respective ALECs and BellSouth. BellSouth advocated an access charge-based compensation payment arrangement. MFS-FL, AT&T, MCImetro, and McCaw urged adoption of "bill and keep" or mutual traffic exchange. Time Warner, Digital Media Partners, TCG, FCTA, Intermedia and Continental signed the BellSouth Stipulation. Continental and FCTA stated that we should adopt the terms of the Stipulation for the interconnection rates in this proceeding.

a) BellSouth's Proposal - Switched Access Charges

BellSouth proposes a local interconnection plan that includes the following components: 1) compensation arrangements for terminating traffic on BellSouth and ALEC networks; 2) a default to the toll access model if local calls cannot be distinguished from toll; 3) charges for local interconnection based on the switched access rate structure and rate levels; and 4) a transitional structure that will eventually merge all interconnection plans into one common structure.

b) MFS-FL's and MCImetro's Proposal - Mutual Traffic Exchange

MFS-FL, AT&T, McCaw and MCImetro propose mutual traffic exchange or "bill and keep" as an appropriate compensation mechanism, at least for an interim period. "Bill and keep" was a term originally used in LEC toll settlements after divestiture. LECs would "bill" their originating callers and "keep" the revenues from toll calls while paying the terminating LEC terminating access charges. It was a reciprocal agreement among LECs, and the charges would theoretically even out. This term is more accurate in an environment of usage-based charges, such as toll calls. For local

calls, which do not have usage-based charges to end users, there is no "billing" or "keeping." MCImetro witness Cornell stated that mutual traffic exchange was a more appropriate term in this instance. We will use the term mutual traffic exchange.

c) The Stipulation

Another option for the local compensation mechanism is the terms and conditions set forth in the BellSouth/FCTA Stipulation (Stipulation). The Stipulation was approved on December 19, 1995. See Order No. PSC-96-0082-AS-TP, issued January 17, 1996. FCTA and Continental state that we should adopt the terms of the Stipulation in this proceeding.

We note that BellSouth did not advocate the local interconnection rate of \$0.01052/minute contained in the Stipulation. BellSouth maintained that the Stipulation was a comprehensive agreement and that one element could not be extracted from the Stipulation.

The Stipulation calls for reciprocal delivery of local traffic between the ALECs and BellSouth and mutual compensation. The parties to the Stipulation agreed to pay each other BellSouth's terminating switched access rates, exclusive of the Residual Interconnection Charge (RIC) and Carrier Common Line (CCL) elements of the switched access rate, on a per minute of use basis of \$0.01052 for terminating local traffic on each other's network. If it is mutually agreed that the administrative costs associated with the exchange of local traffic are greater than the net monies exchanged, the parties will exchange local traffic on an in-kind basis, foregoing compensation in the form of cash or a cash equivalent. This would be the same as the mutual traffic exchange arrangement proposed by some of the parties in this proceeding.

Under the Stipulation, there is a cap on the amount that local exchange providers are required to compensate another local exchange provider. A local exchange provider is not required to compensate another local exchange provider more than one hundred five percent (105%) of the total minutes-of-use of the local exchange provider with the lower minutes-of-use in the same month.

Under the terms of the Stipulation, each ALEC and BellSouth shall pay each other identical rates for terminating the same type of traffic on each other's network. For originating and terminating intrastate toll traffic, the parties will pay each other BellSouth's intrastate switched network access service rate on a per-minute-of-use basis as appropriate. Thus, when an ALEC customer places a toll call to a BellSouth customer and the ALEC

serves as the toll carrier, BellSouth will charge the ALEC terminating network access service rates and vice versa. If the ALEC is serving as a BellSouth customer's presubscribed long distance carrier, then BellSouth can charge the ALEC originating access charges and vice versa.

d) Discussion of BellSouth's Proposal

BellSouth advocates using terminating switched access charges as a local interconnection charge of approximately \$0.045 cents per minute. BellSouth asserted that over time it will be increasingly difficult to distinguish types of calls such as toll or local. Thus, one comprehensive rate structure will eliminate the need for such distinctions. Second, BellSouth argues that local interconnection and universal service goals are intertwined, so universal service must also be considered when setting a local interconnection rate. BellSouth also argues that it should be allowed to build contribution into its local interconnection rates for universal service reasons and that its proposed use of switched access charges does not preclude ALECs from competing in the local market. BellSouth states that its proposal encourages competition by offering its network in an economically sound manner, which encourages efficient use by both BellSouth and ALECs. Payments under BellSouth's proposal are mutual. Because of this, BellSouth argues, compensation to ALECs by BellSouth to terminate traffic on an ALEC's network will, to some extent, offset the compensation paid to BellSouth by an ALEC.

The other parties argue that switched access rates are not appropriate, because they are approximately ten times the cost. MFS-FL argues that this would serve as a severe barrier to entry for the ALECs. MCImetro asserts that the use of switched access charges for compensation for terminating local exchange traffic would deny the public of the benefits of local exchange competition, specifically, the benefits of reduced costs and prices. MCImetro also states that the use of switched access rates creates a price squeeze. A price squeeze occurs when the monopoly supplier sets the price of inputs at a level such that the end user price does not recover the price of the input nor the costs of producing the end user service. A dependent competitor that is just as efficient as the monopolist cannot cover all of its costs at the price of the end user product charged by the monopolist.

MCImetro criticizes BellSouth's proposal to use its current access charges as the price of interconnection. Specifically, MCImetro argues that the price is far in excess of BellSouth's costs to provide interconnection, resulting in an inappropriately high burden on competition. To the extent contribution is included

in the price for local termination, retail prices are artificially high and competition cannot force prices to cost. Further, MCImetro asserts that the rates will not pass any version of an imputation test, resulting in an anticompetitive price squeeze which is a barrier to entry. Also, MCImetro states that switched access charges include inappropriate contribution to USF/COLR obligations and that BellSouth is attempting to obtain indirectly through the price of interconnection the surcharge on interconnection which we rejected in the USF proceeding. According to MCImetro, BellSouth's proposal's lack of reciprocity is similar to a price squeeze and further denies the full benefits of competition to consumers. MCImetro also argues that full switched access rates are discriminatory on their face when compared to the rates in the Stipulation particularly since BellSouth conceded that the lower rates exceeded cost and provide some contribution. Finally, MCImetro asserts that the proposal contains incentives for BellSouth or ALECs to incur inefficient costs and pass them to its competitors as well as to manipulate the nature of its customer base to achieve cost savings.

BellSouth states that with the use of switched access rate levels, contribution could be made to shared and common costs. BellSouth explains that if it were prohibited from including contribution for shared and common costs in the rate level for local interconnection, it could not cover all of its costs.

BellSouth also disputes the assertion that setting the rate level for local interconnection at switched access rates would cause a price squeeze because of the contribution element. BellSouth proposes an imputation test that requires that the incumbent LEC's price for the competitive retail service must equal the direct cost of providing the retail service plus the contribution earned from the wholesale service, in this case, local interconnection.

BellSouth's proposal acknowledges that the rate level for local interconnection was subject to change based on the interim universal service mechanism. BellSouth notes that we did not establish a specific universal service mechanism but funded universal service and carrier of last resort obligations through markups on services offered by the incumbent LECs. See Order No. PSC-95-1592-FOF-TP. BellSouth states that such markups could extend to services such as local interconnection. *Id.* at 28.

BellSouth contends that its proposal does not violate Chapter 364 by linking universal service and local interconnection as asserted by MCImetro and MFS-FL. BellSouth states that MFS-FL and MCImetro argue that because language was omitted from the statute

that relied on the local interconnection charge to provide for the total cost of universal service, BellSouth could not mention universal service and local interconnection at the same time. BellSouth contends that this is incorrect, because the amendment eliminated specific language but did not add new language that would forbid consideration of whether universal service could have an effect on the local interconnection rate, and that the provision addressed funding all of the cost of universal service through a premium on the local interconnection charge. BellSouth, however, proposes that local interconnection be marked up to partially fund universal service.

Upon consideration, we find that BellSouth's proposal of using full switched access charges, including the Residual Interconnection Charge and Carrier Common Line charges, as a local interconnection rate is not appropriate. We are persuaded by the other parties' evidence that the use of full switched access rates could create a price squeeze and create unnecessary barriers to competition. We also agree that a full switched access charge as a local interconnection rate is not appropriate, because it inappropriately includes contribution towards universal service obligations. The issue of contribution towards universal service obligations was addressed in Docket No. 950969-TP, and the appropriate mechanism for recovering contribution towards universal service obligations was established. Thus, we reject BellSouth's proposal to use its full switched access rates for interconnection.

e) Decision regarding the terms of the Stipulation

As mentioned previously, under the terms of the Stipulation, the parties pay each other BellSouth's terminating switched access rates, exclusive of the RIC and CCL elements of the switched access rate, on a per-minute-of-use basis of \$0.01052 for terminating local traffic on each other's network. A local exchange provider is not required to compensate another local exchange provider more than one hundred five percent (105%) of the total minutes-of-use of the local exchange provider with the fewer minutes-of-use in the same month. If it is mutually agreed that the administrative costs associated with the exchange of local traffic are greater than the net monies exchanged, the parties will exchange local traffic on an in-kind basis, foregoing compensation in the form of cash or a cash equivalent.

MFS-FL provided the only practical experience with local interconnection. MFS-FL's witness stated that in New York, MFS was terminating more traffic than it originated. BellSouth, however, offered no practical experience as to whether traffic would be balanced or not. We believe that it is highly speculative to

predict that traffic will be imbalanced to BellSouth's detriment such that BellSouth terminates far more ALEC traffic than it sends to them. There was no evidence in the record that suggested such a phenomenon. We find that a supposition that BellSouth will terminate significantly more traffic than it originates through local interconnection is unfounded at this time.

The terms of the Stipulation do not ensure that each company is compensated fairly if traffic is significantly imbalanced. The Stipulation provides that a local exchange provider shall not be required to compensate another local exchange provider for more than up to one-hundred-five percent (105%) of the total minutes of use of the local exchange provider with the lower minutes of use in the same month. Thus, the carrier with the most traffic terminating on the other carrier's network is only financially liable for 5% of the total traffic of the lower-minutes carrier.

We fail to see how the Stipulation ensures each company will recover its costs of local interconnection through usage-based rates. On the contrary, the Stipulation foresees a movement to mutual traffic exchange in the future: "If it is mutually agreed that the administrative costs associated with the exchange of local traffic are greater than the net monies exchanged, the parties will exchange local traffic on an in-kind basis; foregoing compensation in the form of cash or cash equivalent." Thus, we believe these provisions in the Stipulation anticipate a nearly balanced exchange of traffic.

Further, based on the cost information in the record, it appears that the local interconnection rate of \$0.01052/minute contained in the Stipulation may be too high. Based on the evidence in the record, we find that mutual traffic exchange is the most appropriate arrangement at this time as discussed in detail below.

f) Decision regarding Mutual Traffic Exchange

According to MCImetro, MFS-FL, and AT&T, there are a number of advantages to the mutual traffic exchange method.

One advantage is reciprocity, because BellSouth and the ALECs "pay" each other exactly the same amount for terminating access. MFS-FL states that under mutual traffic exchange, each carrier would be compensated in two ways for terminating local calls originated by customers of other carriers. First, each carrier would have the reciprocal right to receive termination of local calls made by its customers to subscribers on the other carrier's network without cash payment. This is also referred to as payment

in kind. Second, the terminating carrier is compensated for call termination by its own customer, who pays the terminating carrier a monthly fee for service, including the right to receive calls without a separate charge.

MCImetro and MFS-FL also assert that another advantage of mutual traffic exchange is that it minimizes the costs of measurement and billing. MFS-FL's witness, Mr. Devine, argued that since BellSouth has flat-rated residential service, BellSouth may have to install measurement systems to monitor and audit outbound traffic. Installing measuring devices would cause a significant increase in the total service long run incremental cost of the switching function for terminating traffic, resulting in higher prices for consumers and thus would create barriers to entry. With mutual exchange of traffic, there would be no need for terminating companies to measure delivered traffic. MCImetro's witness, Ms. Cornell, added that mutual traffic exchange is the least cost means of compensating for terminating traffic and is, therefore, the method most likely to help drive local exchange rates to the lowest possible level.

Another advantage to mutual traffic exchange is that it provides carriers with the incentive to adopt an efficient network architecture. MFS-FL contends that a compensation scheme in which the terminating carrier is able to transfer termination costs to the originating carrier reduces the incentive of the terminating carrier to use an efficient call termination design.

We are not persuaded by BellSouth's arguments against mutual traffic exchange. BellSouth states that mutual traffic exchange will provide no incentive for ALECs to connect at the end office; rather, it will provide incentive for them to connect at the access tandem, thus, taking advantage of BellSouth's network efficiencies. However, we perceive this as an advantage for mutual traffic exchange and is precisely what we should encourage. Connecting at the access tandem to access several end offices is also what we encouraged for interexchange carriers (IXCs) at Divestiture. At that time, we created access charge structures that promoted IXC connections to the access tandem.

BellSouth also stated that mutual traffic exchange would not eliminate the need for billing and administrative systems. Although toll traffic will be measured and billed, there is a significant expense to measuring local traffic. MCImetro stated that mutual traffic exchange is by far the least-cost method of interconnection.

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BellSouth also asserted that mutual traffic exchange does not allow it to recover its costs for terminating local traffic. Although no monies would be traded under mutual traffic exchange, MCImetro's witness, Ms. Cornell, summarized it best:

...when you provide something in kind, you are essentially providing it at cost...you are not giving it to each other for free. I mean when you give somebody something for free, there is no exchange of anything. When you exchange something, it's not a for-free transaction; that is a swap; that is an in-kind transaction. Now most of the time we use money so that I can give you something, you pay me money, and I turn around and buy something from somebody else. And instead of having to arrange a three-way or a six-way or a 12-way barter, we do it with money; that is what money is intended to do.

This is a case where two companies directly need to exchange something, they need to exchange traffic. They are going to swap it. They are going to barter it. They are going to trade it in kind. It's not for free.

This follows the concept that a company's costs for furnishing local interconnection consist of two parts: the company's internal costs for terminating calls, and the rates it pays to other companies for terminating its calls. These are true economic costs of furnishing local interconnection. By mutual traffic exchange, each company avoids the cost of the rates it pays to the other company, and therefore receives benefits equal to the benefits it provides.

BellSouth contends that adoption of mutual traffic exchange would violate Section 364.162(4), Florida Statutes. Specifically, this section states that

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

BellSouth argues that the statute does not mention bill and keep, mutual traffic exchange, trade, or barter as a basis for exchanging traffic, and that it is clear that the Legislature expected a monetary amount. BellSouth asserts that the interpretation must be consistent with legislative intent, be reasonable so that absurd results are avoided, and be interpreted as a whole so that all parts are consistent with one another. Also, BellSouth contends that not only must there be a charge, it must cover the costs of

interconnection. The problem with implementing mutual traffic exchange, BellSouth asserts, is that it contains no recovery for costs associated with termination of local calls.

BellSouth asserts that under mutual traffic exchange, the ALECs want to use BellSouth's network free of charge and that BellSouth is just seeking payment for use of its facilities. BellSouth contends that it will be unable to raise its basic local exchange residential rates to cover the cost of local interconnection and the increased cost associated with the increased usage on the local exchange network. The problem, BellSouth asserts, will only be exacerbated as it provides additional functionalities as part of the interconnection arrangement because its costs will increase even more. Therefore, BellSouth argues, there must be a financial component in any local interconnection plan.

MCImetro contends that mutual traffic exchange would meet the statutory requirements. MCImetro argues that BellSouth's own cost studies estimate that the cost of interconnection can be expressed in "tenths of a cent" per minute. Thus, any cash charge at or above this level would indisputably comply with the statutory requirement. Contrary to BellSouth's assertion that compensation for terminating local traffic must be in cash for terminating local traffic, MCImetro asserts that mutual traffic exchange provides compensation "in kind" which is sufficient in economic terms to cover BellSouth's cost of providing interconnection. MCImetro further argues that the value received from the ALEC's termination of BellSouth's calls will cover the cost of terminating ALEC traffic. Further, because of the value received from the termination of calls by the ALEC, neither BellSouth nor the ALECs are using anyone's network for "free". MCImetro further notes that, despite BellSouth's claim that payment should be in cash, BellSouth, the only one with the necessary cost information, presented no evidence of those costs.

We find the arguments of MCImetro, MFS-FL, and AT&T to be compelling. Based upon the evidence in the record, mutual traffic exchange appears to be the most efficient, least-cost method of interconnection, and should provide the lowest barrier to entry of any method discussed. However, if traffic becomes imbalanced to a significant degree, a usage-based rate may be more appropriate. The companies will be the best judges of which method is least-cost, and they may request that the method be changed if traffic becomes imbalanced.

We disagree with BellSouth's argument that mutual traffic exchange violates Section 364.162(4), Florida Statutes. We are

obligated to foster competition while ensuring that the charge set for interconnection covers BellSouth's cost. We agree with BellSouth that the statute must be construed as a whole so that absurd results are avoided. The intent of the Section 364.162(4) is to ensure that interconnection rates are not set below BellSouth's costs. MCI metro asserts that mutual traffic exchange is akin to payment in kind as mentioned above. To construe the statutory language so narrowly to say that mutual traffic exchange would not be an adequate form of compensation would, in our opinion, yield an absurd result. In addition, we find BellSouth's argument incredulous since in BellSouth's Stipulation there is a 105% cap on the exchange of traffic with a default to mutual traffic exchange. Assuming arguendo that BellSouth is correct that mutual exchange of traffic violates Section 364.162(4), then it is also true that the provisions of the BellSouth Stipulation providing a limit on compensation of 105% as well as the default provision to mutual exchange is also violative of the same provision. Nothing in the BellSouth Stipulation insures recovery of costs of termination. In view of the provisions of the Stipulation, the BellSouth proposal appears to be simply punitive with respect to those who did not sign the agreement.

Based upon our review of the record, we find that for the termination of local traffic, the respective ALECs and BellSouth shall compensate each other by mutual traffic exchange. Any party who believes that traffic is imbalanced to the point that the party is not receiving benefits equivalent to those it is providing through mutual traffic exchange may request the compensation mechanism be changed.

g) Local/Toll Distinction

To distinguish local from toll traffic, BellSouth proposes to provide ALECs with NXX codes to the extent that the ALECs require them for use in the calling areas the ALECs want to establish. BellSouth also proposes a toll default mechanism whereby a BellSouth customer is calling an ALEC and the NXX code used by the ALEC is such that BellSouth cannot determine whether the call is local or toll, then BellSouth will treat that ALEC for that call in the same manner that it treats an IXC: BellSouth would charge originating switched access for that call. To avoid paying BellSouth originating intrastate network access charges, the ALEC will have to provide sufficient information to determine whether the traffic is local or toll. However, if BellSouth does not provide an ALEC with access to a sufficient number of numbering resources so that BellSouth can tell whether or not a call is local or toll, the call will be deemed local.

In addition, BellSouth proposes that on the terminating side of calls, a percent local usage factor be used for determining local traffic from toll traffic, in addition to the percent interstate usage factor used today for switched access. BellSouth, however, states that eventually there should be one rate structure for toll and local calls.

MCImetro asserts that it should be allowed to file its own access charge tariff, with the only requirement being that the total charge for originating and terminating toll calls by MCImetro not exceed the total rate that would have been paid to BellSouth.

MFS-FL also proposes the use of a percent local utilization (PLU) factor to determine the amount of calls that are local versus toll. The PLU factor is similar to the percent interstate utilization used by IXCs. This system would be subject to LEC audit. Under MFS-FL's proposed PLU system, when MFS-FL sends calls to BellSouth, MFS-FL would provide on a quarterly basis a percentage breakdown between calls sent to BellSouth that were local versus toll. BellSouth would apply the percentages and apply them to the total local and toll minutes that they receive and send a bill to MFS-FL for those calls. MFS-FL contends that the PLU will solve jurisdictional problems for both originating and terminating calls. Even under mutual traffic exchange, MFS-FL states that it wants to use the PLU, because local and toll traffic would be carried on the same trunk and the ALEC needs to account for both types of calls.

For originating and terminating intrastate toll traffic, we find it appropriate to require the parties to pay each other BellSouth's tariffed intrastate switched network access service rate on a per-minute-of-use basis. The charges are already tariffed and cover the cost of terminating and originating toll traffic. When an ALEC customer places a toll call to a BellSouth customer and the ALEC serves as the toll carrier, BellSouth shall charge the ALEC terminating network access service rates and vice versa. If the ALEC is serving as a BellSouth customer's presubscribed long distance carrier, then BellSouth can charge the ALEC originating access charges and vice versa. Since the IXCs are currently treated this way, ALECs and LECs competing in the long distance market should also be treated this way.

Although the parties do not oppose the use of switched access charges for the exchange of toll traffic, the parties differ regarding a mechanism that distinguishes between local and toll traffic. BellSouth and MFS-FL agree to the use of a PLU factor to distinguish between local and toll calls. Although we are not averse to the use of a PLU factor, there is insufficient evidence

in the record to calculate a specific PLU. Accordingly, when it cannot be determined whether a call is local or toll, the local exchange provider shall be assessed originating switched access charges for that call unless the local exchange provider originating the call can provide evidence that the call is actually a local call. BellSouth and the ALECs may negotiate alternative terms for compensating each other for exchanging toll traffic. If an agreement for such terms is negotiated, the agreement shall be filed with the Commission before it becomes effective.

III. TARIFFING INTERCONNECTION RATES

Our review of the record indicates that the parties agree that BellSouth should file a tariff for its interconnection rates and other arrangements. We find that these interconnection rates and other arrangements shall be available to all similarly situated ALECs on a non-discriminatory basis. Section 364.162 (2), Florida Statutes, states that whether set by negotiation or by the Commission, interconnection prices, rates, terms, and conditions shall be filed with the Commission before their effective date.

Tariffing the interconnection rates makes these rates generally available. If a company believes that its situation is different from the other ALECs' in this proceeding, it may negotiate its own rates, terms, and conditions with BellSouth.

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

This delivery of calls originated or terminated from carriers not directly connected to the ALEC's network involves interconnection among ALECs and IXCs that are interconnected with BellSouth but not with each other. Under this arrangement, BellSouth would perform an intermediary function by passing calls from one carrier's network to the other's.

MFS-FL's position was the most comprehensive and persuasive. MFS-FL requested four items regarding intermediary interconnection which are discussed below.

a. All carriers should be permitted to subtend the LEC tandem.

This provision would allow ALECs to connect to BellSouth's access tandem. Access tandems are switches designed to aggregate and switch toll traffic. Every LEC central office within a LATA (local access and transport area) is connected either directly or indirectly with an access tandem. Therefore, connection at the

access tandem can provide access to all customers within a LATA. We address this in Section XIII of this Order.

b. Meet-point billing should follow established industry guidelines.

All parties agreed that meet-point billing arrangements are appropriate for this traffic. The ALECs agreed that standard meet-point billing arrangements that currently exist among adjacent LECs are appropriate and should apply.

BellSouth did not provide a position regarding the details of meet-point billing arrangements. MFS-FL claimed that BellSouth wanted a more restrictive meet-point billing arrangement with ALECs than it had with other LECs. Although this may have been true in negotiations, the record does not support this position. BellSouth stated that meet-point billing arrangements, where each carrier bills its portion of the interconnection arrangement, may be required. We interpret this to mean that meet-point billing may be appropriate, and that whatever rates each company agrees to or is entitled to recover should be reflected in the agreement.

Accordingly, we find it appropriate for BellSouth to establish meet-point billing arrangements with MFS-FL and MCImetro as it has with adjacent LECs. Meet-points for rating purposes shall be established at mutually agreeable locations.

c. Collocated ALECs should be permitted to cross-connect without transiting the BellSouth network.

This provision would allow two ALECs that are both collocated at a BellSouth central office to connect directly with each other. MFS-FL stated that BellSouth should charge MFS-FL and the other connecting entity one-half the currently tariffed BellSouth special access cross-connect rate and that MFS-FL would share the cost with whomever it is cross-connected. MFS-FL also stated that the LEC should not be permitted to build inefficiencies into ALEC networks by requiring them to interconnect to facilities other than ones where they are already adjacent.

BellSouth disagreed and stated that collocation was not intended for carriers other than the LEC to interconnect with each other. Also, BellSouth argues that such arrangements are prohibited under its current access tariff.

Upon review, we find that MFS-FL's request is appropriate. Although our collocation orders did not address third-party interconnection, we agree that it is an efficient way for ALECs to

interconnect with each other and should be implemented. See Orders Nos. PSC-94-0285-FOF-TP, issued March 10, 1994, and PSC-95-0034-FOF-TP, issued January 9, 1995, in Docket No. 920174-TP. Therefore, BellSouth shall offer such arrangements at one-half its special access cross-connect rate.

d. The carrier providing terminating access should collect the RIC.

The RIC is a charge created by the FCC when it restructured interstate local transport rates. When the rates were restructured, local transport and tandem switching rates were lowered. To compensate for the lost revenue, the RIC was implemented as a rate element to recover these revenues. When intrastate local transport rates were restructured in Florida, a similar rate was implemented for intrastate toll. See Orders Nos. PSC-95-0034-FOF-TP, issued January 9, 1995, and PSC-95-0680-FOF-TP, issued June 6, 1995, in Docket No. 920174-TP.

The issue before us involves toll calls sent through BellSouth's network and terminated on an ALEC's network. BellSouth maintains that it should bill and keep the RIC, while the ALECs argue that the company terminating the call should collect the RIC.

AT&T asserted that the RIC has been purposefully disassociated with the local transport function. AT&T and MFS-FL agreed that the RIC should flow through to the company terminating the call. AT&T also asserted the RIC should be eliminated altogether because there is no underlying direct cost associated with the RIC and even with its elimination, BellSouth's switched access charges would still be many hundred percent above cost.

BellSouth argued to keep the RIC. Witness Scheye stated that the RIC recovers a portion of a LEC's transport and tandem revenue requirements, and was established as a part of the FCC's local transport restructure decision. When local transport was restructured, the RIC was established to recover the shortfall between the overall local transport revenue requirement and the revenues generated by the new and lower transport and tandem switching charges. The method selected to collect the RIC was to simply apply the charge to terminating access minutes measured at the end office where the call was terminated.

BellSouth states that the collection of the RIC was a revenue requirement issue. The reason that current LEC arrangements allow for the terminating company to collect the RIC is that they have RIC revenue requirements, therefore, collecting the RIC helped each company recover its revenue requirements. By collecting the RIC

when terminating the call, instead of the company transporting its own call, each company was in fact recovering the other company's revenue requirement. Also, BellSouth states that the ALECs will not have a revenue requirement associated with a RIC charge. Since the ALEC will not have a RIC cost, there would be no legitimate reason to allow the ALEC to collect the RIC. On the other hand, the LEC transporting and switching the call will still have such a revenue requirement.

We disagree with BellSouth's arguments. The collection of the RIC is no longer a revenue requirement issue. BellSouth is no longer rate base regulated; it is price regulated. Revenue requirements are a concept only applicable under rate base regulation; they are neither consistent with nor relevant to price regulation.

Accordingly, we find that carriers providing tandem switching or other intermediary functions shall collect only those access charges that apply to the functions they perform. If a LEC provides tandem switching, it shall be entitled to tandem switching revenues. If a LEC provides some local transport to a meet-point location, then it shall receive a portion of the local transport and switching revenues. Access charges shall be split fairly according to the functions each carrier performs. To ensure fairness to all carriers, the RIC shall be billed and collected by the carrier terminating the call.

Thus, BellSouth shall establish meet-point billing arrangements with ALECs as it has with adjacent LECs. Meet-points, for rating purposes, shall be established at mutually agreeable locations. ALECs collocated in BellSouth wire centers shall be permitted to cross-connect without transiting the BellSouth switch. BellSouth shall charge each ALEC one-half its special access cross-connect rate.

V. EXCHANGE OF INTRALATA 800 TRAFFIC

BellSouth asserts that during the initial phase of competition, the exchange of 800 traffic will be minimal. BellSouth proposes that the parties resolve, on their own, the issue of technical and financial arrangements for exchanging 800 traffic.

Under the terms of the Stipulation, BellSouth will compensate ALECs for the origination of 800 traffic terminated to BellSouth pursuant to the ALEC's originating switched access charges including the database query. The ALEC will provide to BellSouth the appropriate records necessary for BellSouth to bill its

customers. The records will be provided in a standard ASR/EMR format for a fee of \$0.015 per record. When an ALEC elects to provide 800 services, the ALEC will reciprocate this arrangement.

The record reflects that neither MCImetro nor AT&T opposes the terms for intraLATA 800 calls described in the Stipulation. MFS-FL agrees that BellSouth should compensate ALECs for the origination of 800 traffic terminated to BellSouth pursuant to the ALEC's originating switched access charges including database queries. MFS-FL contests the Stipulation's requirement that BellSouth and ALECs mutually provide appropriate records in the standard ASR format for a fee of \$0.015. MFS-FL argues that assessing such a fee would increase prices for end-users and that BellSouth will be compensated for these queries by billing the IXCs switched access. Further, MFS-FL states that LECs and ALECs will be required to reciprocally exchange significant amounts of information as competition develops, and therefore, these records should be reciprocally exchanged without any fees.

Upon review of the record, we find that compensating a local exchange service provider for the origination of 800 traffic is appropriate. BellSouth shall compensate ALECs for the origination of 800 traffic terminated to BellSouth pursuant to the ALEC's originating switched access charges including the database query. The ALEC shall provide to BellSouth the appropriate records necessary for BellSouth to bill its customers. The records shall be provided in a standard ASR/EMR format for a fee of \$0.015 per record. When an ALEC elects to provide 800 services, the ALEC shall reciprocate this arrangement.

VI. PROVISION OF 911

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

MFS-FL, MCImetro, AT&T and BellSouth agree that 911 trunking arrangements should be provided through ALEC leased or owned facilities to the appropriate BellSouth 911 tandem that contains the customer's Public Safety Answering Point.

Sprint asserts that 911 services should be available to the ALECs at the same rates, terms and conditions that are available to the incumbent LECs. McCaw supports the ALECs' requests.

Continental and FCTA state that 911 service should be provided under the same terms and conditions as listed in the Stipulation. TCG and Time Warner state that resolution of this issue should not be anticompetitive or discriminatory. The relevant terms and conditions of the Stipulation are as follows:

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

MFS-FL and MCImetro agree that this provision in the Stipulation addresses a majority of their 911 concerns; however, they state that the Stipulation has some deficiencies that they would like addressed. MCImetro asserts that BellSouth should work cooperatively with MCImetro to ensure that MCImetro's customer data is in the proper format for inclusion into the appropriate 911 databases. MCImetro asserts that all 911 trunking arrangements should conform with industry standards and that MCImetro's 911 trunks should be afforded the same level of restoration as BellSouth's 911 trunks. Further, MCImetro states that BellSouth should give MCImetro at least 48 hours advanced notice of any scheduled testing or maintenance of the 911 network and provide immediate notification of any unscheduled outage. BellSouth states that 911 trunks must be capable of carrying Automatic Number Identification (ANI) and conform to industry interface standards. We agree that customer data must be provided in the proper format, trunking arrangements must meet industry standards, and ALECs should be notified of any work or outages, both scheduled and unscheduled, to the 911 network.

MFS-FL states that interconnection to BellSouth's 911/E911 network should occur at MFS-FL's proposed Designated Network Interconnection Point. This proposal is addressed in Section XIII of this Order.

It appears that there were no points of contention, rather, only areas in need of clarification. At a minimum, the customers in BellSouth's service territory are entitled to the same level of emergency service as provided today. Therefore, we require that:

- 1) BellSouth shall provide MFS-FL and MCImetro with access to the appropriate BellSouth 911 tandems.
- 2) MFS-FL and MCImetro shall be responsible for providing the trunking, via leased or owned facilities which are capable of carrying Automatic Number Identification, to the 911 tandems.
- 3) All technical arrangements shall conform to industry standards.
- 4) BellSouth shall notify MFS-FL and MCImetro 48 hours in advance of any scheduled testing or maintenance and provide immediate notification of any unscheduled outage.
- 5) BellSouth shall provide a list consisting of each municipality in Florida that subscribes to Basic 911 service, the E911 conversion date and a ten-digit directory number representing the appropriate emergency answering position for each municipality subscribing to 911 service.
- 6) Each ALEC shall arrange to accept 911 calls from its customer and translate the 911 call to the appropriate 10-digit directory number and route that call to BellSouth at the appropriate tandem or end office.
- 7) When a municipality converts to E911 service, the ALEC shall discontinue the Basic 911 procedures and begin the E911 procedures.

VII. ENHANCED 911

MFS-FL, MCImetro, AT&T and BellSouth agree that procedures are needed for updating appropriate E911 databases. MFS-FL, MCImetro and AT&T state that the procedures should include mechanized access to the databases.

Sprint asserts that 911 services should be available to the ALECs at the same rates, terms and conditions that are available to the incumbent LECs. McCaw supports the ALECs' requests.

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Continental and FCTA state that E911 service should be provisioned under the same terms and conditions as listed in the Stipulation. TCG and Time Warner state that resolution of this issue should not be anticompetitive or discriminatory. The relevant terms and conditions of the Stipulation are as follows:

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

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

MFS-FL and MCImetro agree that the Stipulation language addresses a majority of their 911 concerns; however, both assert that the Stipulation does not sufficiently address database transactions and updates. MFS-FL and MCImetro assert that BellSouth should arrange for ALECs to have automated input and daily updating of the Master Street Address Guide and other E911 databases. BellSouth states that procedures must be in place to handle transmission, receipt and daily updates to the various databases used in provisioning E911 service. BellSouth has discussed providing the Master Street Address Guide to the ALECs either by print or diskette. BellSouth maintains that it will provide mechanized access to databases as soon as it is capable, but there is no timetable or cost estimate for this function. In addition, BellSouth states that it will verify and edit ALEC updates to the E911 database just as BellSouth does for the Independent Local Telephone companies. Any errors found will be returned to the ALECs and the ALECs will be responsible for correcting the data.

Upon consideration, we find that BellSouth shall provide mechanized access to any database used for provisioning E911 service.

We believe that the companies are in the best position to determine the particulars of mechanized database access. Thus, we find that MFS-FL, MCImetro and BellSouth shall work together and file with this Commission, within 60 days of the issuance of this Order, a comprehensive proposal for mechanized access to any database used for provisioning E911 service. The proposal shall include cost and price support, and a list of operational procedures.

MFS-FL states that interconnection to BellSouth's 911/E911 network should occur at MFS-FL's proposed Designated Network Interconnection Point. This proposal is addressed in Section XIII of this Order.

MCImetro asserts that all 911 trunking arrangements should conform with industry standards and that its 911 trunks should be afforded the same level of restoration as BellSouth 911 trunks. MCImetro also adds that BellSouth should give MCImetro at least 48 hours advanced notice of any scheduled testing or maintenance of the 911 network and provide immediate notification of any unscheduled outage. BellSouth states that 911 trunks must be capable of carrying Automatic Number Identification (ANI) and conform to industry interface standards. It appears that the companies are referring to 911 service generically. We agree that trunking arrangements must meet industry standards, and ALECs should be notified of any work or outages, both scheduled and unscheduled, to the 911/E911 network.

Accordingly, we find that:

- 1) BellSouth shall provide MFS-FL and MCImetro with access to the appropriate BellSouth E911 tandems, including the designated secondary tandem.
- 2) If the primary tandem trunks are not available, the ALEC shall alternate route the call to the designated secondary E911 tandem. If the secondary tandem trunks are not available, the ALEC shall alternate route the call to the appropriate Traffic Operator Position System (TOPS) tandem.
- 3) MFS-FL and MCImetro shall be responsible for providing the trunking, via leased or owned facilities which are capable of carrying Automatic Number Identification, to the E911 tandems.
- 4) All technical arrangements shall conform to industry standards.

- 5) BellSouth shall notify MFS-FL and MCImetro 48 hours in advance of any scheduled testing or maintenance and provide immediate notification of any unscheduled outage.
- 6) BellSouth shall provide MFS-FL and MCImetro with mechanized access to any database used for provisioning E911 service. MFS-FL, MCImetro and BellSouth shall work together and file with this Commission, within 60 days from the issuance of this order, a comprehensive proposal for mechanized access to any database used for provisioning E911 service. The proposal shall include cost and price support, and a list of operational procedures.
- 7) If a municipality has converted to E911 service, the ALEC shall forward 911 calls to the appropriate E911 primary tandem along with the ANI, based upon the current E911 end office to tandem homing arrangement as provided by BellSouth.

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

There appears to be no objection to the use of BellSouth's tariffed rates as the compensation arrangement for providing operator handled traffic between the respective ALECs and BellSouth. However, MCImetro had some concern as to whether the tariff references discussed in the Stipulation and BellSouth's testimony were the same methods for emergency interrupt service and busy line verification provided to independent LECs in Florida. MCImetro stated that it wants to either use contracts or the tariff, whichever was deemed more useful or economical. MCImetro stated that BellSouth should provide such functions to ALECs at the same rates, terms, and conditions that the functions are made available to other LECs, whether LECs obtain these functions by contract or tariff.

Since there is no objection to the use of BellSouth's tariffed rates and since none of the parties has provided any evidence as to the unreasonableness of BellSouth's rates, we find it appropriate to use BellSouth's tariffed rates for busy line verification and emergency interrupt services to fulfill the financial requirements for operator handled traffic flowing between the respective ALECs and BellSouth.

The technical arrangement proposed by BellSouth for operator handled traffic between ALECs and BellSouth is a dedicated trunk

group, either one-way or two-way, between the ALEC's end office and BellSouth's Operator Services System. The trunk group may be the same as that used for Inward Operator Services (busy line verification and emergency interrupt services) and Operator Transfer Service. Busy line verification and emergency interrupt services are currently tariffed in BellSouth's Access Service Tariff. MFS-FL stated that MFS-FL and BellSouth should establish procedures whereby their operator bureaus will coordinate with each other to provide busy line verification and interrupt services. MFS-FL further stated that BellSouth's proposal to provide busy line verification and interrupt services from BellSouth's tariff was acceptable as long as the rates were reasonable. None of the parties objected to the technical provision of operator services as provided in BellSouth's tariff. Accordingly, we find it appropriate for the technical arrangement proposed by BellSouth to be used to provide operator services.

IX. DIRECTORY ASSISTANCE SERVICES AND DATA

This matter concerns the terms and conditions requested by MFS-FL and MCI metro with respect to BellSouth's directory assistance (DA) services and database. MFS-FL, MCI metro, BellSouth and AT&T agree that BellSouth should list ALEC customers in BellSouth's DA database.

McCaw states that the ALECs' requests should be approved. Sprint's position is that ALECs are conceptually independent LECs that will overlay the incumbent LECs' territory. Therefore, ALECs should be afforded the same treatment as LECs, and ALEC customers should be listed in the LEC's DA database.

Continental states that ALEC customers should be included in BellSouth's DA database, but adds that we should adopt the provisions for DA service that are in Continental's Stipulation with BellSouth. FCTA agrees to the extent that the provisions of the Stipulation with BellSouth should apply to MFS-FL and MCI metro. TCG and Time Warner, who also signed the Stipulation, state that resolution of this issue should not be anticompetitive or discriminatory.

MCI metro asserts that BellSouth should provide at least three options for DA provision. First, there should be a resale arrangement whereby MCI metro would be able to use BellSouth's DA service to provide DA to MCI metro's customers. Second, BellSouth should provide a mechanized database access option so that MCI metro's operators can obtain the necessary DA listing information. Third, there should be a purchase option that requires BellSouth to sell its DA database to MCI metro. MFS-FL is

requesting these same service options but adds that BellSouth should also offer DA service under MFS-FL's brand (branding) which is comparable in every way to BellSouth DA service. BellSouth addresses these requests by stating that BellSouth currently provides DA service out of its access tariff. BellSouth also licenses the use of its DA database in its General Subscriber Services Tariff called Directory Assistance Database Service (DADS). In addition, BellSouth stated that it will provide on-line access to BellSouth's DA database to MFS-FL operators or an MFS-FL designated operator bureau.

The only option that does not appear to be readily available at this time is MFS-FL's request for branding. However, BellSouth explained that it will provide branding upon a firm order for service and a script of what the ALEC would like BellSouth operators to say. BellSouth asserts that it intends to charge for this service by filing a tariffed rate option for branding DA calls.

BellSouth states that it will list ALEC customers in its DA database if the necessary information is provided in the format specified by BellSouth. BellSouth maintains that to the extent BellSouth has to incur additional costs for storing inconsistent information, the ALEC should be required to pay these costs. We agree that the ALECs should pay any additional costs incurred for incompatible information, and we find that BellSouth shall provide the ALECs with the appropriate format BellSouth requires to populate its database. In turn, the ALECs shall submit their customer data in compliance with this format.

Therefore, we find it appropriate to require BellSouth to list the ALEC's customers in BellSouth's DA database. To ensure compatibility with BellSouth's database, BellSouth shall provide the ALECs with the appropriate database format in which to submit the necessary information. BellSouth shall update its DA database under the same time periods afforded itself. BellSouth shall provide branding upon a firm order for the service.

X. WHITE AND YELLOW PAGES DIRECTORIES

MFS-FL, MCImetro, and AT&T assert that BellSouth should include ALEC customers in the appropriate BellSouth white and yellow page directories and distribute directories to ALEC customers at no charge. BellSouth states that it will list ALEC business customers in BellSouth's yellow and white page directories and provide white page listings for ALEC residential customers. In addition, BellSouth intends to distribute the directories to ALEC customers.

Continental and FCTA negotiated a settlement with BellSouth concerning terms and conditions for white and yellow page directories in their Stipulation. Their position is that we should adopt these terms and conditions with respect to MFS-FL and MCImetro. TCG and Time Warner, who also signed the Stipulation, state that resolution of this issue should not be anticompetitive or discriminatory. The relevant terms and conditions of the Stipulation are as follows:

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

MFS-FL is requesting that enhanced listings, such as bolding and indention, be provided under the same rates, terms and conditions as are available to BellSouth's customers. In addition, MFS-FL states that MFS-FL must provide BellSouth with directory listings and daily updates in an accepted industry format. Likewise, MFS-FL states that BellSouth should provide MFS-FL with a magnetic tape or computer disk containing the proper format.

MFS-FL is also concerned about yellow page maintenance. MFS-FL believes that BellSouth and MFS-FL should work together to ensure that yellow page advertisements purchased by customers that switch their service to MFS-FL are maintained without interruption. We agree with MFS-FL, but add that these parameters should apply anytime a customer changes its local exchange carrier, such as LEC to ALEC, ALEC to LEC, ALEC to ALEC.

McCaw states that the ALECs' requests should be approved. Sprint asserts that ALECs should have access to the same databases and resources as the incumbent LECs. Although Sprint's position is broader than the scope of this issue, it supports the ALECs' requests.

Upon review, we find it appropriate to require BellSouth to provide directory listings for ALEC customers in BellSouth's white

page and yellow page directories at no charge. BellSouth shall also distribute these directories to ALEC customers at no charge. To ensure compatibility with BellSouth's database, BellSouth shall provide the ALECs with the appropriate database format in which to submit the necessary information. Enhanced listings shall be provided to ALEC customers at the same rates, terms and conditions offered to BellSouth customers.

XI. BILLING AND COLLECTION SERVICES

The parties offered a number of alternatives for providing billing and collection services between BellSouth and ALECs. BellSouth discussed two options in its testimony as follows:

Option 1

An ALEC may elect to have another RBOC serve as its Centralized Message Distribution System (CMDS) host. CMDS will provide the ALEC with the ability to bill for its services when the messages are recorded by a local exchange company. This would include credit card, collect, and third-party calls. Under this option, all messages originated by the ALEC but billable by another company, or that are originated by another company and billable by the ALEC, will be sent through that RBOC host for distribution. If the ALEC elects to purchase operator and/or 800 database service from BellSouth, and BellSouth is therefore recording messages on the ALEC's behalf, BellSouth will send those messages directly to the ALEC for rating. The ALEC will then distribute the messages to the appropriate billing company via their RBOC host.

Option 2

The ALEC may elect BellSouth to serve as the CMDS host. Under this option, the ALEC must have Regional Accounting Office status (RAO), which means that the ALEC has been assigned its own RAO code from Bellcore. BellSouth will send CMDS all messages that are originated by an ALEC customer that are billable outside the BellSouth region. BellSouth will also forward all messages that originate outside the BellSouth region from CMDS to the ALEC for billing where applicable. This service will be provided via contract between the two companies.

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MFS-FL states that it will deliver information services traffic originated over its exchange services to information services provided over BellSouth's information services platform over the appropriate trunks. MFS-FL states that BellSouth should provide, at MFS-FL's option, a direct real time electronic feed or a daily or monthly magnetic tape in a mutually specified format, specifying the appropriate billing listing and effective daily rate for each information service by telephone number. MFS-FL stated that if it provides its own information services platform, BellSouth should assist MFS-FL to develop LATA-wide NXX code(s) which MFS-FL may use in conjunction with such a platform. MFS-FL will bill and collect from its end users the specific end user calling rates BellSouth bills its own end users for such services, unless MFS-FL obtains approval to charge rates different from those rates charged by BellSouth.

Upon review, we find it appropriate to require BellSouth to allow MCImetro and MFS-FL to choose one of the two options discussed above for billing and collection services. In addition, BellSouth and the respective ALECs shall transmit billing information via electronic line feed or magnetic tapes as described above. We also direct MFS-FL, MCImetro, and BellSouth to co-develop a billing and collection arrangement which addresses prices, methods, and procedures. This arrangement shall be filed within 60 days of the issuance of this Order.

XII. PROVISION OF CLASS/LASS SERVICES

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

CLASS features use Common Channel Signalling (CCS), or CCS7, which is a method of digitally transmitting call set-up and network control data over a special network. Signalling is how information on call processing is passed between various network elements to permit facilities to be used when needed, and rendered idle when not needed. The term "common channel" signalling is used to describe signalling which is accomplished using a network that is separate from the public switched network elements that carry the actual call. CCS signalling parameters include automatic number identification (ANI), originating line information, calling party category, and charge number.

MFS-FL states that ALECs and BellSouth should provide LEC-to-LEC CCS to one another, where available, for LATA-wide traffic.

MFS-FL also states that all CCS signalling parameters should be provided. Further, MFS-FL believes BellSouth and MFS-FL should cooperate on the exchange of messages to facilitate full interoperability of CCS-based features between their respective networks. MFS-FL states that CCS should be provided by signal transfer point (STP) to STP connections. MFS-FL further asserts that carriers should provide each other the same form and quality of interoffice signalling, CCS, that they use within their own networks, and SS7 signalling should be provided where the carrier's own network is so equipped.

In addition, MFS-FL states that since the CCS will be used cooperatively for the mutual handling of traffic, link facility and link termination charges should be prorated 50% each between parties. MFS-FL states that for traffic where CCS is not available, in-band multi-frequency, wink start, and E&M channel-associated signalling should be forwarded. MFS-FL asserts that the originating carrier should also be required to transmit the privacy indicator where it applies. The privacy indicator is a signal that is sent when the calling party has blocked release of its number, either by per line or per-call blocking. In addition, MFS-FL asserts that BellSouth should offer use of its signalling network on an unbundled basis at tariffed rates.

MFS-FL states that although there is general agreement on the CLASS interoperability issues, as indicated by the related provisions of the Stipulation, BellSouth would not sign a detailed business agreement addressing all of the necessary aspects of this issue.

MCImetro states that BellSouth should deliver to ALECs, without limitation or modification, any and all CCS7 signalling information generated by the caller or by BellSouth on behalf of the caller. Further, MCImetro states that BellSouth should be required to provide CCS7 signalling on all trunk types which according to industry standards support such signalling. MCImetro states that this issue would be resolved if we ordered BellSouth to make related provisions of the BellSouth-TCG Stipulation available to MCImetro. The language on CLASS interoperability in the BellSouth-TCG Stipulation is identical to the language in the BellSouth-FCTA Stipulation.

BellSouth states that Full Signalling System 7 (SS7) connectivity is required between end offices to ensure the provision of CLASS/LASS services between BellSouth and an ALEC. BellSouth plans to unbundle the same in its Switched Access Service tariff. BellSouth asserts that the Stipulation provides that

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BellSouth and ALECs will provide CCS to enable full interoperability of class features and functions.

The Stipulation addresses CLASS interoperability. It states that:

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

AT&T states that at a conceptual level, it essentially agrees with BellSouth regarding CLASS interoperability. AT&T is optimistic that it could be resolved.

FCTA and Continental assert that the terms and conditions relating to CLASS interoperability addressed in the Stipulation should be adopted. Time Warner agrees and also states that we should establish no rate, term or condition for interconnection that is anticompetitive or discriminatory. McCaw and Sprint had no substantial or additional argument, and Intermedia has no position on this issue.

It appears from the evidence in the record that all parties agree on the arrangements necessary to ensure the provision of CLASS/LASS services between the respective ALEC's and BellSouth's networks. We believe that the parties, especially MFS-FL, MCImetro, and BellSouth, understand what is necessary to make the CLASS/LASS services work between each other's networks. In addition, MFS-FL and MCImetro have agreements on CLASS/LASS interoperability with a LEC, New England Telephone, which contain identical language on CLASS/LASS interoperability. MFS-FL is proposing that these same terms and conditions be adopted for its interconnection arrangement with BellSouth. MFS-FL's terms and conditions are consistent with what MCImetro is requesting.

Upon consideration, we believe that the terms and conditions for CLASS/LASS interoperability advocated by all parties including BellSouth are similar to the language in the Stipulation. MFS-FL and BellSouth agree that BellSouth should offer use of its

signalling network pursuant to tariff. MFS-FL states that since the CCS will be used cooperatively for the mutual handling of traffic, link facility and link termination charges should be prorated 50% between parties; however, BellSouth did not present evidence either for or against MFS-FL's position regarding the CCS link facilities and link termination charges. We also find it appropriate for each party to pay for its share of the costs. Since these signalling arrangements benefit both carriers, the ALECs and BellSouth shall provide LEC-to-LEC Common Channel Signalling (CCS) to one another, where available, in conjunction with all POTS traffic, to enable full interoperability of CLASS/LASS features and functions. In addition, all privacy indicators shall be honored, and ALECs and BellSouth shall use industry standards for CCS signalling between their networks. Because CCS will be used cooperatively for the mutual handling of traffic, the ALECs and BellSouth shall each be responsible for the costs associated with the installation and use of their respective CCS networks.

XIII. PHYSICAL INTERCONNECTION, INCLUDING TRUNKING AND SIGNALLING ARRANGEMENTS

MFS-FL and MCImetro propose that ALECs be permitted to establish at least one interconnection point in a given area. MFS-FL asserts that there should be one per LATA, while MCImetro is proposing one per local calling area. In addition, they are requesting the flexibility of using one-way or two-way trunking arrangements for terminating traffic. McCaw and Sprint support the ALECs' requests.

BellSouth advocates interconnection at the access tandem and end office levels. BellSouth states that this is the only technically feasible arrangement and is the arrangement that exists with the interexchange carriers. AT&T adds that interconnection should also be furnished at some central point and that unbundled SS7 signalling should be provided.

Continental states that we should adopt the provisions for physical interconnection that are in the Stipulation. FCTA agrees to the extent that the provisions of the Stipulation should apply to MFS-FL and MCImetro. TCG and Time Warner state that resolution of this issue should not be anticompetitive or discriminatory.

MCImetro asserts that it should have the option of specifying a meet point, also called a midspan meet, for interconnection between its network and BellSouth's network. Each carrier would be responsible for providing its own facilities to and from the point of interconnection. MFS-FL's proposal is that within each LATA

served, MFS-FL and BellSouth will identify a wire center to serve as the Default Network Interconnection Point (D-NIP). At the D-NIP, MFS-FL would have the right to specify one of the following methods of interconnection: a) a mid-fiber meet at the D-NIP or some point near the D-NIP; b) a digital cross connect hand off where MFS-FL and BellSouth maintain such facilities at the D-NIP; or c) a collocation facility maintained by MFS-FL, BellSouth or a third party. MCImetro notes that BellSouth currently interconnects with independent LECs on a meet point basis; therefore, meet point interconnection is technically feasible. BellSouth asserts that without knowing the different ALECs' capabilities versus BellSouth's, BellSouth did not want to make midspan meets a general offering. BellSouth points out that if the circumstances arise, BellSouth would be willing to investigate a midspan meet with a particular carrier. We believe that mid-span meets should be permitted where technically and economically feasible. Midspan meets should be tailored to each company's specifications and therefore, should be a negotiated arrangement.

MCImetro believes that ALECs should have the option of using one-way or two-way trunks to interconnect with BellSouth. This flexibility will allow MCImetro to select the option that best suits its needs. MFS-FL states that two-way trunk groups are the most efficient means of interconnecting for MFS-FL because they minimize the number of ports needed. MFS-FL asserts that this is standard practice among the incumbent LECs today. BellSouth does not directly address the request for one-way or two-way trunking in its testimony. We find that the ALECs should have the option of interconnection using one-way or two-way trunking arrangements. These types of trunking arrangements are used by the incumbent LECs today and shall be made available to the ALECs.

Based on review of the record, we find it appropriate to require BellSouth to provide interconnection, trunking and signalling arrangements at the tandem and end office levels. BellSouth shall also provide ALECs with the option of interconnecting via one-way or two-way trunks. Mid-span meets shall be permitted where technically and economically feasible and shall be a negotiated arrangement.

XIV. INTEREXCHANGE CALLS TERMINATED TO A "PORTED" NUMBER

The only issue raised that was not resolved in the number portability docket was the destination of switched access charges for toll calls. The ALECs maintained that BellSouth wanted to retain all of the switched access charges associated with a toll call routed through remote call forwarding for number portability, which is a "ported" call. However, BellSouth maintained that it

envisioned a meet point billing situation where it would retain its rate elements and the ALEC would bill its own rate elements on ported calls. BellSouth never suggested that it retain all of the switched access revenues without some compensation going to the ALECs. The Stipulation reflects this approach. Therefore, there appears to be little difference among the parties regarding this issue.

The sole difference we were able to discern was the collection of the RIC. BellSouth, consistent with its position that the RIC is a revenue requirement element, argued it should retain the RIC. The Stipulation also reflects this policy. The ALECs argued that the terminating company should get the RIC.

We believe this situation is no different than the intermediary functions described above. Since revenue requirements are no longer relevant to BellSouth, the RIC shall be billed and collected by the carrier terminating the call.

XV. OTHER OPERATIONAL ISSUES

BellSouth argues that operational issues are most appropriately resolved through the negotiation process. If the issues cannot be resolved, then the existing Commission complaint process is appropriate.

MFS-FL states that we should establish detailed arrangements for certain additional operational issues such as transfer of service announcements, repair calls, information pages, service announcements and the operator reference database. MFS-FL states that its experience has been that any aspect of interconnection that is not written creates potential for delay, dispute and discord, and that the best way to swiftly implement competition is in a detailed comprehensive business arrangement. MFS-FL disagrees with BellSouth's position that these issues should be resolved using the negotiation process. MFS-FL argues that we should establish more detailed operational arrangements. MFS-FL asserts that 1) ALECs and BellSouth should provide their respective repair contact numbers to one another on a reciprocal basis; 2) misdirected repair calls should be referred to the proper company at no charge, and the end user should be provided the correct contact telephone number; 3) extraneous communications beyond the direct referral to the correct repair telephone number should be prohibited; and 4) BellSouth should provide operator reference database (ORDB) updates on a monthly basis at no charge to enable MFS-FL operators to respond in emergency situations.

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An "informational" section, which provides a listing of BellSouth services, is included in BellSouth's white pages directory. MFS-FL asserts that it should have access to this section to provide its customers with data on MFS-FL calling areas, services installation, repair and other customer services. MCImetro is requesting that its services be included in this section also. BellSouth states that BellSouth Advertising & Publishing Corporation (BAPCO) is willing to offer ALECs limited space in the informational section of the white pages directory.

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

BellSouth does not oppose some type of mechanized interface between ALECs and LECs and is currently working on such an interface. However, MCImetro agrees that parties have not provided sufficient evidence supporting how much an interface would cost, how long it would take to develop, and who should pay for it. BellSouth and MFS-FL agree that a standard intercept message should be provided to a customer who changes local exchange companies but does not choose to keep his or her original telephone number.

AT&T states that it has not identified any other arrangements that are necessary to address other operational issues at this time.

FCTA and Continental assert that the terms and conditions relating to CLASS interoperability addressed in the Stipulation should be adopted. Time Warner agrees and states that we should not establish any rate, term or condition for interconnection that is anticompetitive or discriminatory.

The Stipulation states that various aspects of the interconnection process are "not resolved in this document." These aspects include:

...physical interconnection arrangements (e.g., collocation, midspan meet) technical requirements, trouble reporting and resolution, billing processes, resolution of operating issues, provisioning, ordering,

deadlines, performance standards, recording of traffic, including start and stop time, reporting and payment, dispute resolutions, rounding measurements, financial penalties for late payments, and the provision of inter-carrier clearinghouse functions...

The Stipulation further states that the parties agree to cooperatively work toward resolution of these issues no later than January 31, 1996, and that either party may petition the Commission for resolution should unresolved issues remain on January 31, 1996.

We understand that there are many operational issues that will arise as the ALECs begin to provide service. We believe that the mechanized intercompany operational procedures supported by MCImetro are appropriate, since these procedures are currently used today between LECs and IXCs. The parties need to work together to determine how much such an interface would cost, how long it would take to develop, and who should pay for it. However, we find it appropriate to grant MFS-FL's requests for detailed arrangements regarding repair calls, information pages, service announcements and the operator reference database. Implementing MFS-FL's specific operational requests now will make the transition to local competition more seamless for consumers. The specific operational issues are listed below.

We believe that on a going forward basis, parties should attempt to resolve operational problems that arise. If the parties cannot reach a resolution, they can file a petition or motion for resolution of the problem with us.

Accordingly, we find that mechanized intercompany operational procedures, similar to the ones between IXCs and LECs today, should be developed jointly by the ALECs and LECs. Further, ALECs and BellSouth shall adhere to the following requirements:

- 1) ALECs and BellSouth shall provide their respective repair contact numbers to one another on a reciprocal basis;
- 2) Misdirected repair calls shall be referred to the proper company at no charge, and the end user shall be provided the correct contact telephone number;
- 3) Extraneous communications beyond the direct referral to the correct repair telephone number shall be prohibited;
- 4) BellSouth shall provide operator reference database (ORDB) updates on a monthly basis at no charge to enable

MFS-FL and MCImetro operators to respond in emergency situations; and

- 5) BellSouth shall work with MFS-FL and MCImetro to ensure that the appropriate ALEC data, such as calling areas, service installation, repair, and customer service, is included in the informational pages of BellSouth's directory.

XVI. ASSIGNMENT OF NXX CODES

BellSouth is currently the Central Office Code Assignment Administrator for its region. There are currently discussions and forums at the national level to assign an independent number administrator. MFS-FL asserts that it is entitled to the same nondiscriminatory number resources as any Florida LEC under the Central Office Code Assignment Guidelines, and that BellSouth, as the administrator, should support all MFS-FL requests related to NXX code administration and assignments in an effective and timely manner. Further, MFS-FL states that MFS-FL and BellSouth should comply with code administration requirements as prescribed by the FCC, the Commission, and accepted industry guidelines. MCImetro argues that to be able to assign telephone numbers to its end users, it must have access to NXX codes. MCImetro further states that the issue of who should handle the administration of numbering resources is the subject of a current FCC investigation, and it appears that most industry players agree that number administration should be placed in the hands of a neutral third party with no business interest in how numbers are assigned. MCImetro asserts that until a neutral number administrator replaces BellSouth, ALECs should have access to NXX codes on a nondiscriminatory basis. In addition, MCImetro states that it has communicated with BellSouth its intention to use NXX codes in the same manner as BellSouth uses such codes.

BellSouth states that numbers should be available to all carriers on an equal basis and asserts that this issue is being examined on the federal level. BellSouth states that it supports the national work and the establishment of an independent administrator for the assignment and control of NPA and NXX codes. BellSouth states that until the issues are decided at the national level, ALECs must process requests through BellSouth since it is the administrator for the region.

AT&T essentially agrees with BellSouth on the assignment of NXX codes and that it is optimistic that a resolution could be reached. Sprint agrees with MCImetro that ALECs must have access

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to codes on a nondiscriminatory basis until such time as a neutral administrator replaces BellSouth.

FCTA and Continental assert that the terms and conditions relating to assignment of NXX codes addressed in the Stipulation should be adopted. Time Warner agrees and states that we should not establish any rate, term or condition for interconnection that is anticompetitive or discriminatory.

McCaw states that such assignments should be made on a nondiscriminatory basis, with each carrier recovering its own NXX establishment charges. Intermedia has no position.

The assignment of NXX codes was addressed in BellSouth's earlier stipulation with TCG. The BellSouth-TCG stipulation stated:

So long as BellSouth continues to act as the local administrator of the North American Numbering Plan, (it) will assign and administer Central Office Codes (NNX/NXX) consistent with the industry developed "Central Office Code Assignment Guidelines."

This position appears to be the one advocated by all of the parties, including BellSouth. MCImetro specifically agrees with the language in the BellSouth-TCG stipulation. All parties, including BellSouth, state that NXX assignments should be on a nondiscriminatory basis. Therefore, we find that until the issue of a neutral administrator is decided at the federal level, BellSouth, as the current code administrator, shall provide nondiscriminatory NXX assignments to ALECs on the same basis that such assignments are made to itself and other code holders today.

Based on the foregoing, it is

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

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

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

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ORDERED that if MCImetro, MFS-FL or BellSouth believes that traffic is imbalanced to the point that it is not receiving benefits equivalent to those it is providing through mutual traffic exchange, it may request the compensation mechanism be changed as discussed in the body of this Order. It is further

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

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

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

ORDERED that if BellSouth and MCImetro negotiate alternative terms for compensating each other for exchanging toll traffic, the agreement shall be filed with the Commission before it becomes effective. It is further

ORDERED that if BellSouth and MFS-FL negotiate alternative terms for compensating each other for exchanging toll traffic, the agreement shall be filed with the Commission before it becomes effective. It is further

ORDERED that BellSouth shall tariff its interconnection rates and other arrangements as set forth in the body of this Order. It is further

ORDERED that BellSouth shall establish meet-point billing arrangements with MFS-FL and MCImetro as it has done with adjacent LECs. Meet-points, for rating purposes, shall be established at mutually agreeable locations. It is further

ORDERED that ALECs collocated in the same BellSouth wire center shall be permitted to cross-connect without transiting the BellSouth switch. BellSouth shall charge each ALEC one-half of BellSouth's special access cross-connect rate. It is further

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ORDERED that carriers providing tandem switching or other intermediary functions shall collect only those access charges that apply to the functions they perform. The Residual Interconnection Charge shall be billed and collected by the carrier terminating the call. It is further

ORDERED that BellSouth shall compensate MFS-FL and MCImetro for the origination of 800 traffic terminated to BellSouth pursuant to MFS-FL and MCImetro's originating switched access charges, including the database query. MFS-FL and MCImetro shall provide to BellSouth the appropriate records necessary for BellSouth to bill its customers. The records shall be provided in a standard ASR/EMR format for a fee of \$0.015 per record. When MFS-FL or MCImetro elects to provide 800 services, the ALEC shall reciprocate this arrangement. It is further

ORDERED that, with respect to the provision of Basic 911 BellSouth, MFS-FL and MCImetro shall meet the requirements set forth in Section VI of this Order. It is further

ORDERED that, with respect to the provision of Enhanced 911 service, BellSouth, MFS-FL and MCImetro shall meet the requirements set forth in Section VII of this Order. It is further

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

ORDERED that BellSouth shall list MFS-FL and MCImetro's customers in BellSouth's directory assistance database. BellSouth shall provide MFS-FL and MCImetro with the appropriate database format in which to submit the necessary information. BellSouth shall update its directory assistance database under the same time frames afforded itself. BellSouth shall provide branding upon a firm order for the service. It is further

ORDERED that BellSouth shall provide directory listings for MFS-FL and MCImetro customers in BellSouth's white page and yellow page directories at no charge. BellSouth shall also distribute these directories to MFS-FL and MCImetro customers at no charge. BellSouth shall provide MFS-FL and MCImetro with the appropriate database format in which to submit the necessary information.

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Enhanced listings shall be provided to MFS-FL and MCImetro customers at the same rates, terms and conditions offered to BellSouth customers. It is further

ORDERED that BellSouth shall allow MFS-FL and MCImetro to choose one of the two options offered by BellSouth for billing and collection services described in the body of this Order. In addition, BellSouth, MFS-FL and MCImetro shall transmit billing information via electronic line feed or magnetic tapes as described in MFS-FL's testimony. BellSouth, MFS-FL, and MCImetro shall co-develop a billing and collection arrangement which addresses prices, methods, and procedures. This arrangement shall be filed with the Commission within 60 days of the issuance of this Order. It is further

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

ORDERED that BellSouth shall provide interconnection, trunking and signalling arrangements at the tandem and end office levels. BellSouth shall also provide MFS-FL and MCImetro with the option of interconnecting via one-way or two-way trunks. Mid-span meets shall be permitted where technically and economically feasible and shall be a negotiated arrangement. It is further

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

ORDERED that mechanized intercompany operational procedures, shall be developed jointly by MFS-FL, MCImetro and BellSouth as discussed in the body of this Order. It is further

ORDERED that MFS-FL, MCImetro and BellSouth shall adhere to the operational requirements set forth in Section XV of this Order. It is further

ORDERED that BellSouth, as the current code administrator, shall provide nondiscriminatory NXX assignments to MFS-FL and MCImetro on the same basis that such assignments are made to itself

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and other code holders today, until the issue of a neutral administrator is decided at the federal level. It is further

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission, this 29th day of March, 1996.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Ferguson
Chief, Bureau of Records

(S E A L)

DLC/SKE/MMB

DISSENT: Commissioner Garcia dissents from the Commission's decision regarding interconnection rate structures, rates and other compensation arrangements for the exchange of local and toll traffic.

It is clear that the new statutory regime created by Chapter 364, Florida Statutes, endorses companies to negotiate interconnection agreements. It is also clear that if negotiations fail, it is the responsibility of the Commission to set nondiscriminatory rates, terms, and conditions of interconnection. It is within the bounds of this process that the Commission is charged with making determinations in the public interest, considering all relevant facts at its disposal and employing its sound judgment and foresight along the way.

The Commission attributed some reasonableness to the Stipulation by approving it, and that reasonableness deserved greater consideration in this instance. This is not to suggest that the Stipulation should have necessarily been adopted in its entirety as the policy of the Commission. That would engender a disadvantage to those parties who availed themselves of their statutory right to litigate the rates, terms and conditions of interconnection before the Commission. The point is that the

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Stipulation should have comprised a greater part of the Commission's considerations, such that whatever part of the public interest was embodied in the Stipulation would not be unduly compromised.

The action of the Commission to order mutual traffic exchange favors MFS-FL and MCImetro, not only in terms of their relationship with BellSouth but in terms of their relationship to other signatories of the Stipulation as well, giving them a competitive advantage. If anything, this Commission should look for ways to provide incentives to all companies to negotiate settlements. Instead, what has been done results in favoring those who did not join the Stipulation.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

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

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.